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GOVERNANCE

KEY ISSUES AND EVENTS

On December 30, 2018, the Independent Election Commission (IEC) announced a three-month delay of Afghanistan's presidential elections from the originally announced date of April 20, 2019, to July 2019. The IEC said that weather, transportation, security, and budget issues were causing the delay. According to the IEC's new election timeline, the elections for the president, provincial councils, district councils, and the lower house of parliament for Ghazni Province will all be held on July 20, 2019.²⁵³ As of January 20, 2019, 18 candidates registered to run for president including President Ashraf Ghani and Chief Executive Abdullah Abdullah.²⁵⁴

In December, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad confirmed to Afghan media that government delegations from the U.S., Pakistan, the United Arab Emirates, and Saudi Arabia had met with a Taliban delegation in Abu Dhabi this quarter. The Taliban, however, refused to meet with an Afghan government delegation.²⁵⁵

On November 27 and 28, 2018, delegations from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan.²⁵⁶ Participants at the conference noted that progress that has been made on Afghanistan's path to self-reliance, but recognized serious, persistent challenges including insecurity, poverty, and corruption.²⁵⁷



Delegates from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan in November 2018. (Afghan government photo)

In an interview with the *New York Times* published on January 28, 2019, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad summarized six days of talks in Doha, Qatar, with the Taliban on peace in Afghanistan, saying the United State and Taliban “have a draft of the framework that has to be fleshed out before it becomes an agreement.” Further, “the Taliban have committed, to our satisfaction, to do what is necessary that would prevent Afghanistan from ever becoming a platform for international terrorist groups or individuals.” However, he said the “details need to be worked out.” He clarified what the framework does not include, saying “there are a lot of reports that we have discussed an interim government: No, I have not gotten into any of that discussion.” He also clarified that “I have not entered into what [a final settlement] could look like with the Taliban—they would like to talk to me about it, but I have not.”

Source: Khalilzad, Zalmay. (@US4AfghanPeace), “1/3 After six days in Doha, I’m headed to #Afghanistan for consultations. Meetings here were more productive than they have been in the past. We made significant progress on vital issues.” 1/26/2019, <https://twitter.com/US4AfghanPeace/status/1089194660218785792>; *New York Times*, “U.S. and Taliban Agree in Principle to Peace Framework, Envoy Says,” 1/28/2019.

In December, two nation-wide surveys were released: The Asia Foundation's (TAF) annual *Survey of the Afghan People* and Integrity Watch Afghanistan's (IWA) biennial *National Corruption Survey*.

The TAF survey polled 15,012 Afghan respondents across the country aged 18 years and older between July 6 and 27, 2018.²⁵⁸ The survey was conducted one month after the three-day, Eid-ul-Fitr ceasefire agreement between the government and the Taliban (but before the Taliban publicly rejected President Ghani's offer of a second ceasefire).²⁵⁹ Optimism remains below the high point of 2013 (when 58.2% of respondents said Afghanistan was moving in the right direction), but remained flat at 32.8% compared to 2017. For those who expressed optimism, the rebuilding of the country and improved security were cited as the most frequent reasons. Conversely, insecurity, economic concerns, and governance issues were the most frequently cited reasons for pessimism.²⁶⁰

The IWA survey polled 8,130 Afghan respondents across the country aged 18 and older. The survey was held between July 7 and August 10, 2018.²⁶¹ According to IWA, 61% of their respondents said they were either very satisfied or satisfied with the overall situation in their home province. This is an increase from the 54% who responded similarly in 2016.²⁶²

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of December 31, 2018, the United States had provided nearly \$33.9 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$20.5 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).²⁶³

ELECTIONS OCCUR WITH SOME DIFFICULTIES

Elections for Lower House of Parliament Held in October

On October 20, 2018, the elections for the lower house of parliament began in 32 provinces (except Ghazni and Kandahar). Later that day, the Independent Election Commission (IEC) announced that voting would extend to the next day in response to a number of closed polling centers and reports of missing electoral materials. The elections for Kandahar Province, which were delayed in response to the October 18 assassination of the Kandahar police chief, were held on October 27.²⁶⁴ Elections were not held in Ghazni Province due to insecurity.²⁶⁵

The UN said more civilian casualties were recorded on October 20, 2018, than on any election day since 2009.²⁶⁶ However, the Department of Defense (DOD) reported that election violence was lower than anticipated.²⁶⁷

According to the UN Secretary-General, the elections were characterized by high voter enthusiasm. However, late polling center openings, confusion over the use of biometric voter verification (BVV) devices, and errors in the newly introduced polling center-based voter lists caused lengthy delays in many areas, leading some voters to leave polling centers without casting their ballots.²⁶⁸

According to the IEC, 4,040,549 people voted, representing 45% of the 8.8 million who registered. Of the 5,074 polling centers that were planned to be open, 95% were open on one of the three election days, while 261 were closed.²⁶⁹

Prior to the election, the IEC accredited at least 475,147 individuals (41,085 domestic observers, 11,011 political party monitors, 1,087 individuals from domestic media, 395 individuals from international organizations, and 421,569 candidate's agents) to observe, monitor and report on the elections.²⁷⁰ The UN reported that approximately 120,000 teachers augmented IEC staff in running the polling centers.²⁷¹

According to the UN, a number of Afghan civil-society organizations described their observations from the election, including:²⁷²

- the absence of biometric voter verification (BVV) devices at polling stations
- low IEC polling staff capacity to operate BVV devices
- absence of voter lists, inaccurate lists (including missing or incorrect names or information), and the inability of polling staff to identify voters on the lists
- late opening of polling centers, absence of polling staff, and absence of election materials
- lack of impartiality and undue interference by polling staff
- denial of observers access to polling centers, especially during the vote count
- overcrowding of polling centers by candidates' agents, instances of voter intimidation, and vote buying

Despite the challenges, the UN reported that a number of observer organizations perceived the introduction of polling center-based voter lists (which requires voters to cast their ballots at the polling center at which they register) and BVV devices as positive developments.²⁷³

State previously told SIGAR that polling-center-based registration would allow the IEC to predetermine the number of ballots required at each polling center during elections, greatly reducing the number of potentially excess ballots available at each polling center. State also said elections experts assessed that polling-center-based registration was the critical reform necessary to reduce ballot-box stuffing, the principal method of fraud in the 2014 election.²⁷⁴

Of the 22,000 BVV devices ordered by the Afghan government, the UN reported that 17,576 BVV devices were retrieved after polling centers closed. According to the UN, the total number of vote records registered by the retrieved BVV devices was 3.2 million (though this amount could contain duplicates).²⁷⁵

After the election, the two Afghan election-management bodies engaged in public disputes over the elections.

On October 27, the Electoral Complaints Commission (ECC) issued a statement declaring that all votes cast without the use of biometric voter verification should be nullified. However, the UN Secretary-General said the ECC does not have the authority to make such a decision. Regardless, political parties and many candidates echoed the ECC's statement, claiming that discarding ballots without biometric verification was the only way to ensure that fraudulent votes were not counted towards the election results. The ECC and the IEC later issued a joint statement that nonbiometric-verified ballots would be counted, provided that printed voter lists had been used and verified in the polling centers.²⁷⁶ Then, during an election forum on November 2, the IEC chair criticized the BVVs, saying that the BVV devices were "useless" though they had "some psychological effect."²⁷⁷

On December 6, the ECC ruled that all of the more than one million votes in Kabul Province were invalid due to irregularities including pressure from political parties and a high percentage of errors on result forms. The IEC immediately dismissed this decision, labeling it "a political, sentimental, unrealistic decision and [one] not based on credible evidence."²⁷⁸ Prior to the public dispute over the results in Kabul Province, a recount for the entire province was already under way (as of November 14).²⁷⁹ On January 14, 2019, the IEC announced the preliminary results for Kabul Province, more than two months after the originally scheduled date of November 10. According to the IEC, the announcement was delayed due to "widespread irregularities," including problems with incomplete voter lists.²⁸⁰

The State Department has said that credible parliamentary elections in 2018 and presidential elections in 2019 are critical for demonstrating that the Afghan government is "inclusive" and has the necessary political coherence to achieve and implement a peace settlement by potentially sapping support for the insurgency.²⁸¹ As State described the situation in September, the 2018 parliamentary and 2019 presidential elections are "both a threat and an opportunity given [Afghanistan's present] political fragility."²⁸²

State declined to offer its assessment of where the October 2018 parliamentary elections stood in relation to the opportunities and threats described above. Instead, State said that while the elections reflected some of the proposed 2014 reforms, technical problems did plague them.²⁸³ Former U.S. Ambassador to Afghanistan Ronald Neumann, however, described the mechanics of the elections as "a disaster."²⁸⁴

A more comprehensive discussion of State’s perspectives on the October 2018 elections is presented in the classified annex of this report.

Presidential Elections Delayed to July 2019

On December 30, 2018, the Independent Election Commission (IEC) announced a three-month delay of Afghanistan’s presidential elections from the originally announced date of April 20, 2019, to July 2019. The IEC said that weather, transportation, security, and budget issues were causing the delay.²⁸⁵ According to the United Nations Secretary-General, a palace spokesman confirmed that President Ashraf Ghani will run for reelection.²⁸⁶

The UN, saying that there were major and avoidable irregularities in the preparations and implementation of the parliamentary elections, urged the IEC and the ECC to undertake a number of reforms, including cleaning the voters’ registry, establishing a clear division of responsibilities between the IEC Commission and the IEC Secretariat, ensuring a fully staffed and trained professional IEC secretariat, and making any needed changes to their own structures, well ahead of the July 2019 election.²⁸⁷

U.S. Ambassador to Afghanistan John Bass said the United States fully supported the UN’s call for critical reforms of Afghanistan’s election bodies.²⁸⁸

U.S. Funding Support to Elections

The U.S. government supports Afghan elections in 2018 and planned elections in 2019 through a grant of up to nearly \$79 million to the United Nations Development Programme (UNDP). Through this grant, UNDP provides support to Afghanistan’s electoral management bodies—the IEC and the ECC.²⁸⁹

As shown in Table 3.15, USAID has had three active elections-related programs this quarter, the largest of which is their support to the UNDP.²⁹⁰

On August 8, 2018, USAID signed a three-year, \$14 million cooperative agreement with the Consortium for Elections and Political Process Strengthening (CEPPS) to support domestic Afghan observation of the 2018 parliamentary elections, the 2019 presidential elections, and to promote longer term electoral reforms. CEPPS awarded more than \$600,000 to five

TABLE 3.15

USAID ELECTION-RELATED PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	\$78,995,000	\$15,268,528
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	14,000,000	2,355,974
Global Elections and Political Transitions Program	1/1/2018	12/30/2018	222,445	222,445

Source: USAID, response to SIGAR data call, 1/12/2019.

domestic observation groups.²⁹¹ According to USAID, 6,510 of the promised 6,817 domestic monitors actually deployed.²⁹²

Two of the organizations that contributed domestic monitors for the election—Transparent Election Foundation of Afghanistan (TEFA) with 2,500 domestic monitors and the Fair Election Forum of Afghanistan (FEFA) with 986 domestic monitors—criticized the performance of the IEC.²⁹³

TEFA said it is “highly concerned about the future of democracy and democratic structures” in Afghanistan. TEFA said it observed widespread electoral fraud and misconduct. TEFA recommended that all members of the IEC should be terminated and the international community “break their silence” regarding the election’s problems.²⁹⁴ FEFA was quoted in Afghan media expressing concern that the IEC’s actions could be “very harmful.”²⁹⁵

RECONCILIATION AND REINTEGRATION

Peace Efforts with the Taliban

On December 20, 2018, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad confirmed to Afghan media that government delegations from the U.S., Pakistan, the United Arab Emirates, and Saudi Arabia met with a Taliban delegation in Abu Dhabi this quarter. The Taliban did not, however, meet with the Afghan government delegation that was present, something Ambassador Khalilzad described as “a mistake on [the Taliban’s] part.”²⁹⁶ According to Ambassador Khalilzad, the Taliban acknowledged that they lack a military solution to the conflict.²⁹⁷ The issue of Taliban prisoners was discussed and a ceasefire was proposed by Emirati and Saudi delegates. The Taliban, however, demurred on a ceasefire, saying they would need to consult with their leadership.²⁹⁸ Ambassador Khalilzad said the Taliban discussed their critical demands regarding the presence of foreign forces in Afghanistan.²⁹⁹ While Ambassador Khalilzad said, “it would be great if a peace deal occurs before the [presidential] elections,” he insisted there was no discussion of any political issues, including elections, the Afghan government system, changes in constitution, or an interim government.³⁰⁰

On December 30, Reuters quoted a member of the Taliban’s leadership council who rejected an Afghan government proposal for talks in Saudi Arabia in January 2019. The unnamed Taliban official was quoted saying they would meet with U.S. officials but not representatives of the Afghan government.³⁰¹ On January 8, 2019, Reuters again quoted an unnamed Taliban official who said the group had canceled peace talks with U.S. officials that had been planned to take place in Qatar.³⁰² The U.S. Embassy in Kabul said the Taliban account was “clearly false” and accused the Taliban of “manufacturing an event” to gain publicity for its negotiating position.³⁰³

At the November 27–28 Geneva Conference on Afghanistan, President Ghani announced his “roadmap for peace negotiations” which he said

In an interview with the *New York Times* published on January 28, 2019, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad summarized six days of talks in Doha, Qatar, with the Taliban on peace in Afghanistan, saying the United State and Taliban “have a draft of the framework that has to be fleshed out before it becomes an agreement.” Further, “the Taliban have committed, to our satisfaction, to do what is necessary that would prevent Afghanistan from ever becoming a platform for international terrorist groups or individuals.” However, he said the “details need to be worked out.” He clarified what the framework does not include, saying “there are a lot of reports that we have discussed an interim government: No, I have not gotten into any of that discussion.” He also clarified that “I have not entered into what [a final settlement] could look like with the Taliban—they would like to talk to me about it, but I have not.”

Source: Khalilzad, Zalmay, (@US4AfghanPeace), “1/3 After six days in Doha, I’m headed to #Afghanistan for consultations. Meetings here were more productive than they have been in the past. We made significant progress on vital issues,” 1/26/2019, <https://twitter.com/US4AfghanPeace/status/1089194660218785792>; *New York Times*, “U.S. and Taliban Agree in Principle to Peace Framework, Envoy Says,” 1/28/2019.

would take a minimum of five years to implement. According to President Ghani, the Afghan government seeks a peace agreement in which the Afghan Taliban would be included in a democratic and inclusive society, respecting the following tenets:³⁰⁴

- The constitutional rights and obligations of all citizens, especially women, are ensured.
- The constitution is accepted, or amendments proposed through the constitutional provision.
- The Afghan National Defense and Security Forces and civil service function according to law.
- No armed groups with ties to transnational terrorist networks or transnational criminal organizations, or with ties to state or nonstate actors, seeking influence in Afghanistan will be allowed to join the political process.

President Ghani announced a 12-person Afghan government peace negotiating team, a peace advisory board, and said the High Peace Council would be redirected toward post-peace work and advice.³⁰⁵

A more comprehensive discussion of State's perspectives on reconciliation is presented in the classified annex of this report.

U.S. Support to Peace and Reconciliation

State provided \$3.9 million to the UNDP to support reconciliation, including the activities of the High Peace Council (HPC) in September 2017. While this support was originally intended to last only through 2017, the initial pilot was extended to October 30, 2018.³⁰⁶

According to State, these funds have supported the HPC to build consensus for peace throughout the country and develop Afghanistan's institutional capacity to facilitate reconciliation. HPC activities include outreach activities at the national, provincial, and district levels to assess social attitudes toward reconciliation, document challenges, mobilize support for reconciliation, and develop the capacity to facilitate reconciliation.³⁰⁷

This quarter, State did not respond to SIGAR's request for information for the latest status of their support to peace and reconciliation.

MUTUAL ACCOUNTABILITY

Afghanistan Compact

In August 2017, the U.S. and Afghan governments announced the launch of the "Afghanistan Compact." The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government's commitment to reforms.³⁰⁸

The Afghan government does not appear to face any direct financial consequences if it fails to meet the Afghanistan Compact reform commitments.³⁰⁹



U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad during his November 2018 visit to Kabul. (U.S. Embassy Kabul photo)

Afghan Perceptions of Reconciliation

According to The Asia Foundation's survey, 53.5% of respondents believed that reconciliation between the Afghan government and the Taliban is possible (a 1.1% increase over the same response in 2017). When it comes to offering assistance to former insurgents, however, respondents were noticeably less generous than 10 years ago, with 68.7% saying they "strongly agree" or "somewhat agree" that antigovernment elements should be provided with government assistance, jobs, and housing. In 2010, 80.6% of respondents supported such post-conflict assistance.

According to IWA's survey, respondents were optimistic on the potential outcomes of a peace agreement between the Afghan government and the Taliban, with 71% of respondents agreeing that a successful completion of peace talks will result in the strengthening of good governance and 80% believing that reconciliation efforts between the government and armed opposition groups can help stabilize Afghanistan.

Source: The Asia Foundation, *Afghanistan in 2018: A Survey of the Afghan People*, 12/4/2018, p. 5; Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, pp. 24–25.

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According to State, the Afghan government made notable progress against the following Compact benchmarks this quarter:³¹⁰

- The Afghan government registered the assets of 16,000 officials.
- The Ministry of Interior (MOI) made “slow but real progress” in executing arrest warrants issued by the Anti-Corruption Justice Center (ACJC), prompting some senior officials to appear before MOI investigators and ACJC prosecutors.
- The Ministry of Finance pledged to make asset confiscations more transparent. A DOJ and State priority for the quarter included developing Afghan government asset-forfeiture tools to help sustain financial support of prosecutorial and law-enforcement entities. While the Afghan system allows for the seizure and confiscation of criminally derived assets, DOJ says that those assets disappear into the MOF general-government account, with little or no accountability. Further, DOJ says there are no regulations or procedures in place for law-enforcement entities (including the AGO, the ACJC, or the MOI police and detection entities) to request post-judicially confiscated assets for use in law enforcement.³¹¹
- The Attorney General’s Office (AGO) continued investigating the individuals named in the Farooqi Report on fuel-related corruption. According to DOJ, the investigation that produced this report in October 2015 uncovered collusion, price fixing, and bribery related to bids for fuel contracts totaling nearly \$1 billion. The investigation concluded that crimes were committed and specific individuals should be prosecuted, including a former minister who was a Ghani supporter. DOJ cited the case as an example of an important corruption case that has languished. According to DOJ, the report for the case has been completed for over a year but has not been made public, nor has it been transferred to the ACJC for prosecution. Instead, DOJ says President Ghani still holds the original investigative file. DOJ reported that their sources said President Ghani’s office refused to release the investigative report and MOD refused to cooperate with the ACJC in the case. As a result, the ACJC—following international pressure—took the initiative to reconstruct the case file, DOJ says. This required obtaining copies of MOD fuel contracts. However, despite repeated requests, the MOD refused to turn over the needed documents.³¹²

State says that Afghan self-reporting is the primary means for determining Afghan government progress in meeting Compact benchmarks. The U.S. Embassy tries to verify this progress when possible.³¹³

For background information on the Afghanistan Compact, see pages 122–123 of SIGAR’s April 30, 2018, *Quarterly Report to the United States Congress*.

Mutual Accountability Frameworks

On November 27 and 28, 2018, delegations from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan.³¹⁴ While the conference did not focus on new donor pledges, it was an opportunity for participants to measure the Afghan government's development and reform results against the \$15.2 billion committed by the international community for Afghanistan in 2016.³¹⁵ Participants in the conference noted the progress that has been made on Afghanistan's path to self-reliance, but recognized serious, persistent challenges including insecurity, poverty, and corruption.³¹⁶

The Afghan government presented its final progress report on the status of the 24 deliverables for 2017 and 2018 outlined at the October 2016 Brussels Conference.³¹⁷ Participants acknowledged progress in many of the reform areas but said that much remains to be done, including: enhancing inclusive economic growth, reducing poverty, creating employment, fighting corruption, empowering women, and improving governance, rule of law, and human rights.³¹⁸ During the Geneva Conference, U.S. Ambassador to Afghanistan John Bass said it was important to invest in improving legal education and court administration to ensure that Afghanistan's new legal frameworks result in tangible benefits. He also referenced the widespread problem of Afghans having to pay bribes.³¹⁹

The reform results called for in the Brussels Conference, labeled "SMART" (Specific, Measurable, Achievable, Realistic, and Time-bound) deliverables of the Self-Reliance through Mutual Accountability Framework (SMAF), were one in a series of mutual accountability agreements between the international community and the Afghan government, including the July 2012 Tokyo Mutual Accountability Framework (TMAF) and the September 2015 SMAF. The TMAF, SMAF, and SMART SMAF agreements articulated a number of Afghan government reform targets, but did not define financial consequences (often used as disincentives) for failing to meet these goals. For example, when asked about the practical consequences of Afghan government noncompliance with the reform targets outlined in the TMAF and its successor the SMAF, USAID responded that Afghan government noncompliance could erode donor confidence and potentially impact donor contributions. No specific donor funds were identified, however.³²⁰ At the Geneva Conference, participants said that the Afghan government's delivery of its commitments will be key for sustaining international support.³²¹

With the conclusion of SMART SMAF, the Afghan government presented the Geneva Mutual Accountability Framework (GMAF). The GMAF has 24 deliverables for 2019 and 2020, including the following governance-related goals.³²²

- holding free, fair, transparent and participatory presidential elections that incorporate lessons from the October 2018 parliamentary elections

- approving new indicators for the 2017 Anti-Corruption Strategy and a concrete and time-bound action plan by June 2019 to improve prosecution by detailing case-flow, timelines, and clear functions and responsibilities for anticorruption-relevant bodies
- tracking, reporting, and increasing year-on-year the percentage of (presumably corruption-related) cases that move from referral to investigation and investigation to trial
- implementing the asset declaration law by 2020
- implementing the access to information law in 2019

The series of accountability frameworks (TMAF, SMAF, SMART SMAF, and now GMAF) differ from other agreements—such as USAID’s concluded New Development Partnership (NDP) and the World Bank’s Incentive Program Development Policy Grant and Fiscal Stability Facility—which define specific financial incentives in return for policy reforms or other results. These reform- and result-based incentive programs are discussed in the civilian on-budget assistance section on page 117.

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 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.

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.³²³ At the November 2018 Geneva Conference on Afghanistan, international donors reaffirmed their intention to provide \$15.2 billion for Afghanistan’s development priorities up to 2020 and to direct continuing, but gradually declining, financial support to Afghanistan’s social and economic development up to 2024.³²⁴

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 or multidonor trust funds to improve governance, cut costs, and align development efforts with Afghan priorities.³²⁵

At the November 2018 Geneva Conference on Afghanistan, the Afghan government proposed that donors commit to delivering 60% of aid on-budget.³²⁶ However, international donors committed only to continue channeling aid on-budget “as appropriate” with no specific target.³²⁷ USAID said it does not target or commit to a specific percentage of funds to be used for on-budget programming.³²⁸

As shown in Table 3.16, USAID’s active, direct bilateral-assistance programs have a total estimated cost of \$392 million. USAID also expects

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3.16

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Bilateral Government-to-Government Projects					
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	1/1/2013	12/31/2018	\$ 316,713,724	\$187,132,786
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	75,000,000	-
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	1,900,000,000	1,475,686,333
Afghanistan Reconstruction Trust Fund (ARTF) (New Development Partnership)**	Multiple	9/1/2015	7/31/2019	800,000,000	380,000,000
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	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 disbursements from all ARTF awards is currently \$3,227,677,528.

**USAID formally ended the New Development Partnership on July 11, 2018.

Source: USAID, response to SIGAR data call, 1/12/2019.

to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) from 2012 through 2020 in addition to \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank (2002–2011). USAID has disbursed \$154 million to the Afghanistan Infrastructure Trust Fund (AITF).³²⁹

On July 11, 2018, participants in the NATO Brussels Summit committed to extend “financial sustainment of the Afghan forces through 2024.” The public declaration did not specify an amount of money or on-budget targets.³³⁰

Civilian On-Budget Assistance

USAID has provided on-budget civilian assistance in two ways: bilaterally to Afghan government entities, and through contributions to two multidonor trust funds, the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF).³³¹ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.³³²

The ARTF provides funds to the Afghan government’s operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.³³³ The AITF coordinates donor assistance for infrastructure projects.³³⁴

As of October 2018, the United States remains the largest cumulative donor to the ARTF (29.9% of actual, as distinct from pledged, contributions)

with the next-largest donor being the United Kingdom (17.4% of actual contributions).³³⁵

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of October, the ARTF recurrent-cost window has cumulatively provided the Afghan government \$2.6 billion for wages, \$600 million for operations and maintenance costs, \$1.1 billion in incentive program funds, and \$717 million in ad hoc payments since 2002.³³⁶

In 2018, the Afghan government, World Bank, and ARTF donors agreed to restructure the recurrent-cost window to make funds contingent upon policy reforms and fiscal stability-related results. Within the recurrent-cost window, there are two instruments: (1) the Incentive Program Development Policy Grant (IP DPG), a policy-based budget support program, and (2) the Fiscal Stability Facility (FSF), a results-based, recurrent-cost financing program.³³⁷ The status of these two instruments is described below.

In October, USAID requested that \$210 million of its \$300 million ARTF contribution go to the IP DPG.³³⁸ The three-year, \$900 million IP DPG program is meant to incentivize Afghanistan's timely implementation of reforms to improve its economic and fiscal self-reliance.³³⁹ For USAID, IP DPG replaced its own mechanism for providing reform-based financial incentives, the New Development Partnership (NDP) program. Through NDP, USAID agreed to provide \$20 million through the ARTF recurrent-cost window for each development result the Afghan government achieved. Between 2015 and 2017, USAID disbursed \$380 million before formally ending NDP in July 2018. USAID said they ended NDP because (1) the Afghan government requested that donors consolidate and align their incentive-based development assistance programs and (2) the World Bank modified their ARTF incentive program to better align with USAID's development objectives in Afghanistan.³⁴⁰

In December, the World Bank recommended to ARTF donors that they approve the disbursement of \$210 million to the Afghan government for the IP DPG. According to the World Bank, the Afghan government had successfully met all seven incentive program conditions on schedule and was therefore eligible for the full disbursement of incentive funds (the Afghan government had already received \$90 million in 2018 incentive funds).³⁴¹ The seven reform conditions, each worth \$30 million, reviewed by the World Bank included:³⁴²

- **E-payment and Mobile Money.** In April 2018, President Ghani issued a decree defining responsibilities for integrating the information technology infrastructure necessary for an e-payment and digital payment system. In January 2016, President Ghani announced the transition to mobile money payments of civil servants. Since then, in 2017, two ministries piloted mobile salary payments. The Afghan government then established an authority within the Ministry of

Communications and Information Technology responsible for mobile money. According to the World Bank, President Ghani's decree satisfied the reform benchmark.³⁴³

- **Power Utility Reform.** In November 2018, the Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national electric utility, and the MOF signed a partnership agreement that included annual performance targets for DABS and a restructuring of DABS's debt to the MOF, conditional on performance improvements. According to the World Bank, DABS's outstanding debt service obligations to the MOF are around \$1.86 billion in principal and interest payments. As SIGAR reported in April 2018, DABS's debts to the MOF reflect on-budget donor assistance provided to the Afghan government by the Asian Development Bank (ADB). Most of that assistance appears to have come in the form of grants provided to MOF, which then loaned grant proceeds to DABS in return for a modest interest fee. DABS then uses the grant proceeds towards power infrastructure projects specified in the ADB grant agreements.³⁴⁴ Further, the World Bank said that significant commercial and technical losses and overdue payment of electricity bills add to DABS's financial stress. The partnership agreement defines 40 reform actions to be taken by DABS and the MOF. These actions include converting DABS's debt into equity for the MOF.³⁴⁵
- **Water Productivity and Climate Resilience.** The Afghan government approved a National Irrigation Policy and a National Drylands Agriculture Policy. According to the World Bank, the Ministry of Agriculture, Irrigation, and Livestock will translate these policies into strategies and programs that aim to increase the productivity of irrigated and rain-fed wheat areas.³⁴⁶
- **Improving Planning and Appraisal of Projects.** In July, the MOF issued guidance that, according to the World Bank, clearly defined the time-bound process and requirements for project proposal submissions from ministries and agencies and required all proposals to include cost estimates for operating and capital expenses needed for the project life cycle. The World Bank said the reforms associated with this new budget guidance should improve the execution of the Afghan government's development budget and increase the efficiency of public resources.³⁴⁷
- **Improving Tax Administration: Electronic Taxpayer Management.** The Afghanistan Revenue Department (ARD) rolled out an internet-accessible system for large taxpayers to file tax declarations. According to the World Bank, the previous paper-based process of filing tax returns often resulted in transcription and calculation errors, and numerous penalties.³⁴⁸
- **Improving Tax Administration: Taxpayer Registry.** The ARD established criteria for assigning taxpayers to the appropriate Kabul or province taxpayer office (large, medium, or small). The ARD also

developed a plan to transfer the cases of all large taxpayers to a single large-taxpayer office based in Kabul. According to the World Bank, large taxpayers could previously register in provinces to avoid the greater scrutiny imposed by a central large-taxpayer office.³⁴⁹

- **Strengthened Expenditure Control.** In November, the Afghan government approved an operations and maintenance policy with four ministries planned to pilot the policy in 2019. According to the World Bank, the overall goal of the policy is to improve asset preservation, reduce premature asset failures, and enhance the reliability of public assets that will contribute to improved service delivery.³⁵⁰

In November, the ARTF Monitoring Agent (MA) assessed the Afghan government's performance against the three FSF targets. According to the MA, the Afghan government satisfied all three targets (and was therefore eligible for \$100 million in FSF funds), including:³⁵¹

- Collect at least 80% of the domestic revenue target for Afghan fiscal year 1397 (2018) agreed to with the International Monetary Fund (IMF). The target was 137.6 billion afghani (approximately \$1.86 billion) and the MA reported that the Afghan government collected 147.78 billion afghani (approximately \$2 billion).³⁵²
- Maintain an average treasury cash balance not less than the 10 billion afghani (approximately \$135 million) floor agreed to with the IMF. According to the MA, the average cash balance was 21.46 billion afghani (approximately \$290 million).³⁵³
- Ensure there were no civil servant's salary claims pending with the treasury for more than 10 working days (as of November 10, 2018). The MA verified that there were no outstanding salary payments.³⁵⁴

On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.³⁵⁵ 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 a portion of Ministry of Defense (MOD) and Ministry of Interior (MOI) requirements, and through ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).

According to DOD, most of the ASFF appropriation is not on-budget as it is spent on equipment, supplies, and services for the Afghan security forces using DOD contracts.³⁵⁶ LOTFA is administered by the UNDP and primarily funds Afghan National Police salaries and incentives.³⁵⁷ Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.³⁵⁸

The U.S. Combined Security Transition Command-Afghanistan (CSTC-A) monitors and formally audits the execution of those funds. The aim is to

assess ministerial capability and to ensure proper controls and compliance with documented accounting procedures and provisions of annual commitment letters used to enforce agreements with the Afghan government.³⁵⁹

For Afghan fiscal year (FY) 1397 (December 2017–December 2018), DOD planned to provide the Afghan government the equivalent of \$779.5 million to support the MOD and \$156.3 million to support the MOI.³⁶⁰

As of November 13, CSTC-A had provided the Afghan government the equivalent of \$627.7 million to support the MOD for FY 1397. The majority of these funds (85%) went to pay for salaries.³⁶¹

Additionally, as of November 13, CSTC-A provided the equivalent of \$92.9 million to support the MOI. Of these funds, \$1 million was delivered via the LOTFA, while \$91.9 million was provided directly to the Afghan government.³⁶²

CSTC-A Imposes Financial Penalties on MOD and MOI for Failing to Meet Commitment Letter Conditions

After three quarters of imposing no conditions-based financial penalties on the MOD or MOI, this quarter, CSTC-A imposed financial penalties on the MOD and MOI and provided incentive funds to the MOI.³⁶³

In November, CSTC-A praised the MOD for making sufficient progress in its investigations and prosecution of gross violations of human rights. Further, CSTC-A recognized the MOD for conducting assessments using expeditionary sustainment advisory teams.³⁶⁴

However, CSTC-A found that the MOD failed to meet a number of conditions, resulting in financial penalties of approximately \$3 million and a reduction in professional military education and travel opportunities for senior MOD officials.³⁶⁵ CSTC-A imposed these penalties because the MOD failed to achieve the following conditions: (1) provide the required weapons and vehicle inventory data, (2) identify qualified Afghan candidates for senior-level educational and travel opportunities, (3) prevent a number of MOD personnel from going absent without leave, (4) create a policy to identify female facilities at every level and enforce penalties for the misuse of facilities designated for females, (5) appoint women to designated staff positions, (6) create a career-development plan for women and send women to advanced training, (7) publish CSTC-A-approved policies for the MOD construction and property management department, and (8) provide monthly equipment readiness reports.³⁶⁶

CSTC-A further found that the MOD was making insufficient progress in a number of areas, but did not impose financial penalties in November. The areas of insufficient progress included: (1) personnel accountability and transparency, (2) merit-based promotions and appointments, (3) recruitment and integration of women, (4) divestment of MOD facilities, (5) MOD facility status reporting, (6) the management of pharmaceuticals, and (7) network cyber security.³⁶⁷

GOVERNANCE

Also in November, CSTC-A complimented the MOI for its progress in making sufficient progress for a number of conditions and provided MOI incentive funds worth the equivalent of \$420,000. According to CSTC-A, the MOI made progress in divesting and repurposing MOI facilities, adjusting its staffing of facility managers and associated equipment, reconciling payroll, dispatching “extremely competent” logistics personnel as members of expeditionary sustainment advisory teams, and improving the reporting of disease, injuries, and combat casualties.³⁶⁸

CSTC-A found that the MOI failed to meet a number of conditions, resulting in financial penalties of approximately \$720,000. CSTC-A imposed these penalties because of the following failures: (1) the MOI Inspector General failed to chair two transparency, accountability, and law enforcement meetings; (2) MOI logistics did not provide the required weapons and vehicle inventories; (3) MOI did not publish policies requiring that female-only facilities be occupied solely by women; (4) MOI Facilities Department failed to publish CSTC-A approved policies; (5) MOI Logistics was too slow in reconciling the inventory of fuel and ammunition; and (6) MOI did not establish accurate readiness reports for all weapons, vehicles, and radios.³⁶⁹

CSTC-A further found that the MOI was making insufficient progress in a number of areas, but did not impose financial penalties in November. The areas of insufficient progress included: (1) sensitive equipment inventory control; (2) personnel accountability and transparency; (3) merit-based promotions and appointments; (4) the allocation of staff for the Human, Child, and Women’s Rights Directorate; (5) training, education, and career development for women; (6) recruitment of women; (7) furnishing and equipping Family Response Units (FRU); (8) staffing of FRUs; and (9) fuel and ammunition consumption reports.³⁷⁰

NATIONAL GOVERNANCE

Capacity-Building Programs

As shown in Table 3.17, 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.³⁷¹

TABLE 3.17

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/4/2019	\$79,120,000	\$68,939,636
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	4,147,200

Source: USAID, response to SIGAR data call, 1/12/2019.

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.³⁷² In July, USAID approved the extension and modification of ACEP to focus its civil-society organization (CSO) support on civic and voter education for the 2018 and 2019 elections.³⁷³

This quarter, the ACEP-affiliated Afghanistan Institute for Civil Society (AICS) issued a report on the impact of insecurity on CSOs. According to the report, CSO staff are targeted by insurgents, government officials, and local powerbrokers. Insecurity has impeded CSO access to the majority of districts and their populations, slowed down implementation of CSO activities, and put the lives of CSO staff at risk. AICS said insecurity has specifically affected the outreach of media organizations and women-led CSOs, and that the Afghan government does not sufficiently follow up on cases of CSO security threats, and has not created effective mechanisms to reduce CSO vulnerability to security threats.³⁷⁴

In March 2017, USAID launched the \$9 million Rasana program. According to USAID, Rasana, which means "media" in Dari, provides support to women journalists and women-run or women-owned media organizations. The program has four program areas: (1) support and training for women journalists, (2) investigative journalism initiatives, (3) advocacy and training for the protection of journalists, and (4) expanding the outreach of media through small grants for content production in underserved areas.³⁷⁵

This quarter, USAID's third-party monitor for Rasana reported its findings from interviews with Rasana beneficiaries in Herat, Kunduz, Nangarhar, and Kandahar Provinces.³⁷⁶ In general, the monitor reported that while there was substantial variation in trainee education, aspirations, and work experience, beneficiaries generally praised the training they had received.³⁷⁷ For Herat, the monitor reported that trainees were either (1) young university students in the first years of their undergraduate studies who had little experience, but high career expectations or (2) high school graduates with several years of journalism experience.³⁷⁸ University students said it is difficult to find paid jobs and many local radio stations appear to hire interns with only a high school education who are paid less. Some of the respondents from the second group said they immediately began applying their new skills in their work.³⁷⁹ Whereas previous monitoring found that only a limited number of journalists were able to cite examples of using Rasana-provided training in their work, the most recent data collection showed clear examples of situations where training advice was put into practice.³⁸⁰

The monitor reported that street harassment of female journalists, though decreasing, remains a concern for most of the interviewed female journalists. One respondent said that in July 2018, a cleric in Herat issued

a religious edict against journalists that did not improve the situation. However, the efforts of a Rasana-affiliated organization led the cleric to reverse himself.³⁸¹

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 3.18 summarizes total program costs and disbursements to date.

USAID now explicitly contributes a portion of its ARTF funds to the Citizen's Charter Afghanistan Project (CCAP), for the first time since the program began in 2016.³⁸² In October, USAID requested that \$34 million of its \$300 million contribution to the World Bank's ARTF be spent on CCAP.³⁸³ According to the Afghan government, CCAP is the centerpiece of the government's national inclusive-development strategy for rural and urban areas. As of November 1, 2018, the government reported that CCAP had been rolled out in 10,000 communities (700 urban and 9,300 rural) in all 34 provinces.³⁸⁴ CCAP works through Community Development Councils (CDC) to implement community projects. Over 14 years, CCAP's predecessor—the National Solidarity Program (NSP)—established 35,000 CDCs and implemented nearly \$2 billion of infrastructure projects. USAID contributed \$900 million to NSP. CCAP differs from NSP, however, by defining a suite of minimum basic services for each community covering health, education, and a choice of infrastructure investments (such as road access, electricity, or small-scale irrigation for rural communities).³⁸⁵

According to USAID's internal justification for contributing funds to the program, CCAP aims to break the cycle of fragility and violence in Afghanistan by deepening the legitimacy of the Afghan state and reducing extreme poverty through the provision of universal access to basic services in rural communities.³⁸⁶ (USAID's language is nearly identical to that presented by the World Bank in 2016 when the program first launched.)³⁸⁷ When CCAP first began, the World Bank and Afghan government discussed a number of potential evaluations of CCAP, including one seeking to answer the question, "What is the relationship between improved service delivery and citizens' trust and belief in the state?" Another proposed evaluation topic sought to examine the relationship between conflict and service delivery, with questions on the role CDCs could play in addressing conflict in communities.³⁸⁸ These questions are central to USAID's recent justification for providing funds to CCAP.

As of April 2018, the last time SIGAR asked, USAID did not provide a response for how CCAP would be assessed, particularly regarding its

TABLE 3.18

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	\$72,000,000	\$48,623,817
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	48,000,000	32,348,915

Source: USAID, response to SIGAR data call, 1/12/2019.

political objectives.³⁸⁹ A World Bank review of CCAP in September 2018 did not mention the objectives of increasing state legitimacy or breaking the cycle of violence. Instead, the World Bank cited statistics such as the number of CDCs, the number of Community Development Plans, the number of planned or ongoing rural and urban projects, and the percent of female, disabled, internally displaced persons, and refugee returnees participating in CDC elections to justify their conclusion that the program is making satisfactory progress.³⁹⁰

A conflict and fragility study of the CCAP appears to have been initiated sometime in early 2017; however, USAID only provided the terms of reference describing the scope of work and initial plan of the study when asked for additional details.³⁹¹ As the World Bank wrote in 2016, “the Citizens’ Charter provides a rich environment for testing various hypotheses important for development effectiveness in Afghanistan as well as other fragile and conflict situations.”³⁹²

Initiative to Strengthen Local Administrations

The \$48 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.³⁹³

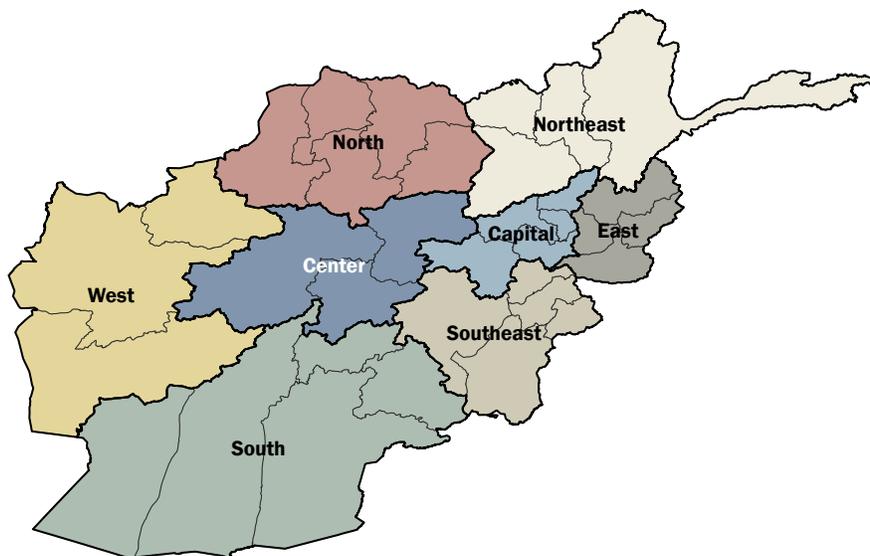
According to USAID, one of the key provisions of the Afghan government’s provincial budget policy is to link the provincial development plans (PDP) with the Afghan budget. USAID said it is critical to ensure that budgets are linked to and defined by development needs and priorities at the provincial level. As of December, USAID said that of the 126 projects in the Afghan FY 1397 (December 2017–December 2018) budget that are being implemented through the \$1 million per province unconditional funds, 123 were derived from province development plans.³⁹⁴

In May 2018, the Afghan government released a subnational governance policy that placed responsibility for the design, planning, implementation, and monitoring of development projects at a new regional level (existing

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FIGURE 3.39

AFGHANISTAN'S REGIONS (ACCORDING TO THE MAY 2018 SUBNATIONAL GOVERNANCE POLICY)



Source: Islamic Republic of Afghanistan, *Citizen-Centered Governance: A Roadmap for Subnational Reform*, 5/2018, p. 5.

between the national and province levels). Figure 3.39 shows the geographic distribution of the proposed regions. According to the policy, central ministries should no longer spend the majority of their time and resources implementing projects. Instead, the policy envisions creating eight regional development authorities that will be structured as state-owned corporations and serve as project owners for the government.³⁹⁵ The new policy makes no reference to a province role in development planning or PDPs.

In light of the proposed changes in the new subnational governance policy, USAID says ISLA will continue to support PDPs, but will also support revising PDP guidelines once a UNDP study on the PDP process is completed. In addition, ISLA plans to support the Afghan government in revising the provincial strategic plan structure to focus on regional development plans instead of provincial plans. Additionally, ISLA will assist the Ministry of Economy to develop a pilot regional profile for the western region.³⁹⁶

This quarter, SIGAR examined expenditures of the PDP-proposed and non-PDP-proposed projects ISLA identified as being reflected in the FY 1397 national budget. For FY 1397, PDP-proposed projects had expenditures equivalent to approximately \$29 million. Non-PDP-proposed projects, however, had expenditures equivalent to approximately \$311 million. The Ministry of Public Works spent the most in these two categories, reportedly

spending \$10 million on PDP-proposed projects and \$114 million on non-PDP-proposed projects.³⁹⁷

Strong Hubs for Afghan Hope and Resilience

The objective of the \$72 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. SHAHAR partners with municipalities to, among other things, deliver capacity-building for outreach and citizen consultation, improved revenue forecasting and generation, and budget formulation and execution.³⁹⁸

SHAHAR's geographic coverage has changed several times during the life of the program. For the first two years of the program, SHAHAR worked with 20 municipalities (16 small- and medium-sized provincial capitals and four regional hub provincial capitals of Kandahar City, Herat, Jalalabad, and Mazar-e Sharif). A budget reduction in the third year caused SHAHAR to reduce its presence to 14 municipalities (dropping two regional hub province capitals of Herat and Jalalabad). In the fourth year, SHAHAR stopped providing direct support to all municipalities but Kabul City, Kandahar City, Herat, Jalalabad, and Mazar-e Sharif.³⁹⁹

For Afghan FY 1397 (December 2017–December 2018), USAID reported that 14 municipalities that have received SHAHAR support collected the equivalent of approximately \$22 million in revenues, an increase of 17% over the previous year (a difference of approximately \$3 million).⁴⁰⁰ Charikar City, Parwan Province and Feroz Koh City, Ghor Province saw the largest revenue decrease (minus 15% and 14% respectively), followed by Kandahar City, Kandahar Province (minus 9%).⁴⁰¹ Maimanah City, Faryab Province, Qalah-ye Now City, Badghis Province, Pul-e Alam City, Logar Province, and Mehtar Lam City, Laghman Province all increased their revenue collection by over 50% compared to the previous year.⁴⁰²

RULE OF LAW AND ANTICORRUPTION

Rule of Law and Anticorruption Programs

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 3.19 on page 129.

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.⁴⁰³

Afghan Perceptions of the Courts

According to The Asia Foundation's survey, most respondents (50.08%) reported that they had no contacts with the judiciary or courts. Of the 7,477 respondents who said they did contact the judiciary, 8.84% said they had to give cash, gifts, or perform a favor all of the time, 16.54% said they did this most of the time, 25.83% said they did this some of the time, and 46.74% said they did this none of the time. Of the 1,898 respondents who said they had to give cash, gifts, or perform a favor for members of the court either all of the time or most of the time, 77% did not express an opinion when asked whether they agreed or disagreed with the statement that state courts are fair and trusted.

According to IWA's survey, 14% of respondents consider the courts to be the most corrupt government institution. However, only 20% of respondents said they based their perceptions on personal experience with the institution. Most perceptions were informed by family and friends (37%) or media (32%).

Source: SIGAR analysis of The Asia Foundation's 2018 *Afghan Survey Data* (downloaded 12/14/2018); Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, p. 32.

State's Justice Sector Support Program 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 \$22 million. The previous JSSP contract, which began in 2010, cost \$280 million.⁴⁰⁴ JSSP provides technical assistance to the Afghan justice-sector institutions through (1) building the capacity of justice institutions to be professional, transparent, and accountable; (2) assisting the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) supporting a case-management system so that Afghan justice institutions work in a harmonized and interlinked manner and resolve cases in a transparent and legally sufficient manner.⁴⁰⁵

In February 2018, State launched the \$8 million Continuing Professional Development Support (CPDS) program. According to State, CPDS will respond to an urgent need by the Afghan government to train legal professionals on the newly revised penal code and build the organizational capacity of the nascent professional training departments of Afghan legal institutions.⁴⁰⁶ As of September 2018, CPDS reported that it had completed the initial development of databases for the management of training records. The databases automatically produce a report card that outlines the number of training courses disaggregated by subject, number of participants by gender and geographic location, participants' level of satisfaction, and percentage of knowledge increase.⁴⁰⁷ CPDS reported this quarter that it is now seeking commitments from Afghan government counterpart professional training departments to staff and operate the databases.⁴⁰⁸

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.⁴⁰⁹

This quarter, USAID reported that ADALAT assisted the Supreme Court in processing the recruitment of 160 human resource, administrative, and finance positions, reportedly the first package of the merit-based recruitments following an agreement between the Supreme Court and the Independent Administrative Reform and Civil Service Commission. ADALAT provides financial support to 26 grantees to increase citizen demand for quality legal services and strengthen linkages between the formal and traditional justice sectors. These grants funded outreach and public education, advocacy campaigns, traditional dispute resolution, trainings, and court observations. Also, ADALAT developed an online-test server database for the Supreme Court's Inspections Directorate.⁴¹⁰

In ADALAT's work plan for April 2018 to March 2019, ADALAT proposed to improve judicial inspections and discipline. According to ADALAT, the

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TABLE 3.19

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	\$68,163,468	\$19,651,056
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	2,604,350
Corrections System Support Program (OASIS CSSP)*	6/1/2017	5/31/2022	25,187,257	13,772,680
Justice Sector Support Program OASIS Contract**	8/28/2017	8/28/2022	26,044,546	10,359,811
Continuing Professional Development Support (CPDS)**	2/6/2018	4/6/2020	7,938,401	7,938,401
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	4,600,000	2,000,000

Note:

*Disbursements as of 12/20/2018.

**Disbursements as of 12/26/2018.

Source: State, INL, response to SIGAR data call, 12/20/2018 and 12/26/2018; USAID, response to SIGAR data call, 1/12/2019.

Supreme Court's Department of Inspections is expected to regularly inspect Afghan courts and follow-up on complaints regarding judicial misconduct. As of April 2018, the department employed 37 inspectors. One expected result is that these inspectors conduct standardized and consistent inspections, analyze relevant data, and prepare quality reports on how to improve court operations.⁴¹¹ USAID said it does not yet know how ADALAT will determine the quality of these reports. According to USAID, ADALAT's efforts related to judicial inspections and discipline are presently contingent on an international study tour to Jordan by the members of the inspections directorate who wanted to explore international best practices on judicial inspections.⁴¹² According to ADALAT, USAID's approval of the Jordan study tour has reestablished ADALAT's positive working relationship with the director of inspections.⁴¹³

In August 2017, USAID awarded the Afghanistan's Measure for Accountability and Transparency (AMANAT) contract to support the Afghan government's efforts to reduce and prevent corruption in government public services.⁴¹⁴ As of October 30, 2018, (the latest reporting USAID provided), AMANAT's first year of project operations mostly involved mobilization and setup.⁴¹⁵ According to AMANAT, in the second year of programming, the program plans to conduct vulnerability to corruption assessments of the Ministry of Higher Education—focusing on the accreditation systems of private universities and the administration of student affairs offices in public universities—and the Ministry of Public Health, focusing on the licensing of private hospitals.⁴¹⁶

In September 2018, AMANAT reported on its assessment of the current status of the MEC and its discussions for potential AMANAT support for the MEC. According to AMANAT, MEC leadership said they do not require specific capacity building support for conducting vulnerability-to-corruption

assessments. Instead, the MEC requested AMANAT training in critical thinking, interviewing, notation, analysis, process-mapping, and database development and usage. However, MEC indicated that it has limited resources to collaborate actively on these activities and that AMANAT should not expect MEC to dedicate resources, other than regular consultative meetings, to support these efforts.⁴¹⁷

According to USAID, AMANAT, and the MEC will consult (at least quarterly) in order to avoid duplication of efforts. AMANAT will conduct two vulnerability-to-corruption assessments and follow-up on two ministries the MEC has already assessed.⁴¹⁸

Afghan Correctional System

As of October 31, 2018, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 29,268 males and 795 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 666 male and 19 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.⁴¹⁹ The average growth rate of adult prisoner and detainee populations held by the GDPDC over the last five years is 5.03% per year, as calculated in October of each year.⁴²⁰

According to State, 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 183.7% 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 102.1% of the ICRC-recommended capacity.⁴²¹

According to State, the major corrections-related accomplishment this quarter was the Ministry of Labor, Social Affairs, Martyrs and Disabled donation of a building to the Children Support Center (CSC) program. State said the building will significantly reduce overhead costs for the State-funded program. State currently funds four CSCs across Afghanistan, which provide secure alternative care for children of incarcerated parents. According to State, without CSC programming, these children would likely reside in prison, substandard government orphanages, or on the street.⁴²²

Anticorruption

This quarter, DOJ said in vetting comments that it has seen some progress in pursuing major crimes as a result of the U.S. Embassy demanding accountability through the Afghanistan Compact meetings, the November 2018 Geneva Conference, and RS pressure. DOJ says the Afghan government is still slow to prosecute stalled corruption cases and has a poor record of

SIGAR AUDIT

As directed by the Consolidated Appropriations Act, 2018, SIGAR will submit an updated assessment of the Afghan government's implementation of its national anticorruption strategy to Congress this year that includes an examination of whether the Afghan government is making progress toward achieving its anticorruption objectives. The Afghan attorney general has recently provided information concerning their activities to implement this strategy that SIGAR staff is translating and reviewing as part of this assessment. SIGAR staff is seeking further input.

prosecuting powerful and influential actors.⁴²³ In a report to State covering the period July 2018 to September 2018 and dated January 2019, DOJ says that many corruption cases are not prosecuted or adjudicated in a standardized, transparent, or timely manner because of political connections to senior Afghan government leaders. DOJ said that in late December 2018 the AGO reported that it had made progress in three prominent corruption cases.⁴²⁴ DOJ said the Afghanistan Compact calls for corruption-related reforms.⁴²⁵

DOJ said the AGO's recent renewed attention to corruption was likely the result of pressures created by the Geneva Conference and SIGAR's recent reports. Despite this progress, however, DOJ says the Afghan government has not yet demonstrated sufficient motivation or action to deter future corrupt actors, or to convince the Afghan people that the government is serious about combating corruption.⁴²⁶

For the Geneva Conference, the Afghan government said that it had achieved the corruption-related reform outlined at the July 2018 meeting of the Joint Coordination and Monitoring Board.⁴²⁷ Corruption was described as an endemic and systemic problem in Afghanistan. According to a joint UN/Afghan government document, the indicators for Afghanistan's good progress included the adoption of a new National Anticorruption Strategy (25 of the 66 indicators have been achieved by September 2018), the endorsement of the new Anticorruption Law by President Ghani in September 2018, the trials held by the Anti-Corruption Justice Center (ACJC), and the registration of 15,000 public officials' assets. Additional anticorruption efforts/issues cited at the Geneva Conference's anticorruption side meeting included:⁴²⁸

- merit-based and transparent civil service recruitment
- the Access to Information Law, said to be among Afghanistan's "well-crafted" but not uniformly implemented laws
- addressing impunity and the role of the ACJC, described as a "long term process" with the 2016 establishment of the ACJC as an important step
- the role of citizens in accountability monitoring of Afghan government service delivery, with Afghanistan's national anticorruption strategy including opportunities for civil society to participate to address identified weaknesses or corruption in the provision of services

Last quarter, State reported to SIGAR that the U.S. Embassy prioritized the corruption-related Compact benchmarks including targeting drug kingpins for money laundering prosecutions, high-profile corruption prosecutions, and recovering stolen Kabul Bank funds. According to State, the Afghan government made progress on all of these priorities this quarter. State reported that the Attorney General's Office (AGO) prosecuted three high-level drug targets for money laundering.⁴²⁹

The one high-profile corruption prosecution that State reported this quarter involved the former Minister of Communications and Information



President Ashraf Ghani, U.S. Ambassador to Afghanistan John Bass, and other Afghan and international officials celebrate International Anti-Corruption Day in Kabul, Afghanistan. (Afghan government photo)

Afghan Perceptions of Corruption

According to The Asia Foundation's survey, a record 70.6% of Afghans in 2018 said corruption is a "major problem" in their daily life, just slightly more than in 2017 (69.8%). Perceptions of corruption as a major problem in Afghanistan, however, have fallen slightly, from a high of 83.7% in 2017 to 81.5% this year.

According to IWA's estimates, the number of people who have paid a bribe as well as the average size of reported bribes paid has decreased. Extrapolating the survey results on bribe frequency and cost onto the entire population, IWA estimated approximately \$1.65 billion in bribes were paid in 2018, down from the \$2.88 billion IWA estimated in 2016.

Source: The Asia Foundation, *Afghanistan in 2018: A Survey of the Afghan People*, 12/4/2018, p. 7; Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, p. 38.

Technology, Abdul Razaq Wahidi. According to DOJ, Wahidi was suspended from his post on January 2, 2017, based on allegations of nepotism, overpayments, illegally contracted workers, embezzlement, and misappropriation of tax revenue. Further, DOJ said the Attorney General's Office (AGO) substantiated these allegations in an investigation that concluded in February 2017. Despite this previous investigation, the case was subsequently returned to the AGO.⁴³⁰ This quarter, State said the AGO concluded its prosecution of Wahidi. The first-ever Special Court was formed to hear Wahidi's corruption case. However, State says Wahidi was acquitted by the Special Court but no opinion was published.⁴³¹

After SIGAR received State's response, Afghan media reported that the AGO referred Wahidi's case to the Supreme Court for further investigation.⁴³²

This quarter, State says the U.S. Embassy is now prioritizing increased transparency at Afghan special courts, the Anticorruption Justice Center (ACJC), the Counter Narcotics Justice Centre (CNJC), and the Justice Center in Parwan (JCIP). Additionally, the U.S. Embassy is emphasizing (similarly to last quarter) warrants execution, the prosecution of high-profile corruption cases, and collecting on Kabul Bank cases.⁴³³

In a report to State covering the period July 2018 to September 2018 and dated January 2019, DOJ says that the Afghan government has made insufficient progress to investigate and prosecute corruption cases. DOJ attributed the lack of progress to a number of factors, including:⁴³⁴

- acts by high-level Afghan officials
- failure of MOI to execute ACJC warrants (according to AGO officials)
- failure of ACJC prosecutors to present cases supported by sufficient evidence (according to judicial sources)
- ACJC staff having numerous corrupt and incompetent personnel
- ACJC's lack of legal authority to unilaterally pursue acts of corruption committed by high-level officials such as ministers, members of parliament, and judges
- lack of ACJC transparency, including secret proceedings and not notifying media of developments
- ACJC's overall weakness that prevents the institution from arresting powerful individuals, who move freely around the country
- poor case preparation by the Major Crimes Task Force (MCTF) (according to AGO and ACJC officials)
- slow movement or rejection of cases by courts (according to AGO and ACJC officials)
- failure of prosecutors to prosecute cases submitted by the MCTF (according to MCTF investigators)

A more comprehensive discussion of State's perspectives on corruption challenges is presented in the classified annex of this report.

Attorney General's Office

In January 2019, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) published its third monitoring report on the implementation of its anticorruption recommendations for the Afghan justice sector. According to the MEC, the AGO made progress in a number of anticorruption-reform areas, including:⁴³⁵

- developing a five-year strategic plan, effective June 20, 2018
- finalizing conflict of interest forms for prosecutors
- reactivating 38 provincial prosecution offices in 16 provinces
- increasing the percentage of female staff from 3% to 21%
- entering the information for 5,050 staff into their human resource management information system

According to DOJ, the AGO made some reform progress this quarter, including agreeing to polygraph AGO prosecutors and investigators who work at the ACJC.⁴³⁶ Further, following U.S. Embassy pressure, DOJ observed AGO changing its position on use of the State-funded Case Management System (CMS). 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. Last quarter, SIGAR reported DOJ's concern at the attorney general's resistance to making CMS functional in the AGO. However, DOJ now reports that AGO officials are said to have received instructions from the attorney general to embrace CMS. CMS terminals were installed this quarter at the ACJC.⁴³⁷

Additional details on AGO-related corruption challenges are reported in the classified annex of this report.

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).⁴³⁸ At the ACJC, Major Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption.⁴³⁹ 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 afghani (approximately \$73,000).⁴⁴⁰

This quarter, CSTC-A said it considered the following ACJC cases noteworthy:

- The ACJC primary court convicted Major General Abdul Razaq Amiri, the former acting deputy of the Afghan Public Protection Force, of being an accomplice to the misuse of authority, and sentenced him to eight years in prison. A colonel and a civilian were also found guilty of the same crime and similarly sentenced to eight years in prison while a colonel, lieutenant colonel, and lieutenant were acquitted.⁴⁴¹

GOVERNANCE

- The ACJC primary court convicted a number of defendants for the unlawful printing of upwards of 30,000 business licenses. In relation to these cases, the ACJC ordered the investigation of the head of treasury at the Ministry of Finance.⁴⁴²
- The ACJC appeal court convicted MOI Major General Mohammad Anwar Kohistani of misuse of authority, embezzlement, and check forgery, but acquitted him of neglect of his duties. Kohistani was sentenced to nine years and three months in prison and ordered to pay the equivalent of approximately \$9.8 million. Last quarter, the ACJC primary court sentenced Kohistani to 11 years in prison. According to DOJ, this case demonstrated that the AGO is able to investigate and prosecute a corruption case in the face of adverse political pressure when AGO has the will and is supported by the Afghan government.⁴⁴³ Additionally, this quarter the ACJC appeal court acquitted one of Kohistani's coconspirators, MOI deputy minister Brigadier General Ghulam Ali Wahadat. Last quarter, the ACJC primary court had sentenced Wahadat to three years in prison.⁴⁴⁴

According to DOJ, the ACJC has successfully prosecuted a handful of cases against what it referred to as “B Team” criminals. However, DOJ says the ACJC has not had a noticeable impact on the country's rampant graft.⁴⁴⁵

According to DOD, the ACJC lacks a credible warrant-enforcement mechanism.⁴⁴⁶ As of the November 19 meeting of the Warrant Action Group (WAG), the top five outstanding warrants for individuals convicted by the ACJC included a former deputy minister of finance, the former head of the Afghan Civil Order Police, a former deputy minister of interior, a former MOI procurement official, and a criminal investigation directorate chief.⁴⁴⁷ The WAG is a biweekly forum where the ACJC, MCTF, MOI's Criminal Investigation Directorate, and CSTC-A coordinate warrant priorities and execution.⁴⁴⁸ The top outstanding ACJC civilian arrest warrants included a former acting province governor, five former province governors, two former deputy ministers of labor, social affairs, martyrs and disabled, and a former deputy minister of counternarcotics.⁴⁴⁹ The top outstanding ACJC military arrest warrants include one former MOD deputy minister, two former MOI deputy ministers, a former MOD logistics director, two colonels, a major, a second lieutenant, and two civilians.⁴⁵⁰

Afghanistan Security Forces

According to CSTC-A, corruption remains pervasive throughout the Afghan security forces. This corruption harms the battlefield effectiveness of the Afghan security forces by diverting resources meant for fighting units and creating negative perceptions of the Afghan government, undermining the Afghan government's legitimacy and reconciliation efforts, CSTC-A says.⁴⁵¹

CSTC-A observed that security-related corruption is primarily associated with high-volume support, including food and rations, petroleum and oil, ammunition and weapons, and, to a lesser degree, payroll.⁴⁵² CSTC-A has found that regional logistics centers are focal points of corruption where ammunition, uniforms, and other commodities are easily pilfered and sold.⁴⁵³ Logistics at all levels of the Afghan army and police have weak oversight and accountability controls. CSTC-A says that it continually tries to identify the corrupt actors to reduce supply-chain spillage.⁴⁵⁴

Of this support, CSTC-A considers fuel to be the most at risk as fuel is in high demand and is easy to access and sell.⁴⁵⁵ While CSTC-A acknowledges that some senior Afghan security leaders still abuse and circumvent fuel accountability processes mandated by President Ghani, large-scale fuel theft has been disrupted through a combination of more robust supply-chain controls and the removal of corrupt actors.⁴⁵⁶ CSTC-A claimed one of its investigations (begun around October 2017) nearly ended fuel theft in the 209th Corps in northern Afghanistan. As evidence for the success of the investigation, CSTC-A said the corps could no longer accept its full fuel allocation since all the corps' fuel storage space was filled with the windfall of fuel delivered following the investigation. According to CSTC-A, the fuel allocation for 209th Corps was reduced as a result of the investigation.⁴⁵⁷

Narcotics trafficking remains a widespread problem, with CSTC-A observing senior Afghan security force leaders and civilian provincial authorities often controlling narcotics trafficking networks in the western, southwestern, and northern regions.⁴⁵⁸

In April 2018, CSTC-A reported that the Afghan government's implementation of the Inherent Law encouraging the retirement of more than 3,000 senior MOD and MOI leaders should help fight corruption.⁴⁵⁹ This quarter, CSTC-A reported that it is too early to accurately assess the effects of the Inherent Law on corruption and patronage networks. CSTC-A says it has observed significant quantifiable progress in implementing the law, namely 1,141 persons have retired from the MOD and 1,021 persons have retired from the MOI. However, CSTC-A acknowledges that it is not possible for CSTC-A to determine whether the majority of those retired to date were suspected of corruption. Retirements per the Inherent Law are based on factors, such as time-in-service, the age of the individual, and performance in the present position.⁴⁶⁰

Also in April 2018, CSTC-A described how it planned to vet Afghan candidates for senior MOD and MOI positions.⁴⁶¹ This quarter, CSTC-A said that its principal method for supporting Afghan efforts to replace, retire, and relocate corrupt senior Afghan security leaders is through such vetting. According to CSTC-A, they provide a holistic assessment of Afghan security officials by reviewing classified intelligence reports, sensitive advisor reports, and unclassified data gathered in the course of train, advise,

and assist activities. CSTC-A believes these efforts are helpful given the weaknesses in the Afghan government's oversight of Afghan security forces deployed to the geographic periphery.⁴⁶²

While CSTC-A believes that the Afghan security forces are making progress in their efforts to combat corruption, this progress is usually at the insistence of foreign officials.⁴⁶³ Further, CSTC-A expects Afghan government officials to remain complicit in corruption for both personal benefit and the benefit of larger patronage networks. CSTC-A observed during the election season that powerbrokers vying for political power often play a role in Afghan security force corruption.⁴⁶⁴

Security Ministry Inspectors General

CSTC-A provides training, advice, and assistance to the inspectors general for the MOD (MOD IG) and MOI (MOI IG). When asked for its assessment of the quality of MOD IG and MOI IG inspection reports this quarter, CSTC-A only responded that the MOI IG is developing a standardized inspection report format to improve the effectiveness and clarity of inspection reports.⁴⁶⁵ CSTC-A insists that the MOD IG and MOI IG are continuing to make marked improvements in their report detail, format, and recommendations.⁴⁶⁶

In an effort to determine the effectiveness of MOD IG and MOI IG reporting, for the past three quarters SIGAR has asked CSTC-A for examples of actions taken by senior MOD and MOI leadership in response to the issues identified in MOD IG and MOI IG reports. In March 2018, the CSTC-A element that partnered with MOD IG and MOI IG suggested that SIGAR pursue this line of inquiry because it, too, was interested in learning the answer.⁴⁶⁷

For the past three quarters, the CSTC-A elements that advise senior officials of the MOD and MOI did not identify any actions that were taken by senior Afghan officials in response to issues identified in MOD IG and MOI IG reports. These CSTC-A elements explained their lack of response by saying they employ “a holistic [train, advise, and assist] methodology rather than focusing on single issues/topics.”⁴⁶⁸ The failure of these CSTC-A elements to identify a single instance of senior MOD or MOI response to MOD IG or MOI IG reported findings raises questions on the ministries' political will for reform and the utility of MOD IG and MOI IG reports. CSTC-A disagreed with this conclusion but did not provide additional detail for how one can determine the utility of MOD IG and MOI IG reports.⁴⁶⁹

MOD and MOI Anti- and Countercorruption Efforts Either Not Implemented or Focused Primarily on Inputs

In December 2017, the then-new MOI strategic policy identified combating corruption as one of the ministry's objectives. This policy mandated that the ministry define indicators and baselines to monitor progress against this objective every six months.⁴⁷⁰ This MOI strategic policy stood out

for its monitoring and evaluation requirements and SIGAR has requested updates each subsequent quarter in the hope that this aspect of the policy was being implemented. However, as of December 2018, CSTC-A reports that it has not received any monitoring and evaluation data for the anti- and countercorruption objective.⁴⁷¹ It is unclear, then, how the MOI is tracking its anti- and countercorruption progress since it does not appear to be implementing its own policy on the matter. CSTC-A responded in vetting that the originally provided MOI strategic plan does articulate indicators and baselines, and recommended SIGAR review the document again. SIGAR reviewed the document again and saw only the requirement to develop anti- and countercorruption indicators and baselines, but could not locate any defined indicators and baselines.⁴⁷²

Instead of providing the requested monitoring and evaluation data, CSTC-A highlighted how the MOI inspector general held a seminar during the quarter that covered, among various topics, the MOI strategic plan and revised anti- and countercorruption policy. Further, CSTC-A pointed to the MOI inspector general hosting a meeting chaired by the minister of interior.⁴⁷³

CSTC-A said it tracks a number of conditions for the MOD and MOI to demonstrate progress in meeting their anti- and countercorruption-related high priority performance requirements. These conditions include holding and attending high-level meetings to discuss corruption issues, implementing annual MOD IG and MOI IG inspection plans, issuing inspection and investigation reports, collecting asset declarations from senior MOD and MOI personnel, and developing trainings. CSTC-A reported that both the MOD IG and MOI IG are on track to implement the annual inspection plans, with the MOI IG having completed 160 of the planned 227 inspection reports. Further, CSTC-A noted that a number of high-level meetings were either canceled outright or missed. Asset declarations have also been collected for 178 of 182 senior MOI officials. For MOD asset declarations, CSTC-A reported that a committee established for asset declarations is no longer functioning and responsibility has been transferred back to the MOD IG. Of the 3,774 required MOD asset declarations due in FY 1398 (December 2018–December 2019), 867 have reportedly been submitted.⁴⁷⁴

Major Crimes Task Force in Flux

The Major Crimes Task Force (MCTF) is an elite MOI unit chartered to investigate corruption by senior government officials and organized criminal networks, and high-profile kidnappings committed throughout Afghanistan.⁴⁷⁵ This quarter, CSTC-A reported that the MCTF's internal political will and overall effectiveness is "in a state of flux."⁴⁷⁶

CSTC-A says that while senior MCTF leaders have a passion for effective and efficient law enforcement and work hard to achieve their mission, the overall morale of the unit is low following the large number of staff

terminations and transfers. These terminations and transfers are the result of staff failing polygraph examinations. According to CSTC-A, as of November 18, 33 of the 77 members of the MCTF corruption investigation unit failed their polygraph exams. Of the 33 staff who failed their exams, 20 have been terminated. CSTC-A reports that the MCTF is implementing terminations in phases to avoid an instant 40% reduction of its corruption investigations workforce. A negative consequence of this approach, CSTC-A says, is that the remaining employees do not know if they are going to be terminated or transferred.⁴⁷⁷

As MCTF staff are terminated or transferred, the MCTF is slowly refilling its ranks with inexperienced investigators who require extensive amounts of CSTC-A training, advice, and assistance.⁴⁷⁸ CSTC-A has a team of around 15 law enforcement professionals and financial advisors providing one-on-one mentorship to MCTF leadership and investigators, advising active MCTF investigations, and leading training classes.⁴⁷⁹

According to CSTC-A, the unclear and often contradictory lines of authority within the MOI present challenges to the MCTF. For example, while a September 2018 presidential decree established the purview of the MCTF, the decree is not clear on how the MCTF's mandate relates to mandates of other agencies. This leads to the duplication of efforts, CSTC-A says. The decree also says that the MCTF reports directly to the minister. However, CSTC-A says the MOI has failed to fully implement this portion of the decree, resulting in an ambiguous and often contradictory chain-of-command above the MCTF Director.⁴⁸⁰

CSTC-A reported that the “relentless pressure” of the international community on the MCTF to execute outstanding arrest and conviction warrants is negatively affecting the MCTF. According to CSTC-A, the MCTF is an investigative agency that lacks the personnel and resources to robustly execute warrants. CSTC-A would prefer that the MOI's General Command of Police Special Units (GCPSU) assist in the execution of warrants, as the GCPSU is already tasked with conducting high-risk warrant arrests. However, CSTC-A will explore the possibility of increasing MCTF personnel to accommodate a full-time warrant execution section.⁴⁸¹

This quarter, CSTC-A reported notable improvement in the collaboration between the MCTF and AGO's chief ACJC prosecutor. Both the MCTF director and the ACJC chief prosecutor are relatively new to their positions. CSTC-A says that the previous incumbents regularly blamed each other for the lack of collaboration and refused to communicate directly. As evidence of the improved working relationship, CSTC-A cited how both leaders cooperated to determine priorities at Warrant Action Group (WAG) meetings and in holding a joint six-day training seminar.⁴⁸² The WAG is a biweekly forum where the ACJC, MCTF, MOI's Criminal Investigation Directorate, and CSTC-A coordinate warrant priorities and execution.⁴⁸³

REFUGEES AND INTERNAL DISPLACEMENT

Afghan Refugees

According to State, the Pakistan government extended the validity of Proof of Registration (POR) cards, which confer refugee status on 1.4 million Afghans, until June 30, 2019.⁴⁸⁴

As of December 25, 2018, the United Nations High Commissioner for Refugees (UNHCR) reported that 15,665 refugees have voluntarily returned to Afghanistan in 2018. The majority (13,584) of these refugee returns were from Pakistan.⁴⁸⁵ As shown in Figure 3.40, far fewer refugees have returned to Afghanistan this quarter than the high in October 2016.⁴⁸⁶

Undocumented Afghan Returnees

As shown in Figure 3.41 on the next page, as of December 22, IOM reported that 757,292 undocumented Afghans returned from Iran and 32,027 undocumented Afghans returned from Pakistan in 2018. So far, 789,319 undocumented Afghans have returned in 2018.⁴⁸⁷

According to DOD, the collapse of Iran's currency has effectively cut remittances from Afghan migrant workers in Iran to almost zero. DOD says that 96% of the Afghan returnees from Iran are unskilled or semiskilled single male laborers under age 30, a population that could be vulnerable to recruitment into extremist groups or the illicit economy.⁴⁸⁸

State, however, disagreed with DOD's conclusion, saying "there is no basis to assert that [the Afghan returnee population] is more vulnerable to [extremist] recruitment than other populations."⁴⁸⁹

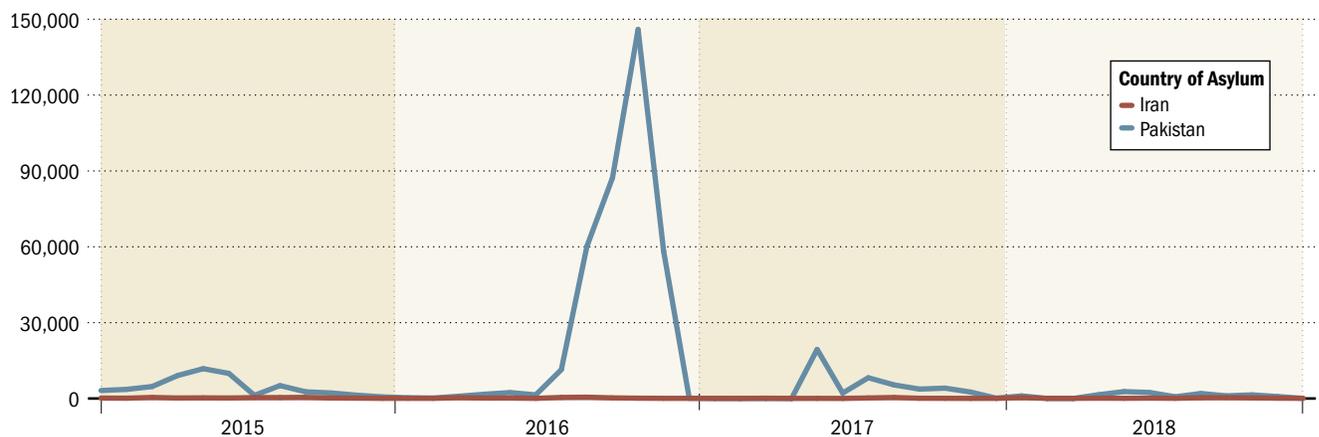
Refugees: Registered Afghan refugees in Pakistan hold Proof of Registration Cards (POR) and registered refugees in Iran hold Amayesh cards. Holding these cards means the person is recognized as a registered refugee.

Undocumented Afghans: Afghans in Pakistan who do not hold a POR card are considered undocumented. Afghans who reside irregularly in Iran (those without an Amayesh card or valid visa) are also viewed as undocumented.

Source: Ministry of Refugees and Repatriation, *Return and Reintegration Response Plan-2018*, 1/27/2018, p. 5.

FIGURE 3.40

NUMBER OF AFGHAN REFUGEES RETURNING TO AFGHANISTAN (2015 THROUGH DECEMBER 25, 2018)

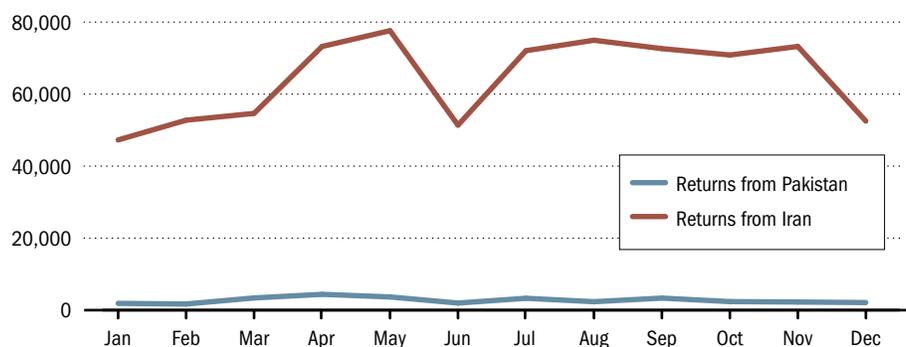


Source: SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2015," 1/1/2018; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2016," 11/8/2017; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2017," 9/12/2018; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2018," 12/25/2018.

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FIGURE 3.41

NUMBER OF UNDOCUMENTED RETURNEES PER MONTH IN 2018



Source: IOM, "Weekly Situation Report: Jan–Dec 2018," 1/5/2019.

Internal Displacement

As shown in Figure 3.42, there has been less conflict-induced internal displacement this year than in 2017. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), as of December 14, the conflicts of 2018 had induced 343,341 people to flee. The office recorded 437,907 persons in the same period last year.⁴⁹⁰

Of the conflict-induced internally displaced persons recorded up to October 20, 2018, 18.92% reported being displaced from districts Resolute Support recorded as under Afghan government influence (as of October 22, 2018), 46.72% were from districts that are contested, and 32.65% were from districts with insurgent activity.⁴⁹¹

Afghan Asylum Seekers in Europe

Eurostat, the statistical office of the European Union (EU), reported 31,320 first-time Afghan asylum seekers in the EU in the first eleven months of 2018. As shown in Figure 3.43, the number of first-time Afghan asylum seekers to the EU has decreased significantly since the high point in 2015/2016.⁴⁹² The Afghanistan Analysts Network said that stronger border controls and tightened asylum laws in Europe are the primary cause for the decrease in the number of Afghan asylum seekers.⁴⁹³

GENDER

USAID's Promote program aims to strengthen women's participation in civil society, boost female participation in the economy, increase the number of women in decision-making positions within the Afghan

FIGURE 3.42

2018 CONFLICT-INDUCED INTERNALLY DISPLACED PERSONS (IDP) BY DISTRICT

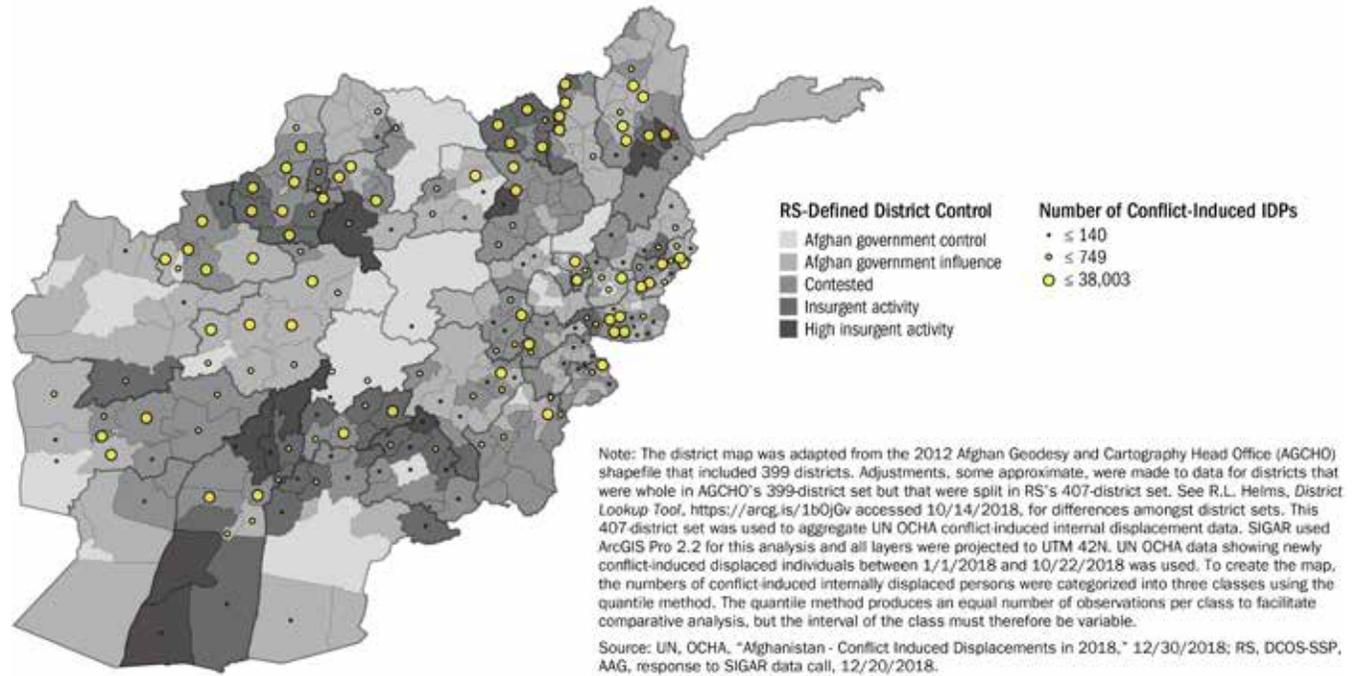
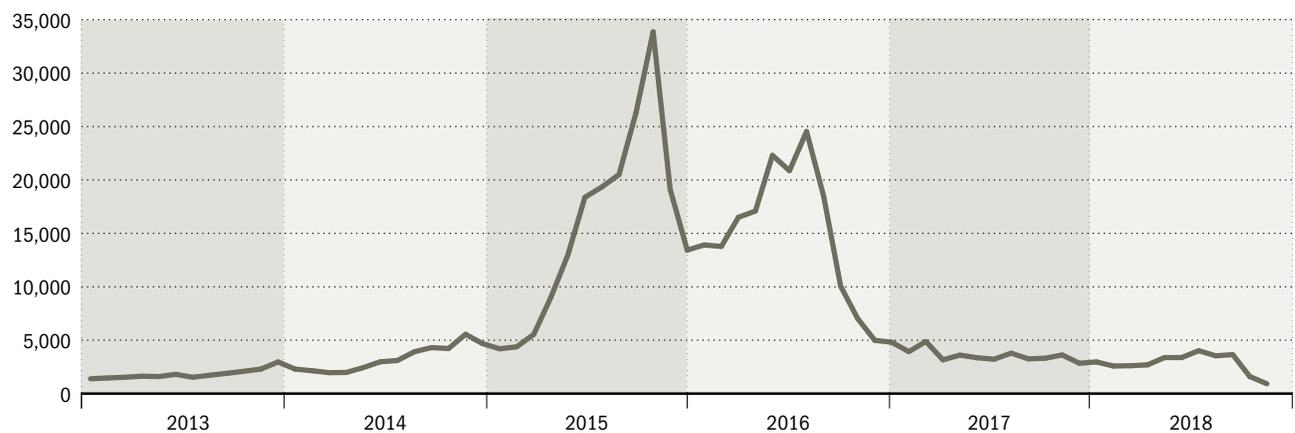


FIGURE 3.43

FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION (2013 THROUGH DECEMBER 2018, BY MONTH)



Source: EUROSTAT, "Asylum and first time asylum applicants by citizenship, age and sex monthly data (rounded)," 12/30/2018.

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TABLE 3.20

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Promote: Women in the Economy	7/1/2015	6/30/2019	\$71,571,543	\$39,507,386
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	36,684,522
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	28,182,879
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	15,820,485
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	3,802,703
Combating Human Trafficking in Afghanistan	1/11/2016	6/30/2019	7,098,717	5,456,452
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	1,485,875
Countering Trafficking in Persons (CTIP) II—Empowerment and Advocacy to Prevent Trafficking	1/10/2018	1/9/2020	1,483,950	641,521
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/12/2019.

SIGAR AUDIT

Last quarter, SIGAR released a performance audit of Promote that assessed contract compliance, program performance, and implementation challenges for the five Promote programs. The audit found that, after three years and \$89.7 million spent, USAID/Afghanistan has not fully assessed the extent to which Promote is meeting its overarching goal of improving the status of more than 75,000 young women in Afghanistan's public, private, and civil society sectors.

government, and help women gain business and management skills.⁴⁹⁴ USAID has committed \$280 million to Promote.⁴⁹⁵ Table 3.20 show the current Promote programs.

As of December 23, USAID reports that 7,243 female Promote beneficiaries have secured full-time jobs. According to USAID, the Women's Leadership Development program has benefited 24,624 females. Of these, 874 have been subsequently hired by the Afghan government, 510 have been hired by nongovernmental organizations, and 301 have been hired in the private sector. The Women in the Economy (WIE) program has benefited 24,393, with 5,313 of these beneficiaries hired for permanent positions. The Women in Government (WIG) program has benefited 3,901 women, with 411 hired for permanent positions in the government.⁴⁹⁶

According to USAID, 1,919 WIE graduates found new or better jobs in the last quarter. USAID attributed this increase to WIE's focus on market-driven skills training and internships in female-friendly sectors including dentistry, ultrasound technology, taxation, retail sales, health, education, accounting, and management. Additionally, 494 teachers in 19 provinces received teaching contracts following training.⁴⁹⁷

Promote has benefited 55,202 women through leadership training, civil service training and internships, civil society advocacy work, and economic growth activities USAID says.⁴⁹⁸

In September, USAID's third-party monitor for Promote issued a mid-term evaluation of the WIG program. The evaluation focused on the WIG internship program, a capacity-building effort to prepare selected university and high school graduates for jobs in the government. Interns receive six months of classroom-based civil service training, three months of

classroom-based leadership training, and three months internship at a government office. Relying on data from April 2018, the monitor said only 126 WIG graduates (15% of the total graduates) received subsequent employment.⁴⁹⁹ (As shown above, this number has since increased to 411 graduates or 20% of WIG graduates.)⁵⁰⁰ The evaluators wrote that while WIG has provided skills relevant to obtaining employment and working in the government, the program faces major challenges in reaching the target of 2,100 WIG graduates being employed by the government.⁵⁰¹

The evaluators attributed the lower-than-expected employment numbers to a number of factors. One was an Afghan government policy change to centralize civil service recruitment in July 2017 that forced WIG to rethink its employment strategy. The evaluation observed that there are few government jobs in general, with the majority filled by men. For example, 15 times as many candidates as there were vacant positions took exams for the 18,000 vacant positions announced in early 2018. Further, the evaluators found that many WIG trainees assumed that they were guaranteed jobs with the government, leading some graduates not to seek employment on their own.⁵⁰²

This quarter, USAID reports that 122 Promote-supported teacher trainers trained 28,576 female teachers. Also this quarter, Promote held what USAID claimed was the first national conference on women and the peace process. Chief Executive Abdullah, U.S. Ambassador Bass, and the High Peace Council Vice Chairperson Dr. Habiba Sorabi spoke at the event.⁵⁰³