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GOVERNANCE

KEY ISSUES AND EVENTS

Throughout the quarter, the National Unity Government grappled with high-level political realignments. As the UN Secretary-General noted in March, the Afghan government faces both internal and external political challenges. He called on Afghan political elites to work together, saying "a cohesive working relationship between the President [Ashraf Ghani] and the Chief Executive [Abdullah Abdullah] will remain vital."³⁷⁸

One month after Ata Mohammad Noor's formal reappointment by President Ghani in February as governor of Balkh Province, Noor apologized for having supported Ghani's former electoral opponent, Abdullah, during the 2014 presidential elections. Noor also announced that he was no longer politically cooperating with Abdullah, saying "it is better to separate our political ways now as you [Abdullah] cannot command the support of millions." Noor, governor of Balkh Province since 2004, but serving in an acting capacity for the past two and a half years, is chief executive of the Jamiat-e-Islami party. In January, there were reports that Noor was negotiating a separate power-sharing deal with President Ghani, causing turmoil in Jamiat-e-Islami between supporters of Abdullah and Noor.³⁷⁹

Later in March, Noor announced that he may resign his governorship in order to run for president. According to Afghan media, during a visit to Balkh Province after Noor's announcement, President Ghani praised Noor, saying he "has always made request for the improvement of Balkh and not for himself."

Noor may be benefiting from the political isolation of his old opponent, First Vice President Abdul Rashid Dostum, who supported President Ghani in the 2014 election. On November 24, 2016, Dostum reportedly kidnapped and ordered the sexual assault of a political rival, a former governor of Jowzjan Province. Since the Afghan attorney general's office announced an investigation on December 17, 2016, Dostum has prevented Afghan police from investigating. According to the *Wall Street Journal*, Dostum has barricaded himself inside his Kabul home, with Afghan officials estimating the size of his force as between 700 and 1,000 men.

The *New York Times* reported that while President Ghani was away at an international security conference, First Vice President Dostum traveled

to his office at the presidential compound with a sizable armed escort of his own and declared himself acting president until President Ghani returned. The current standoff is reminiscent of a year-long 2008 incident in which Dostum was previously accused of abuse. That incident ended when Dostum went into a self-imposed exile in Turkey. Dostum returned in 2009 to support President Hamid Karzai's 2009 presidential bid, receiving the largely ceremonial title of chief of staff for the commander-in-chief of the armed forces.³⁸⁴

On April 17, President Ghani dismissed his representative for good governance and reform, former vice president Ahmad Zia Massoud. In response, Massoud said "If the president wants to push me out, the country will end up in another civil war." Dostum appeared to side with the marginalized Massoud, with one of Dostum's representatives labeling Massoud's removal unfair. Additionally, acting minister of foreign affairs and head of Jamiat-e-Islami, Salahuddin Rabbani, called for a "change to the [government] system" as agreed in the 2014 accord that led to the formation of the National Unity Government. Key among these terms was convening a *Loya Jirga* (grand assembly) to amend the Afghan constitution and consider the proposal to create the post of executive prime minister.

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of March 30, 2017, the United States had provided nearly \$32.3 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).

MUTUAL ACCOUNTABILITY UPDATES

At the Senior Officials Meeting (SOM) in September 2015, the international community and the Afghan government agreed to the Self-Reliance through Mutual Accountability Framework (SMAF) as a guide for their activities at least to the end of the present government's term.³⁸⁸

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). 389 At the October 2016 Brussels Conference, international donors and the Afghan government also agreed to 24 new "SMART" (Specific, Measurable, Achievable, Realistic, and Time-bound) deliverables for 2017 and 2018. 390

According to the Afghan government, as of January 2017, a number of the original SMAF indicators remained in progress. For example, two provinces were governed by acting governors and nine deputy minister positions led by acting personnel (these appointments were supposed to have been made permanent by the end of 2015). While five revenue-generating ministries—finance, mines and petroleum, commerce and industries, transport and civil aviation, and communication and information technology—submitted their anticorruption plans on schedule, all remaining ministries were still developing their plans. Finally, the subnational-governance policy that was supposed to be approved by March 2016 was still being revised.³⁹¹

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 election rival, now 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 next parliamentary elections—intended for 2015, but never held—and to distribute electronic identity cards to all Afghan citizens as quickly as possible. 392

At the October 2016 Brussels Conference, the Afghan government agreed to take concrete steps toward electoral reform and preparations in 2017.³⁹³

USAID reported that there are a number of outstanding elections-related decisions, including an election timeline, the method for registering voters, and the mechanism for funding the election. The Afghan government is still debating the timeline for parliamentary elections. While the Independent Electoral Commission (IEC) proposed elections in early 2018, President Ghani reportedly insisted on elections in 2017. USAID, however, believes that an early 2018 election is very ambitious. Additionally, the IEC has yet to determine the voter registration method. According to USAID, the two voter registration options are: (1) revalidating existing cards plus validating new cards for new voters, and (2) issuing new voting cards for all. Finally, USAID reports that President Ghani would prefer elections funding to be on-budget (via the Afghan government budget). However, in April, donors in the Election Support Group decided to provide their elections funding via the United Nations Development Programme.³⁹⁴

According to the IEC, the initial cost estimate for the next parliamentary and district council elections is \$120 million. As of April, the Ministry of Finance was still discussing potential financing with international donors.³⁹⁵

According to the UN Secretary-General, this quarter the IEC publicly reaffirmed its commitment to establishing polling center-based voter lists, in accordance with electoral law, and its spokesperson announced that electronic national identification cards will not be used for voter registration

in upcoming elections. On February 10, the IEC spokesperson announced that parliamentary and district council elections would be held in 2018.³⁹⁶ In April, Chief Executive Abdullah's office announced that parliamentary and district council elections would be held before March 21, 2018.³⁹⁷

According to State, there has been no progress in introducing electronic identification cards and the U.S. government is presently not a donor to this initiative. The EU has reportedly decided to not fund electronic identification cards that display ethnicity or nationality, according to USAID. Some critics contend that the term "Afghan" is politically advantageous for the Pashtun ethnic group since "Afghan" has historically been used interchangeably with Pashtun.

In late March, however, the head of Afghanistan's Biometric Identity Cards Issuing Authority said the Afghan government has given him 90 days to begin issuing electronic identity cards. The initial budget of \$4.2 million will be funded by the Afghan government itself. President Ghani had earlier approved a draft census law that included the word "Afghan" as the nationality and ethnicity of the card holder. The Afghan government has cited the debate around the politicized term "Afghan" as a reason for the delayed start in issuing electronic identification. ⁴⁰¹

In March, the Afghan Ministry of Justice (MOJ) announced that it had revoked the licenses of numerous political parties to prevent factionalism. Whereas there had been 110 registered political parties previously, there are now only 60.⁴⁰² An MOJ spokesman later clarified that 50 of the parties had their licenses revoked because they lacked a clear agenda.⁴⁰³

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.

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

At the Brussels Conference in October 2016, the United States and other international participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities. 404 Although the United States did not commit to a specific amount, then-Secretary of State John Kerry promised to work with Congress to provide civilian assistance at or near the 2016 levels through 2020. 405

Earlier, at the 2010 Kabul Conference, the United States and other international donors supported an increase to 50% the proportion of civilian development aid delivered on-budget through the Afghan government to improve governance, cut costs, and align development efforts with Afghan priorities. Honors, including the United States, reaffirmed this commitment at the July 2012 Tokyo Conference and again at both the December 2014 London Conference and the September 2015 SOM. Horor As of December 2016, USAID had not yet achieved the 50% on-budget target.

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 3/31/2017 (\$)
Bilateral Government-to-Government Project	cts					
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$725,000,000	\$130,995,837
Basic Education, Learning, and Training (BELT) - Textbooks Printing and Distribution	Ministry of Education (MOE)	Yes	11/16/2011	6/30/2017	26,996,813	24,891,728
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology (MCIT)	Yes	8/28/2013	12/1/2017	3,900,000	1,205,000
Strategic Communication Support to the Palace (SCSP)	Ministry of Finance (MOF)	Unknown	7/18/2016	7/31/2017	627,833	210,986
Multi-Donor Trust Funds						
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	7/31/2019	2,700,000,000	1,575,289,080
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	No	3/7/2013	3/6/2018	153,670,184	153,000,000

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 currently total \$2,947,280,275.

Source: USAID, response to SIGAR data call, 4/9/2017.

October 2016 Brussels Conference, the United States and other donors committed to channel a "higher share" of their development assistance via on-budget modalities in 2017 and 2018, but did not commit to a particular percentage of their overall assistance.⁴⁰⁹

As shown in Table 3.13, USAID expects to spend \$757 million on active, direct bilateral-assistance programs. It also expects to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) through 2020, in addition to \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank. USAID has disbursed \$153 million to the Afghanistan Infrastructure Trust Fund (AITF).

The U.S. government announced in March 2015 that it intended 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. The Department of Defense (DOD) was authorized \$4.26 billion to support the ANDSF for fiscal year (FY) 2017 (though the appropriation was not finalized before this report went to press).

At the 2012 Chicago Conference, the United States and its allies affirmed commitments to support the Afghan security forces with an estimated annual budget of \$4.1 billion, to be reviewed regularly against the changing security environment. At the September 2014 Wales Summit, NATO allies and partners reaffirmed their commitment to financial sustainment of the ANDSF through the end of 2017. The international community 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.

In July 2016, 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. The international community has so far pledged more than \$800 million annually for 2018–2020. President Obama also pledged that he would recommend to his successor that the United States continue to seek funding for the ANDSF at or near current levels through 2020. 415

As of early April, DOD had not yet finalized the agreements governing their Afghan FY 1396 (FY 1396 runs from December 22, 2016, to December 21, 2017) direct on-budget contributions to the Ministry of Defense (MOD) or Ministry of Interior (MOI).⁴¹⁶

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. According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance for each program. 418

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

As of January, the United States remains the largest donor to the ARTF (30.6% of actual contributions) with the next largest donor being the United Kingdom (17.4% of actual contributions). 422 According to the World Bank, the ARTF is the largest single source of support for the Afghan government budget at \$9.1 billion as of September 2016. 423 The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. The recurrent-cost window pays 16–20% of the Afghan government's non-security operating budget. 424

This quarter, the World Bank reported on the results of its monitoring agent's review of the eligibility of Afghan government-submitted recurrent costs to be paid via the ARTF. In a review of 1,952 sample items (representing \$115 million in recurrent costs), 66% of the sample recurrent costs were deemed eligible for payment. The main reasons for finding an item ineligible for payment include: missing approvals, no supporting documents, noncompliance with procurement rules, and missing documents. By comparison, the portion of Afghan government-submitted recurrent costs deemed by the monitoring agent eligible for Afghan fiscal year 1393 (December 22, 2013, to December 21, 2014) was 74.3%.

When reviewing recurrent costs, the World Bank's monitoring agent selects a representative sample of Afghan government civilian payroll transactions for greater scrutiny. According to data the World Bank provided donors in January in response to donor concerns about "ghost teachers," the monitoring agent conducted a document review on \$40.5 million of \$469.3 million in Ministry of Education (MOE) payroll expenditures for Afghan fiscal year 1393. The monitoring agent concluded that 94% of MOE payroll expenses were eligible after this sample review.

Starting in 2014, the monitoring agent added physical verification of a sample of nonsecurity Afghan government employees to its review process. The monitoring agent will notify the relevant Afghan government ministry or department of the employees it intends to physically verify. Once the ministry or department approves, the monitoring agent meets with the employee. Of the 185,375 MOE staff in 1393, the monitoring agent selected 3,087 teachers (representing 1.7% of all MOE employees) for physical verification. Of this sample, 1,952 teachers (63.2%) were dropped from the sample as they worked in areas the monitoring agent deemed too insecure to visit. For the 1,135 teachers located in areas the monitoring agent considered safe enough to visit, the monitoring agent was able to verify 72% teachers without issues and 28% with issues. 427 According to USAID, the issues associated with physical verification include, but are not limited to, the following: employee no longer in service; the employee is on leave or absent from office; and the employee is in another place, such as a site visit for official work or abroad.428

On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward the Afghan security forces requirements. ⁴²⁹ DOD provides on-budget assistance to the Afghan government through (1) direct contributions from the Afghanistan Security Forces Fund (ASFF) to the Afghan government to fund MOD and MOI requirements, and (2) ASFF contributions to the multidonor LOTFA. ⁴³⁰ Administered by the UNDP, LOTFA primarily funds Afghan National Police salaries and incentives. ⁴³¹ Direct-contribution funding is provided to the Ministry of Finance, which allots it incrementally to the MOD and MOI, as required. ⁴³²

In February 2011, the Under Secretary of Defense Comptroller authorized the U.S. military's Combined Security Transition Command–Afghanistan (CSTC-A) to provide direct contributions to the Afghanistan government from ASFF to develop ministerial capacity and capability in the areas of budget development and execution, acquisition planning, and procurement. CSTC-A administers all contributions of ASFF resources to the Afghan government to fund MOD and MOI requirements, subject to certain conditions that the ministries must meet for the use of the funds. 433 CSTC-A monitors and formally audits the execution of those funds to assess ministerial

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.

capability and ensure proper controls and compliance with documented accounting procedures and provisions of the annual commitment letters. 434

In December 2016, CSTC-A lost access to the Afghanistan Financial Management Information System (AFMIS) due to upgrades to the AFMIS that have caused technical challenges for CSTC-A. CSTC-A normally reviews AFMIS expenditure reports weekly to monitor the Afghan government's utilization of on-budget security funds. As of mid-April, CSTC-A does not know when they will regain functional AFMIS access. 435

In the last quarter, CSTC-A provided \$188.3 million to the MOD, \$110.1 million to the MOI, and \$28.8 million to LOTFA. 436 Most of the on-budget funds provided by CSTC-A support salaries, with limited amounts for local procurement used for services such as facility-maintenance contracts. 437

According to CSTC-A, the Afghan government's procurement process is hindering the execution of ASFF funds provided as direct contributions. As of September 2016, the execution rate was only 37%. CSTC-A officials believe Afghan government procurement reforms—particularly the establishment of the National Procurement Commission (NPC) that is chaired by President Ghani and reviews all operations and maintenance contracts above \$300,000 and construction contracts over \$1.5 million before contract award—has enforced contracting standards and reduced corruption. According to CSTC-A, the establishment of the NPC and associated National Procurement Authority (NPA) have improved the Afghan government's compliance with Afghan procurement law.

However, CSTC-A reports that corruption and ethical concerns continue to hamper MOD and MOI contracting. MOD and MOI officials have been suspended or released from duty in response to both proven as well as unsubstantiated corruption allegations. Both the MOD and MOI procurement departments have undergone complete or partial replacement of officers and employees. Additionally, the NPA has revoked the MOI's procurement authority, meaning routine purchases are further delayed due to increased oversight. All CSTC-A reports that new personnel have been appointed to key MOD and MOI procurement positions. These new personnel are reluctant to approve contract actions due to their lack of procurement knowledge.

According to CSTC-A, the transition of security-related procurements from off-budget (procured by CSTC-A) to on-budget (procured by the Afghan government) has not achieved the desired results. This quarter, fuel, medical, and pharmaceutical purchases for MOD and MOI reverted to CSTC-A management. CSTC-A reports that corruption and low-quality product substitution prompted the move. CSTC-A hopes to transition these procurement responsibilities back to MOD and MOI as their capacities improve. However, DOD says continued use of DOD-procured contracts for these requirements is conceivable as part of a long-term security



U.S. and Afghan army officials cut a ribbon marking the turnover of permanent facilities for a Women's Participation Program barracks. (DOD photo by Michael Glasch)

cooperation relationship with Afghanistan, whether funded by ASFF or Afghan funds. 443 The MOD and MOI budgets registered the largest reductions in the overall national budget—over \$415 million less compared to the previous year's budget—due to the transition of fuel procurement responsibilities from the Afghan government to donor procurement. 444

This quarter, the CSTC-A audit division issued a draft audit report on the MOI's utilization of facilities for women. CSTC-A inspected 18 gender-designated facilities and determined at least half were not used primarily by women. According to DOD, in some cases, new facilities built exclusively for female use were taken over by male police who would leave existing facilities (in various states of disrepair) to the female police. Consequently, CSTC-A questioned the effectiveness of the MOI's gender program. The audit recommended that CSTC-A impose a penalty of \$4.35 million. This penalty would be slightly more than the amount CSTC-A planned to contribute in the most recent Afghan fiscal year to the MOI for improvements to gender facilities. According to CSTC-A, they hope the penalty will force MOI officials to change their treatment of female police. As of mid-April, CSTC-A reports that the draft report is with MOI for comments that will need to be reviewed and incorporated prior to issuing a final report on the matter.⁴⁴⁵

MOD and MOI Had Mixed Results in Meeting Conditions for U.S. Funding

In March, DOD found that while the MOD and MOI made satisfactory progress in meeting a number of agreed-upon conditions for U.S. funding assistance, both ministries had a significant number of deficiencies.

Of 50 conditions defined in the commitment letter, CSTC-A determined that the MOD made satisfactory progress toward meeting 35 conditions

and insufficient progress toward meeting 15. This quarter, CSTC-A provided approximately \$74,000 in incentive funds to the MOD for satisfactory progress in female recruitment. According to CSTC-A, the MOD made progress in recruiting women into the Afghan army, particularly following the introduction of overseas training in Turkey.⁴⁴⁶

However, CSTC-A found that the MOD's 215th Corps failed to submit accurate, verifiable ammunition consumption reports on the required monthly basis starting in September 2016. Rather than subject MOD to a penalty, CSTC-A decided to discuss the matter with the MOD chief of general staff. Additionally, CSTC-A found that the MOD failed to provide the required 100% accounting of night-vision devices, prompting CSTC-A to continue withholding future deliveries of night-vision devices to the units that were deficient. Although required by the commitment letters to provide a list of all small arms and provide timely reports for lost weapons, the MOD has yet to provide such a list. Finally, CSTC-A found that MOD has yet to adopt an absent-without-leave policy that is legally enforceable, prompting CSTC-A to suspend all U.S.-based training, schools, and seminars—with the exception of pilot and special forces training—until MOD issues such a policy.⁴⁴⁷

Of 64 MOI conditions defined in the commitment letter, CSTC-A determined that the MOI made satisfactory progress on 25 conditions, while 39 had insufficient progress. This quarter, CSTC-A provided no incentive funding to the MOI for satisfactory progress. CSTC-A found that the MOI has not sufficiently investigated cases of gross violation of human rights (GVHR). In response, CSTC-A will continue to withhold MOI's travel budget for all but gender-related trainings and deny raises to the MOI offices that compose the MOI's GVHR Committee as well as any other pay incentives for general officers and senior ministerial civilians. 448

CSTC-A also found that the MOI has yet to develop a plan to divest facilities that they cannot afford. CSTC-A did not impose a penalty for this condition as they wait for MOI to submit an acceptable divestment plan. CSTC-A found that MOI has yet to adopt an absent-without-leave policy that is legally enforceable, prompting CSTC-A to suspend all U.S.-based training, schools, and seminars—with the exception of special unit training—until MOI issues such a policy. Although required by the commitment letter to provide ammunition consumption reports, MOI failed to provide these to CSTC-A. CSTC-A chose not to impose a penalty for this deficiency. MOI was also expected to validate all Afghan Local Police (ALP) personnel by December 2016; however, only 138 of 179 districts hosting ALP forces were assessed as required. CSTC-A believes that the current personnel asset inventory is improving personnel accountability and therefore choose not to impose a penalty as funds were already reduced to pay only those validated ALP personnel. 449

The MOI also failed to fully account for night-vision devices, prompting CSTC-A to withhold future deliveries to the MOI headquarters and

two Afghan National Civil Order Police brigades. Although required by the commitment letters to provide a list of all small arms and provide timely reports for lost weapons, the MOI has yet to provide such a list. Because of this, CSTC-A threatened to not order additional small arms. Finally, CSTC-A found that MOI has failed to respond to an audit that questions approximately \$500,000 in municipal service costs. CSTC-A chose to impose a penalty for the amount of questioned funds. 450

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. ⁴⁵¹ As shown in Table 3.14, active programs include USAID's Afghan Civic Engagement Program (ACEP) that seeks to increase civil-society capacity.

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 3/31/2017 (\$)	
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	\$70,000,000	\$45,208,573	
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	20,130,775	
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	-	

Source: USAID, response to SIGAR data call, 4/9/2017.

This quarter, USAID launched the \$9 million Rasana program. This program aims to support and train female journalists, drive substantive policy discourse about salient development issues in Afghanistan, and advocate for protection of Afghan journalists. Rasana will also build local capacity by providing training, material support, and advocacy to expand media opportunities for women, working with local women's groups to advance women's causes in the media, and supporting gender-sensitive content production and programming. 452

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 by providing 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. 453

At the October 2016 Brussels Conference, the Afghan government committed to recruit 1,200 government personnel by December 2017 and to fill the remaining positions by 2018. Previously, the Afghan government had committed to recruit at least 800 of 2,400 planned CBR positions by December 2016. The Afghan government reports that it filled 819 CBR positions, as of December 2016. This represents a significant increase over the 196 CBR positions the Afghan government reported it had filled as of September 2016. 454

National Assembly

From January 19 to March 5, 2017, both houses of parliament were in recess. 455 Between September 2016 and January 2017, the lower house of parliament reviewed 34 legislative documents and approved five draft laws, six legislative decrees, and the 1396 budget, and ratified 19 international agreements, one declaration, and three resolutions. During the same period, the upper house of parliament passed 14 bills, adopted 21 international agreements, issued 27 resolutions and declarations, and conducted 15 oversight trips. 456

In November 2016, the lower house of parliament passed no-confidence votes for seven of 16 ministers summoned to explain why their ministries executed less than 70% of their development budgets (projects and investments are funded from a ministry's development budget). From parliament's perspective, these votes of no-confidence mean that the ministers are dismissed. President Ghani ordered the ministers to continue working, referring the legality of the dismissals to the Supreme Court. As of March, there has been no attempt to remove the ministers, who continue to fulfill their duties. Additionally, the Supreme Court decision on the constitutionality of the votes of no-confidence remained pending.

In March, *ToloNews* reported that members of parliament were upset with the government's response to their votes of no confidence. In particular, the lower house's administrative board reported that President Ghani has yet to follow through on a promise to finalize nominations for vacant positions. A spokesperson for Chief Executive Abdullah was reported saying that the government was discussing the matter and would soon introduce ministers to parliament. ⁴⁶⁰

Following the recess, the lower house of parliament summoned the ministers of defense and interior, as well as the head of the National Directorate for Security to discuss mounting insecurity. All three survived votes of confidence.⁴⁶¹

According to State, the parliament continues to face difficulties achieving quorum, though this occurs less often when sessions relate to the upcoming parliamentary elections and interpellation sessions wherein the parliament

requires Afghan government ministers to explain their actions. The lower house of parliament achieved quorum in just 21 of 54 sessions, with an average attendance rate of 44.3%. The upper house of parliament achieved quorum in 30 of 36 sessions, with an average attendance rate of 56.6%. In April, four members of the lower house of parliament—including two women—were suspended for being absent for 20 days.

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. Following the January passage of the Afghan budget, ALBA developed an in-depth presentation on the budget for parliamentarians, parliamentary staff, and other stakeholders. This presentation was available in time for the winter recess to enhance knowledge on approved operating and development expenditures. During the debates over the draft budget, ALBA found that several parliamentary commissions lacked access to data on Afghan government program implementation and results. In response, ALBA analyzed the 1396 national budget on behalf of parliament and highlighted the differences between the approved budget and original draft.

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 advocates 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 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.⁴⁶⁶

This quarter, USAID finalized a mid-term evaluation of ACEP. The evaluators concluded that ACEP support increased CSOs' ability to engage with government, monitor government accountability, and advocate for policy priorities. ACEP-supported CSOs showed significant differences in the extent and type of government engagement. Overall, very few of the ACEP-supported CSOs reported engaging in monitoring government accountability. The extent to which CSOs' engagements increased largely correlated with the extent of ACEP support. For instance, CSOs that received relatively fewer ACEP funds and training showed the least improvement in their ability to engage the Afghan government, monitor government accountability, and advocate for policy priorities. ⁴⁶⁷ Additionally, the evaluators found that the sustainability of ACEP interventions is poor due to a "project"-style approach to the program that is characterized by frequent change of CSO partners, short-term partnerships, small grant sizes, and a focus on outputs. The evaluators noted, however, that since ACEP

is working to improve democracy and governance in Afghanistan through stronger and more capable media and civil society sectors, the sustainability of the program's interventions is dependent upon the sustainability of the current government system, which is inherently fragile.⁴⁶⁸

In January and February, ACEP sponsored two study tours to India for their CSO partners. The first tour, a two-week financial-sustainability study tour, aimed to expose 11 partners to social enterprise and financial sustainability models practiced by Indian CSOs. The second tour, a one-week event for budget-advocacy CSOs, aimed to improve the capacity of 12 CSO partners to understand budget execution and public finance management. 469

SUBNATIONAL GOVERNANCE

According to the UN Secretary-General, in 2016, all new subnational appointments were made through a merit-based process, bringing the total number of merit-based appointments to 53 district governors (14%) and five deputy provincial governors (15%). A total of 20 mayors (12%) were appointed directly by President Ghani.⁴⁷⁰

Additionally, the Afghan government has allocated \$34 million (\$1 million for each province) in the 2017 national budget for development projects as part of the implementation of the Provincial Budgeting Policy. A previous provincial-budget pilot attempt ultimately failed in 2012 when donors and the Afghan government could not agree on the source of funding for province-nominated project proposals. Provincial budgeting has been a key priority since the 2012 Tokyo Mutual Accountability Framework. For more details, see pages 128–129 of the January 2014 *Quarterly Report to the United States Congress.* 472

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 3/31/2017 (\$)	
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$32,762,163	
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	15,692,620	

Source: USAID, response to SIGAR data call, 4/9/2017.

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, leading to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.⁴⁷³

This quarter, ISLA conducted a series of three-day trainings in Kunar, Nangarhar, Laghman, Logar, Zabul, and Farah Provinces. As of February, the training has been completed in 14 ISLA-supported provinces. Training participants include representatives from the provincial governor's office, provincial council, province-level ministry offices, civil society organizations, and local media. The trainings allowed training participants to voice their ideas for their province's development plans.⁴⁷⁴

According to USAID, ISLA aims to enhance the institutional and human capacity of provincial line directorates and provincial development committees to ensure that local priorities are integrated into the national budgets through provincial development plans. Some portions of the provincial plans that are being developed and improved with ISLA's technical support could be funded with the \$34 million that the Afghan government has allocated for provincial budgeting. 475

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. The urban portion of Afghanistan's population has risen from 22% in 2004 to an estimated 25% in 2016/2017. Targeted support to municipal governments, as well as to the deputy ministry of municipal affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation. 476

According to USAID, SHAHAR-supported municipalities successfully increased their revenues and budget execution for the recently concluded fiscal year compared to the previous year. These revenue increases include a 26% rise in fixed revenues and a 71% increase in non-fixed revenue, resulting in a 38% overall increase in municipal revenues. The municipalities generated approximately \$11 million in revenue surplus that they used to fund development projects. Additionally, municipalities increased their budget execution by 48%.

This quarter, USAID reported that SHAHAR completed its first-round internship program, resulting in 152 interns being placed with either municipalities, the deputy ministry of municipalities, or SHAHAR offices. The

majority (85%) of the interns were women. SHAHAR has begun recruitment of 150 interns for the second round, with a minimum of 75% being women.⁴⁷⁸

RECONCILIATION AND REINTEGRATION

The U.S. and Afghan governments agree that the best way to ensure lasting peace and security in Afghanistan is reconciliation and a political settlement with the Taliban.⁴⁷⁹

According to the United Nations Secretary-General, there was no discernible progress on peace talks between the Afghan government and the Taliban this quarter. ⁴⁸⁰ In March, the Taliban denied that the group had met with Pakistani officials to discuss peace talks with the Afghan government. ⁴⁸¹

This quarter, Russia appeared to step up its involvement in Afghanistan. On December 2, General John W. Nicholson Jr., the commander of U.S. and NATO forces in Afghanistan, labeled Russia, Pakistan, and Iran as malign actors that enable insurgent or terrorist groups in Afghanistan. Nicholson said that Russia lends public legitimacy to the Taliban, which undermines the Afghan government and NATO efforts to stabilize Afghanistan. 482

Generals Curtis Scaparrotti (Commander, U.S. European Command and NATO Supreme Allied Commander Europe) and Joseph Votel (Commander, United States Central Command) further suggested that Russia may be supplying the Taliban. According to General Scaparrotti, Russian influence in Afghanistan has increased to the point that includes "perhaps even supply to the Taliban." General Votel offered that "it's fair to assume [the Russian government] may be providing some kind of support to [the Taliban] in terms of weapons or other things." The Russian government publicly rejected Scaparrotti's remarks.

On March 31, Secretary of Defense James Mattis weighed in on the issue of Russian support for the Taliban, saying "I'm not willing to say at this point if that has manifested into weapons and that sort of thing. But certainly, what they're up to there in light of their other activities gives us concern."⁴⁸⁵

On December 27, 2016, the governments of Russia, China, and Pakistan met in Moscow to discuss the security situation in Afghanistan. At the time, the Afghan government expressed its displeasure at not being invited to the meeting. On February 15, Afghanistan, as well as India, and Iran joined the previous three countries for a follow-up meeting in Moscow. The Russian government issued a statement following the meeting noting that participants had agreed to accelerate their efforts to support the Afghan peace process and announcing that the Central Asian republics would be invited to attend the next regional meeting on Afghanistan. In March, a spokesperson for Afghanistan's national security adviser referred to the Russian government as "an important ally."

Russian-sponsored talks, saying that the U.S. is the "biggest stakeholder" in Afghanistan. Later, however, the acting State spokesman said that the U.S. did not intend to participate in the talks as their purpose was unclear.⁴⁸⁹

In an interview with *Bloomberg*, Russia's special envoy for Afghanistan, Zamir Kabulov, was quoted saying that the Taliban "have given up global jihad and have become a national force," concluding that the Taliban is "justified" in opposing a foreign military presence.⁴⁹⁰

According to the UN Secretary-General, bilateral relations between Afghanistan and Pakistan continue to be strained this quarter, with senior officials of both governments blaming the other country for insurgent attacks. On February 17, Pakistan closed its border with Afghanistan to all traffic and conducted cross-border shelling, targeting suspected militants on Afghan territory. According to State, the U.S. and UK governments intervened diplomatically, leading to reopening of the Afghanistan-Pakistan border on March 20. 491 After it reopened the border, Pakistan announced that it would start building a fence along the areas bordering Afghanistan's Nangarhar and Kunar Provinces. 492 An MOI spokesperson said that the Afghan government will not allow such construction. 493

In September 2016, the Afghan government finalized a peace agreement with the Hezb-e Islami Gulbuddin (HIG) insurgent group. ⁴⁹⁴ In the peace deal, the Afghan government committed to several actions, including requesting the removal of HIG leaders from the UN's and others' sanctions lists. ⁴⁹⁵

In January, the Afghan government successfully lobbied the UN to remove Gulbuddin Hekmatyar's name from the UN sanctions regime. According to State, the delisting demonstrated a strong international and regional consensus for Afghanistan's peace and reconciliation efforts, including from two of Afghanistan's influential neighbors, Russia and China. 496 According to the UN Secretary-General, Hekmatyar's political rivals fear his return to Afghanistan, as they believe a united HIG could become the country's largest political party. 497

The UN Secretary-General also noted that human rights advocates have expressed their concern with the terms of the HIG peace agreement, given the agreement's failure to fully address victims' grievances and suspected human rights violations. ⁴⁹⁸ President Ghani, while discussing the balance between justice and peace in March 2015, said "peace means forgiving blood" and insisted that the Afghan government "cannot sacrifice the future for the sake of the past." ⁴⁹⁹

In April, Ambassador Franz-Michael Mellbin, Head of Delegation of the European Union to Afghanistan, said the EU is considering whether to financially support the Afghan government's peace deal with HIG. Ambassador Mellbin insists, however, that HIG "will not have any control over the money." According to the *Wall Street Journal*, U.S. officials have not yet received a request from the Afghan government to drop the terrorist designation for Hekmatyar or HIG. 500

Afghanistan Peace and Reintegration Program

On March 31, 2016, the Afghanistan Peace and Reintegration Program (APRP) closed following a decision by APRP donors, the Afghan government, and UNDP.⁵⁰¹ The APRP was an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.⁵⁰² The APRP was the only institutional mechanism within the Afghan government with the capacity to pursue both high-level reconciliation negotiations and provincial-level reintegration of insurgent fighters.⁵⁰³

The Afghan government plans to launch a successor to the APRP in the form of a five-year Afghanistan National Peace and Reconciliation (ANPR) strategy. According to State, the ANPR is expected to shift from the disarmament, demobilization, and reintegration focus of the APRP to negotiating political settlements with armed opposition groups, forging national and international consensus on a peace process, and promoting and institutionalizing a culture of peace. ⁵⁰⁴ As of March, the establishment of the ANPR is still pending President Ghani's approval. ⁵⁰⁵

In December 2016, State provided \$1.1 million to support the ANPR. While State intended to disburse another \$3.9 million in early 2017, this has not yet occurred since the ANPR is not finalized and approved by President Ghani. 506

In February, the U.S., UK, and South Korean governments along with UNAMA sent a letter to President Ghani expressing their readiness to support a comprehensive, "whole of government approach" to peace and reconciliation. According to the letter, the Afghan National Security Council will supervise the peace process, without compromising the independence of the previous lead, the High Peace Council (HPC). The HPC, meanwhile, is expected to focus its efforts toward building an Afghan consensus on peace, engaging in peace negotiations, and monitoring the implementation of peace agreements. The authors noted that their financial support for an Afghan-led and Afghan-owned peace process is predicated upon a viable, technically sound disbursing agent, and implementing partner. ⁵⁰⁷

General H. R. McMaster previously commanded the Combined Joint InterAgency Task Force Shafafiyat (Transparency), an anticorruption task force, from 2010 to 2012. SIGAR's Lessons Learned report on U.S. anticorruption efforts found that Shafafiyat and other U.S. government task forces had learned much about networks engaged in corruption. Their work provided civilian and military decision makers with a more complete picture of the corruption challenge, including insights on the intersection of corruption, the drug trade, crime, and the insurgency. Shafafiyat later transitioned into Resolute Support's **Essential Function 2 (Transparency,**

National Security Adviser Lieutenant

Source: SIGAR, Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan, 9/2016, pp. 40, 96.

Accountability and Oversight).

RULE OF LAW AND ANTICORRUPTION

In March, President Ghani was quoted in Afghan media saying that the sovereignty of law is weak in Afghanistan. In particular, he decried how officials consider themselves above the law and "everyone thinks they can violate the law with the power of a gun." ⁵⁰⁸

In April, U.S. Special Chargé d'Affaires to Afghanistan, Ambassador Hugo Llorens, said that while progress has been made in increasing democracy and prosperity in Afghanistan, corruption continues to hold Afghanistan back from its full potential and outrage Afghan citizens. He called on Afghans to demand transparency and accountability from their leaders saying, "Corruption is a cancer that will kill Afghanistan if left unchecked." 509

This quarter, Resolute Support reported that they are in the process of establishing a Counter Threat Finance Cell (CTFC). The Resolute Support CTFC has 33% of its personnel on board and is equipping a facility for their use. The CTFC has begun coordinating their efforts with the U.S. Embassy in Kabul. The CTFC may serve as a successor to the Afghan Threat Finance Cell (ATFC), a U.S. unit formed to track and stop terrorist financing. The goals and scope of the CTFC are still being developed, with SIGAR participating in this process. ⁵¹⁰

Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include State'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.

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 funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments. ⁵¹¹

USAID aims to improve public services by reducing corruption opportunities in the Afghan government's 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 project—to address immediately identifiable corrupt practices. 512

AERCA had identified 10 services that are important to Afghans but are perceived as not working as well as expected: (1, 2) disability and martyr

At the October Brussels Conference, the Afghan government committed to simplify 15 to 25 public services, integrate these services into a one-stop shop by 2017, and expand this model to three additional locations in Kabul by 2018.

Source: Brussels Conference on Afghanistan, "Self-Reliance through Mutual Accountability Framework: SMART Deliverables 2017/2018," 10/5/2016, p. 2.

TABLE 3.16

RULE OF LAW AND ANTICORRUPTION PROGRAMS					
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 3/31/2017 (\$)	
Justice System Support Program II (JSSP II)	6/16/2010	2/28/2017	\$285,644,451	\$267,479,751	
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	4,718,418	
Electoral Reform and Civic Advocacy (AERCA)*	7/13/2009	8/31/2017	51,302,682	45,373,697	
Corrections System Support Program (CSSP IV)**	3/1/2016	8/27/2017	22,564,474	12,469,724	
Justice Training Transition Program (JTTP) Follow On***	1/2/2013	11/30/2017	47,759,796	47,759,796	
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	2,000,000	

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

**Disbursements as of 1/29/2017.

Source: State, INL, response to SIGAR data call, 3/24/2017; USAID, response to SIGAR data call, 4/9/2017.

^{***}The follow on project is a no-cost extension with funds having already been disbursed.

payments by the Ministry of Labor, Social Affairs, Martyrs and Disabled; (3, 4, 5) driver's license issuance, vehicle registration, and national identification by the MOI; (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 MOE.⁵¹³ In August 2016, USAID and AERCA decided to suspend AERCA's assistance to the driver's license service after determining that there was insufficient political will for reform in the MOI's traffic department to enable worthwhile collaboration.⁵¹⁴

This quarter, AERCA conducted a rapid assessment of the Population Registration Directorate (PRD) in Jalalabad City, Nangarhar Province. AERCA found that the PRD serves between 400 to 750 citizen applicants per day, with most seeking issuance of new national identification card. The current process for issuance of a new identification card takes an average of four work days, which according to AERCA is often perceived as inordinately lengthy and frustrating. In particular, applicants from rural districts are particularly upset when they learn that the process takes more than one or two days. Almost two-fifths of the process time is spent to obtain written approval from the provincial governor, a frustrating procedure that AERCA reports has no legal basis. AERCA identified a number of redundant processes that may be simplified in order to reduce wait times. ⁵¹⁵

AERCA found that the province-level PRD has been more burdened in recent years as a number of district-level PRD offices along have ceased to function due to growing insecurity. In districts where the local PRD office does function, local residents often do not visit the offices for fear of reprisal by insurgents. The would-be applicants, many of them returnees from Pakistan, and other internally displaced persons, often have to visit the province-level PRD in Jalalabad City. 516

AERCA plans to conduct a census and registration of businesses in Kabul's 22 municipal districts. AERCA's surveyors present themselves to the surveyed businesses as Kabul Municipality staff. As of February, AERCA staff have registered 6,089 businesses in Kabul City's Sixth Municipal District (compared to 2,355 businesses previously registered) and 11,080 businesses registered in the Fifth Municipal District (compared to 6,175 businesses previously registered). 517

In February, AERCA met with representatives of the Ministry of Economy (MOEc) to discuss possible assistance options. The MOEc representatives highlighted challenges associated with nongovernmental organizations (NGOs) including: (1) poor management of NGO registration and license renewal, (2) lack of transparency and accountability of NGO operations, (3) mismanagement of human resources, (4) non-compliance of procurement and accounting procedures with internationally accepted standards and principles, and (5) insufficient monitoring and evaluation of NGO activities. According the MOEc data, over 2,000 Afghan and international

NGOs operate in Afghanistan and receive approximately \$1 billion in donor and Afghan government assistance. Following these discussions, AERCA is developing a service-delivery improvement implementation plan and a memorandum of understanding with MOEc.⁵¹⁸

Last quarter, State's \$48 million Justice Training Transition Program (JTTP), in partnership with the Supreme Court, conducted data collection for an institutional learning needs assessment (ILNA) to identify the most prevalent learning needs among judges. JTTP found that Afghanistan's judges generally valued training and continuing professional development. JTTP will continue to work with the Supreme Court's training department to learn from the ILNA exercise and to develop capacity to run such assessments independently. JTTP also partnered with the Attorney General's Office (AGO) to develop an ILNA to evaluate prosecutors' ability to perform their tasks. JTTP and the AGO are finalizing the ILNA for deployment, expected in the next quarter. 519

In April 2016, USAID launched the \$68 million Assistance for the Development of Afghan 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. ADALAT ("justice" in Dari and Pashto) will work closely with Afghan justice institutions to increase the professionalism of justicesector actors, to improve judicial administrative and management systems, and to strengthen the Ministry of Justice (MOJ) Department of the Huquq ("rights") 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. 520

Afghan Correctional System

According to State, the inmate population of Afghanistan's prisons, managed by the General Directorate of Prisons and Detention Centers (GDPDC), increased by an average of 6.15% annually over the past five years. As of January 31, the GDPDC incarcerated 26,862 males and 906 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 685 male juveniles and 91 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to their data. ⁵²¹

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adults, despite presidential amnesty decrees

Huquq offices provide an opportunity for citizens to settle civil cases within the formal system before being brought into the court system

Source: Afghanistan Justice Sector Support Program, "Ministry of Justice." 2016.

and the transfer of National Security Threat inmates to the MOD that have reduced the prison population significantly. As of January 31, the total male provincial-prison population was at 197% of capacity, as defined by the International Committee of the Red Cross's (ICRC) minimum standard of 3.4 square meters per inmate. The total female provincial-prison population was at 78% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 54% of ICRC-recommended capacity. ⁵²²

In February and April, hundreds of prisoners at Pul-i Charkhi Prison went on hunger strike to protest what they claimed were violations of their rights. Almost 20 prisoners sewed their lips shut for being denied the option of serving their prison sentences in their home provinces and for not being pardoned by the Afghan president. ⁵²³

According to State, the latest Corrections System Support Program (CSSP) successes related to small-scale infrastructure development. In December 2016, a new hospital was opened at Pul-e Charkhi Prison after nine months of renovation and coordination. Through CSSP, State donated over 30 medical items to the hospital. According to State, Pul-e Charkhi inmates will now have access to emergency care, diagnostic and lab services, internal medicine services, infectious disease treatment, some surgical services, dental care services, pharmacy services, and mental health and drug addiction treatment services. Also in December 2016, CSSP added lightning rods to the Counternarcotics Justice Center, fulfilling a recommendation from a SIGAR inspection. Finally, State completed security renovations at the Balkh Juvenile Rehabilitation Center and upgraded the electrical and sanitation systems at the Kabul Female Prison and Detention Center. 524

Anticorruption

At the October 2016 Brussels Conference, the Afghan government agreed to draft and endorse an anticorruption strategy for the whole of government by the first half of 2017. The government says it will implement this strategy by the second half of 2017. Additionally, five revenue-generating ministries are to publicly report on implementation progress of their anticorruption action plans in $2017.^{525}$

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC). The ACJC brings together Major Crimes Task Force (MCTF) investigators, Afghan Attorney General's Office (AGO) prosecutors, and judges to combat serious corruption. The ACJC's jurisdiction covers major corruption cases committed in any province involving senior officials or substantial monetary losses of a minimum of five million afghanis (approximately \$73,000). 528

On February 15, the ACJC convicted a district police chief of money laundering and sentenced him to three years' imprisonment.⁵²⁹



The Anti-Corruption Justice Center announcing sentences in December 2016. (Afghan Attorney General's Office photo)

On March 26, the ACJC convicted four Ministry of Urban Development and Housing (MUDH) employees on charges of embezzlement and misuse of authority. Mohammad Amin Qani and Sayed Amin Sadat, both from the ministry's Apartments Cohesion unit, were sentenced to 20 years in prison for embezzling more than \$12.8 million, while Ahmad Nawaz Bakhtyar and Mohammad Yaqub Ibrahimi of the MUDH Housing Enterprise unit were sentenced to seven years each. Qani was ordered to return the stolen funds, while both he and Sadat were individually fined more than \$2.3 million and required to collectively pay a fine equal to the amount stolen. Bakhtyar and Ibrahimi were also each fined more than \$6.5 million. Qani, Sadat, and Bakhtyar are currently in custody, while Ibrahimi remains at large and was tried in absentia. Those convicted were among six senior MUDH officials President Ghani suspended in 2015 for embezzling millions of dollars in several urban development and housing projects. 530

In March, the ACJC also sentenced the provincial council chief for Herat Province—in absentia—to a two-and-a-half-year jail sentence for abuse of his authority. He was accused of interfering with the affairs of the Herat office of the AGO, including forcibly freeing a suspect. In February 2016, the same provincial council chief claimed to have documents proving that the Herat education department paid millions of afghanis for ghost teachers and schools. In February 2017, members of the Herat provincial council also participated in demonstrations against corruption in the Herat provincial government.⁵³¹

On April 10, two Major Crimes Task Force (MCTF) investigators attached to the ACJC were shot dead on their way to the office in Kabul.⁵³²

According to Resolute Support, the international community has demanded that ACJC investigators, prosecutors, and judges be vetted and polygraphed. While the MCTF has complied with this requirement, the AGO and Supreme Court continue to resist or refuse. Resolute Support fears that without proper vetting of ACJC personnel, there is a strong likelihood that the ACJC could be captured by corrupt elements due to institutional corruption within the AGO and court system.⁵³³

Afghan Attorney General's Office

According to Resolute Support, other anticorruption bodies, in particular the MCTF, continue to lack faith in the AGO as they continue to observe anticorruption cases being stymied by the AGO. Resolute Support reports that the AGO suffers from institutional corruption and is not transparent in tracking cases post-investigation into prosecution.⁵³⁴

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

A presidential decree established the MEC in March 2010. Its mandate is to develop anticorruption recommendations and benchmarks, to monitor In November 2016, SIGAR released a report that reviewed 25 USAID-funded schools in Herat Province. SIGAR observations from these site visits indicated that there may be problems with student and teacher absenteeism at many of the schools visited in Herat that warrant further investigation by the Afghan government.

Source: SIGAR, Schools in Herat Province: Observations from Site Visits at 25 Schools, SIGAR 17-12-SP, 11/4/2016.

efforts to fight corruption, and to report on these efforts. Its board includes 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. 535

This quarter, the MEC published its second quarterly monitoring report on implementation of recommendations contained in their June 2016 vulnerabilities-to-corruption report on the Ministry of Public Health (MOPH). Of the 115 recommendations, the MEC found that the MOPH has fully implemented 14 and partially implemented 63. According to the MEC, the MOPH has established a National Health and Medical Product Regulatory Authority (NHMRA) to monitor pharmaceutical markets, licensing medical facilities and pharmacists, registering pharmaceuticals and medical products, and controlling quality and price of medicines in the markets. The NHMRA has dissolved 95 of the 467 registered production companies and started reregistration process of these companies. MOPH also established a Complaints Handling Office (CHO) which has addressed 120 complaints. 536

Also this quarter, the MEC reviewed the Ministry of Communications and Information Technology's (MCIT) anticorruption plan. The MEC concluded that MCIT has almost entirely failed to implement this plan. For example, while the MCIT collects 10% users' fee from mobile phone users, the ministry cannot verify if the amount deposited into its account represents actual collection of these fees. Additionally, MCIT has yet to conduct a study to determine which 10 public services can be automated in the next three years, despite having a deadline of May 2017. 537

High Office of Oversight and Anticorruption

The High Office of Oversight and Anti-Corruption (HOOAC) was established in July 2008 by presidential decree to oversee and coordinate implementation of the Afghan government's anticorruption strategy. The HOOAC 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 AGO for further investigation and possible prosecution. According to USAID, these investigations seldom lead to prosecution. Mutual recrimination between AGO and HOOAC is common. The HOOAC is also charged with collection and verification of asset declarations submitted by Afghan government officials. 539

As of January, Resolute Support reports that the MOD submitted 194 asset declarations to the HOOAC while the MOI submitted 210 of 310 required asset declarations. Resolute Support notes, however, that asset declaration forms are not being routinely submitted as new personnel begin or depart their positions. 540

In January, the lower house of parliament recommended that the upper house of parliament dissolve the HOOAC, following up on a two-year-old lower house decision. The HOOAC argues that its dissolution would contravene the Afghan Constitution as well as international conventions. USAID's ALBA program advised the lower house of parliament to refer the matter to the Independent Commission for Overseeing the Implementation of the Constitution for interpretation—an entity that has uncertain authorities for issue opinions on constitutional questions, as it established in 2010, on the basis of a 2007 law passed by parliament that was later declared unconstitutional by the Supreme Court. As of April, USAID reports that there has been no resolution to this issue.

Security Services

In March, the MOD reported that it had fired 1,394 army personnel, including eight generals, for corruption in the past year. The MOD is currently reviewing more than 1,800 allegations of corruption, with nearly 170 cases having been referred to law-enforcement agencies and 300 already prosecuted. These cases include suspected abuse of office and illegal weapons sales. According to the MOD, Mohammad Moein Faqir, a former commander of 215th Corps in Helmand Province, was among the MOD personnel arrested recently. The MOD said General Faqir is accused of misuse of supplies and soldiers' food, neglect of duty, and lack of transparency in the use of fuel, food, and other supplies. ⁵⁴³

In April, the MOI announced that it had found 239 cases of corruption in the previous year. Reportedly, 187 persons were arrested, including 40 police personnel and 15 high-ranking officials. 544

According to Resolute Support, the MOD has shown increased will to respond to corruption following an October 9, 2016, meeting in which President Ghani demanded action. Shortly after this meeting, the MOD ordered the establishment of corps-, brigade-, and independent command-level Transparency and Accountability Committees (TAC). These TACs are expected to meet bimonthly and send monthly reports to the General Staff Inspector General (GS IG). The GS IG, in turn, is to analyze these reports and brief the results to a General Staff-level TAC. Thus far, Resolute Support has been able to attend one meeting of the General Staff-level TAC, in which the GS IG highlighted cases from across the Afghan army corps. 546

The MOI Inspector General has 21 multi-province zonal-level inspector general positions covering the eight zones. Personnel have deployed to 19 of these positions. According to Resolute Support, the inspector general personnel at four of the eight zones are not yet trained and have yet to hold a meeting. Resolute Support is currently unable to assess the effectiveness of the MOI inspector general personnel at the remaining four zones, despite hearing reports that they have received training and are holding meetings. ⁵⁴⁷



SIGAR Special Agent in Charge Charles Hyacinthe with Brigadier General Abdul Ghayor Andarabi, Director of the Major Crimes Task Force. (SIGAR photo)

Major Crimes Task Force

Since January 2016, the MCTF has opened 336 cases (including 112 corruption investigations), and arrested 195 suspects. 548

According to Resolute Support, despite supportive MOI leadership in the form of the MCTF director and his superior, the chief of Afghan Anti-Crime Police, the MCTF continues to face challenges from the broader MOI. For example, the MOI reduced the MCTF operational budget to half of its previous amount. In addition, the MOI has withheld the equivalent of more than a year's worth of the MCTF operational budget. According to Resolute Support, this budget cut appears to coincide with the increase in corruption cases and arrests of significant government officials.⁵⁴⁹

Resolute Support reports that the MCTF is being stretched thin as it assumes the additional duty to provide security for ACJC trials, hindering their case work. While senior MOI leadership are aware of this problem, no progress has been made toward resolving it this quarter. Additionally, Resolute Support reports that the MCTF continues to be burdened with requests for investigative support from the AGO and the ACJC on cases which are not initiated at the MCTF, interfering with the MCTF's own case work. The requests from the AGO and ACJC bring added costs to MCTF for travel, meals, and other duty-related expenses. However, MCTF's operational budget has not been increased to match the demands. 550

Between November 2016 and January 2017, Resolute Support advisers were unable to travel to the MCTF facility due to security concerns. While Resolute Support advisers were able to remain in contact via telephone and meetings at their own facility, Resolute Support reports the positive momentum and confidence of the MCTF personnel may have been eroded by RS's reduced personal contact with MCTF investigators.⁵⁵¹

According to Resolute Support, the Afghan government needs to take ownership of and empower the MCTF, which Resolute Support sees as "swimming against the tide" of the general state of Afghan government corruption. Despite recent progress, Resolute Support reports that the MCTF's effectiveness against high-level corruption continues to be limited by external factors, such as a lack of AGO transparency and political pressure. ⁵⁵²

HUMAN RIGHTS

In March, the State Department released its annual report on human rights in Afghanistan. According to State, the most significant human rights problems in 2016 were widespread violence, including indiscriminate attacks on civilians by armed insurgent groups; armed insurgent groups' killings of persons affiliated with the government; torture and abuse of detainees by government forces; widespread disregard for the rule of law and little accountability for those who committed human rights abuses; and targeted violence and endemic societal discrimination against women and girls. ⁵⁵³

Additionally, State pointed out other human rights problems that included extrajudicial killings by security forces; ineffective government investigations of abuse and torture by local security forces; poor prison conditions; arbitrary arrest and detention, including of women accused of so-called moral crimes; prolonged pretrial detentions; judicial corruption and ineffectiveness; violations of privacy rights; restrictions on freedom of speech, press, religion, and movement; pervasive governmental corruption; underage and forced marriages; abuse of children, including sexual abuse; trafficking in persons, including forced labor; discrimination against persons with disabilities; discrimination and abuses against ethnic minorities; societal discrimination based on race, religion, gender, sexual orientation, and HIV/AIDS status; and abuse of workers' rights, including child labor.⁵⁵⁴

Widespread disregard for the rule of law and official impunity for those who committed human rights abuses were other serious problems identified by State. The government did not consistently or effectively prosecute abuses by officials, including security forces. State did note, however, that civilian authorities generally maintained control over the security forces, although there were occasions when security forces acted independently. 555

Refugees and Internal Displacement

There have not been significant changes in refugee movements during the quarter. According to State, following the December 2016 decision of the UN High Commissioner for Refugees (UNHCR) to close its voluntary repatriation centers in Pakistan for the winter, there have been no voluntary refugee repatriations from Pakistan. In 2016, a total of 370,102 Afghans registered as refugees returned from Pakistan, 2,290 returned from Iran, and 185 returned from other countries. UNHCR predicts a similar high number of refugee returns in 2017 when the repatriation centers open in April. ⁵⁵⁶

State sees four primary factors affecting returns in 2017: (1) the introduction of tighter border controls by Pakistani authorities; (2) the harassment of Afghan communities in Pakistan; (3) the extension of proof-of-registration cards, which provide legal status for Afghan refugees in Pakistan, to December 31, 2017; and (4) the reduction of UNHCR-provided repatriation grants from \$400 per person to \$200 per person. 557 UNHCR provides services at the voluntary repatriation centers (in Pakistan) and at encashment centers (in Afghanistan) to returning refugees such as vaccinations, land mine awareness, school enrollment information, and referral services for those that require additional assistance. In addition to protection assistance, UNHCR provides cash assistance for reintegration. In 2016, these grants were \$400 per person. Starting April 2017, UNHCR will reduce this assistance to \$200 per person for sustainability purposes. 558 Typically, the \$400 cash grants were expended within two to three months. 559

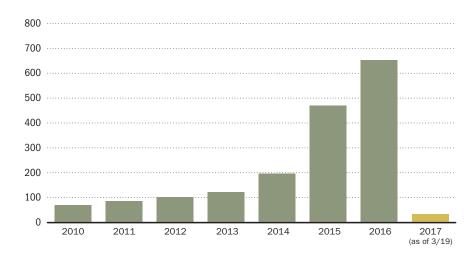
Undocumented Afghans (migrants) are also returning in large numbers in recent months. The International Organization for Migration reports that

 $12{,}149$ undocumented Afghan migrants have returned from Pakistan in 2017, as of March $25.^{560}$

As shown in Figure 3.28, there has also been an increase in internal displacement. According to the UN's Office for the Coordination of Humanitarian Affairs (OCHA), 660,639 people in Afghanistan fled their homes due to conflict in 2016—the highest number of displacements

FIGURE 3.28

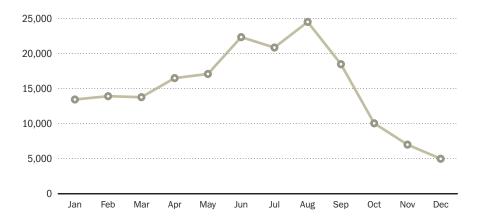
CONFLICT-INDUCED DISPLACEMENTS (THOUSANDS)



Source: UN OCHA, "Afghanistan: Conflict Induced Displacements in 2017 - Snapshot," 3/19/2017.

FIGURE 3.29

FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION DURING 2016



 $Source: \verb|EUROSTAT|, "First time asylum applicants" in the \verb|EU-28| by citizenship|, \verb|Q4| 2015-Q4| 2016", "3/16/2017".$

on record and a 40% increase over the previous year. The UN Secretary-General reports that 220 of Afghanistan's districts had conflict-induced displacement. OCHA reported that as of March 25, 47,404 individuals have been displaced so far in 2017. 561

Eurostat, the statistical office of the EU, reported 182,985 first-time Afghan asylum seekers in the EU in 2016. As shown in Figure 3.29, the number of Afghan asylum applications from October to December was 65% lower than the number for the previous three months. A Ministry of Refugees and Repatriation spokesman said in December that approximately 10,000 Afghans have returned from Europe in 2016.

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. 564

USAID has committed \$280 million to Promote and hopes to raise an additional \$200 million from other international donors. No other donors have committed to contribute funds to Promote; however, USAID reports that Promote was designed to achieve the project targets with or without additional funding. Table 3.17 show the current Promote programs.

TABLE 3.17

USAID GENDER PROGRAMS					
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 3/31/2017 (\$)	
Promote: Women in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$15,046,976	
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	18,495,491	
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	9,096,718	
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	6,369,704	
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, 4/9/2017.

As of March, 3,595 women have participated in Promote's Women in the Economy (WIE) internship and apprenticeship program, which focuses on internships in the healthcare, education, information technology, banking, and finance sectors. Between January and March, 1,423 women were participating in internships and 12 had found jobs. Since the start of WIE, 664 female interns have advanced into full time employment either within the host company, or by finding a Promote-defined new and better job. ⁵⁶⁷

This quarter, 1,158 young women graduated from Promote's Women's Leadership Development (WLD) primary training program, bringing the



First Lady of Afghanistan Rula Ghani delivers remarks during a Women in Security Advisory Committee session. (U.S. Navy photo by Lt. Jg. Egdanis Torres Sierra)

total to 3,803 graduates. Of the total number of graduates, 137 graduates were hired by the Afghan government, 265 graduates are participating in internships, apprenticeships, and with other USAID Promote programs, and 143 graduates hired by private sector employers. WLD has extended its training to women at the MOI's police academy with the aim of building women's leadership within the police force. 568

Promote's Women in Government (WIG) program continued the training of 102 first-cohort interns for their final three-month practicum with one of 17 Afghan government ministries, four independent agencies, or with the Kabul Municipality. This final phase marks the end of their year-long internship. In February, WIG met with Afghan government human resources directors to identify vacancies and push for the hiring of qualified interns.

Meanwhile, the second cohort of 347 WIG interns continued their sixmonth civil service training at the Ministry of Labor, Social Affairs, Martyrs, and Disabled's Institute for the Disabled in Kabul. Following this initial training, the interns will participate in a three-month leadership development seminar offered by WLD. WIG is also providing civil service training to a third cohort of 540 female university graduates and a fourth cohort of 145 females. ⁵⁶⁹ As of January, WIG reports that 15 of the initial 16 WIG pilot graduates are employed full-time by the Afghan government, though three were employed on temporary, three-month contracts. ⁵⁷⁰

The SMAF includes several short-term deliverables related to women's rights, including the requirement for an implementation and financing plan for the National Action Plan for Women, Peace, and Security approved at 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 2016.⁵⁷¹ The Afghan government reported that it achieved the deliverable related to the implementation of the National Action Plan for Women, Peace, and Security. The budget for the first phase of the action plan, scheduled to run from 2016 to 2020, has been approved at \$51.5 million. The Afghan government, however, committed only \$11 million, leaving a \$39.5 million funding gap.⁵⁷²

At the October 2016 Brussels Conference, the Afghan government agreed to demonstrate progress in its National Action Plan for Women by delivering annual progress reports in 2017 and 2018. Within this deliverable, Afghanistan committed to increase the percentage of female civil servants from the current level (using a 2015 baseline) by two percentage points in 2017 and an additional two percentage points in 2018. According to the Afghan Central Statistics Office, 21.9% of Afghan civil service employees were women in 2015–2016, a 0.7% increase over the previous year. According to the previous year.

The Afghan government also agreed to establish special courts on violence against women in 15 provinces by December 2017 and the remaining provinces by December 2018. Dedicated violence-against-women prosecution units are also to be established and functional, including adequate staffing, in all 34 provinces by December 2017. The Afghan government committed to incrementally increasing the percentage of women serving as judges and prosecutors in these special courts and prosecution units. The Afghan government reports that, as of January, the AGO employs 355 female prosecutors. Additionally, local inspectors for the elimination of violence against women currently operate in 23 provinces. However, the 11 remaining provinces lack dedicated inspectors due to insecurity. According to State, as of April, 33 provinces host elimination of violence against women prosecution units.

Finally, Afghanistan committed to launch a women's economic-empowerment plan by the first half of 2017 and produce an implementation report by 2018.⁵⁷⁹ According to the Afghan government, the final draft of this plan has been approved and the budget is being developed.⁵⁸⁰