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GOVERNANCE

As of June 30, 2016, the United States had provided more than \$32.8 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$19.4 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).

KEY EVENTS

Afghanistan continues to face significant challenges that have tested government stability. According to the United Nations Secretary-General, low economic growth, high unemployment, and an intensifying insurgency have led to new levels of internal displacement and migration and have fueled vocal political opposition.⁵¹¹ In one visible sign of tension, First Vice President Abdul Rashid Dostum in June publicly lashed out at the government, accusing the administration of marginalizing him and his followers.⁵¹² In July, President Ashraf Ghani appeared to acknowledge the political discord, with *Tolo News* quoting him as saying “Being in opposition to the government does not mean uprooting an administration or government system. Anyone who has attempted to live isolated from the system or tried to lay a trap for the system, will be isolated and caught in that trap themselves.”⁵¹³

On May 21, the United States killed Taliban leader Mullah Akhtar Mansur in a drone strike in Pakistan. President Obama and NATO Secretary-General Stoltenberg afterward declared Mullah Mansur an impediment to peace talks and reconciliation. Pakistan’s special assistant to the prime minister on foreign affairs told the U.S. Ambassador to Pakistan that the drone strike violated Pakistan’s sovereignty and could adversely impact reconciliation efforts.⁵¹⁴ On July 2, Mullah Mansur’s successor, Mawlawi Haibatullah Akhundzada, called for the complete withdrawal of international forces as a prerequisite for peace.⁵¹⁵

On May 5, the European Union hosted its second annual conference on anticorruption. During the conference, President Ghani announced several anticorruption initiatives including: (1) reorganizing the government’s Council on Governance and Justice to become a High Council

for Governance, Law, and Anti-corruption to articulate the government's reform agenda and ensure its dissemination; (2) enhancing the justice sector by requiring new qualifications, increased legal rigor, and the rotation or retirement of unqualified candidates within the justice institutions; (3) prioritizing ministries for "clean-up" with initial focus on the ministries of interior, transport, mining, public health, communications, and education; and (4) establishing a specialized anticorruption justice center, with a target of a final confirmation and startup before the July NATO summit in Warsaw.⁵¹⁶ According to DOD, the anticorruption justice center was established and funded on June 30.⁵¹⁷

Refreshed Mutual Accountability

At the Senior Officials Meeting (SOM) in September 2015, the Self-Reliance through Mutual Accountability Framework (SMAF) superseded the Tokyo Mutual Accountability Framework (TMAF). The SMAF is intended to guide the activities of the Afghan government and the international community at least to the end of the present government's term. The SMAF covers six areas: (1) improving security and political stability (with three associated indicators); (2) anticorruption, governance, rule of law, and human rights (14 indicators); (3) restoring fiscal sustainability and integrity of public finance and commercial banking (nine indicators); (4) reforming development planning and management, and ensuring citizens' development rights (three indicators); (5) private-sector development and inclusive growth and development (four indicators); and (6) development partnerships and aid effectiveness (eight indicators).⁵¹⁸ In addition to the SMAF indicators, the six areas include 39 short-term deliverables collectively due to be completed by the end of 2016.⁵¹⁹

Portions of 10 SMAF short-term deliverables were due to be completed by the end of the second quarter of 2016. According to USAID, international donors have yet to reach a consensus on whether the Afghan government has made sufficient progress on all of these deliverables.⁵²⁰ As of April, the Afghan government self-assessed that four deliverables were achieved, five were in progress and on track, and one was in progress but delayed until implementation of the National Action Plan for Women Peace and Security.⁵²¹

Overall, SOM donors reaffirmed their Tokyo commitment of sustaining support through 2017 at or near the levels of the past decade.⁵²² At the time of the SOM, 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 impact donor confidence and aid contributions.⁵²³

Electoral Reform Challenges

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, Chief Executive Abdullah, after the troubled 2014 presidential elections. The September 2014 agreement that led to forming the national-unity government called for immediate establishment of a special commission for election reform. The intent was to implement reform before the 2015 parliamentary elections, and to distribute electronic identity cards to all Afghan citizens as quickly as possible.⁵²⁴

However, electoral reforms stalled this quarter after the lower house of parliament again rejected President Ghani's elections-related legislative decree. According to State, electoral reforms are awaiting the reconstitution of the electoral management bodies—the Independent Election Commission (IEC) and the Independent Electoral Complaints Commission (ECC)—that have the legal authority to implement reforms and plan for the elections.⁵²⁵ However, the leadership of the IEC and ECC is unclear following the March resignation of the IEC chairman. The position of IEC chairman remains vacant and IEC has an overall vacancy rate of 40%.⁵²⁶

On June 13, the lower house rejected President Ghani's decree amending the Law on the Structure, Duties, and Authorities of the IEC and ECC.⁵²⁷ On June 28, however, the upper house approved the decree.⁵²⁸ The matter must now be resolved by a joint commission of the chambers.⁵²⁹ In February, President Ghani issued the recently rejected decrees after his previous electoral reform decrees had been turned down in the lower house. Prior to the parliament's rejection of the electoral-reform decrees, the United Nations Secretary-General had concluded that there was limited progress in electoral reform.⁵³⁰

Despite the setbacks, President Ghani has publically committed to holding parliamentary and district-council elections on October 15, 2016. On April 9, President Ghani requested United Nations electoral assistance for the vote; in May, the United Nations conducted an initial needs-assessment mission in Kabul.⁵³¹

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.⁵³² 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.⁵³³

On-budget assistance: encompasses donor funds that are aligned with Afghan government plans, included in Afghan government budget documents, and included in the budget 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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The Afghan government and donors are currently discussing priority reform areas in preparation for the ministerial-level development conference scheduled to be held in Brussels in October, at which new development-assistance pledges for 2017–2020 will be made.⁵³⁴

As shown in Table 3.13, USAID expects to spend \$942 million 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 \$113 million to the Afghanistan Infrastructure Trust Fund (AITF).⁵³⁵

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 level of 352,000 personnel through at least 2017.⁵³⁶ The Department of Defense (DOD) was appropriated \$3.652 billion to support the ANDSF for fiscal year (FY) 2016.⁵³⁷

Previously, at the 2012 Chicago Conference, the United States and its allies affirmed commitments to support the Afghan security forces, noting that the pace and size of a gradual, managed force reduction from the surge

TABLE 3.13

USAID ON-BUDGET PROGRAMS						
Project/Trust Fund Title	Afghan Government On-Budget Partner	Special Bank Account?	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2016 (\$)
Bilateral Government-to-Government Projects						
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$725,000,000	\$98,566,700
Sheberghan Gas Development Project (SGDP)	Ministry of Mines and Petroleum	Yes	5/15/2012	8/31/2016	90,000,000	23,295,875
Kajaki Unit 2 Project (Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant)	DABS	Yes	4/22/2013	9/28/2016	80,000,000	43,912,559
Afghanistan Workforce Development Project (AWDP)	MOE	Yes	9/18/2013	7/31/2017	11,500,000	2,748,644
Basic Education, Learning, and Training (BELT) - Textbooks Printing and Distribution	MOE	Yes	11/16/2011	12/31/2018	26,996,813	24,970,742
Claims Related to the Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant	DABS	Yes	4/1/2013	5/31/2016	5,000,000	--
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology (MOGIT)	Yes	8/28/2013	12/1/2017	3,900,000	1,205,000
Multi-Donor Trust Funds						
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	3/31/2017	1,900,000,000	1,289,505,530
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	No	3/7/2013	3/6/2018	113,670,184	113,000,000

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 \$2,661,496,725.

Source: USAID, response to SIGAR data calls, 6/23/2016 and 7/11/2016.



CSTC-A Commander Maj. Gen. Gordon “Skip” B. Davis Jr. speaks at an Oversight Coordination Body meeting in advance of the NATO Warsaw Summit. (DOD photo by LTJG Christopher Hanson)

force of 352,000 personnel to a sustainable level would be conditions-based and decided by the Afghan government in consultation with the international community. The preliminary model envisioned Afghan security forces of 228,500 personnel with an estimated annual budget of \$4.1 billion, to be reviewed regularly against the changing security environment.⁵³⁸

According to DOD, the surge force structure of 352,000 personnel has been sustained due to the security situation.⁵³⁹ At the September 2014 Wales Summit, NATO allies and partners reaffirmed their commitment to the financial sustainment of the ANDSF through the end of 2017. The international community has pledged an additional amount of almost €1 billion, or approximately \$1.29 billion, annually to sustain the ANDSF for 2015 through the end of 2017.⁵⁴⁰ At a December meeting in Brussels, NATO foreign ministers agreed to begin steps to secure international funding for the ANDSF through the end of 2020.⁵⁴¹

In July, NATO allies and partners met in Warsaw and committed to extend the financial commitments made at the 2012 NATO Summit in Chicago. Some 30 nations renewed pledges to sustain the Afghan security forces through 2020 at or near current levels. Thus far, the international community has pledged more than \$800 million annually for 2018–2020, and the United States has requested \$3.45 billion in the 2017 budget. President Obama also pledged that he will recommend to his successor that the United States continue to seek funding for the ANDSF at or near current levels through 2020.⁵⁴²

Prior to the NATO Warsaw Summit, the commander of the Combined Security Transition Command-Afghanistan (CSTC-A), Major General Gordon “Skip” Davis Jr. was quoted in the *Washington Post* saying, “There was discussion [among the donors] last year about having some specific benchmarks before the Warsaw summit, but I think the allies felt it was impractical [...] there just wasn’t enough time.” He added that donors have confidence in President Ghani’s stewardship of international funds.⁵⁴³

Of the total funds committed, for 2016, DOD expects to contribute \$110 million for police salaries to the Ministry of Interior (MOI) through the United Nations Development Programme’s (UNDP) Law and Order Trust Fund for Afghanistan (LOTFA).⁵⁴⁴

DOD also expects to contribute approximately \$1.13 billion this year in direct contributions to the Ministry of Defense (MOD) and approximately \$412 million in direct contributions to the MOI.⁵⁴⁵

Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with seven Afghan government entities and (2) contributions to two multidonor trust funds, the ARTF and the AITF.⁵⁴⁶ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance for each program.⁵⁴⁷

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.⁵⁴⁸ The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.⁵⁴⁹ 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.⁵⁵⁰

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 multidonor LOTFA.⁵⁵¹ Administered by the UNDP, LOTFA primarily funds Afghan National Police (ANP) salaries and incentives.⁵⁵² Direct-contribution funding is provided to the Ministry of Finance, which allots it incrementally to the MOD and MOI, as required.⁵⁵³

In February 2011, the Under Secretary of Defense Comptroller authorized 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

SIGAR AUDIT

SIGAR has an ongoing 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 new 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.

the MOD and MOI subject to certain conditions that the ministries must meet for the use of the funds.⁵⁵⁴ CSTC-A monitors and formally audits the execution of those funds to assess ministerial capability and to ensure proper controls and compliance with documented accounting procedures and provisions of the annual commitment letters.⁵⁵⁵ Most of the CSTC-A provided, on-budget funds support salaries with limited amounts provided for local procurement of supplies. Funding is also provided for facility maintenance contracts.⁵⁵⁶

Thus far in the current Afghan fiscal year, CSTC-A has provided \$499 million to the MOD and \$251 million to the MOI. Of the \$251 million for the MOI, \$194 million were direct contributions and \$57 million was provided via LOTFA.⁵⁵⁷

MOD and MOI Generally Met Conditions for U.S. Funding; But Some Arms and Equipment Withheld Due to Insufficient Accountability

In May, DOD found that while the MOD and MOI generally met the agreed conditions for U.S. funding assistance, both ministries had deficiencies.

Of 47 MOD conditions defined in the commitment letter, the MOD made satisfactory progress on 28 conditions, while 19 had insufficient progress. CSTC-A provided incentive funding to the MOD for submitting a prioritized construction plan and a prioritized road project list ahead of schedule, as well as progress in female recruitment. CSTC-A identified three deficiencies that warranted a penalty, including the MOD's tracking of small-arms losses and accountability of night-vision devices, resulting in CSTC-A withholding future small-arms and night-vision device deliveries until the MOD provides greater accountability. Additionally, CSTC-A found that one MOD student was absent without leave while on a U.S.-funded training event overseas. CSTC-A recommended that the MOD impose a penalty on the missing student. CSTC-A identified a further 16 conditions with insufficient progress but did not impose additional penalties on the MOD.⁵⁵⁸

Of 48 MOI conditions defined in the commitment letter, the MOI made satisfactory progress on 30 conditions, while 18 had insufficient progress. CSTC-A provided incentive funding to the MOI for submitting a project planning list and an anticorruption plan. CSTC-A identified four deficiencies that warranted a penalty including one deficiency related to MOI's inputting personnel data into the Afghanistan Human Resources Information Management System (AHRIMS). Rather than levy a penalty directly, CSTC-A recommended that the Afghan government withhold 10% of the salaries of 29 provincial chiefs of police until personnel data is loaded into AHRIMS. Additionally, CSTC-A found fault with the MOI's accountability of ammunition, small arms, and night-vision devices. In response, CSTC-A will withhold future small arms and night-vision devices until accountability improves and will place additional requirements on ammunition allocation.

GOVERNANCE

CSTC-A identified a further 14 conditions with insufficient progress but imposed no additional penalties on the MOI.⁵⁵⁹

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.⁵⁶⁰

USAID also seeks to increase civil-society capacity through the Afghan Civic Engagement Program (ACEP). As shown in Table 3.14, active programs include 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.⁵⁶¹ As MORE nears its final six months of implementation, the focus has shifted to building sustainability and effectively transferring responsibilities to MOWA officials. This quarter, six MORE-sponsored MOWA staff completed their undergraduate degrees. In addition, 81 MOWA staff continue to attend English-language classes.⁵⁶²

USAID has also provided \$5 million for the \$150 million ARTF-managed Capacity Building for Results (CBR) program. CBR aims to improve the capacity and performance of Afghan government ministries through the provision of skilled civil servants to implement ministries' reform programs. CBR provides Afghan government ministries with the opportunity to recruit high-capacity staff into critical posts at salaries closer to market rates. The aim is to increase on-budget service delivery and reduce reliance upon the so-called "second civil service" wherein Afghan consultants, instead of civil servants, perform government functions.⁵⁶³

According to the World Bank, CBR has made limited progress over the past three years. The World Bank reports that 682 out of a planned 1,500 CBR-supported Afghan government positions—reduced from the

TABLE 3.14

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2016 (\$)
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	\$70,000,000	\$32,325,032
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	15,960,938
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2016	14,182,944	9,415,349

Source: USAID, response to SIGAR data call, 7/11/2016.

original target of 2,400—have been advertised and are in different stages of screening and recruitment.⁵⁶⁴ As of April, the five CBR-supported ministries with the most ambitious recruitment goals were well below the recruitment targets or approved allotments including: Ministry of Public Health (zero recruited against a target of 510), Ministry of Agriculture, Irrigation, and Livestock (eight recruited against a target of 331), Ministry of Communications and Information Technology (11 recruited against an approved allocation of 300 positions), Ministry of Rural Rehabilitation and Development (four recruited against an approved allocation of 300 positions), and Mines and Petroleum (two recruited against an approved allocation of 153 positions).⁵⁶⁵ According to the SMAF, at least 800 civil-service positions are to be filled through CBR by December 2016.⁵⁶⁶

National Assembly

Since the beginning of the new legislative year in March, the parliament has rarely achieved quorum. Two-thirds of all plenary sessions fail to achieve quorum, meaning many bills on the agenda could not be voted on and the parliament has fallen behind in its legislative calendar. Parliament has suspended six members of parliament who had been absent from parliament for more than 21 consecutive days, and threatened to suspend three more. Parliament has also quietly been declaring quorums present at sessions where only a minority of members were actually in attendance.⁵⁶⁷

Despite the challenges to quorum, parliament confirmed the nominees for minister of defense, director general of the National Directorate of Security (NDS), and the supreme court. On June 20, the lower house confirmed Lieutenant General Abdullah Habibi to head MOD and Masoom



Members of the upper house's Commission for Defense and Internal Security meet with the Helmand Chief of Police during an oversight trip to Helmand Province. (USAID photo)

Stanekzai for director general of the NDS. Habibi received 167 out of 224 votes; Stanekzai received 161 out of 224 votes. Habibi, age 64, is an ethnic Pashtun from Kunar Province with 40 years of Afghan military experience and is generally well regarded within the security ministries. Stanekzai, age 58, who has served as acting minister of defense since May 2015. Also on June 20, the lower house confirmed Mohammad Zaman Sangari as a supreme court judge by a vote of 139 to 85.⁵⁶⁸

On June 13, the lower house rejected President Ghani's decree amending the Law on the Structure, Duties, and Authorities of the Independent Election Commission (IEC) and the Independent Electoral Complaints Commission (ECC). Also in June, the upper and lower house voted in favor of Afghanistan's membership in the World Trade Organization (WTO).⁵⁶⁹

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.⁵⁷⁰ In April, ALBA supported an outreach trip to Kandahar Province by the upper house's religious, cultural, education, and higher-education affairs commission. The parliamentary delegation met with students and heard their concerns, reviewed how education centers are established, inspected schools, investigated methods of textbook distribution, and investigated the issue of inadequate numbers of teachers. Also in April, ALBA facilitated an oversight trip to Farah and Nimroz Provinces by the lower house's budget commission to assess incomes resulting from several revenue generating departments such as fuel and gas, customs, and transportation.⁵⁷¹

Civil Society

The Afghan Civic Engagement Program's goal is to promote civil-society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as an advocate for political reform. ACEP aims to achieve this goal through five program areas: (1) regular civil-society organization (CSO) engagement with the Afghan government, (2) increased CSO and media thematic expertise in democracy and governance, (3) expanded civic engagement, (4) improved access to independent news and public affairs information, and (5) increased CSO organizational capacity.⁵⁷²

This quarter, ACEP awarded 18 grants to provincial and regional CSOs. ACEP also provided training on advocacy and legislative process to 32 members of the parliamentary technical working group on persons with disabilities. Finally, ACEP introduced 15 female journalism graduates of the Young Journalists Internship Program to local media outlets in Kabul, Herat, and Balkh Provinces. This internship program provided three months of practical workplace experience, development of professional networks, and future employment opportunities for young female journalists.⁵⁷³

SUBNATIONAL GOVERNANCE

Provincial and Municipal Programs

USAID has 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 3.15 summarizes total program costs and disbursements to date.

TABLE 3.15

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2016 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$19,766,143
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	7,945,408

Source: USAID, response to SIGAR data call, 7/11/2016.

Initiative to Strengthen Local Administrations

The \$62 million 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.⁵⁷⁴

ISLA recently analyzed the number of projects contained in 16 provincial development plans (PDP) to determine how many were actually budgeted in national ministry budgets for FY 1394 (December 22, 2014–December 21, 2015) and FY 1395 (December 22, 2015–December 21, 2016). ISLA found 3,541 projects were proposed in 1394 PDPs and 3,471 projects were proposed in 1395. However, only 50 PDP projects were budgeted in the 1394 national budget plans, while 145 were budgeted in the 1395 national budget plans. ISLA plans to use these findings as a baseline for capacity building efforts.⁵⁷⁵

Strong Hubs for Afghan Hope and Resilience

The objective of the \$73 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. Targeted support to municipal governments, as well as to the General Directorate of Municipal Affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation.⁵⁷⁶

In March, SHAHAR-supported municipalities registered a total of 281 new businesses (an increase over February's 165) but issued only 1,826

SIGAR AUDIT

SIGAR has an ongoing audit of the Measuring Impacts of Stabilization Initiatives (MISTI) project. This audit plans to (1) assess the extent to which the MISTI contractor provided third-party monitoring services in accordance with the terms of the contract; (2) assess the extent to which USAID considered MISTI program results in 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.

new business licenses (a decrease from the 2,243 in February). These efforts resulted in approximately \$58,454 in new municipal revenue for the month, a 14% decrease compared to February.⁵⁷⁷ As of March, 5,624 new business licenses have been issued in the previous three months. Total business license collection for these three months was \$175,029, representing approximately 16% of the revenues collected by SHAHAR-supported municipalities for this revenue source.⁵⁷⁸

SHAHAR-supported municipalities also collected \$244,045 in property taxes, an 18% decrease compared to February.⁵⁷⁹ As of March, 616 new business licenses have been issued in the previous three months. Total property tax collection for these three months was \$806,593, representing approximately 15% of the revenues collected by SHAHAR-supported municipalities for this revenue source.⁵⁸⁰

“Part of the problem is that we don’t really know, and we won’t know until and unless a negotiation process begins, what the Taliban’s concrete demands and grievances are.”

—Ambassador Richard Olson,
Special Representative for
Afghanistan and Pakistan

Source: Comments at the “International Commitment to Afghanistan” event, Atlantic Council, 6/21/2016.

RECONCILIATION AND REINTEGRATION

According to the United Nations Secretary-General, the peace process of the Quadrilateral Coordination Group (QCG)—consisting of Afghanistan, Pakistan, the United States, and China—lost its initial momentum this quarter.⁵⁸¹

The QCG met five times between January 11 and May 18. According to State, the meetings were important steps in forging a regional consensus in support of Afghan-led peace talks. Quadrilateral Coordination Group members pledged to advance the peace process and seek direct talks with the Taliban. The Ghani administration has demonstrated a willingness to work with the Pakistani government on coordinated reconciliation objectives, a departure from previous attempts at reconciliation. Both Afghanistan and Pakistan have made repeated, public calls for the Taliban to participate in direct talks with the Afghan government.⁵⁸² On July 14, however, an Afghan presidential spokesman said that Afghanistan did not have plans for any new QCG meetings. He also said that terrorist groups “have a support base in Pakistan.” A spokesman for Chief Executive Abdullah did not rule out future QCG meetings, especially if the “United States and China can guarantee a fruitful outcome.”⁵⁸³

In April, President Ghani delivered a speech to a joint session of parliament in which he made strong statements against the insurgency, including his intention to apply the death penalty per Afghan law. While President Ghani did not directly blame Pakistan for the April 19 attack in Kabul, he said he no longer expects Pakistan to deliver the Taliban to the negotiating table. Instead, he expected Pakistan to take action against insurgent sanctuaries on its territory.⁵⁸⁴ On May 3, Pakistan’s foreign policy adviser Sartaj Aziz responded to Ghani’s demands by saying that Afghanistan’s outrage at Pakistan was an expression of frustration because Afghan leaders were expecting reconciliation talks would have started by now and led to a

reduction in violence. Additionally, he confirmed that a Taliban delegation from Qatar visited Pakistan in April as part of the “exploratory contacts” associated with peace talks.⁵⁸⁵

According to State, the subsequent QCG meeting on May 18 played a key role in maintaining communications between the Afghanistan and Pakistan governments while maintaining diplomatic pressure on Pakistan to alter their relationship with the Taliban.⁵⁸⁶

In March, the Hezb-e-Islami insurgent group met with the High Peace Council (HPC) after publicly announcing they were ready to join political reconciliation talks with the Afghan government.⁵⁸⁷ This quarter, however, the HPC announced that Hezb-e-Islami introduced new demands, which the HPC labeled “unacceptable.”⁵⁸⁸ Hezb-e-Islami countered that the Afghan government acted unilaterally when the draft language was modified from mutual agreement on “having no foreign troops” to representing that both sides agreed to support the presence of foreign forces.⁵⁸⁹ A few days later, Gulbuddin Hekmatyar of the Hezb-e-Islami withdrew from peace talks and called for the dissolution of the Afghan unity government.⁵⁹⁰

Afghanistan Peace and Reintegration Program Closes

On March 31, the Afghanistan Peace and Reintegration Program (APRP) closed following a decision by APRP donors, the Afghan government, and UNDP.⁵⁹¹ The APRP was an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.⁵⁹² The APRP was the only institutional mechanism within the Afghan government with capacity to pursue both high-level reconciliation negotiations and provincial-level reintegration of insurgent fighters.⁵⁹³ The United States provided \$55 million to the APRP between 2010 and 2016.⁵⁹⁴

No combatants were demobilized in April or May following the closure of APRP.⁵⁹⁵ On April 1, the HPC terminated most of its provincial presence, maintaining only the chairs of provincial peace councils and the heads of provincial joint secretariat teams.⁵⁹⁶ During a transition period (planned to last from April to July) to fill the gap between the closure of APRP and the commencement of a new program, the Joint Secretariat of the HPC is conducting programmatic and structural assessments of APRP—including a conflict analysis and the in-depth review of the peace-building architecture—to guide a forthcoming national peace and reconciliation strategy.⁵⁹⁷

According to State, the APRP faced several challenges including a deteriorating security environment that dissuaded insurgents from reintegrating, and an outdated APRP national program document that expired in July 2015. The Afghan government has only recently started working on a new national peace and reconciliation strategy for Afghanistan.⁵⁹⁸

GOVERNANCE

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 3.16.

In April, USAID launched the \$68 million Afghanistan Development Assistance for Legal Access and Transparency (ADALAT) program. ADALAT aims to (1) increase the effectiveness and reach of the formal justice sector, (2) strengthen the linkages between the formal and traditional justice sectors, and (3) increase citizen demand for quality legal services. The *Adalat* ("justice" in Dari and Pashto) program will work closely with Afghan justice institutions to increase the professionalism of justice sector actors, to improve judicial administrative and management systems, and to strengthen the Ministry of Justice (MOJ) Department of the Huquq and its interaction with traditional justice on civil-related matters. It also will develop the technical, organizational, and management capacity of USAID civil-society partners operating in the formal and traditional justice sectors and will support their missions to eliminate practices that violate human rights in traditional dispute resolution within the informal justice sector and to increase citizen awareness of and demand for fair and accessible justice services.⁵⁹⁹

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,

TABLE 3.16

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2016 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	2/28/2017	\$270,142,052	\$241,422,671
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	90,518
Electoral Reform and Civic Advocacy (AERCA)*	7/13/2009	6/30/2017	51,302,682	39,574,689
Corrections System Support Program (CSSP IV)	3/1/2016	2/28/2017	15,000,000	2,604,657
Justice Training Transition Program (JTTP) Follow On	4/1/2016	11/30/2017	7,216,016	--
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. Table data reflects the entire award.

Source: State, INL, response to SIGAR data call, 6/24/2016; USAID, response to SIGAR data call, 7/11/2016.

and reporting activities, including its vulnerability-to-corruption assessments.⁶⁰⁰ Last year, USAID facilitated an agreement between the MEC and the Ministry of Public Health (MOPH) for the MEC to conduct a ministry-wide anticorruption assessment. USAID hopes this approach will be a model for other Afghan government ministries.⁶⁰¹

USAID aims to improve public services by reducing corruption opportunities in Afghan government administrative and business processes. In November 2015, USAID modified the existing Advancing Effective Reforms for Civic Accountability (AERCA) project—previously the Afghanistan Electoral Reform and Civic Advocacy (AERCA) project—to address immediately identifiable corrupt practices. Through a combination of its support to the MEC and AERCA project, USAID aims to (1) strengthen local Afghan capacity to identify corruption vulnerabilities and develop sensible recommendations in response, (2) provide technical assistance to target government agencies to plan for and operationalize those recommendations, and (3) strengthen civil society’s ability to fulfill its watchdog function.⁶⁰²

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.” AERCA is in the work-planning phase and is consulting with the Afghan government to plan specific interventions. Additionally, AERCA is working with civil society to prepare grants to track and monitor Afghan government reform promises.⁶⁰³

This quarter, AERCA released a political-economy analysis that summarized the significant investment USAID and other donors have made in promoting good governance and in combatting corruption as well as the widely held view that many such reforms failed to achieve their intended goals.⁶⁰⁴ According to AERCA, senior Afghan government officials share an urgent appreciation of the corruption challenge, while a large number of mid-level government personnel are eager for reform but lack direction.⁶⁰⁵ AERCA identified 10 services that are important to Afghans but are perceived as not working as well as expected. AERCA plans to conduct in-depth service value-chain mapping exercises of these 10 services, and partner with three ministries to improve their delivery. The 10 services include: (1, 2) disability and martyr payments by the Ministry of Martyred, Disabled, Labor, & Social Affairs; (3, 4, 5) driver’s license issuance, vehicle registration, and national identification by the Ministry of Interior; (6, 7) issuance of diplomas and transcripts by the Ministry of Higher Education; (8) small business license registration by the Kabul Municipality; (9) property registration by the Supreme Court; and (10) high-school diploma issuance by the Ministry of Education.⁶⁰⁶

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.⁶⁰⁷

This quarter, JSSP highlighted the Afghan Attorney General's Office (AGO) securing nearly \$700,000 in funds for a Human Resources Management Strategy (HRMS) project funded by World Bank as an example of JSSP's capacity-building efforts. According to JSSP, the successful implementation of HRMS will help accomplish AGO workforce distribution, assignment, and relocation of human resources to meet priority goals set in the AGO five-year strategic plan.⁶⁰⁸

This quarter, the \$48 million Justice Training Transition Program completed an evaluation of its efforts. JTTP provided regional training to justice-sector officials on a wide range of criminal-justice topics.⁶⁰⁹ JTTP aimed 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.⁶¹⁰ The evaluation found that JTTP's activities were generally conducted in an effective and efficient manner.⁶¹¹

According to the evaluators, JTTP's individual capacity-building activities have performed a valuable service that was appreciated both by the Afghan national justice institutions and by the participants in the training themselves. The JTTP became increasingly effective at working with the target justice-sector institutions to define the assistance that it can provide towards establishing and supporting operational in-house training departments. JTTP also became more proactive in looking for linkages between its work on strengthening the capacity of the justice sector and those organizations that are involved in monitoring its performance in relation to justice and human rights. The evaluators concluded that the JTTP's activities have had a positive impact, which could be sustainable in at least the medium term, given some continuing external support. Additionally, the JTTP spent significantly less than expected, which enabled State to extend JTTP for nine months and fund a 20-month follow-on program using unspent JTTP funds.⁶¹²

The Supreme Court and the Formal Justice Sector

On June 20, the lower house of parliament confirmed Mohammad Zaman Sangari as a supreme court judge by a vote of 139 to 85. Sangari filled the position left vacant by the passing of Justice Gran, who died on January 20. Sangari was the chief judge of the trial court at the Counter-Narcotics Justice Center before his elevation to the highest court. According to State, he is an experienced judge who worked in the criminal and public-security division, and was also an instructor at the Judicial Training Center.⁶¹³

The United Nations Secretary-General reported that the Judicial Surveillance Department of the Supreme Court arrested, investigated and referred for prosecution 85 individuals, including six judges and 14 administrative staff of the judiciary and defense counsel suspected of involvement in judicial corruption between March 2015 and March 2016. The Afghan government has also reassigned 602 trial and appellate judges, representing one-quarter of the judiciary, including all chief appeals-court judges in 33 of 34 provinces, to new positions to promote judicial independence by reducing the risk of local influence.⁶¹⁴

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 by December 2016. This plan has been drafted but not yet finalized.⁶¹⁵

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 March 30, the GDPDC incarcerated 27,030 males and 843 females, while the Ministry of Justice's Juvenile Rehabilitation Directorate (JRD) incarcerated 889 male juveniles and 100 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as INL does not have access to their data.⁶¹⁶

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 June 8, the total male provincial-prison population was at 319% 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 81% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 75% of ICRC-recommended capacity.⁶¹⁷

This quarter, Afghan authorities implemented alternative sanctions in some juvenile cases. In late May, a Kabul prosecutor dismissed petty charges against a juvenile offender rather than seeking detention, marking a shift in how such cases are typically handled. Additionally, the Kabul Juvenile Rehabilitation Center (KJRC) recently identified over 40 eligible juveniles that it will recommend for release or transfer to an open detention center. The KJRC offers juvenile offenders for less serious crimes educational and vocational courses during the day in lieu of formal incarceration, with the evenings being spent with their parents.⁶¹⁸

A Corrections System Support Program (CSSP) mobile training team traveled this quarter to Herat, Jowzjan, Kandahar, Samangan, and Sar-e Pul

Provinces and delivered a total of 45 classes to 731 GDPDC staff—620 male and 111 female—including prison commanders, deputy commanders, and facility education directors. The classes covered several topics including human rights, use of force, frisk search, inmate transportation, conflict resolution, and inmate visitation.⁶¹⁹

Anticorruption

On March 19, a decree of President Ghani created the Higher Council on Governance, Justice, and the Fight Against Corruption. The council will oversee the drafting and implementation of a national anticorruption strategy. President Ghani will chair the council, whose members will include Chief Executive Abdullah, the two vice presidents, the chief justice, the minister of justice, and the attorney general.⁶²⁰

On May 5, President Ghani announced both the establishment of a specialized anticorruption court and plans to strengthen the existing Major Crimes Task Force (MCTF) to support anticorruption investigations.⁶²¹ The Anti-Corruption Justice Center (ACJC) will bring together MCTF investigators, AGO prosecutors, and judges to combat serious corruption. The current plan calls for the ACJC to prosecute cases that (1) involve officials at the rank of brigadier general (or civilian equivalent) or (2) involve cases of corruption exceeding five million afghani (approximately \$75,000). The ACJC aims to have its first case before the October Brussels conference.⁶²² According to President Ghani's



Special Inspector General John Sopko met with Afghan Attorney General Mohammad Farid Hamidi on June 11, 2016, at the presidential palace. (SIGAR photo by Steven Mocsary)

decree, the ACJC will be free of any influences and proceed in a fair and transparent manner.⁶²³

Afghan Attorney General's Office

On April 9, the lower house of parliament approved the nomination of Mohammad Farid Hamidi for attorney general.⁶²⁴ According to DOD, the new attorney general has begun reforms and restructuring of his office, but he has also maintained known corrupt officials.⁶²⁵ The United Nations Secretary-General, however, reports that on May 28, the new attorney general appointed or transferred 40 key officials, including 19 of 34 new chief provincial prosecutors, and new directors for three internal units relating to countering corruption, internal audit, and the elimination of violence against women.⁶²⁶ According to State, their JSSP program has assisted the AGO's human resources directorate to decrease the number of prosecutors who only possessed high school degrees by 48%.⁶²⁷

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

A presidential decree established the Monitoring and Evaluation Committee (MEC) in March 2010. Its mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts to fight 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. USAID notes that the MEC may increase its staff since President Ghani has increasingly sought analytical products from it.⁶²⁸

This quarter, the MEC released reports on corruption vulnerabilities in the Ministry of Public Health (MOPH), corruption vulnerabilities affecting work permits for internationals, a review of the transition of airspace-management responsibility to the government of Afghanistan, and corruption vulnerabilities in municipal revenue collection. See page 187 of this report for more information on the MOPH assessment.

MEC's vulnerability assessment of the process for issuing work permits for foreigners working in Afghanistan found that despite the existence of rules, laws, and regulations covering the process, there remain numerous problems related to enforcing punishment of known violators. The assessment indicated that there are foreign citizens working illegally in Afghanistan. This has resulted in the unemployment of Afghan citizens and the loss of Afghan government revenue that could have been realized through work permit fees. The MEC recommended that the Ministry of Labor, Social Affairs, Martyrs and Disabled establish formal cooperation with the MOI and Ministry of Foreign Affairs for the process of issuing entrance and work visas. The MEC further recommended that there be an addition to the current internationals' employment regulations which would provide penalties for violations.⁶²⁹

MEC also released the findings of a review on the transition of Afghanistan Air Space management responsibility to the government of Afghanistan. The Afghanistan Civil Aviation Authority (ACAA) was re-established as independent authority in 2013. However, the MEC found that despite significant improvements and the large investments the ACAA still lacks adequate technical staff and financial resources. The ACAA remains dependent on international assistance, hindering the transition of control of Afghanistan airspace to the Afghan authority.⁶³⁰

In July, MEC released their findings on corruption vulnerabilities in municipal revenue collection. The report assessed the vulnerabilities in legislation, organizational structure, human resources, and administrative affairs of the revenue collection process of municipalities. The MEC found that serious vulnerabilities in the revenue collection process are the result of (1) the lack of conformity of laws with the actual requirements of cities and (2) the contradiction of these laws with the Afghan constitution. For example, while the constitution requires the democratic election of mayors, this has not occurred. The MEC found that incompetent mayors can affect municipal revenue collection and service delivery and are vulnerable to corruption. The MEC concluded that widespread corruption resulted in a substantial loss of potential municipal revenues.⁶³¹

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.⁶³² The HOO is primarily charged with collection and verification of asset declarations submitted by Afghan government officials.⁶³³

Security Services

According to DOD, the Afghan government's efforts to fight corruption within the army and police have suffered from political conflict between President Ghani and Chief Executive Abdullah. This conflict has resulted in the removal of Afghan officials who DOD assessed as making exceptional progress in eliminating corruption. According to DOD, these officials have been replaced by senior officers who violate Afghan law.⁶³⁴

Contrary to this broader trend, however, the Major Crimes Task Force (MCTF) appears a bright spot and enjoys senior officer support in the MOI.⁶³⁵

Ministry of Defense

Three active forums are addressing corruption issues within the MOD: the Counter Corruption Working Group, the Senior High Level Committee on Anti-Corruption, and the Senior Leader Counter Corruption Panel.

According to DOD, despite anticorruption rhetoric at all levels, the MOD has pursued few corruption cases without Coalition prompting. The Afghan government rarely prosecutes senior MOD officials involved in corruption and often allows those accused to retire instead of facing charges. Of the various MOD anticorruption efforts, DOD reported no measurable or significant progress since last quarter.⁶³⁶

Also this quarter, the MOD's General Staff Inspector General (GS IG) began a special investigation into several corruption allegations against the army's 215th Corps based in Helmand Province. The allegations included facilitating drug trafficking and selling supplies to requiring bribes for contracts, maintaining "ghost" soldiers in payroll and personnel systems, and failing to properly track supplies. Many of the accused were mid-level leaders, with cases against 10 of them now in various stages of prosecution.⁶³⁷

Ministry of Interior

The executive-level anticorruption Transparency, Accountability, and Law Enforcement (TALE) Committee, chaired by the MOI Inspector General (MOI IG), has met three times since its establishment in 2015. According to DOD, this committee is an effective forum for cross-coordination and development of anticorruption policy recommendations. However, since the new MOI IG was appointed in April, there have been no TALE meetings. The MOI has recently established province- and multi-province zonal-level TALE committees; however, the MOI IG has only limited ability to reach these committees, and there is no permanent MOI IG presence in the zones.⁶³⁸ DOD reports that there are plans for four MOI IG personnel for each MOI zone.⁶³⁹

Major Crimes Task Force

In December 2015, the MCTF lost its complement of National Directorate of Security (NDS) personnel—roughly half of the MCTF staff—and is now housed within the MOI's anti-crime police. According to DOD, the departure of NDS personnel has not had a major impact. Since a January change in MCTF leadership, the MCTF has opened 200 cases, cleared 46 cases by arrest, arrested 99 suspects, and seized several hundred thousand dollars in assets and counterfeit currency, 120 tons of illegally mined lapis lazuli and 836 tons of other minerals. This is a significant increase in MCTF efforts compared to the previous nine-month period that saw the MCTF open 74 cases and arrest 107 lower-level personnel. In one recent case, the MCTF arrested the provincial police chief of Kapisa Province—the first arrest of such an official—for his role in a fuel-theft scheme.⁶⁴⁰ The MCTF made

this arrest despite political interference by senior MOI and AGO officials. Although the MCTF resisted these pressures and made the arrest, the provincial chief of police was immediately released by a senior AGO official.⁶⁴¹

Despite recent progress, DOD reports that the MCTF's effectiveness against high-level corruption will continue to be limited by external factors, such as AGO corruption and political pressure. According to DOD, while the MCTF is developing into a reliable partner in the fight against corruption, the MCTF is swimming against the tide of a broader culture of corruption and impunity within the Afghan government.⁶⁴²

HUMAN RIGHTS

This quarter, State released its annual report on human trafficking. According to State, Afghanistan is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. Internal trafficking is more prevalent than transnational trafficking. Most Afghan trafficking victims are children who end up in carpet making and brick factories, domestic servitude, commercial sexual exploitation, begging, poppy cultivation, transnational drug smuggling, and assistant truck driving within Afghanistan, as well as in the Middle East, Europe, and South Asia. Nongovernmental organizations have documented the practice of bonded labor, whereby customs allow families to force men, women, and children to work as a means to pay off debt or to settle grievances, sometimes for multiple generations with children forced to work to pay off their parents' debt.⁶⁴³

According to State, some Afghan families knowingly sell their children into sex trafficking, including for *bacha bazi*—where men, including some government officials and security forces, use young boys for social and sexual entertainment. There are reports that some law-enforcement officials, prosecutors, and judges accept bribes from or use their relationships with perpetrators of *bacha bazi* to allow them to escape punishment.⁶⁴⁴

Some families send their children to obtain employment through labor brokers and the children end up in forced labor. Opium-farming families sometimes sell their children to settle debts with opium traffickers. According to the Afghan government and the UN, insurgent groups forcibly recruit and use children as suicide bombers. Boys, especially those traveling unaccompanied, are particularly vulnerable to trafficking. Children in orphanages are also particularly vulnerable and were sometimes subjected to trafficking. Some entire Afghan families are trapped in debt bondage in the brick-making industry in eastern Afghanistan. Members of the Shia Hazara minority group were victims of forced recruitment and forced labor.⁶⁴⁵

State concluded that the Afghan government does not fully meet the minimum standards for the elimination of trafficking; however, it is making

Members of Congress Ask SIGAR to Investigate Allegations of Sexual Abuse

A bipartisan, bicameral group led by Senator Patrick Leahy (D-VT) and Representative Thomas J. Rooney (R-FL) and 91 other Members of Congress in December asked SIGAR to conduct an inquiry into the U.S. government's experience with allegations of sexual abuse of children committed by members of the Afghan security forces. The inquiry will also look into the manner in which the Leahy amendment prohibiting DOD and the State Department from providing assistance to units of foreign security forces that have committed gross violations of human rights is implemented in Afghanistan. See *SIGAR Quarterly Report to the United States Congress*, January 2016, p. 40 for more information. The Department of Defense Inspector General is conducting a similar investigation.

significant efforts to do so. The Afghan government doubled convictions and increased prosecutions of trafficking-related offenses in 2015. Despite these measures, the government did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period; therefore, State placed Afghanistan on Tier 2 Watch List, a lower rating than the past two years.⁶⁴⁶

Refugees and Internal Displacement

According to the Afghan Ministry of Refugees and Repatriation, in 2015 approximately 180,000 Afghans left the country to seek asylum in Europe. Eurostat—the statistical office of the European Union (EU)—reported roughly 48,000 Afghans sought asylum in the EU in the first four months of 2016. Afghans are part of the controversial EU-Turkey deal in which those who enter Greece illegally after March 19, 2016, are sent to Turkey in an attempt to stem the flow of migrants. While humanitarian groups have concerns about the EU-Turkey deal, it appears to be having the desired effect since Eurostat data shows no Afghans applied for asylum in Greece in April.⁶⁴⁷

In March, the United Nations High Commissioner for Refugees (UNHCR) interviewed 592 Afghans arriving in Greece: 78% cited conflict and violence as their reason for leaving Afghanistan; 55% said they had been internally displaced before leaving; 14% said they were born in Iran and had not lived in Afghanistan. When asked how they chose their country of final destination, 25% said they did not choose the destination; 21% cited respect for human rights; and 20% cited family reunification.⁶⁴⁸

The International Organization for Migration reported that 102,000 undocumented Afghans were either deported or spontaneously returned to Afghanistan from Iran and Pakistan in the first three months in 2016. According to State, every year, unknown numbers of Afghans travel to Pakistan and Iran (and return) as part of mixed migration flows across the borders. In the first five months of 2016, UNHCR recorded only 6,298 Afghans voluntarily repatriating to Afghanistan, a significant decrease from the 33,555 during the same period in 2015.⁶⁴⁹

State has previously reported that many returned refugees 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.⁶⁵⁰ Despite State and UNHCR concerns of increased harassment and uncertainty for the 1.5 million Afghan refugees holding temporarily extended proof of registration cards in Pakistan, there has been no statistical increase in detentions or recorded deportations of Afghans holding these temporary cards.⁶⁵¹ The day before the deadline for Afghan refugees to register with the Pakistan government was set to expire in June, Pakistan extended it for six months.⁶⁵²

This quarter, SIGAR wrote to USAID and State to share its observations on U.S. and Afghan government efforts to assist internally displaced persons (IDPs) in Afghanistan as part of its audit examining issues related to Afghan IDPs, refugees living in Iran and Pakistan, and returnees in Afghanistan. SIGAR reported on its audit of U.S. efforts to assist Afghan refugees and returnees in August 2015. For more information, see pp. 26–28 in Section 2.

GOVERNANCE

As of April, the United Nations Office for the Coordination of Humanitarian Affairs (OHCA) reported a total of 1.2 million conflict-affected internally displaced persons. In the first four months of 2016, OHCA recorded 118,000 individuals fled their homes due to conflict.⁶⁵³

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.⁶⁵⁴ According to USAID, 8,169 have benefited from Promote activities.⁶⁵⁵ As shown in Table 3.17, USAID has committed \$216 million to Promote and hopes to raise an additional \$200 million from other international donors.⁶⁵⁶ However, no donors have committed to contribute funds to Promote.⁶⁵⁷ The first Promote component began in September 2014.⁶⁵⁸

In May, Promote's Women's Right Groups and Coalitions (Musharikat) program hosted nearly 300 female civil-society representatives from 33 provinces for a national summit. The conference participants identified issues preventing Afghan women from exercising their rights and fully participating in Afghan society. From these issues, summit delegates selected the final three highest-priority issues, formed broad coalitions, and developed initial action plans to tackle these key challenges which included access to education, violence against women, and access to economic opportunities.⁶⁵⁹

This quarter, Promote's Women's Leadership Development (WLD) program provided leadership training to 749 students. WLD plans to provide leadership training courses for women civilian Afghan police cadets.⁶⁶⁰

Last quarter, Promote's Women in Government (WIG) program began a pilot program for 25 interns at the Afghanistan Civil Service Institute.⁶⁶¹ This quarter, the WIG project team monitored the pilot interns' progress at the six partner ministries, while also monitoring the 126 interns in the

TABLE 3.17

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2016 (\$)
Afghan Women's Leadership in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$ 6,950,405
Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	11,223,104
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	3,942,663
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	2,337,576
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, 7/11/2016.



A graduation event for the Promote Women's Leadership Development program. (USAID photo)

WLD trainings. The WLD interns started working at the Ministry of Rural Rehabilitation and Development in June.⁶⁶²

In June, USAID formally launched the Promote Scholarship Program that aims to provide scholarships to 720 Afghan girls over the next five years enabling them to complete their bachelor's degree at private universities in Afghanistan. The recipients of the Promote scholarship, in turn, are expected to contribute to creating an environment that fosters women's empowerment.⁶⁶³

The SMAF includes several short-term deliverables related to women's rights, including the requirement for a plan for implementing the peace and security and financing components of the National Action Plan for Women, approved by the end of 2015, with implementation starting by mid-2016; an anti-harassment 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 2016.⁶⁶⁴ The Afghan government has reported that it is behind schedule for the implementation of the National Action Plan for Women.⁶⁶⁵