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## GOVERNANCE

### KEY ISSUES AND EVENTS

This quarter, there was significant political tension between the Afghan central government and powerful regional powerbrokers. The latest dispute followed the December 18 announcement by the Afghan presidential palace that it had accepted the resignation of Balkh Province Governor Atta Mohammad Noor. (President Ashraf Ghani already had replaced the governors of all 33 other provinces).<sup>362</sup> Noor is one of the founders, along with First Vice President Abdul Rashid Dostum, of the Council for the Salvation of Afghanistan, a rival political group that accused President Ghani of monopolizing political power.<sup>363</sup> Noor rejected what he labeled as his dismissal. Claiming his removal was illegal and in violation of an agreement he had with President Ghani, he returned to the Balkh Province governor's office on December 30.<sup>364</sup>

In addition to being the governor of Balkh Province for the past 13 years and expressing an interest in running for president, Noor is the chief executive of the Jamiat-e Islami party.<sup>365</sup> The Jamiat-e Islami party—one of the oldest and largest political parties in Afghanistan—issued a statement saying Noor's removal violated the terms of the 2014 power-sharing agreement that led to the formation of the national unity government.<sup>366</sup> Jamiat party representatives held a series of negotiations with the presidential palace but, as of mid-January, there was no resolution of the matter. The dispute has sowed division within Jamiat, with Noor accusing President Ghani's coalition partner Chief Executive Abdullah Abdullah—who Jamiat backed in the disputed 2014 presidential election—of weakness. According to Reuters, Chief Executive Abdullah confirmed that he approved the decision to remove Noor from office.<sup>367</sup>

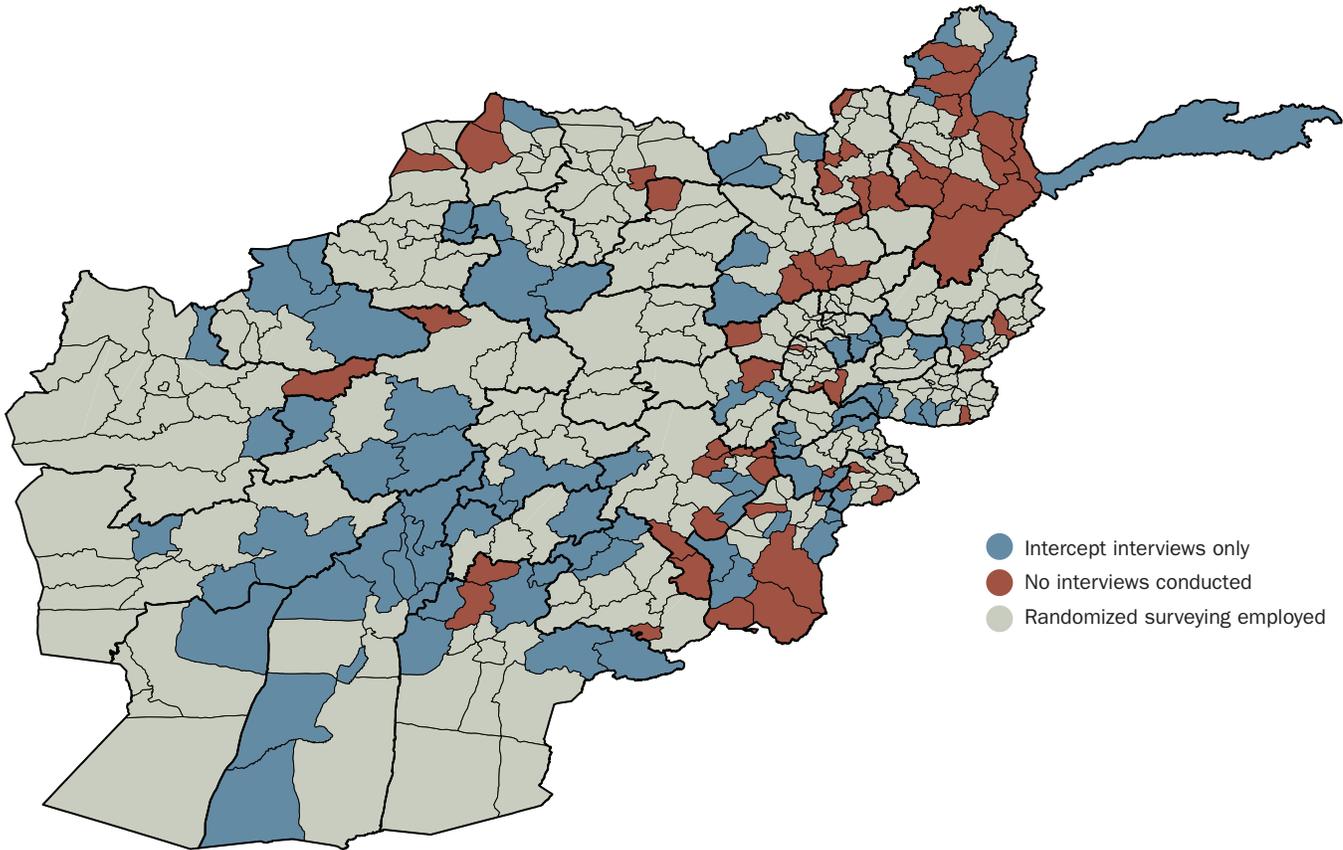
On January 16, Vice President Michael Pence spoke with President Ghani over the phone to encourage “the Afghan government to engage with Balkh Governor Atta and conduct a peacefully negotiated transition of leadership.”<sup>368</sup>

On December 2, an anti-Ghani rally was held in Kandahar Province that involved parliamentarians, former governors and ministers, and some local elders. According to the *New York Times*, the powerful Kandahar Province chief of police General Abdul Raziq was one of the hosts of the event.

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FIGURE 3.33

2017 SURVEY OF THE AFGHAN PEOPLE (DISTRICTS BY SURVEY METHOD)



Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

Then-Balkh Governor Noor attempted to attend the rally, but the Afghan government reportedly denied his plane permission to take off.<sup>369</sup>

Following the presidential palace's announcement regarding Noor's dismissal, Raziq publicly came out in support of Noor, saying he still considered Noor the incumbent governor. Further, Raziq told reporters that the Afghan government cannot fire him.<sup>370</sup> Noor has also warned the Afghan government against using the Afghan security forces to forcibly remove him from the governorship, claiming that a majority of these forces support him.<sup>371</sup>

In November 2017, Agence France Presse reported that seven of First Vice President Dostum's bodyguards were sentenced to five years in prison for the abduction and sexual assault of Dostum's political rival in November 2016. According to the U.S. Department of Justice (DOJ), the failure to arrest or convict Dostum is an example of Afghanistan's weak and dysfunctional legal system.<sup>372</sup>

In November, the Asia Foundation released its annual *Survey of the Afghan People*. The survey polled 10,012 Afghan respondents aged 18 years and older between July 5 and July 23, 2017. The survey was conducted prior to President Donald Trump's August 21 announcement of his administration's strategy in Afghanistan, so its effect was not included. While optimism remains below the high point of 2013 (when 58.2% of respondents said Afghanistan was moving in the right direction), this year, optimism rose slightly from 29.3% in 2016 to 32.8% of respondents. For those who expressed optimism, the rebuilding of the country and improved security were cited as the most frequent reasons. Conversely, insecurity and crime, economic concerns, and governance issues were the most frequently cited reasons for pessimism. More than half of the Afghans surveyed (56.2%) believe the central government is doing a good job ("very good" or "somewhat good"), a 7.1-point increase over 2016 (49.1%).<sup>373</sup>

A number of districts were deemed too insecure for interviewers to randomly select a sample of respondents. To collect information on the perceptions of those living in insecure areas, the Asia Foundation relied on "intercept interviews." Intercept interviews are interviews with respondents traveling to or from an insecure or inaccessible district. Respondents are "intercepted" at bus stops, in hospitals, and in other places of transit. The Asia Foundation excludes intercept interviews from its main statistics because they are not random samples.<sup>374</sup> Figure 3.33 shows the districts that relied exclusively on intercept interviews to gauge perceptions (in blue). The population of these districts represents approximately 15.5% of the total estimated Afghan population. Approximately 6.5% of the population lives in districts that were not included in the survey (in red).<sup>375</sup>

## U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of December 31, 2017, the United States had provided nearly \$33 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$19.9 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).<sup>376</sup>

## AFGHANISTAN COMPACT

Last quarter, the U.S. and Afghan governments announced the launch of the "Afghanistan Compact" (which State has variously referred to as the "Kabul Compact" or simply "Compact"). The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government's commitment to reforms. According to State, the development of the compact and its ultimate implementation by the Afghan government were important considerations in the development of the U.S. government's new South Asia strategy.<sup>377</sup>

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The Afghanistan Compact process consists of four U.S.- and Afghan-chaired working groups covering governance, economic development, peace and reconciliation, and security issues. Each working group has a matrix of benchmarks (which State refers to as “voluntary, unilateral reform commitments”) to chart reform progress for the next three years.<sup>378</sup> The Afghan government is not obliged to provide documentary evidence at these working group meetings to prove its progress in meeting the benchmarks, and has not done so.<sup>379</sup>

According to State, the U.S. government will better be able to hold the Afghans accountable and better calibrate U.S. diplomatic and assistance efforts by tracking Afghan government progress in implementing the Afghanistan Compact reforms.<sup>380</sup> However, there are no foreign assistance funds tied to the Afghanistan Compact, meaning the Compact does not create any obligations on the United States and there is no conditionality tied to any of the benchmarks.<sup>381</sup>

This quarter, State reported that the Afghan government met the following governance-related Afghanistan Compact benchmarks:<sup>382</sup>

- held a monthly National Elections Forum (NEF) meeting to chart progress toward timely, credible, and inclusive elections
- issued a decree to add an enforcement mechanism to strengthen the audit law
- passed and implemented a land management and land acquisition law
- held a meeting of the Counter Narcotics High Commission

The deadlines for a number of governance-related benchmarks due this quarter were delayed, including:<sup>383</sup>

- create a voter list (originally due in October 2017 but postponed to April 2018)
- conduct voting and counting process (originally due in October 2017 but postponed to October 2018)
- tabulate elections results (originally due in October 2017 but postponed to October 2018)
- establish, and advertise in public media, an anticorruption tip hotline and provide financial rewards for tips that lead to corruption charges (originally due in November 2017 but not met, as the tip hotline that was established covered only corruption in the Attorney General’s Office, not the government as a whole)

Additionally, State reported that the Afghan government has successfully achieved a number of peace and reconciliation benchmarks ahead of schedule, including reforming provincial peace committees and establishing and implementing fiscal oversight and project-management procedures for High Peace Council and provincial peace council activities in 2017.<sup>384</sup>

## ELECTORAL REFORM

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, 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.<sup>385</sup> At present, parliamentary elections are still officially scheduled for July 2018. Presidential elections are slated for April 2019.<sup>386</sup> In December, the UN Secretary-General's Special Representative for Afghanistan declared Afghan government electoral preparations insufficient.<sup>387</sup>

The Independent Elections Commission (IEC) has committed to connecting voters to specific polling centers during the registration process. According to State, elections experts assess that polling-center-based registration is the critical reform necessary to reduce ballot-box stuffing (the principal method of fraud in the 2014 election) by aligning the number of ballots delivered to each polling center more closely with the number of voters registered there.<sup>388</sup>

The IEC plans to begin voter registration in provincial capitals and districts in April 2018. Every eligible voter will be required to register at one of more than 7,000 polling centers. Voters will be required to present their citizenship identification at the time of registry (parallel to the voter registration, the Afghanistan Central Civil Registration Authority plans to distribute an additional 10 million identity cards). Each registered voter will receive a voter registration certificate (with a unique number) that will be attached to their national identification card and recorded in a central registry. The national identification card (with certificate) will serve as the voter's proof of registration. Once the voter registration effort is completed, old voter registration cards will be invalid. The IEC plans to recruit 33,000 personnel for the voter registration effort that is expected to cost \$28 million.<sup>389</sup> According to the UN, donors have agreed to fund up to 90% of this voter registration effort.<sup>390</sup>

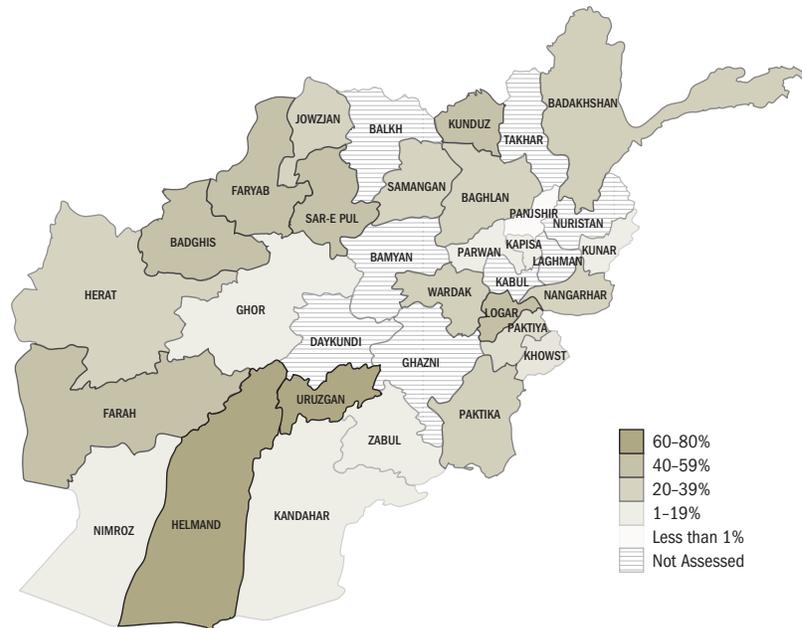
As of December 6, the IEC assessed 5,436 previously used polling centers but was unable to assess 1,744 other previously used polling centers due to insecurity. With the addition of replacement polling center sites, the IEC has approved 7,355 polling centers for the next election.<sup>391</sup> As shown in Figure 3.34 on the following page, certain provinces saw a large percent of the polling centers from the previous election become inaccessible due to insecurity.

The U.S. government is supporting election reforms through a grant of up to \$30 million to a legacy election-support project implemented by the United Nations Development Program (UNDP). This project was originally meant to support the planned 2015 parliamentary elections, which were subsequently delayed until 2018.<sup>392</sup>

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FIGURE 3.34

PERCENT OF PREVIOUS POLLING CENTERS NOT ASSESSED DUE TO INSECURITY, AS OF NOVEMBER 2017



Note: This data is as of November 2017 and includes the results of only 26 provinces that were assessed during the first three phases of polling center assessments.

Source: IEC, "PC Assessment Results," 11/2017.

## 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 sustainable political settlement with the Taliban.<sup>393</sup> However, according to the UN Secretary-General, there was no discernible progress on peace talks between the Afghan government and the Taliban this quarter.<sup>394</sup> State also reports that there have been no new developments in the Taliban's position on reconciliation.<sup>395</sup>

In its annual survey, the Asia Foundation found that only half of the Afghan respondents (52.3%) believed that reconciliation with the Taliban is possible. Additionally, approximately 15.7% of respondents expressed either "a lot" or "a little" sympathy for the Taliban.<sup>396</sup>

According to State, the Afghan government will announce a new a whole-of-government peace strategy at the Kabul Process Conference on February 1, 2018.<sup>397</sup> However, the UN Secretary-General reported that the High Peace Council (HPC) finalized its strategic plan this quarter. This plan reportedly stipulates that the Afghan government will not negotiate from

a position of weakness. The plan also calls for peace talks to be hosted in Kabul, with no international intermediaries.<sup>398</sup> In December, a senior HPC official said the Taliban could open a representative office either in Kabul or in a country of their choice. The same official said the Afghan government was ready to begin a peace process without any preconditions.<sup>399</sup>

Afghanistan's strategic plan for peace and reconciliation envisions an Afghanistan free of violence and armed conflict, where social cohesion prevails over fragmentation, and state institutions have the capacity to mediate as and when needed. The primary objectives of the plan are:<sup>400</sup>

1. armed opposition groups reconcile to a peaceful political and social life through inter-Afghan dialogue and negotiations
2. national consensus and public mobilization to garner support for Afghan-led solutions
3. community security and stabilization enhanced through community-based peace and stability initiatives
4. implement peace agreements with armed opposition groups after negotiated settlements
5. institutionalize and reinforce Afghan capacities for peace

According to the HPC, objectives 2 and 5 were the priorities for 2017.<sup>401</sup>

According to State, the Afghan government continues to work through the HPC to prepare the Afghan public for negotiations with the Taliban through extensive outreach efforts in all 34 provinces.<sup>402</sup> The HPC reported that they sent delegations to 12 provinces between September and November 2017. These delegations held 48 events to meet with religious scholars, political and tribal leaders, university students, and representatives of victims of war. The HPC identified representatives of each group for future collaboration. The HPC claimed these efforts have created a nationwide momentum for peace, which it called a "revolution for peace."<sup>403</sup> Additionally, the HPC reported that the Taliban rank and file desire to join the peace process. According to HPC-collected reports, there are a "huge number" of armed opposition fighters who wish to stop fighting.<sup>404</sup>

State said the HPC has significantly reformed and streamlined their staffing structures, held ambitious outreach activities to assess social attitudes toward reconciliation, documented challenges, mobilized support for reconciliation, and developed the capacity to facilitate the reconciliation process. State believes that the meetings held by the HPC ensures that the perspectives of women, youth, religious leaders, and civil society are heard.<sup>405</sup>

In December 2017, the HPC organized a gathering of 700 religious scholars, clerics, and prominent religious figures to discuss the war in Afghanistan. The participants unanimously called on the Afghan government to be more tolerant and patient towards the Taliban; refrain from using harsh words when describing the Taliban; increase its fight against moral and administrative corruption; ensure the Afghan security forces

(labeled the “true protectors of [the Afghan] nation”) remain apolitical; control media outlets to prevent programs that are in conflict with religious, cultural, and national values; and address causes of conflict such as narcotics trafficking, illegal mining, and smuggling alcoholic beverages. The participants also called on the Taliban to put forward their demands for peace, eject all members who have ties with international terrorism, and renounce violence as this would remove the justification for the continued presence of international forces.<sup>406</sup> President Ghani reportedly accepted the demands and expressed hope that the Taliban would do so as well.<sup>407</sup>

State has provided \$3.9 million to the UNDP to support reconciliation (including the activities of the HPC). While this support was originally planned to last through 2017, State and other donors are currently in discussions with UNDP and the Afghan government on extending a UNDP pilot project through March 2018. According to State, a new UNDP peace and reconciliation-related project should then cover the remainder of 2018.<sup>408</sup>

In September 2016, the Afghan government finalized a peace agreement with Gulbuddin Hekmatyar’s Hezb-e Islami Gulbuddin (HIG) insurgent group.<sup>409</sup> When the peace deal with HIG was announced, some expressed hope that reconciling with Hekmatyar could facilitate a broader peace. President Ghani, for example, said upon signing the agreement, “This day starts the subsiding of war in Afghanistan and the beginning of rebuilding it.”<sup>410</sup>

According to State, however, the peace agreement with HIG thus far has had no definitive impact on the reconciliation calculations of other resistance groups, including the Taliban. Nevertheless, State considers the peace agreement with HIG as an important precedent that will influence other armed groups.<sup>411</sup>

## Regional Dynamics

U.S. frustrations with Pakistan grew throughout the quarter. On January 1, 2018, President Donald Trump said on social media that Pakistan provides safe haven to terrorists who operate in Afghanistan. He further vowed to no longer provide foreign aid to Pakistan.<sup>412</sup> Previously, in December 2017, Vice President Michael Pence said that President Trump had “put Pakistan on notice” for continuing to harbor the Taliban, criminals, and terrorists.<sup>413</sup>

On January 4, State announced that the United States had suspended security assistance to Pakistan until the Pakistan government takes decisive action against the Taliban and Haqqani network.<sup>414</sup>

In late December, the Chinese government hosted the first set of talks with Afghanistan and Pakistan since the three countries agreed to establish a trilateral mechanism in June 2017. The three countries called on the Taliban to join peace talks with the Afghan government and promised to “not allow any country, organization or individual to use their own territory

to engage in terrorist activities against other countries.” Additionally, China’s foreign minister said that China and Pakistan would consider extending the Chinese-Pakistan Economic Corridor—a Chinese initiative involving approximately \$60 billion in Chinese investments in highways, railways, and power plants in Pakistan—into Afghanistan.<sup>415</sup>

Earlier in December, the foreign ministers of China, Russia, and India issued a joint communiqué expressing their support for an Afghan-led peace process, labeling the Afghan security forces as a key to stabilizing Afghanistan, and advocating regional engagements with Afghanistan. A spokesman for the Afghan Ministry of Foreign Affairs was quoted in Afghan media calling Russia one of Afghanistan’s “good friends.” While still in India, the Russian foreign minister rejected U.S. concerns that Russia supported the Taliban.<sup>416</sup>

Pakistan continues its efforts to build a fence between itself and Afghanistan, with plans to cover 2,400 kilometers by the end of 2018. As of December 2017, Pakistan has completed a section of approximately 150 kilometers. Afghanistan opposes the fence, which follows along the disputed colonial-era border.<sup>417</sup>

## 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.<sup>418</sup> 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.<sup>419</sup>

In several conferences since the 2010 Kabul Conference, the United States and other international donors have supported an increase to 50% in 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.<sup>420</sup> According to USAID, 47% of its assistance in FY 2017 was committed to on-budget mechanisms. Additionally, USAID reports that it is not necessarily committed to a specific on-budget target.<sup>421</sup>

As shown in Table 3.6 on the following page, USAID expects to spend \$800 million on active, direct bilateral-assistance programs. It also expects to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) through 2020 that includes the \$800 million New Development Partnership, 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).<sup>422</sup>

**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 bilaterally from a donor to Afghan government entities, or through multidonor trust funds. (DOD prefers the term “direct contributions” when referring to Afghanistan Security Forces Fund (ASFF) monies executed via Afghan government contracts or Afghan spending on personnel).

**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; DOD, OSD-P response to SIGAR vetting, 1/15/2018.

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TABLE 3.6

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2017 (\$)
<b>Bilateral Government-to-Government Projects</b>					
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	1/1/2013	12/31/2018	\$725,000,000	\$158,579,664
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	75,000,000	0
<b>Multi-Donor Trust Funds</b>					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	2,700,000,000	1,755,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2018	153,670,184	153,670,184

Note: \* USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursement from the two ARTF awards is currently \$3,127,677,528.

Source: USAID, response to SIGAR data call, 1/17/2018.

## 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 is assessing the extent to which the World Bank and the Afghan government (1) monitor and account for U.S. contributions to the ARTF; (2) evaluate whether ARTF-funded projects have achieved their stated goals and objectives, and (3) utilize and enforce any conditionality on ARTF funding.

## Civilian On-Budget Assistance

USAID delivers on-budget civilian assistance (1) bilaterally to Afghan government entities and (2) through contributions to two multidonor trust funds, the ARTF and the AITF.<sup>423</sup> According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.<sup>424</sup>

The ARTF, administered by the World Bank, provides funds to the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.<sup>425</sup> The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.<sup>426</sup> According to USAID, the majority of on-budget funding has been and will continue to be directed through the multidonor trust funds, particularly the ARTF.<sup>427</sup>

As of November, the United States remains the largest donor to the ARTF (31.1% of actual contributions) with the next largest donor being the United Kingdom (17.2% of actual contributions).<sup>428</sup> The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of November, the ARTF recurrent-cost window has cumulatively provided the Afghan government \$2.6 billion for wages, \$600 million for operations and maintenance costs, \$819 million in incentive program funds, and \$556 million for ad hoc payments since 2002.<sup>429</sup>

According to the World Bank, it is uncommon to apply the amount of fiduciary scrutiny it applies to overseeing the ARTF (particularly hiring private consulting firms as third-party monitors to compensate for the World Bank's limited field supervision and to supplement limitations of the Afghan government's own public financial-management systems) in budget support

operations. This scrutiny includes having a monitoring agent verify the eligibility of Afghan government-incurred expenditures for reimbursement by ARTF. Given that a large fraction of the government's recurrent-cost budget goes to government employees' salary payments, since 2014 the monitoring agent began conducting sample physical verifications of government employees to address concerns of possible "ghost" employees.<sup>430</sup>

Although physical verification of government employees was not contemplated in the original monitoring agent contract, the firm agreed to carry out these physical verifications without additional cost. According to the World Bank, this ad hoc arrangement—in which no additional resources have been made available to mitigate the security risks faced by the monitoring agent—means the geographic reach of the physical verifications carried out by the monitoring agent is limited. So far, around 40% of Afghan government employees on the payroll sample have not been subject to physical verification.<sup>431</sup>

According to the latest monitoring agent report made available to ARTF donors, the monitoring agent recently selected a sample of 2,597 Afghan government employees for physical verification (during the period of time covered by this sample, the monitoring agent reported that there were on average 270,812 non-uniformed Afghan government employees serving in the provinces and 95,605 non-uniformed Afghan government employees serving at the central ministries). Approximately 43% of the initial sample were dropped due to security and accessibility concerns (according to the monitoring agent, verification can only occur in districts and provinces considered safe for their Afghan national monitoring team to visit).<sup>432</sup>

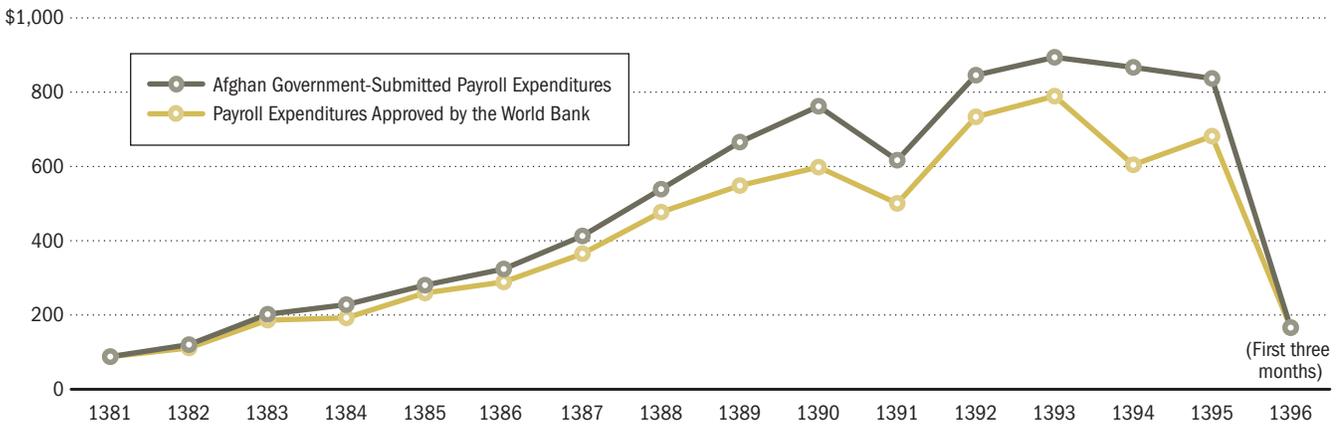
Of the 1,475 Afghan government employees remaining from the initial sample, 78% were physically verified without issue. Of the remaining 319 employees who were not physically verified, 55% were reported absent due to school exams, holidays, or vacation. Additionally, the monitoring agent did not have authorization to physically verify 20 individuals.<sup>433</sup>

Since the establishment of ARTF in 2002, the World Bank has approved approximately \$8.4 billion of \$11.8 billion Afghan government-incurred recurrent cost expenditures submitted to the ARTF (71.3%). As shown in Figures 3.35 and 3.36 on the following page, during this time, the World Bank approved Afghan government-submitted payroll expenditures at a higher rate (approximately 84%) than operations and maintenance expenditures (approximately 46%).<sup>434</sup> Afghan government-submitted expenditures may be deemed ineligible for a number of reasons, including missing documentation (such a bank transfer or payment receipts, procurement documents or payment vouchers), noncompliance with procurement procedures, and payment not matching the supporting documents.<sup>435</sup>

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FIGURE 3.35

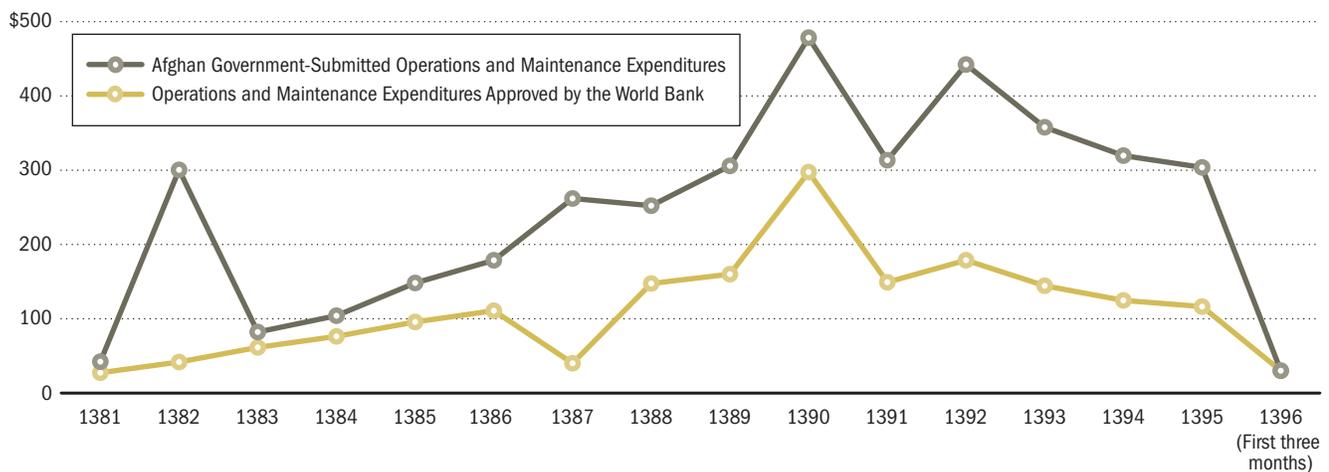
## AFGHANISTAN RECONSTRUCTION TRUST FUND PAYROLL EXPENDITURE SUBMISSIONS AND APPROVALS (\$ MILLIONS)



Source: BDO, Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396, 10/2017, p. 17.

FIGURE 3.36

## AFGHANISTAN RECONSTRUCTION TRUST FUND OPERATIONS AND MAINTENANCE EXPENDITURE SUBMISSIONS AND APPROVALS (\$ MILLIONS)



Source: BDO, Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396, 10/2017, p. 17.

## On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward Afghan security forces' requirements.<sup>436</sup> The U.S. Department of Defense (DOD) provides on-budget assistance to the Afghan government through direct contributions from the Afghanistan Security Forces Fund (ASFF) to the Afghan government to fund Ministry of Defense (MOD) and Ministry of Interior (MOI) requirements, and ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).<sup>437</sup> LOTFA is administered by the UN Development Program (UNDP) and primarily funds Afghan National Police salaries and incentives.<sup>438</sup> Direct-contribution funding is provided to the MOI, which allots it incrementally to the MOD and MOI, as required.<sup>439</sup>

The U.S. Combined Security Transition Command-Afghanistan (CSTC-A) monitors and formally audits the execution of those funds to assess ministerial capability and ensure proper controls and compliance with documented accounting procedures and provisions of the annual commitment letters.<sup>440</sup>

For Afghan fiscal year (FY) 1396 (December 2016–December 2017), DOD planned to provide the equivalent of \$801 million to support the MOD and \$216 million to support the MOI directly to the Afghan government.<sup>441</sup>

Despite the Afghan fiscal year's beginning in December 2016, only the MOI commitment letter has been signed. CSTC-A reports that they are enforcing the conditions in both the MOI and MOD commitment letters.<sup>442</sup>

One consequence of not fully finalizing the 1396 commitment letters is confusion regarding whether MOD and MOI are required to complete monthly assessments of their anticorruption efforts. An appendix to the 1396 MOD and MOI commitment letters shows an expectation of monthly assessments of the MOD and MOI counter- and anticorruption efforts. When SIGAR has requested copies of these monthly assessments, CSTC-A acknowledged that such a requirement was specified in the appendix of the commitment letters. However, since the commitment letters have not been signed, the MOD and MOI have not conducted any assessments as neither ministry was tasked with conducting them. CSTC-A says this issue will be addressed in future commitment letters.<sup>443</sup>

CSTC-A has reduced the number of conditions in the MOD and MOI commitment letters from 130 to 30. According to DOD in its public report, the original 130 conditions defined in previous commitment letters proved too difficult to enforce and accurately track. (However, USFOR-A responded to SIGAR that the conditions were reduced “to best meet the operational environment”).<sup>444</sup> Imposing financial penalties for noncompliance with defined conditions, as originally envisioned, would often detract from the combat effectiveness of the Afghan security forces, DOD said. For example, penalties such as withholding fuel allocations inhibited unit mobility. Instead, DOD believes that alternative penalties—such as withholding funding for senior MOD or MOI official travel—is more effective.<sup>445</sup>

For Afghan fiscal year 1396, CSTC-A provided the Afghan government the equivalent of \$553.5 million to support the MOD.<sup>446</sup> Additionally, as of December, CSTC-A provided the equivalent of \$184.4 million to support the MOI. Of these funds, \$20.8 million was delivered via the UNDP-managed LOTFA, while \$163.6 million was provided directly to the Afghan government.<sup>447</sup>

According to CSTC-A, the MOD and MOI have immature, but improving, capability to effectively manage ASFF funding. Both ministries reportedly fail to determine their actual needs and instead spend funds as provided. According to CSTC-A, many of the ASFF-funded MOD and MOI projects lack a measureable impact on Afghan defense capabilities. MOD and MOI have changed the priority of various ASFF-funded projects without clear rationale, resulting in inefficiencies. CSTC-A reports that it is now forcing MOD and MOI to develop prioritized procurement plans for ASFF-funded projects that are signed by the ministers of defense and interior. Any changes to these plans will require minister approval. Additionally, CSTC-A will fund the highest priorities before funding the lower ones.<sup>448</sup>

According to DOD, Secretary of Defense James N. Mattis does not support providing ASFF to the Afghan government to be executed via Afghan government contracts.<sup>449</sup>

CSTC-A reports that the involvement of the National Procurement Authority (NPA) and the National Procurement Commission (NPC) in MOD and MOI procurements has created unease within the MOD and MOI. This unease is reportedly due to the increased oversight and scrutiny of MOD and MOI procurement requests. For example, CSTC-A reports that the NPC has, on numerous occasions, highlighted inconsistencies that result in projects not being awarded until an independent investigation concluded. While CSTC-A reports that it is too early to know whether the increased oversight will result in improved MOD and MOI processes, they believe the trend is positive (the NPC was created in February 2015 by presidential order).<sup>450</sup>

## NATIONAL GOVERNANCE

### Capacity-Building Programs

As shown in Table 3.7, USAID capacity-building programs seek to improve Afghan government stakeholders' 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 such as civil society organizations and the media.<sup>451</sup>

According to a recent USAID-commissioned assessment of USAID's progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, USAID's implementation of the Afghan government's national technical assistance (NTA) policy (which aims to improve the Afghan

# GOVERNANCE

TABLE 3.7

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2017 (\$)
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	\$70,000,000	\$56,828,197
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	23,145,307
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	1,249,700

Source: USAID, response to SIGAR data call, 1/17/2018.

government's recruitment and retention of civil servants by harmonizing the compensation of all Afghan national staff employed by donor-funded implementing partners) has forced USAID implementing partners to lower salary offers and reduce salaries for existing project staff. This created difficulties in hiring and retaining qualified staff and, in turn, has adversely affected project implementation. Multiple implementing partners reported that some donors subvert the NTA process by offering Afghan staff special benefits in lieu of salary.<sup>452</sup>

The assessment also found that most USAID capacity-building projects have performance indicators which are input- or output-based but do not measure effectiveness well.<sup>453</sup>

## National Assembly

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). According to the parliament, these votes of no-confidence mean that the ministers are dismissed. President Ghani, however, ordered the ministers to continue working.<sup>454</sup>

This quarter, the Afghan government introduced 12 cabinet minister nominees to parliament (including replacements for five of the seven ministers who had previously received parliamentary votes of no-confidence). In December 2017, the parliament approved 11 of the 12 minister nominees (including all five replacement nominees). Only the nominee for minister of mines and petroleum failed to receive parliamentary approval (but remains in office as an acting minister). For the two remaining ministers who received parliamentary votes of no-confidence in 2016 (the ministers of foreign affairs and education), the minister of foreign affairs remains in office despite the previous no-confidence vote while the Ministry of Education is led by a new acting minister who was appointed by President Ghani in November 2017.<sup>455</sup> The newly approved ministers include:

- Mohammad Shafiq Gul Agha Sherzai, Minister of Border and Tribal Affairs
- Mohammad Mustafa Mastoor, Minister of Economy

# GOVERNANCE

- Shahzadgul Ayobiy, Minister of Telecommunication and Information Technology
- Tariq Shah Bahrami, Minister of Defense
- Naseer Ahmad Durrani, Minister of Agriculture, Irrigation, and Livestock
- Mujib-ul-Rahman Karimi, Minister of Rural Rehabilitation and Development
- Wais Ahmad Barmak, Minister of Interior
- Mohammad Hameed Tahmasi, Minister of Transport and Civil Aviation
- Najibullah Khwaja Omari, Minister of Higher Education
- Faizullah Zaki, Minister of Labor, Social Affairs, Martyrs and Disabled
- Yama Yari, Minister of Public Works<sup>456</sup>

In December, the lower house of parliament rejected a presidential decree that lowered the retirement age for military personnel. After the decree was rejected, an MOD spokesman said the ministry still plans to retire a number of officers over the next two years.<sup>457</sup> Seven days before the start of the new Afghan fiscal year in December, the lower house rejected the draft national budget after the upper house approved the draft on November 22. Members of the lower house claimed the budget lacked balance among the provinces.<sup>458</sup> However, on January 17, the lower house approved a revised budget.<sup>459</sup>

USAID funds the \$25 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan's parliament operate as an independent and effective legislative, representative, and oversight body.<sup>460</sup> ALBA regularly supports parliamentary oversight visits to provinces. This quarter, the lower internal security and local administrations commission visited Baghlan Province to assess the overall security situation in the province, monitor food shortages affecting police officers, observe the condition of male and female prisoners, and monitor a sample of police checkpoints. During the visit to Baghlan Province, the delegation met the province governor, security heads, and prisoners. The delegation heard complaints of insufficient police, heavy weapons, clean drinking water, electricity, and medical doctors.<sup>461</sup>

## Civil Society and Media

The Afghan Civic Engagement Program's (ACEP) 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.<sup>462</sup>



**USAID's Assistance to Legislative Bodies of Afghanistan** project delivering training on the process of drafting a law. (USAID photo)

This quarter, the ACEP sponsored a group of 32 civil society leaders to travel to Sri Lanka for a 10-day study tour. ACEP also facilitated a civil society elections coordination meeting with participation from Afghan election management bodies, international donors, the Ministry of Interior, and civil society members. The session focused on constructive engagement of election-focused CSOs with Afghan government election-management bodies to exchange ideas about progress, existing challenges, and ways to cooperate to address the challenges.<sup>463</sup>

In March 2017, 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 also aims to build local capacity by providing training, material support, and advocacy to expand media opportunities for women, work with local women’s groups to advance women’s causes in the media, and support gender-sensitive content production and programming.<sup>464</sup> This quarter, Rasana trained female journalists in Balkh, Herat, and Kabul Provinces on the essentials of journalism. Rasana also sponsored 13 investigative reports that were published online by Afghan media outlets.<sup>465</sup>

This quarter, NAI, an organization supporting open media in Afghanistan, reported that there were 167 recorded cases of violence against journalists in 2017. This was down from the 415 recorded incidents in 2016. According to NAI, the Afghan government was involved in 37% of violent incidents in 2017, whereas insurgents were involved in 40%. NAI reported that 21 reporters were killed (the previous high was 14 in 2016); however, the Afghan government was not responsible for any of these killings.<sup>466</sup>

## 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 3.8 summarizes total program costs and disbursements to date.

TABLE 3.8

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2017 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	\$62,000,000	\$ 41,057,692
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	22,583,823

Source: USAID, response to SIGAR data call, 1/17/2018.

According to a recent USAID-commissioned assessment of USAID's progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, some of USAID's subnational governance strengthening efforts are slowed by the pace of Afghan government reform, which itself is hindered by political uncertainty.<sup>467</sup>

## **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.<sup>468</sup>

According to USAID, one of the key provisions of the Afghan government's provincial budget policy is to link the provincial development plans with the provincial budget process. Last quarter, USAID reported that all 16 of the ISLA-supported provinces submitted their provincial development plans to the Ministry of Economy on time. Additionally, all but one ISLA-supported province submitted their initial budget requests to the MOF.<sup>469</sup>

This quarter, USAID reported that the Ministry of Economy recognized the improved quality of the recently submitted provincial development plans (which USAID attributed to ISLA's technical support). According to USAID, it is not yet possible to know whether the province-submitted projects have been approved by the central government and integrated into the national budget. USAID reports that this analysis will be conducted after parliament approves the budget.<sup>470</sup>

In April 2017, the MOF informed provincial governors of the unconditional fund budgets in the 1396 national budget. The purpose of the unconditional fund is to delegate a small amount of funding (and associated management responsibilities) to the provinces to improve capacities of province officials in public financial management. For each province, \$1 million was approved to be allocated across four sectors: education, health, agriculture, and rural development. The 16 ISLA-supported provinces developed and submitted 179 budget proposals to the MOF. As of September 2017, 175 of these projects have been contracted and \$1.4 million has been spent (out of the total \$16 million made available).<sup>471</sup>

## **Strong Hubs for Afghan Hope and Resilience**

The objective of the \$62 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. Afghanistan's urban population has risen from 22% in 2004/2005 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.<sup>472</sup>

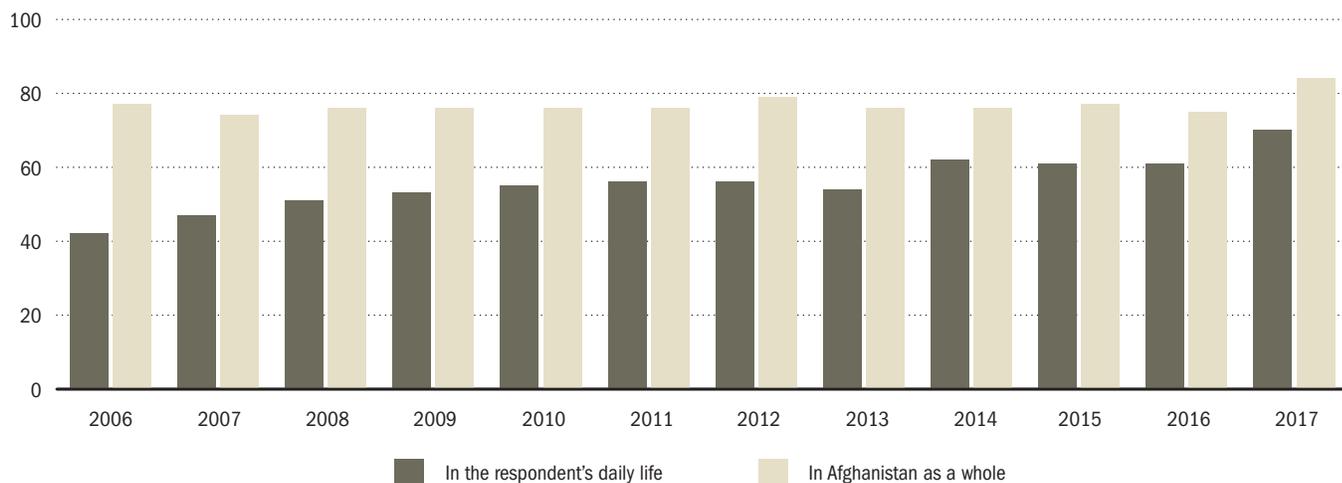
In October, SHAHAR reported that partner municipalities increased their revenue by 15% for the first three quarters of the Afghan fiscal year to the same period in the previous year. The municipalities that registered the largest increases in revenue were Maymana (106% increase, Faryab Province), Qala-e Naw (79% increase, Badghis Province), and Aybak (72% increase, Samangan Province). Expenditures increased by 16% compared to the previous year. The municipalities that registered the largest expenditure increases were Maymana (75% increase, Faryab Province) and Kandahar (60% increase, Kandahar Province).<sup>473</sup>

## RULE OF LAW AND ANTICORRUPTION

According to the Asia Foundation, almost all Afghans surveyed in 2017 believe corruption is a problem in all areas of their lives, with 83.7% saying corruption is a major problem in Afghanistan as a whole, and 13.1% saying it is a minor problem. As shown in Figure 3.37 below, the number of respondents who believe corruption is a concern in daily life has continued to grow over the years, and has now reached a record high. Urban residents (81.5%) are significantly more likely than rural residents (66.0%) to perceive everyday corruption as a major problem.<sup>474</sup>

FIGURE 3.37

### PERCENT OF RESPONDENTS SAYING CORRUPTION IS A MAJOR PROBLEM

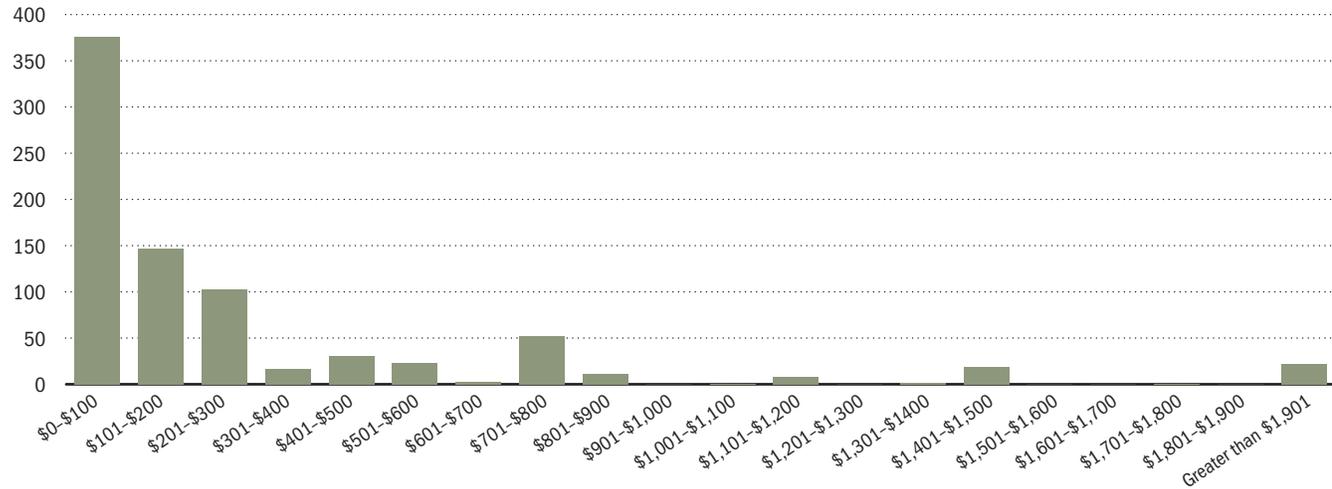


Source: The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, p. 100.

# GOVERNANCE

FIGURE 3.38

## DISTRIBUTION OF BRIBES PAID TO THE JUDICIARY/COURTS

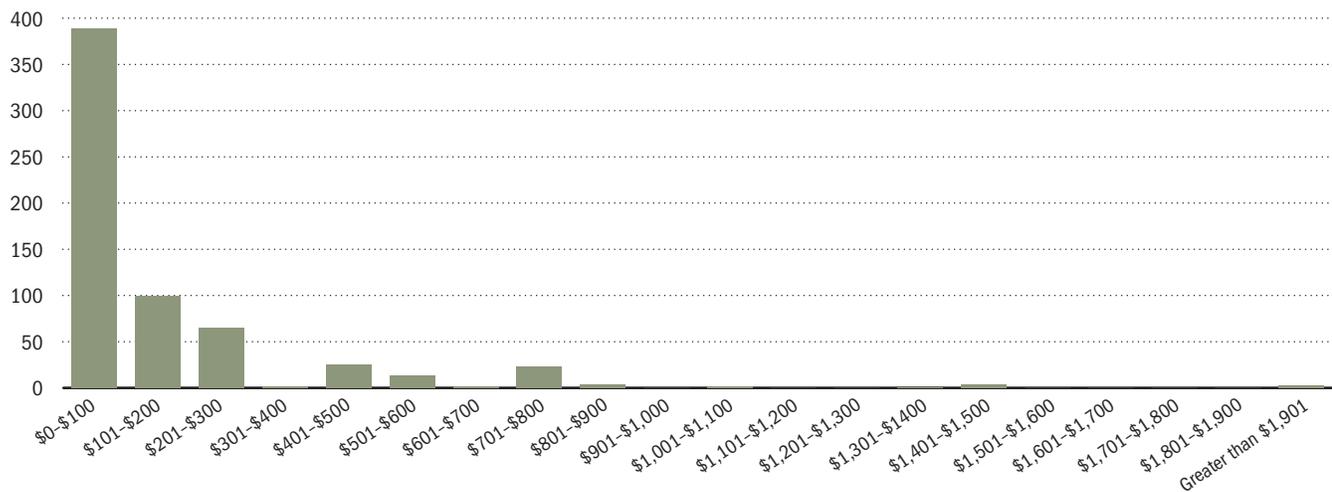


Note: Of the 3,677 randomly selected respondents who said they had interacted with the courts, 908 said they had to pay a bribe in all, most, or some cases. The reported value of the most recently paid bribes ranged from \$100 or less to more than \$10,000.

Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

FIGURE 3.39

## DISTRIBUTION OF BRIBES PAID WHEN APPLYING FOR A JOB

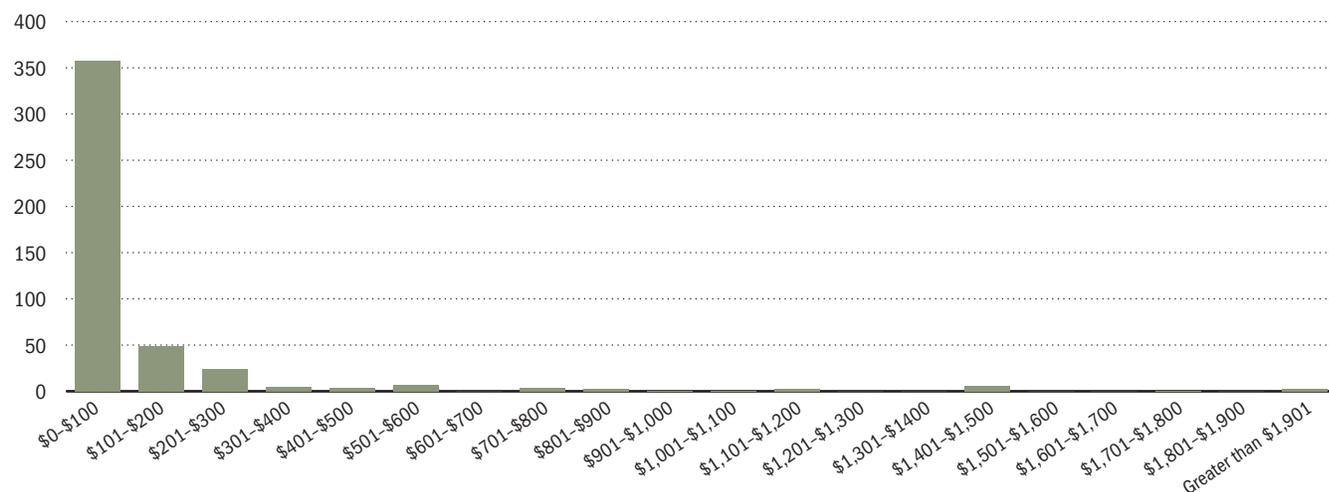


Note: Of the 3,842 randomly selected respondents who said they had applied for a government job, 702 said they had to pay a bribe in all, most, or some cases in which they applied for a job. The reported value of the most recently paid bribes ranged from \$100 or less to more than \$4,400.

Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

FIGURE 3.40

## DISTRIBUTION OF BRIBES PAID TO THE PROVINCE GOVERNOR



Note: Of the 3,449 randomly selected respondents who said they had contact with the province governor's office, 508 said they had to pay a bribe in all, most, or some cases in which they interacted with the province governor. The reported value of the most recently paid bribes ranged from \$100 or less to more than \$10,000.  
Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

This year, for the first time, the Asia Foundation's survey asked the approximate cash value of bribes respondents have had to provide to obtain government services. Respondents reported providing the largest bribes (on average) to the judiciary and courts (\$347), followed by when applying for a job (\$172), and to the provincial governor's office (\$133).<sup>475</sup> Figures 3.38 to 3.40, show the distribution of reported bribe value by institution.

### Congress Directs SIGAR to Assess Afghanistan's Implementation of an Anticorruption Strategy

SIGAR is currently responding to a FY 2017 Congressional directive to assess the Afghan government's implementation of an anticorruption strategy called for at the Brussels Conference on Afghanistan held October 4-5, 2016. This is the first time Congress has directed SIGAR to assess the Afghan government's performance, rather than that of a U.S. government agency, on a key reconstruction objective. SIGAR announced its audit on June 22, 2017, to determine the extent to which the Afghan government

- (1) Met the first part of the second (Self-Reliance through Mutual

- Accountability Framework) SMAF deliverable to draft and endorse a whole of government anti-corruption strategy by June 30, 2017;
- (2) Met the second part of the second SMAF deliverable to initiate implementation of the strategy by December 31, 2017;
- (3) Met the third part of the second SMAF deliverable for the five revenue generating ministries to publicly report on their progress implementing their anti-corruption action plans in 2017; and
- (4) Developed mechanisms for overseeing the development and implementation of the anticorruption strategy.

# GOVERNANCE

## 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 3.9.

USAID has a cooperation arrangement with the UK'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.<sup>476</sup>

State's Justice Sector Support Program (JSSP) is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an estimated cost of \$20 million for the first year. The previous JSSP contract, which began in 2010, cost \$286 million.<sup>477</sup>

JSSP embeds Case Management System (CMS) advisors in various ministries including the Supreme Court, Ministry of Interior (MOI), Attorney General's Office (AGO), MOD, High Office of Oversight and Anti-corruption (HOOAC), National Directorate of Security (NDS), and the Ministry of Justice (MOJ). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal justice institutions, from the moment a case is initiated to the end of confinement. The JSSP advisors conduct quality control audits each week to monitor the accuracy of data being entered into the online database.<sup>478</sup> Despite these efforts, anecdotal evidence suggests that certain Afghan government entities still prefer alternative methods for tracking their cases. For example, this quarter, the U.S.

TABLE 3.9

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2017 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	11/27/2017	\$298,290,903	\$286,384,129
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	9,656,114
Justice Training Transition Program (JTTP) Follow On*	1/2/2013	1/15/2018	47,759,796	47,759,796
Afghanistan's Measure for Accountability and Transparency (AMANAT)**	8/23/2017	8/22/2022	31,986,588	31,986,588
Corrections System Support Program (OASIS CSSP)***	6/1/2017	11/30/2022	13,574,083	3,079,095
JSSP OASIS Contract	8/28/2017	8/28/2022	10,121,391	891,044
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: \* The follow-on project is a no-cost extension with funds having already been disbursed.

\*\* The award for this program is currently being protested.

\*\*\* Disbursements as of 10/29/2017.

Source: State, INL, response to SIGAR data call, 12/27/2017; USAID, response to SIGAR data call, 12/21/2017 and 1/17/2018.

Department of Justice Attaché informed State that various AGO offices were unable to provide him with requested case information using CMS. Instead, these AGO entities complained of the difficulty in using CMS and provided statistics derived from their own case management systems.<sup>479</sup>

This quarter, State's \$48 million Justice Training Transition Program (JTTP) finalized an institutional learning-needs assessment that tested the knowledge and skills of 30.5% of AGO prosecutors. Each assessment included 10 knowledge- and skills-related questions tailored to the prosecutors' specific function. Each question could receive a score of 0 to 3 (for a total maximum score of 30). Approximately 79.7% of prosecutors scored 20 or less, making them priorities for additional training. The assessment found that more junior prosecutors were generally less in need of training than their mid- and senior-level counterparts.<sup>480</sup>

In September 2017, State agreed to provide \$2.3 million to fund two international mentors and support staff for on-site technical assistance to Afghanistan's financial intelligence unit and two AGO prosecutorial units focused on corruption cases. This quarter, State and the UN Office on Drugs and Crime cooperated on recruiting the mentors and local staff.<sup>481</sup>

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.<sup>482</sup> This quarter, ADALAT completed the assessment of their subcontractor that provides training to improve traditional justice decision making. The assessment team interviewed 66 ADALAT trainees from Khowst and Kunar Provinces.<sup>483</sup> The trainees offered successes that they attributed to the ADALAT training, including:

- A woman confined to her house by her husband for eight years somehow attended an ADALAT training. At the training, she learned of her rights and petitioned the court. The court found the husband guilty and set the woman free. The trainee obtained a divorce and now reportedly lives an independent and happy life.
- Another ADALAT trainee recounted the story of a divorced couple and their young son. The ex-husband wanted to take the infant from his ex-wife and so appealed to a community development council to help him. Following an inquiry that included consideration of the ADALAT training, the community development council denied the petition and granted the custody to the ex-wife until the son is seven years old.
- Finally, a third trainee said that he had originally arranged to let a potential son-in-law marry his daughter after receiving the equivalent of more than \$7,000 in cash, gold jewelry, and other items as bride price. After attending an ADALAT training and learning about women's rights and the marriage law, the trainee claimed that he decided to

refuse the cash, jewelry, and other items but still allowed the marriage to proceed.<sup>484</sup>

## Afghan Correctional System

As of October 31, 2017, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 29,102 males and 951 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 712 male and 89 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.<sup>485</sup>

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adults, despite stagnant prison population numbers. As of October 31, the total male provincial-prison population was at 182% 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 122% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 59% of ICRC-recommended capacity.<sup>486</sup>

In September 2017, following two years of studies and lobbying by State, the LOTFA project board approved an increase of 1,400 positions for the GDPDC. State expects that this increase will help improve GDPDC capacity and help mitigate some of the staffing issues related to prison overcrowding.<sup>487</sup>

## 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.<sup>488</sup> On September 28, the High Council on Rule of Law and Anti-corruption approved the National Strategy for Combatting Corruption.<sup>489</sup>

Work on the draft anticorruption law was suspended in September 2017 following a meeting of the Criminal Law Reform Working Group (an Afghan-led working group populated by Afghan government and international justice actors). The working group had been developing the anticorruption law (at the direction of the Ministry of Justice) since late 2016. Working-group members noted the draft anticorruption law conflicts with the newly released anticorruption strategy. A central feature of the draft anticorruption law was the creation of an independent anticorruption commission that would be free from any undue influence of the government. At the meeting, the working group chairman noted that the anticorruption strategy would place anticorruption activities under the authority of the AGO, instead of an independent commission. The consensus of working group members was that the new strategy will fail due to

political interference at the AGO. As a result, work on the anticorruption law was suspended.<sup>490</sup>

DOJ continues to follow the case of the former minister of telecommunication and information technology, Abdul Razzaq Wahidi. Last quarter, Chief Executive Abdullah was quoted in Afghan media saying that Wahidi was cleared by the AGO of charges of having manipulated the ministry's revenue statistics. The AGO has accused Wahidi of having misused his office for personal gain and nepotism. According to DOJ follow-up, the AGO substantiated these allegations and completed their investigation against Wahidi in February 2017, but the case file was not forwarded to the Afghan Supreme Court until July 2017. The case has reportedly sat with the Supreme Court since that time without a clear explanation as to its disposition. According to State, the Supreme Court has rebuffed U.S. officials' attempts to obtain further information on the case, citing privacy laws that may not apply to corruption prosecutions regarding official acts.<sup>491</sup>

## **Anti-Corruption Justice Center**

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).<sup>492</sup> The ACJC brings together MCTF investigators, AGO prosecutors, and judges to combat serious corruption.<sup>493</sup> 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).<sup>494</sup> According to the Afghanistan Compact, the Afghan government was expected to develop, implement, and publish rules for when cases are to be submitted to the ACJC. However, as of December 2017, State reports the status of this benchmark is unknown.<sup>495</sup>

Since October 2016, the ACJC has considered 386 potential cases, of which 287 involve civilians and 99 involve military personnel. Of these, 53 have been referred to the ACJC's primary court or primary prosecution office. A number of potential cases were rejected for missing documents or lack of evidence (84 cases) or because they did not meet the ACJC's jurisdiction requirements (104 cases).<sup>496</sup>

The ACJC's primary court has concluded 24 trials, convicting 93 offenders. The ACJC's court of appeals has subsequently held 21 trials, convicting 72 offenders, while the Supreme Court has convicted 42 offenders in 15 trials.<sup>497</sup> As of November 20, 62 defendants have had their cases referred to either the ACJC court of appeals or Supreme Court. Of those, 30 defendants had their sentences reduced while six had their sentenced increased.<sup>498</sup>

In November, the ACJC's court of appeals reviewed the case of two former MOI officials from Kandahar Province who were charged with embezzling police salaries. The ACJC's appeals court upheld an October primary court decision that sentenced one defendant to 20 years in prison and fined him the equivalent of more than \$330,000 (the approximate amount

of embezzled funds). The appeals court also sentenced an accomplice to 20 years in prison, overturning the primary court's previous acquittal.<sup>499</sup>

According to DOJ, the Supreme Court's decision to vacate the jail sentence of Herat Provincial Council Chairman Kamran Alizai harmed efforts to prosecute corrupt officials. Alizai had stormed a prosecutor's office with 20 bodyguards after an ally of his was questioned by Afghan government prosecutors. In a high-profile case, Alizai was convicted by the ACJC primary court of misuse of authority on March 17, 2017. However, he was not arrested until a month later and then only following negotiations with Herat elders and MOI officials. Unlike other detained ACJC defendants, Alizai was not incarcerated at Kabul's Pul-e Charkhi prison, but remained free until he agreed to detention in the guest quarters at Herat's police headquarters. Later, with the AGO's acquiescence, Alizai was released on bail. Alizai was sentenced to 30 months' imprisonment, which was reduced to eight months on appeal, after the prosecutor chose not to defend the sentence. Alizai further appealed to the Supreme Court, which vacated the imprisonment altogether and assessed a nominal fine of approximately \$175. He never served a day in jail.<sup>500</sup>

DOJ expressed concern that no Afghan authority disclosed the Supreme Court's decision to vacate Alizai's prison sentence. The U.S. Embassy became aware of the decision only in October 2017, after they specifically followed up with Afghan justice officials. According to DOJ, per the Criminal Procedure Code (CPC), the Supreme Court is generally supposed to remand such cases to the authorized court—in this case the ACJC—for re-adjudication if it overrules the verdict. However, the Supreme Court asserted to DOJ that the given CPC article did not apply and maintained that their decision was lawful. DOJ is also concerned that the issue was not handled transparently, especially given the intense media coverage of the conviction.<sup>501</sup>

The ACJC has not been a factor in the most high-profile and egregious abuse of power and corruption cases DOJ reported. DOJ cited the failure to pursue three recent cases (First Vice President Abdul Rashid Dostum attacking a political rival; Balkh Governor Atta Mohammad Noor initiating a gun battle against a political rival that left two dead; and former Minister of Telecommunications and Information Technology Wahidi manipulating the ministry's computer system for tracking mobile phone card usage, misusing his office for personal gain, and nepotism) as examples that most obviously undermine rule of law in the eyes of the Afghan people and call into question the legitimacy of the government.<sup>502</sup>

According to a November Agence France-Presse report, ACJC-affiliated personnel remain under threat despite a presidential decree ordering increased security protections. A secure residential compound for ACJC staff and families is reportedly under construction but will

not be completed for another year. In the meantime, ACJC staff largely travel to work either in unarmored police vehicles, private cars, or public transport.<sup>503</sup>

## **Independent Joint Anti-Corruption Monitoring and Evaluation Committee**

President Karzai established the MEC by presidential decree in March 2010. The institution was reauthorized by President Ghani in September 2016. The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor 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.<sup>504</sup>

This quarter, the MEC published its assessment of the Ministry of Higher Education's (MOHE) implementation of its anticorruption plan. According to the MEC, the MOHE has made some, but insufficient, progress. The MEC found that the MOHE's anticorruption plan lacks baselines against which to judge progress. Additionally, the MOHE has hired only three of the eight personnel for the internal-audit directorate. On a positive note, the MEC found that MOHE had improved the university entrance exam process by registering students with a biometric system prior to their exam.<sup>505</sup>

The MEC also published a report on Afghanistan's public utility Da Afghanistan Breshna Sherkat (summarized on page 175 of this report) and a follow-up report on the Ministry of Public Health.

## **Major Crimes Task Force**

The MCTF is an elite MOI unit chartered to investigate corruption, organized criminal networks, and high-profile kidnappings committed throughout Afghanistan. The MCTF investigated 373 cases in 1395 and 322 cases in 1396 (up to November 30, 2017). This quarter, the MCTF opened 17 corruption cases. The MCTF's Corruption Investigation Unit currently has approximately 58 trained corruption investigators.<sup>506</sup>

Last quarter, the position of MCTF director was reportedly upgraded from a brigadier general to a major general billet. This quarter, however, Resolute Support reports that the MCTF director remains a brigadier general. According to Resolute Support, the MCTF could be more effective if the director was promoted.<sup>507</sup>

According to Resolute Support, MCTF investigator morale remains low. MCTF investigators reportedly feel they do not receive the support and protection from senior Afghan government officials necessary to operate without reprisal. MCTF investigators are afraid to work some high-level cases due to potential repercussions, which include being fired, transferred, or being put in jail for doing their job.<sup>508</sup>

## HUMAN RIGHTS

In November, the prosecutor of the International Criminal Court (ICC) announced that she had requested authorization to open an investigation into war crimes and crimes against humanity allegedly committed by any party in Afghanistan since May 1, 2003.<sup>509</sup> A DOD spokesman responded that “an ICC investigation with respect to U.S. personnel would be wholly unwarranted and unjustified.”<sup>510</sup> In August 2017, the Afghanistan Independent Human Rights Commission had requested the ICC begin an investigation. A senior advisor to President Ghani responded that while Afghanistan respects the ICC’s independence, the Afghan government would have preferred that their domestic judicial system be strengthened to respond to such crimes.<sup>511</sup>

## REFUGEES AND INTERNAL DISPLACEMENT

According to State, refugee returns to Afghanistan have fallen compared to the elevated levels in 2016. 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.<sup>512</sup> As of December 24, 58,752 refugees have returned from Pakistan, Iran, and other countries. Some 98% of these refugee returns came from Pakistan. The number of refugee returns in all of 2017 fell to about 16% of the number of refugee who returned to Afghanistan in 2016.<sup>513</sup>

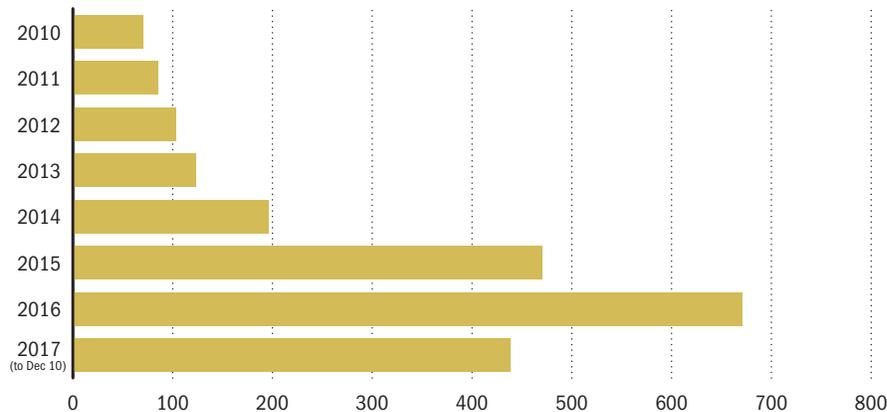
According to State, returning Afghan refugees from Pakistan interviewed by the United Nations High Commissioner for Refugees (UNHCR) said that



**Participants celebrating** International Migrants Day display the Afghan flag. (UNAMA photo)

FIGURE 3.41

## CONFLICT-INDUCED DISPLACEMENTS OF PERSONS (THOUSANDS)



Source: UN OCHA, "Afghanistan: Conflict Induced Displacements in 2017 - Snapshot," 6/18/2017; UN, OCHA, "Afghanistan Weekly Field Report," 12/24/2017, p. 1.

the primary reasons for their return were improved security in Afghanistan, lack of employment opportunities in Pakistan, abuse by police or state authorities, and strict border entry requirements.<sup>514</sup>

On January 3, 2018, Pakistan's federal cabinet decided to extend recognition of 1.4 million Afghan refugees for only one month, rather than the expected one-year. A UNHCR representative said that this move went against a previous understanding from November 2017 in which Pakistan, Afghanistan, and UNHCR agreed to a one-year extension. Pakistan's cabinet said that Pakistan can no longer continue to bear the economic burden of hosting Afghan refugees. Additionally, a Pakistani military spokesman claimed that Afghan refugee communities hinder counterterrorism efforts as they provide cover for launching attacks into Afghanistan.<sup>515</sup>

As of December 23, 97,642 undocumented Afghans returned from Pakistan while 453,600 undocumented Afghans returned from Iran. Approximately 4% of Afghan returnees from Pakistan were deported (with the remainder spontaneous returns) whereas approximately 59% of Afghan returnees from Iran were deported.<sup>516</sup>

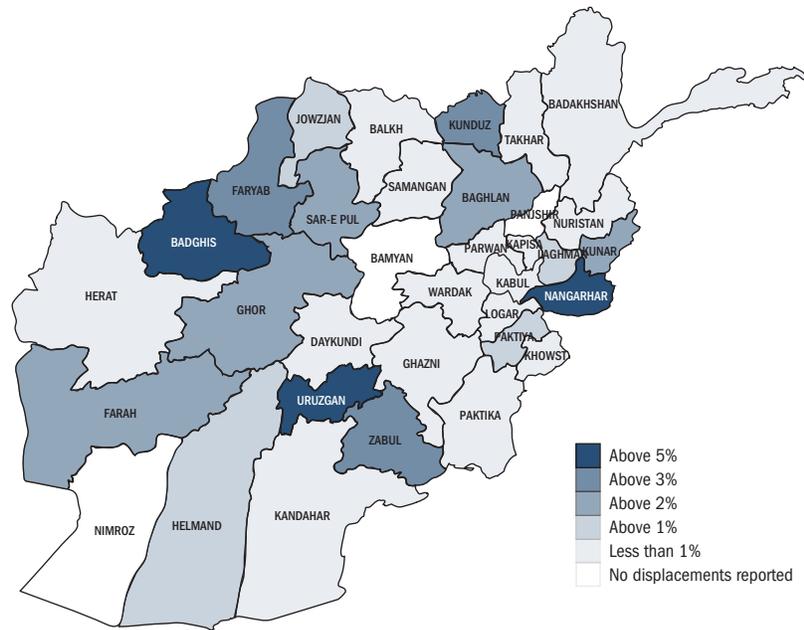
As shown in Figure 3.41, there has been less internal displacement this year compared to last. According to the UN's Office for the Coordination of Humanitarian Affairs (OCHA), as of December 19, 437,907 people have fled their homes due to conflict.<sup>517</sup> According to State, 261 natural disasters in 2017 contributed to internal displacement affecting 111,543 individuals in 33 out of 34 provinces.<sup>518</sup>

As shown in Figure 3.42 on the following page, as of December 19, approximately 8% of the estimated population of Nangarhar Province

# GOVERNANCE

FIGURE 3.42

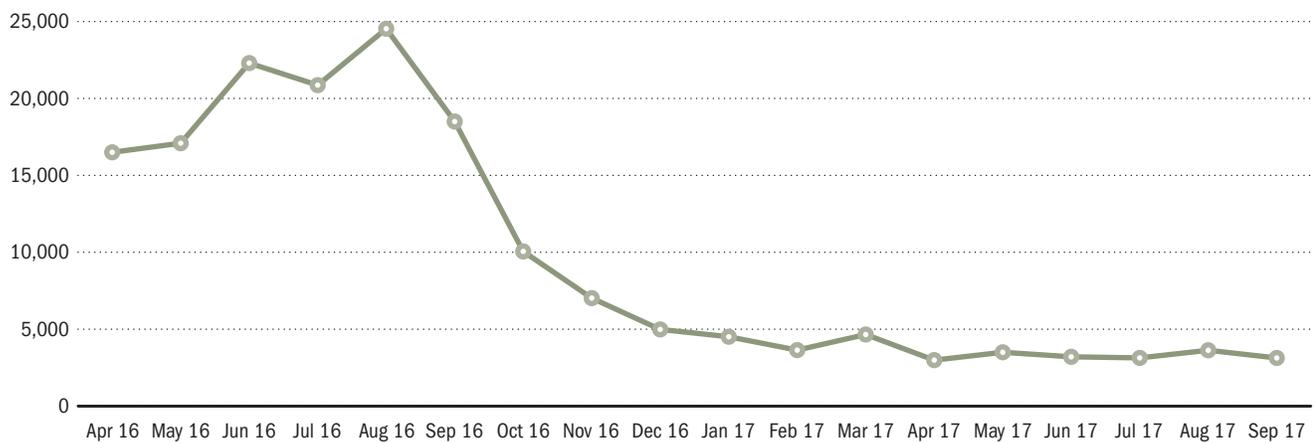
## PROVINCE POPULATION DISPLACED BY CONFLICT 2017



Source: Humanitarian Data Exchange, "OCHA Afghanistan: Afghanistan - Conflict Induced Displacements in 2017," 12/24/2017; Central Statistics Office, "Estimated Population by Civil Division, Urban, Rural, Nomicid and Sex-2017-18," n.d.

FIGURE 3.43

## FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION



Source: EUROSTAT, "First time asylum applicants in the EU-28 by citizenship, Q3 2016-Q3 2017," 12/13/2017.

was displaced due to conflict. Uruzgan (6.68%), Badghis (6.04%), Kunduz (3.86%), Faryab (3.16%), and Zabul (3.06%) Provinces registered more than 3% of their total estimated populations as displaced by conflict.<sup>519</sup>

Eurostat, the statistical office of the European Union (EU), reported 32,395 first-time Afghan asylum seekers in the EU in the first nine months of 2017 (a decrease of approximately 80% from the first nine months of 2016). As shown in Figure 3.43, the number of Afghan asylum applications from July to September 2017 was 2% higher than the number for the previous three months.<sup>520</sup>

## GENDER

The largest gender-focused initiative in USAID’s history is the Promote partnership, which aims to assist over 75,000 Afghan women in achieving leadership roles over five years in all parts of society, including business, academia, politics, and public policy.<sup>521</sup> USAID has committed \$280 million to Promote.<sup>522</sup> Table 3.10 show the current Promote programs.

According to a recent USAID-commissioned assessment of USAID’s progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, the Promote programs have been “a major force for women with leadership potential.” However, the assessment did not elaborate significantly on the achievements of the Promote programs in particular. Instead, the assessment touted how girls comprise 39% of school enrollment and health has registered “exceptional advances for women and girls.” However, the assessment notes that maternal mortality has begun to climb for the first time in 15 years as insecurity results in more women dying at home in childbirth without access to skilled assistance and life-saving medication. Additionally, the assessment found that gender-based violence remains widespread and accepted as a norm.<sup>523</sup>

TABLE 3.10

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2017 (\$)
Promote: Women in the Economy	7/1/2015	6/30/2019	\$71,571,543	\$25,392,990
Promote: Women’s Leadership Development	9/23/2014	9/22/2019	41,959,377	27,063,615
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	16,603,101
Promote: Women’s Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	10,489,948
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	1,601,030
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	900,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/17/2018.

# GOVERNANCE

As of November, the Women in the Economy (WIE) program has placed 5,103 interns. Of these interns, 37% are in the education sector, 23% in the technology sector, and 22% in the education sector. The program has helped 1,501 interns gain full-time employment. Thus far, 38,372 women have enrolled in job placement services offered by WIE.<sup>524</sup>

According to USAID, WIE has encountered difficulties in placing interns in about half of the program provinces. Challenges include potential host companies not having the financial or human resources to host interns, security concerns, and companies not meeting WIE criteria for safe, women-friendly workplaces. During the last few months, WIE reduced its internship and apprenticeship efforts in certain provinces and shifted to more urban areas to better serve the more robust private sector in these more developed areas. WIE no longer maintains full-time representatives in Kunduz, Kapisa, Nuristan, Uruzgan, Faryab, Paktika, Parwan, Daykundi, Wardak, Kunar, or Panjshir Provinces due to the low numbers of prospective beneficiaries and host companies or because of security considerations.<sup>525</sup>

As of November, 2,815 women have received or are receiving civil service training and internships through Promote's Women in Government (WIG) program. So far, 67 interns have gained full-time employment in the government. This quarter, WIG assisted 1,800 WIG-sponsored interns respond to an Afghan government announcement of 9,000 entry-level and 8,000 teaching positions.<sup>526</sup>

This quarter, Promote's Women in Civil Society program reported on the efforts of one of their partner civil society organizations in its advocacy efforts in Nangarhar Province. After meeting with residents in two districts, the grantee advocated with the province education directorate to increase in the number of female teachers in two villages. As a result of the meeting, 33 new female teachers were recruited. In addition, the grantee met with members of provincial council to address complaints of boys harassing girls while going to school. It was decided in the meeting that village elders and mullahs would talk to the parents of the perpetrators. As a result, 23 girls resumed going to school in the Kama District.<sup>527</sup>

This quarter, a USAID third-party monitor finalized its mid-term performance evaluation of the Promote Women's Leadership Development (WLD) program. USAID designed WLD to enable Afghanistan's most talented young women to enter public, private, and civil society sectors, advance into decision-making positions, and become future leaders. According to the evaluation, the WLD program is doing a good job of preparing a new generation of Afghan women leaders. A large majority, 86% of the 1,176 telephone survey respondents who had graduated from WLD's training program, agreed or strongly agreed that the training was relevant to their interest in securing a management or leadership position.<sup>528</sup> Many WLD trainees identified negotiations training as their favorite topic, citing

## SIGAR AUDIT

SIGAR is currently conducting a performance audit of Promote that is assessing contract compliance, program performance, and implementation challenges for the five Promote programs. The audit team's work includes examining contract documents and interviewing USAID and Afghan government officials, Promote contractors, and program participants.

examples of how they had applied new negotiation skills at home, in preparation for employment, and on the job.<sup>529</sup>

The WLD evaluators found that a few informants raised concerns about the impact the economic and security situation in Afghanistan could have on the ability of WLD graduates to take full advantage of their newly acquired leadership potential. As one informant from the private sector put it: “Is WLD raising expectations that cannot be filled?” Even with the constraints Afghanistan’s environment places on women’s leadership, the evaluators reported that most key informants (85%) agreed that the WLD program is contributing to the creation of a critical mass of young women from which the next generation of leaders in the public, private, and civil society sectors will emerge.<sup>530</sup>