

# 3 RECONSTRUCTION UPDATE



# RECONSTRUCTION UPDATE CONTENTS

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Packaging spaghetti at a women's cooperative in Mazar-e Sharif to sell in local markets. (UNDP photo)



# RECONSTRUCTION IN BRIEF

Section 3 of this quarterly report summarizes the key events of the reporting period as well as programs and projects concerning Afghanistan reconstruction across five sectors: Funding, Security, Governance, Economic and Social Development, and Counternarcotics.

## NO MORE DISTRICT-STABILITY ASSESSMENTS

- Resolute Support formally notified SIGAR it is no longer producing its **district-stability assessments** (which included district, population, and territorial control data) because the command no longer believes the data has decision-making value.

## ANDSF CASUALTIES RISE

- From December 2018 to February 2019, Afghan National Defense and Security Forces (ANDSF) casualties were about **31%** higher year-on-year. Almost half of these casualties were inflicted during checkpoint security operations.

## PROGOVERNMENT FORCES CAUSE MORE CIVILIAN DEATHS THAN ANTIGOVERNMENT FORCES

- UNAMA reported that the ANDSF and international forces caused more **civilian deaths** from January 1–March 31, 2019, than antigovernment elements. This was attributed to substantial increases in civilian casualties caused by progovernment aerial (41%) and search operations (85%) compared to the same period last year.

## PRESIDENTIAL ELECTION DELAYED TO SEPTEMBER 28, 2019

- The election was originally scheduled for April 20, 2019.
- The Independent Election Commission said the new delay was necessary to implement **voting-system reforms**.

## SEVERE FLOODING AFFECTS 14 PROVINCES

- Following a significant drought in 2018, severe flooding affected at least 14 provinces and more than 163,000 Afghans this quarter, contributing to already high levels of **food insecurity** and **displacement**.

## GROWTH ESTIMATES REVISED

- The IMF revised upward its GDP growth estimate for 2018 to **2.7%**; in contrast, the World Bank said growth in 2018 was just **1%**.

## POPPY CULTIVATION AND OPIUM PRODUCTION DECLINE

- For 2018, U.S. government estimates are 221,000 hectares, a 33% decrease from 2017's 329,000 hectares. Potential opium production decreased 42% from 9,140 metric tons in 2017 to 5,330 metric tons in 2018. The decline in cultivation and production are attributed to large areas of **drought** and **low opium prices** stemming from 2017's record crop.

## PLANNED APRIL MEETING IN QATAR POSTPONED

- Representatives of the Taliban along with a 250-strong delegation of Afghan politicians, representatives of the Afghan government, and civil society members planned to meet informally to express their views on peace.
- On April 18, the hosting organization announced that the event was postponed due to “lack of agreement around participation and representation.”

## RECONSTRUCTION FUNDING AS OF MARCH 31, 2019

- **Cumulative appropriations** for reconstruction and related activities in Afghanistan since FY 2002 totaled approximately **\$133.0 billion**.
- **\$114.67 billion**, or 86.2%, was appropriated to the nine largest active reconstruction funds.
- Of the amount appropriated to the **nine largest active funds** since FY 2002, approximately \$9.92 billion remained to be disbursed.
- The Department of Defense (DOD) reported in its latest *Cost of War Report*, dated December 2018, that cumulative obligations for Afghanistan including warfighting had reached **\$744.9 billion**. The cost of Afghanistan reconstruction equaled approximately **16%** of this amount at that date.

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# STATUS OF FUNDS

## STATUS OF FUNDS

In accord with SIGAR's legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of March 31, 2019, the United States had appropriated approximately \$133.0 billion for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

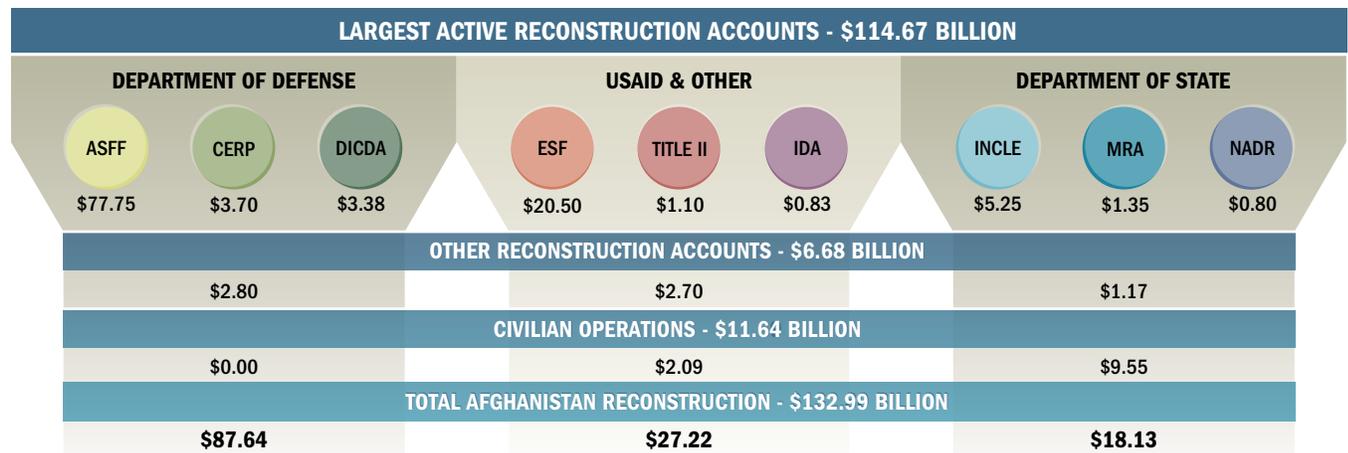
- \$83.27 billion for security (including \$4.69 billion for counternarcotics initiatives)
- \$34.45 billion for governance and development (\$4.31 billion for counternarcotics initiatives)
- \$3.63 billion for humanitarian aid
- \$11.64 billion for civilian operations

Figure 3.1 shows the nine largest active U.S. funds that contribute to these efforts. SIGAR previously reported on seven major funds, but has updated its reporting to reflect current appropriations that have placed significant amounts in other funds.

- ASFF:** Afghanistan Security Forces Fund
- CERP:** Commander's Emergency Response Program
- DICDA:** Drug Interdiction and Counter-Drug Activities
- ESF:** Economic Support Fund
- TITLE II:** Public Law No. 480 Title II
- IDA:** International Disaster Assistance
- INCLE:** International Narcotics Control and Law Enforcement
- MRA:** Migration and Refugee Assistance
- NADR:** Non-Proliferation, Antiterrorism, Demining, and Related Programs

FIGURE 3.1

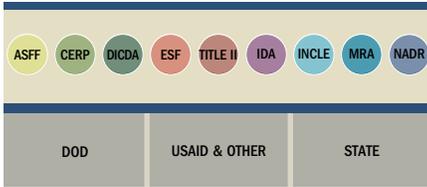
### U.S. FUNDS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

# STATUS OF FUNDS



## U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

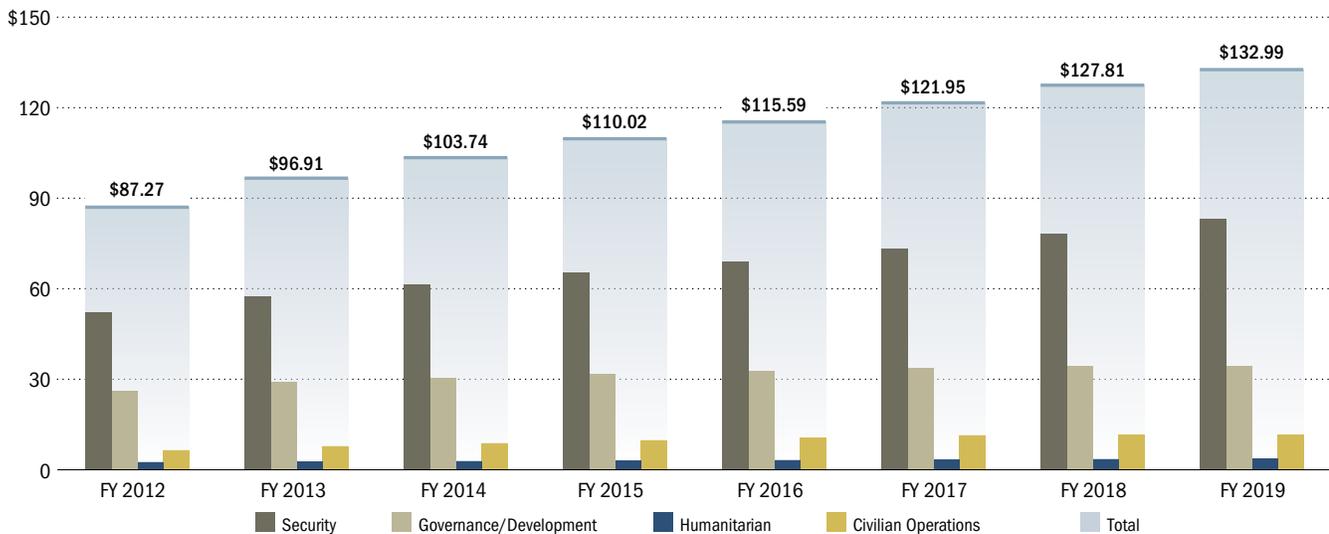
As of March 31, 2019, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately \$132.99 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and oversight and operations. Approximately \$9.01 billion of these funds support counternarcotics initiatives that crosscut the security (\$4.69 billion) and governance and development (\$4.31 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

The amount provided to the nine largest active U.S. funds represents more than 86.2% (over \$114.67 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 90.0% (more than \$103.23 billion) has been obligated, and nearly 86.5% (nearly \$99.19 billion) has been disbursed. An estimated \$5.57 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

President Donald J. Trump signed the Department of Defense Appropriations Act for Fiscal Year 2019 into law on September 28, 2018, providing appropriations for the Afghanistan Security Forces Fund (ASFF), the Commander's Emergency Response Program (CERP), and the Drug Interdiction and Counter-Drug Activities (DICDA) accounts for FY 2019. In the current quarter, President Trump signed the Consolidated Appropriations Act for Fiscal Year 2019 into law on February 15. The joint resolution includes the Department of State, Foreign Operations, and

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF MARCH 31, 2019 (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

# STATUS OF FUNDS

Related Programs Appropriations Act for Fiscal Year 2019, providing appropriations for the Department of State and USAID. The U.S. Congress and State have not yet agreed on final allocations to specific countries, including Afghanistan, for the global foreign-assistance accounts, principally the International Narcotics Control and Law Enforcement (INCLE) account and the Economic Support Fund (ESF). The FY 2019 appropriation amount shown in Figure 3.3 will increase when this process is completed.

Since 2002, the United States has provided nearly \$14.84 billion in on-budget assistance to the government of Afghanistan. This includes about \$9.49 billion to Afghan government ministries and institutions, and about \$5.35 billion to three multinational trust funds—the World Bank’s Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme’s Law and Order Trust Fund (LOTFA), and the Asian Development Bank’s Afghanistan Infrastructure Trust Fund (AITF). Table 3.2 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.2

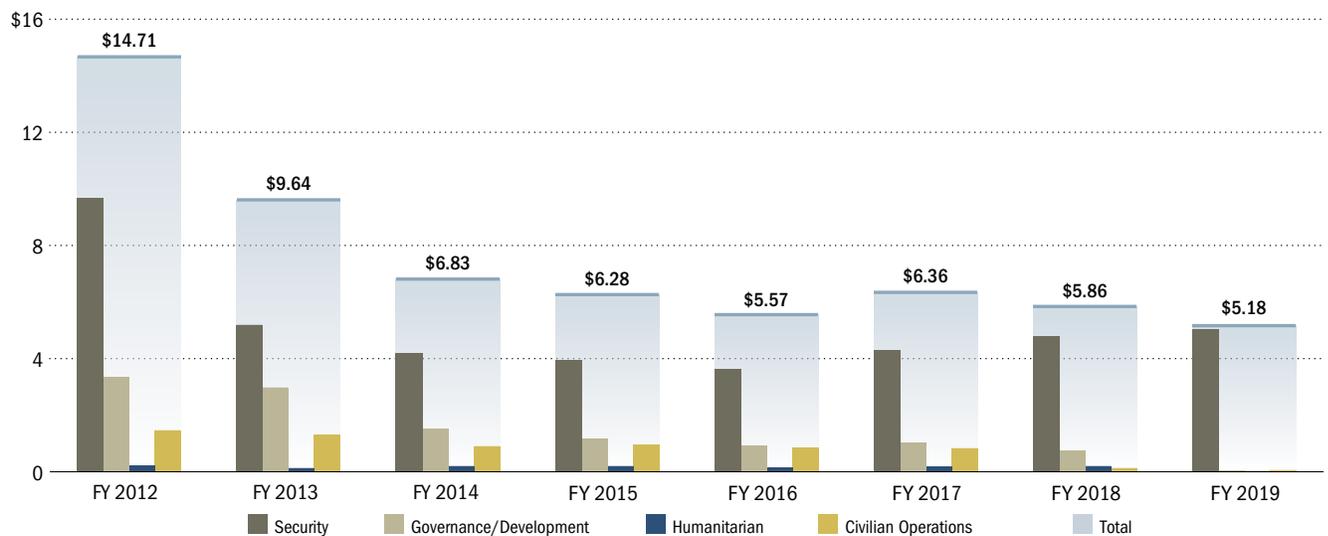
<b>U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN, SINCE 2002 (\$ MILLIONS)</b>	
<b>Government-to-Government</b>	
DOD	\$8,706
State	85
USAID	696
<b>Multilateral Trust Funds</b>	
LOTFA	\$1,669
ARTF	3,528
AITF	154

Note: Numbers have been rounded. Figures reflect amounts the United States has disbursed in on-budget assistance to Afghan government entities and multilateral trust funds.

Source: USAID, response to SIGAR data call, 4/11/2019; State, response to SIGAR data call, 10/18/2018; DOD, response to SIGAR data call, 4/8/2019 and 10/19/2018; World Bank, ARTF: Administrator’s Report on Financial Status as of January 20, 2019 (end of 1st month of FY 1398), accessed 4/18/2019; UNDP LOTFA Receipts 2002–2019, 4/17/2019.

FIGURE 3.3

## ANNUAL APPROPRIATIONS BY FUNDING CATEGORY (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

# STATUS OF FUNDS

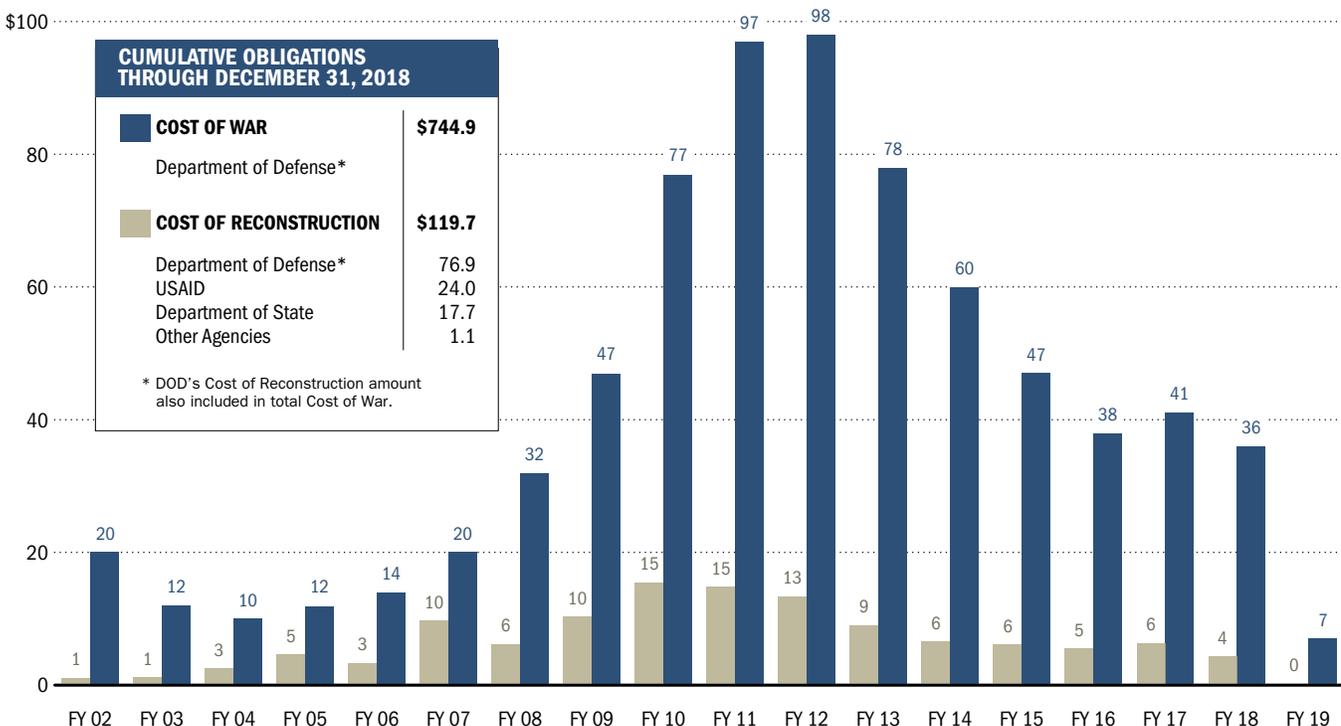
## U.S. COST OF WAR AND RECONSTRUCTION IN AFGHANISTAN

Reconstruction costs for Afghanistan equal approximately 16% of all funds obligated by the Department of Defense for Afghanistan since 2001. DOD reported in its *Cost of War Report* as of December 31, 2018, that it had obligated \$744.9 billion for Operation Enduring Freedom and Operation Freedom's Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan.<sup>78</sup>

The comparable figures for Afghanistan reconstruction, consisting of obligations (appropriated funds committed to particular programs or projects for disbursement) of the DOD, Department of State, USAID, and other agencies was \$119.7 billion at that date. Note that the DOD contribution to the reconstruction of Afghanistan is contained in *both* the \$744.9 billion Cost of War and \$119.7 billion Cost of Reconstruction figures. Figure 3.4 presents the annual and cumulative costs for war and reconstruction in Afghanistan.

FIGURE 3.4

AFGHANISTAN COST OF WAR AND RECONSTRUCTION, ANNUAL AND CUMULATIVE OBLIGATIONS FY 2002 TO FY 2019 Q1 (\$ BILLIONS)



Note: Numbers have been rounded. Cumulative obligations through December 31, 2018, differ markedly from cumulative appropriations through March 31, 2019, because the former figures do not include unobligated appropriations and DOD reporting lags one quarter.

Source: DOD, *Cost of War Monthly Report*, "Total War-related Obligations by Year Incurred," data as of December 31, 2018. Obligation data shown against year funds were obligated. SIGAR analysis of annual obligation of reconstruction accounts as presented in SIGAR, *Quarterly Report to the United States Congress*, 1/30/2019. Obligation data shown against year funds were appropriated.

# STATUS OF FUNDS

## AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly \$133.0 billion for reconstruction and related activities in Afghanistan. Of this amount, \$114.67 billion (86.2%) was appropriated to the nine largest active reconstruction accounts, as shown in Table 3.3.

As of March 31, 2019, approximately \$9.92 billion of the amount appropriated to the nine largest active reconstruction funds remained for possible disbursement, as shown in Figure 3.5. These funds will be used to train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF); complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

TABLE 3.3

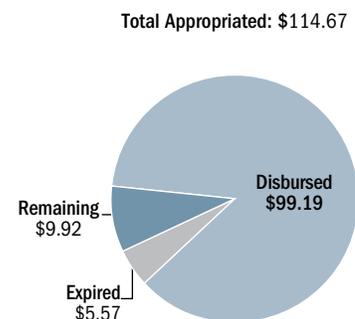
<b>CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2019 (\$ BILLIONS)</b>				
	<b>Appropriated</b>	<b>Obligated</b>	<b>Disbursed</b>	<b>Remaining</b>
Afghanistan Security Forces Fund (ASFF)	\$77.75	\$69.60	\$68.89	\$5.86
Economic Support Fund (ESF)	20.50	19.23	16.68	3.04
International Narcotics Control and Law Enforcement (INCLE)	5.25	4.97	4.28	0.78
Commander's Emergency Response Program (CERP)	3.70	2.29	2.29	0.01
Drug Interdiction and Counter-Drug Activities (DICDA)	3.38	3.25	3.25	0.13
Migration and Refugee Assistance (MRA)	1.35	1.34	1.32	0.02
Public Law 480 Title II (TITLE II)	1.10	1.10	1.10	0.00
International Disaster Assistance (IDA)	0.83	0.80	0.72	0.08
Non-Proliferation, Antiterrorism, Demining, and Related (NADR)	0.80	0.67	0.67	0.00
<b>Total Nine Largest Accounts</b>	<b>114.67</b>	<b>\$103.23</b>	<b>\$99.19</b>	<b>\$9.92</b>
Other Reconstruction Funds	6.68			
Civilian Operations	11.64			
<b>Total</b>	<b>\$132.99</b>			

Note: Numbers have been rounded. The amount remaining reflects the total disbursement potential of the nine largest active reconstruction accounts after deducting approximately \$5.57 billion that has expired. Expired funds equal the amount appropriated but not obligated after the period of availability for obligation has ended and thereafter reflects deobligated and canceled balances.

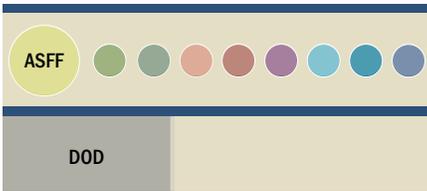
Source: SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, and USAID, 4/17/2019.

FIGURE 3.5

STATUS OF APPROPRIATED FUNDS,  
NINE LARGEST ACTIVE ACCOUNTS (\$ BILLIONS)



# STATUS OF FUNDS



## ASFF FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## AFGHANISTAN SECURITY FORCES FUND

Congress created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding for salaries, as well as facility and infrastructure repair, renovation, and construction.<sup>79</sup> The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan (CSTC-A).<sup>80</sup>

A Financial and Activity Plan (FAP) must be approved by the Afghanistan Resources Oversight Council (AROC), concurred in by the Department of State, and prior notification provided to the U.S. Congress before ASFF funds may be obligated.<sup>81</sup>

President Donald J. Trump signed into law the Department of Defense Appropriations Act, 2019, on September 28, 2018, providing an appropriation for the ASFF of \$4.92 billion for FY 2019, as shown in Figure 3.6. As of March 31, 2019, cumulative appropriations for ASFF reached \$77.75 billion, with \$69.60 billion in funding having been obligated, and \$68.89 billion having been disbursed, as shown in Figure 3.7.<sup>82</sup> DOD reported that cumulative obligations increased by more than \$0.65 billion during the quarter ending March 31, 2019, and that cumulative disbursements increased by more than \$0.26 billion.<sup>83</sup>

FIGURE 3.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR (\$ BILLIONS)

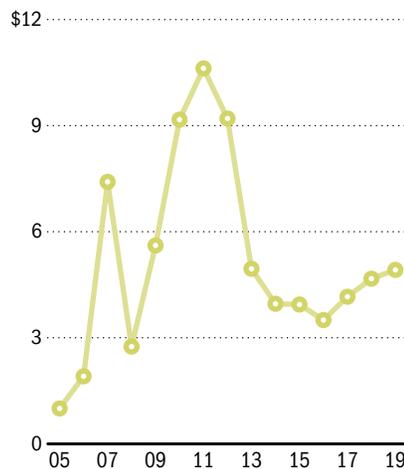
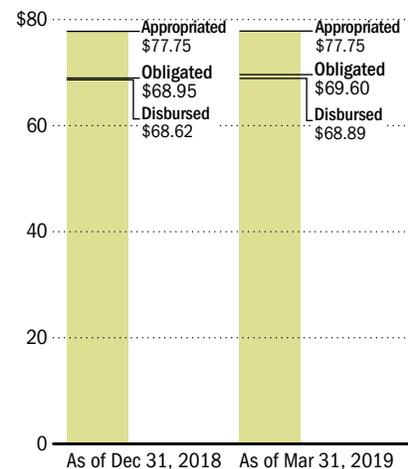


FIGURE 3.7

ASFF FUNDS, CUMULATIVE COMPARISON (\$ BILLIONS)



Note: Numbers have been rounded. Data reflect reprogramming actions and rescissions. DOD reprogrammed \$1 billion of FY 2011, \$1 billion of FY 2012, and \$178 million of FY 2013 out of the ASFF to fund other DOD requirements. DOD reprogrammed \$230 million into FY 2015 ASFF. Pub. L. No. 115-141 rescinded \$100 million from FY 2017. Pub. L. No. 115-31 rescinded \$150 million from FY 2016. Pub. L. No. 113-6 rescinded \$1 billion from FY 2012. Pub. L. No. 113-235 rescinded \$764.38 million from FY 2014. Pub. L. No. 114-113 rescinded \$400 million from FY 2015.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2019," 4/12/2019; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2018," 1/17/2019; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

# STATUS OF FUNDS

## ASFF Budget Activities

DOD budgeted and reported on ASFF by three **Budget Activity Groups** (BAGs) through the FY 2018 appropriation. These BAGs consisted of:

- Defense Forces (Afghan National Army, ANA)
- Interior Forces (Afghan National Police, ANP)
- Related Activities (primarily Detainee Operations)

Funds for each BAG are further allocated to four **subactivity groups** (SAGs): Sustainment, Infrastructure, Equipment and Transportation, and Training and Operations.<sup>84</sup> The AROC must approve the requirement and acquisition plan for any service requirements in excess of \$50 million annually and for any nonstandard equipment requirement in excess of \$100 million.<sup>85</sup>

As of March 31, 2019, DOD had disbursed \$68.61 billion from the ASFF appropriations for FY 2005 through FY 2018. Of this amount, nearly \$47.13 billion was disbursed for the ANA, and more than \$21.11 billion was disbursed for the ANP.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—nearly \$23.20 billion—supported ANA troop and equipment sustainment. Of the funds disbursed for the ANP, the largest portion—more than \$9.32 billion—also supported sustainment of ANP forces, as shown in Figure 3.9.<sup>86</sup>

**Budget Activity Groups:** categories within each appropriation or fund account that identify the purposes, projects, or types of activities financed by the appropriation or fund

**Subactivity Groups:** accounting groups that break down the command's disbursements into functional areas

Source: DOD, *Manual 7110.1-M Department of Defense Budget Guidance Manual*, accessed 9/28/2009; Department of the Navy, *Medical Facility Manager Handbook*, p. 5, accessed 10/2/2009.

FIGURE 3.8

**ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH MARCH 31, 2019 (\$ BILLIONS)**

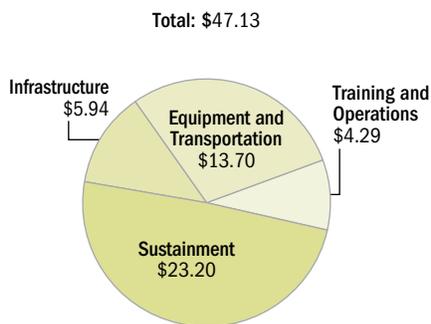
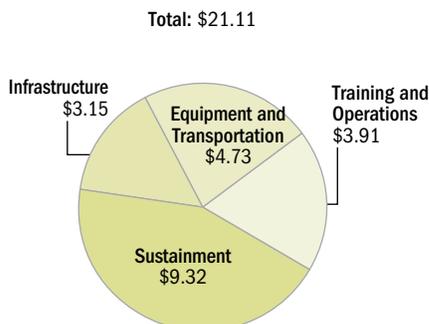


FIGURE 3.9

**ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH MARCH 31, 2019 (\$ BILLIONS)**



Note: Numbers have been rounded.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2019," 4/14/2019.

# STATUS OF FUNDS

## New ASFF Budget Activity Groups for FY 2019

DOD revised its budgeting and reporting framework for ASFF beginning with its ASFF budget request for FY 2019, submitted to Congress in February 2018, and with its reporting beginning on October 1, 2018. In FY 2018 and previous years, all costs associated with the Afghan Air Force (AAF) fell under the ANA BAG and costs for the Afghan Special Security Forces (ASSF) were split between the ANA and ANP BAGs. Beginning with the FY 2019 ASFF appropriation, the ANDSF consists of the ANA, ANP, AAF, and ASSF BAGs.

Table 3.5 on the opposite page presents the ASFF FY 2019 budget revised to align budgeted spending with the FY 2019 appropriation of \$4.92 billion. Next to it appears the ASFF FY 2020 budget request of \$4.80 billion presented to Congress in March 2019. Table 3.4 below presents the components of the Sustainment SAG for the ANA, ANP, AAF, and ASSF for the FY 2020 budget request.

## NATO ANA Trust Fund

The NATO ANA Trust Fund (NATF) has received contributions of more than \$2.69 billion from 29 NATO members, including the United States, and from six other Coalition partners to support the ANDSF through ASFF and its own NATO Support and Procurement Agency (NSPA).<sup>87</sup> The NATF has contributed more than \$1.52 billion to ASFF for specific projects funded by donor nations, and DOD has obligated, disbursed and returned to donor nations approximately \$824.79 million, \$671.56 million and \$381.00 million, respectively, of these funds through March 31, 2019.<sup>88</sup> These amounts are not reflected in the U.S. government-funded ASFF obligation and disbursement numbers presented in Figures 3.6 and 3.7.

TABLE 3.4

ASFF FY 2020 BUDGET REQUEST—SUSTAINMENT (\$ MILLIONS)					
Sustainment Budget Categories and Line Items	Afghan National Army	Afghan National Police	Afghan Air Force	Afghan Special Security Forces	Total
Vehicles and Aircraft <sup>1</sup>	\$116.1	\$108.3	\$729.3	\$150.3	\$1,104.0
Personnel <sup>2</sup>	539.8	12.8	31.4	115.6	699.7
Petroleum, Oil, and Lubricants	170.9	88.8	26.5	9.9	296.1
Communications & Intelligence	116.6	49.0	N/A	73.8	239.3
Ammunition	93.9	16.6	95.8	N/A	206.3
Facilities	109.6	72.4	4.5	13.6	200.0
All Other	166.1	75.0	6.3	74.8	322.1
<b>Total</b>	<b>\$1,313.0</b>	<b>\$422.8</b>	<b>\$893.8</b>	<b>\$437.9</b>	<b>\$3,067.6</b>

Note: Numbers have been rounded. N/A = Not available.

<sup>1</sup> Vehicles and Aircraft consists of the Vehicles and Transportation budget category for the four BAGs and the Aircraft Sustainment budget category for AAF and ASSF, less the Ammunition budget line item in AAF Aircraft Sustainment.

<sup>2</sup> Personnel excludes \$273.3 million budgeted by LOTFA for its contribution to ANP and ASSF personnel requirements.

Source: DOD, *Department of Defense Budget Justification for FY 2020 Overseas Contingency Operations, Afghanistan Security Forces Fund*, 3/2019.

# STATUS OF FUNDS

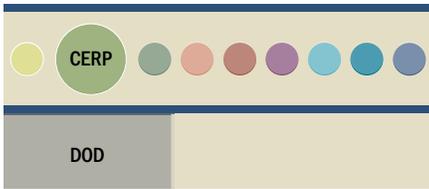
TABLE 3.5

<b>ASFF FY 2019 BUDGET AND FY 2020 BUDGET REQUEST (\$ MILLIONS)</b>		
	<b>FY 2019 Appropriated</b>	<b>FY 2020 Budget Request</b>
<b>Total</b>	<b>\$4,920.0</b>	<b>\$4,804.0</b>
<b>Afghan National Army, Total</b>	<b>1,764.4</b>	<b>1,589.7</b>
Sustainment, Total	1,399.7	1,313.0
Personnel	609.0	539.8
Ammunition	158.2	93.9
Communications and Intelligence	187.6	116.6
Petroleum, Oil, and Lubricants	92.2	170.9
All Other	352.7	391.8
Infrastructure, Total	137.7	37.2
Equipment and Transportation, Total	61.9	120.9
Training and Operations, Total	165.1	118.6
<b>Afghan National Police, Total</b>	<b>726.3</b>	<b>660.4</b>
Sustainment, Total	497.6	422.8
Petroleum, Oil, and Lubricants	105.5	88.8
All Other	392.1	334.0
Infrastructure, Total	43.0	2.4
Equipment and Transportation, Total	14.6	127.1
Training and Operations, Total	171.2	108.1
<b>Afghan Air Force, Total</b>	<b>1,727.3</b>	<b>1,825.5</b>
Sustainment, Total	892.5	893.8
Ammunition	98.3	95.8
Rotary-Wing Contract Support	516.8	542.3
Fixed-Wing Contract Support	175.5	174.6
All Other	101.9	81.1
Infrastructure, Total	30.4	8.6
Equipment and Transportation, Total	537.3	567.0
Rotary-Wing Aircraft (UH-60s)	419.6	463.3
All Other	117.7	103.7
Training and Operations, Total	267.2	356.1
<b>Afghan Special Security Forces, Total</b>	<b>702.0</b>	<b>728.4</b>
Sustainment, Total	353.7	437.9
Aircraft Sustainment	132.9	134.4
Personnel	142.7	115.6
All Other	78.2	188.0
Infrastructure, Total	43.1	21.1
Equipment and Transportation, Total	151.8	153.8
Training and Operations, Total	153.4	115.6

Note: Numbers have been rounded.

Source: DOD, Department of Defense Budget, Fiscal Year 2020, Justification for FY 2020 Overseas Contingency Operations, Afghanistan Security Forces Fund, 3/2019. The amounts presented in the column labeled "FY 2019 Appropriated" are based on the adjustments in the ASFF Financial and Activity Plan dated October 22, 2018 (FAP 19-1) that distributed congressional marks of \$279.5 million to conform the FY 2019 budget request to the FY 2019 ASFF appropriation but not the adjustments that realigned \$124.7 million from the ANA to the new AAF and ASSF BAGs.

# STATUS OF FUNDS



## CERP FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects estimated to cost less than \$500,000 each.<sup>89</sup> CERP-funded projects may not exceed \$2 million each.<sup>90</sup>

The Consolidated Appropriations Act, 2018, appropriated \$5.00 million for CERP for FY 2018; the Department of Defense Appropriations Act, 2019, doubled the appropriation to \$10.00 million for FY 2019, increasing total cumulative funding to more than \$3.70 billion. Of this amount, DOD reported that nearly \$2.29 billion had been obligated and disbursed as of March 31, 2019.<sup>91</sup> Figure 3.10 shows CERP appropriations by fiscal year. Figure 3.11 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for CERP projects.

FIGURE 3.10

**CERP APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

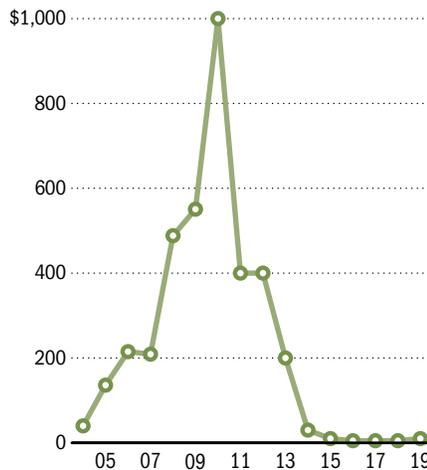
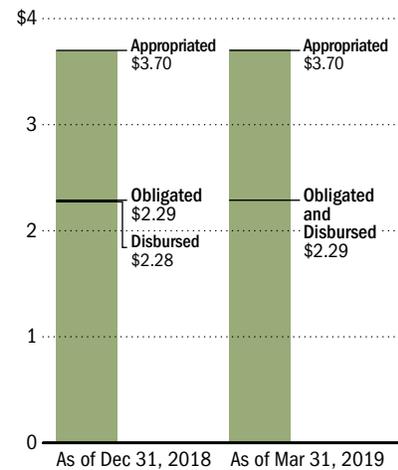


FIGURE 3.11

**CERP FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



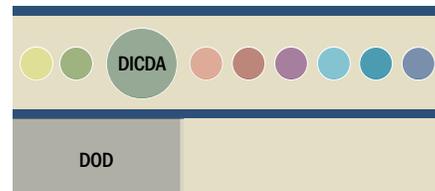
Note: Numbers have been rounded. Data may include interagency transfers. Analysis includes data from a draft DOD financial report because the final version had not been completed when this report went to press.

Source: DOD, response to SIGAR data call, 4/16/2019 and 1/15/2019; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

## DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities, Defense (DICDA) appropriation provides funding for efforts intended to stabilize Afghanistan by combating the drug trade and related activities. The DOD Counter-Drug group allocates this funding to support the Counternarcotics Police of Afghanistan units (mentored by the DEA and U.S. Army Special Forces unit) who investigate high-value targets and conduct drug-interdiction operations. Funding is also provided to the Afghanistan Special Mission Wing (SMW) to support their fleet of rotary- and fixed-wing aircraft. The SMW's aircraft provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.<sup>92</sup>

DOD Counter-Drug reprograms appropriated DICDA funds from the Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. The group allocated funding to Afghanistan programs and transferred \$132.36 million to the CTA in the quarter ending March 31, 2019, bringing cumulative DICDA funding to more than \$3.38 billion since FY 2004.<sup>93</sup> Figure 3.12 shows DICDA appropriations by fiscal year. Figure 3.13 provides a cumulative comparison of amounts appropriated and transferred from the CD CTA.<sup>94</sup>



### DICDA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

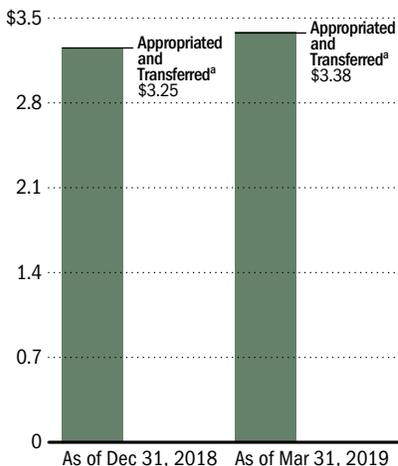
FIGURE 3.12

**DICDA APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)



FIGURE 3.13

**DICDA FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)

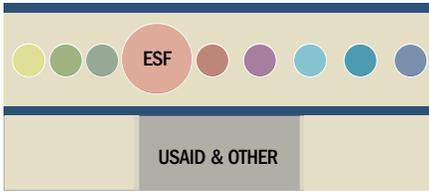


Note: Numbers have been rounded. DOD reprogrammed \$125.13 million out of FY 2015 DICDA due to several requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.

<sup>a</sup> DOD reprograms all DICDA funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 4/9/2019 and 10/8/2018; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.

# STATUS OF FUNDS



## ESF FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.<sup>95</sup>

The ESF was allocated \$500.00 million for Afghanistan for FY 2018 through the Section 653(a) consultation process between Congress and the Department of State concluding in the quarter ending September 30, 2018. The allocation to Afghanistan for the FY 2019 appropriation enacted in the quarter ending March 31, 2019, has not been completed. Cumulative funding for the ESF stands at nearly \$20.50 billion, of which nearly \$19.23 billion had been obligated and more than \$16.68 billion had been disbursed as of March 31, 2019.<sup>96</sup> Figure 3.14 shows ESF appropriations by fiscal year, and Figure 3.15 shows cumulative appropriations, obligations, and disbursements as of December 31, 2018, and March 31, 2019.

FIGURE 3.14

**ESF APPROPRIATIONS BY FISCAL YEAR**  
(\$ BILLIONS)

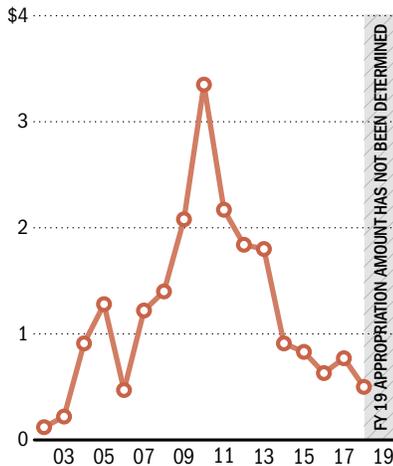
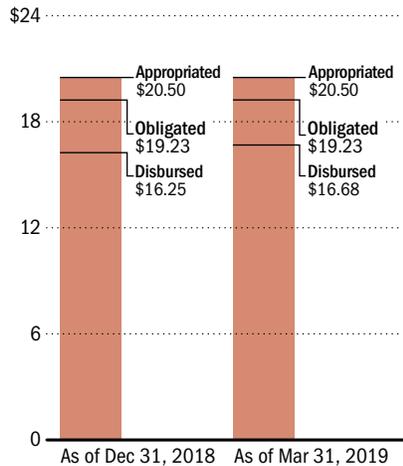


FIGURE 3.15

**ESF FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



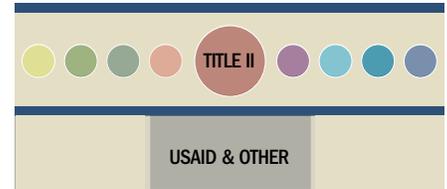
Note: Numbers have been rounded. Data reflects the following transfers from AIF to the ESF: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014. FY 2016 ESF for Afghanistan was reduced by \$179 million and put toward the U.S. commitment to the Green Climate Fund.

Source: USAID, response to SIGAR data call, 4/11/2019, 1/17/2019, 1/14/2019, and 10/15/2018; State, response to SIGAR data call, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

## FOOD FOR PEACE: TITLE II AND IDA PROGRAMS

USAID's Office of Food for Peace administers Public Law 480 Title II and International Disaster Assistance (IDA) account resources that are requested and appropriated on a contingency basis to meet humanitarian needs worldwide, with a focus on emergency food and nutrition assistance. Food for Peace Title II resources are authorized by the Food for Peace Act and appropriated under the Agriculture appropriations bill, while IDA resources are authorized by the Foreign Assistance Act and Global Food Security Act and appropriated under the State, Foreign Operations, and Related Programs appropriation.<sup>97</sup>

The Office of Food for Peace obligates funding for emergency food-assistance projects when there is an identified need and local authorities do not have the capacity to respond. More than three decades of war, population displacement and returns, civil unrest, insurgent activity, and recurring natural disasters have contributed to chronic humanitarian need in Afghanistan.<sup>98</sup> USAID obligated nearly \$74.00 million through IDA funds (\$69.78 million) and Title II Emergency funds (\$4.22 million) to provide vulnerable, food-insecure Afghan households with emergency food and nutrition assistance in FY 2018, and has obligated an additional \$0.59 million in IDA funds in FY 2019.<sup>99</sup> Figure 3.16 shows annual appropriations of Title II funds, and Figure 3.17 indicates that approximately \$1.10 billion in Title II funds have been appropriated and transferred to Afghanistan programs from 2002 through March 31, 2019.<sup>100</sup>



### FOOD FOR PEACE TITLE II AND IDA PROGRAMS

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

FIGURE 3.16

**TITLE II APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

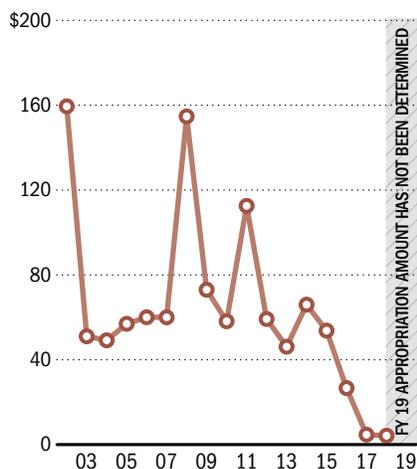
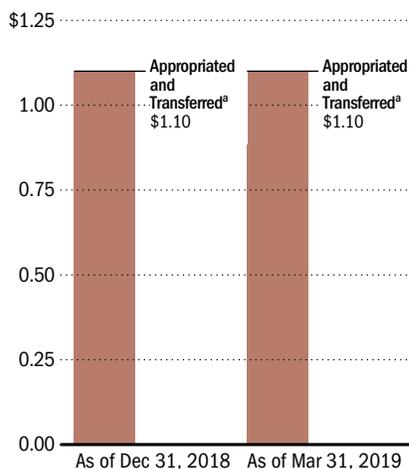


FIGURE 3.17

**TITLE II FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)

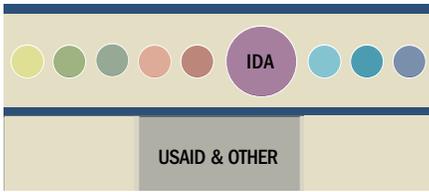


Note: Numbers have been rounded.

<sup>a</sup> Title II Emergency account resources are requested and appropriated on a contingency basis to meet unmet humanitarian needs.

Source: USAID, response to SIGAR data call, 4/15/2019 and 10/19/2018.

# STATUS OF FUNDS



## IDA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## FOREIGN DISASTER ASSISTANCE: IDA PROGRAMS

USAID’s Office of U.S. Foreign Disaster Assistance (OFDA) teams with the Office of Food for Peace (FFP) to administer International Disaster Assistance (IDA) funds.<sup>101</sup> OFDA is responsible for leading and coordinating the U.S. government response to disasters overseas. Its major programs include Relief Commodities & Logistics Support, Shelter & Settlements, Humanitarian Coordination & Information Management, Health, Protection, and WASH (water, sanitation, and hygiene). OFDA works closely with international partners such as the United Nations Children’s Fund (UNICEF), the United Nations World Health Organization (WHO), and others to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.<sup>102</sup>

USAID reported that \$831.50 million in IDA funds had been allocated to Afghanistan from 2002 through March 31, 2019. Separately, FFP reported that IDA has funded Food for Peace programs in Afghanistan totaling \$218.75 million over this period, indicating that OFDA has allocated over \$612.75 million to its Afghanistan programs. Figure 3.18 presents annual appropriations of IDA funds to Afghanistan. Figure 3.19 presents cumulative appropriations, obligations, and disbursements.<sup>103</sup>

FIGURE 3.18

IDA APPROPRIATIONS BY FISCAL YEAR  
(\$ MILLIONS)

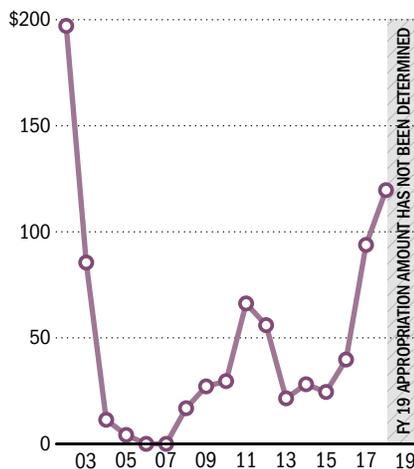
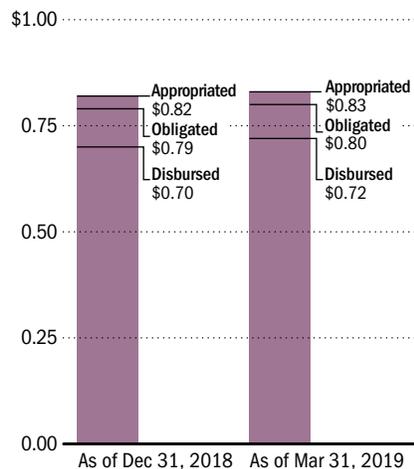


FIGURE 3.19

IDA FUNDS, CUMULATIVE COMPARISON  
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.

Source: USAID, response to SIGAR data call, 4/11/2019, 1/14/2019, and 10/15/2018.

## INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The U.S. Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing the rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counternarcotics, and rule of law and justice.<sup>104</sup>

The INCLE account was allocated \$160.00 million for Afghanistan for FY 2018 through the Section 653(a) consultation process between Congress and the Department of State concluding in the quarter ending September 30, 2018. The allocation to Afghanistan for the FY 2019 appropriation enacted in the quarter ending March 31, 2019, has not been completed. Cumulative funding for INCLE stands at more than \$5.25 billion, of which nearly \$4.97 billion has been obligated and nearly \$4.28 billion has been disbursed as of March 31, 2019. Figure 3.20 shows INCLE appropriations by fiscal year, and Figure 3.21 shows cumulative appropriations, obligations, and disbursements as of December 31, 2018, and March 31, 2019.<sup>105</sup>



### INL FUNDS TERMINOLOGY

- Appropriations:** Total monies available for commitments
- Obligations:** Commitments to pay monies
- Disbursements:** Monies that have been expended

FIGURE 3.20

**INCLE APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

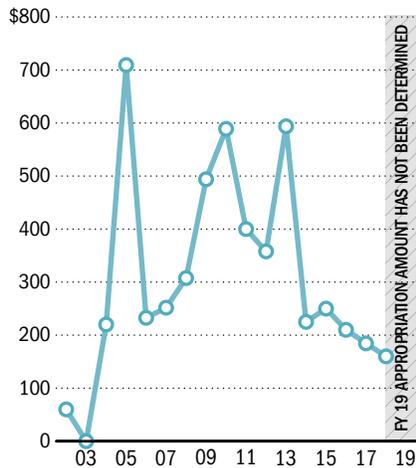
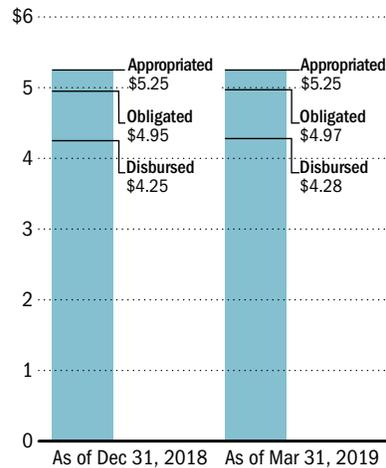


FIGURE 3.21

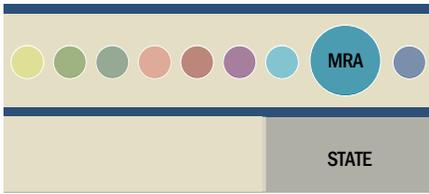
**INCLE FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.

Source: State, response to SIGAR data call, 4/8/2019 and 1/16/2019.

# STATUS OF FUNDS



## MRA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## MIGRATION AND REFUGEE ASSISTANCE

The Department of State's Bureau of Population, Refugees and Migration (PRM) administers the Migration and Refugee Assistance (MRA) account that funds programs to protect and assist refugees, conflict victims, internally displaced persons, stateless persons, and vulnerable migrants. Through MRA, PRM supports the work of the UN High Commissioner for Refugees (UNHCR), other international organizations, and various nongovernmental organizations (NGOs) in Afghanistan to support Afghan refugees throughout the region and upon their return to Afghanistan.<sup>106</sup>

The MRA allocation for Afghan refugees, internally displaced persons, and returnees was \$76.25 million from the FY 2018 MRA appropriation, which was followed by modest allocations in the first and second quarters of FY 2019. Cumulative appropriations since 2002 totaled nearly \$1.35 billion as of March 31, 2019, with cumulative obligations and disbursements reaching \$1.34 billion and \$1.32 billion, respectively, on that date. Figure 3.22 shows MRA appropriations by fiscal year, and Figure 3.23 shows cumulative appropriations, obligations, and disbursements as of December 31, 2018, and March 31, 2019.<sup>107</sup>

FIGURE 3.22

**MRA APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

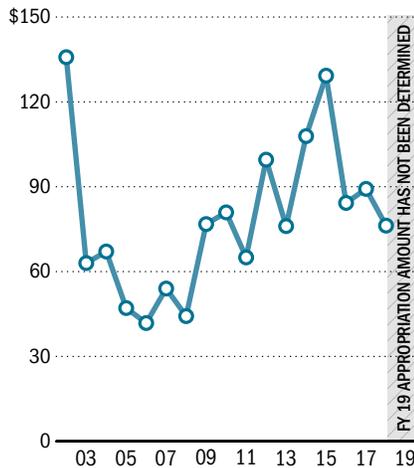
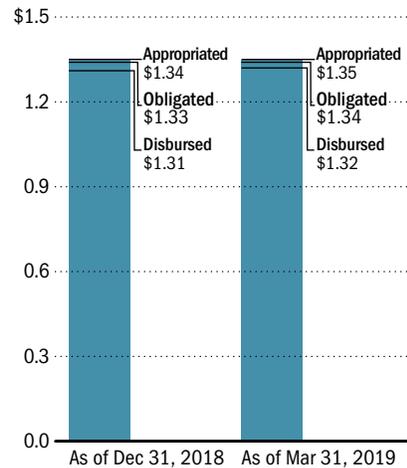


FIGURE 3.23

**MRA FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



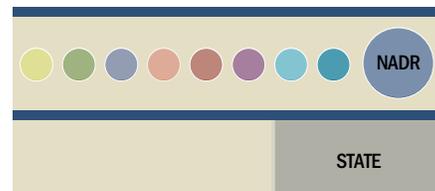
Note: Numbers have been rounded. Data may include interagency transfers.

Source: State, response to SIGAR data call, 4/15/2019 and 10/24/2018.

## NON-PROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account plays a critical role in improving the Afghan government's capacity to address terrorist threats, protect its borders, and remove dangerous explosive remnants of war.<sup>108</sup> The majority of NADR funding for Afghanistan is funneled through two subaccounts, Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD), with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF).<sup>109</sup>

The Department of State and the U.S. Congress agree on the country-by-country allocation of annual appropriations for the foreign-assistance accounts, including NADR, through the Section 653(a) allocation process. The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus and offices that obligate and disburse these funds.<sup>110</sup> The allocation to Afghanistan was \$36.60 million for FY 2018, while the allocation for FY 2019 remains pending until the Section 653(a) process is completed this year. Figure 3.24 shows annual allocations to the NADR account, and Figure 3.25 shows that the cumulative total of NADR funds appropriated and transferred stood at \$804.54 million as of December 31, 2018, and March 31, 2019.<sup>111</sup>



### NADR FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

FIGURE 3.24

**NADR APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

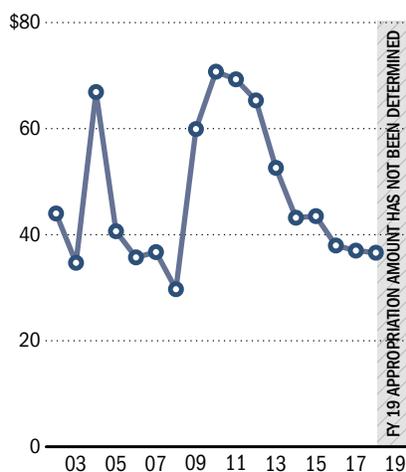
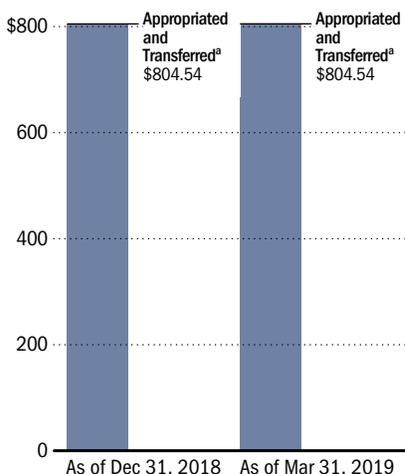


FIGURE 3.25

**NADR FUNDS, CUMULATIVE COMPARISON**  
(\$ MILLIONS)



Note: Numbers have been rounded.

<sup>a</sup> State and Congress agree on the country-by-country allocation of annual appropriations for the foreign assistance accounts, including NADR, through the Section 653(a) process. The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus at State that obligate and disburse these funds.

Source: State, response to SIGAR data call, 10/5/2018 and 10/10/2017.

# STATUS OF FUNDS

## INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

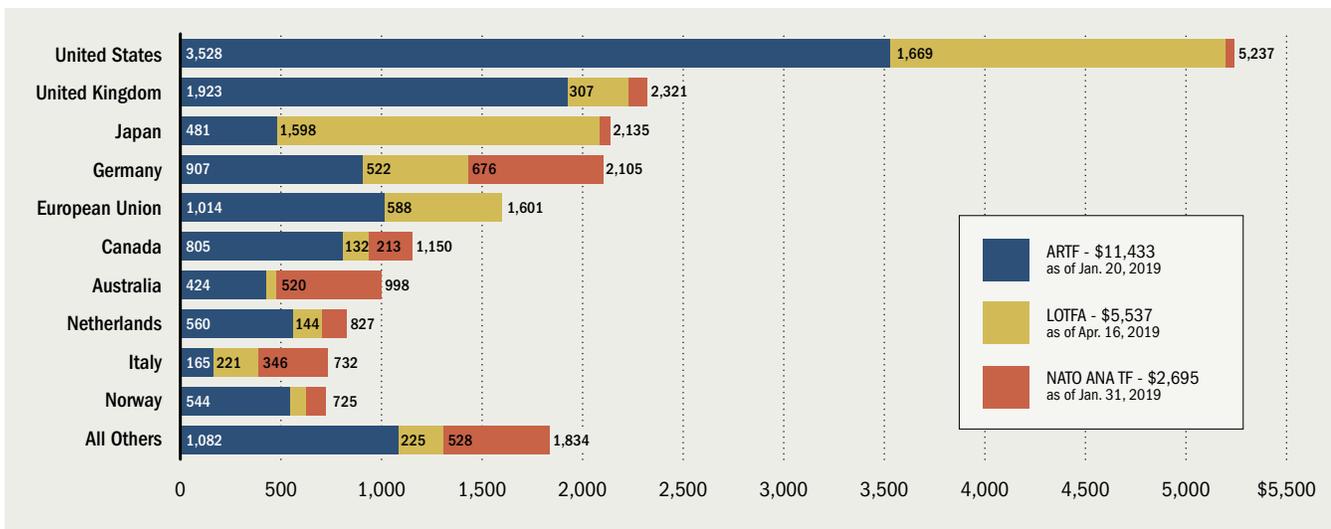
The international community provides significant funding to support Afghanistan relief and reconstruction efforts. Most of the international funding is administered through trust funds. The three main trust funds are the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme (UNDP)-managed Law and Order Trust Fund for Afghanistan (LOTFA), and the NATO-managed Afghan National Army (ANA) Trust Fund (NATO ANA Trust Fund or NATF).

### Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan government’s operational and development budgets comes through the ARTF. From 2002 to January 20, 2019, the World Bank reported that 34 donors had paid in more than \$11.43 billion.<sup>112</sup> Figure 3.26 shows the five largest donors over this period as the United States, the UK, the European Union, Germany, and Canada. Figure 3.27 shows these five countries as the largest donors to the ARTF for Afghan FY 1397 (December 22, 2017–December 21, 2018). The ARTF received contributions of \$1.02 billion in Afghan FY 1397, marking the second highest annual amount of contributions received by the fund in its 17-year history.

FIGURE 3.26

CUMULATIVE CONTRIBUTIONS TO ARTF, LOTFA, AND NATO ANA TRUST FUND BY 10 LARGEST DONORS (\$ MILLIONS)



Note: Does not include the Asian Development Bank’s Afghanistan Infrastructure Trust Fund (AITF), whose partners, the NATO ANA Trust Fund, Germany, Japan, the United Kingdom, and the United States, have committed \$841 million as of June 2018.

Source: World Bank, ARTF: Administrator’s Report on Financial Status as of January 20, 2019 (end of 1st month of FY 1398); UNDP, LOTFA Receipts 2002–2019, Updated April 16, 2019, in response to SIGAR data call 4/9/2019; NATO, Afghan National Army (ANA) Trust Fund, Media Backgrounder, Status of Contributions Made as of January 31, 2019; Asian Development Bank, “Afghanistan Infrastructure Trust Fund 2018 Fact Sheet.”

# STATUS OF FUNDS

Contributions to the ARTF are divided into two funding channels, the Recurrent Cost (RC) Window and the Investment Window.<sup>113</sup> As of January 20, 2019, according to the World Bank, nearly \$5.05 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as civil servants' salaries.<sup>114</sup> To ensure that the RC Window receives adequate funding, donors to the ARTF may not "preference" (earmark) more than half of their annual contributions.<sup>115</sup>

The Investment Window supports development programs. As of January 20, 2019, according to the World Bank, nearly \$5.39 billion had been committed through the Investment Window, and nearly \$4.51 billion had been disbursed. The Bank reported 36 active projects with a combined commitment value of nearly \$2.80 billion, of which nearly \$1.92 billion had been disbursed.<sup>116</sup>

## Contributions to the Law and Order Trust Fund for Afghanistan

The UNDP administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).<sup>117</sup> Donors have paid in nearly \$5.54 billion to the LOTFA from 2002 through April 16, 2019. Figure 3.26 shows the fund's two largest donors on a cumulative basis have been the United States and Japan. Figure 3.28 shows the largest donors to the LOTFA in 2018. Annual contributions to LOTFA have been halved since 2016, from nearly \$565.02 million to nearly \$263.58 million in 2018, the lowest level of support since 2008. The United States contributed \$114.40 million in 2016, but only \$1.04 million in 2018.<sup>118</sup>

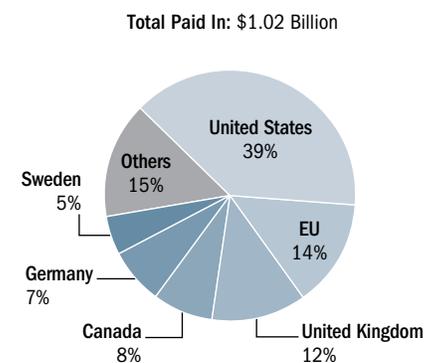
On July 1, 2015, UNDP divided LOTFA support into two projects: the Support to Payroll Management (SPM) project, and the MOI and Police Development (MPD) project. The SPM project aims to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its pay budget for the ANP and Central Prisons Directorate (CPD) staff. Almost 99% of SPM project funding goes toward ANP and CPD staff remuneration. The MPD project focuses on institutional development of the MOI and police professionalization of the ANP. On November 25, 2018, the LOTFA Steering Committee, composed of Afghan ministries, international donors, and the UNDP, approved restructuring the fund and changing its scope of operations.<sup>119</sup>

## Contributions to the NATO ANA Trust Fund

The NATO ANA Trust Fund supports the Afghan National Army and other elements of the Afghan National Defense and Security Forces through procurement by the Afghanistan Security Forces Fund (ASFF) and the NATO Support and Procurement Agency (NSPA).<sup>120</sup> The Fund has received contributions from 29 NATO members and six other Coalition partners totaling more than \$2.69 billion through January 31, 2019. Figure 3.26 shows Germany, Australia, and Italy as the three largest contributors to the fund. The United States made its first contribution in 2018 to support an existing procurement contract.<sup>121</sup>

FIGURE 3.27

**ARTF CONTRIBUTIONS BY DONOR, AFGHAN FY 1397 (PERCENT)**

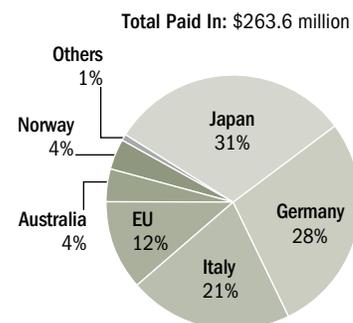


Note: Percentages may not add to 100% due to rounding. "Others" includes 10 donors.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of January 20, 2019 (end of 1st month of FY 1398).

FIGURE 3.28

**LOTFA CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2018 (PERCENT)**



Note: Numbers have been rounded. "Others" includes the United States and four other countries.

Source: UNDP, LOTFA Receipts 2002–2019, updated April 16, 2019, in response to SIGAR data call, 4/9/2019.

# SECURITY CONTENTS

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## SECURITY

### KEY ISSUES AND EVENTS

The United States' primary goal in Afghanistan remains continued progress in the ongoing talks between the United States and the Taliban with the intent that U.S. efforts will lead to peace negotiations between the Afghan government and the Taliban. U.S. officials maintain that U.S. military support in Afghanistan will remain necessary until a final peace agreement and nationwide ceasefire is reached and the United States is confident that terrorists cannot use Afghanistan to threaten the United States or its interests.<sup>122</sup>

This quarter, the outgoing Commander of United States Central Command, General Joseph Votel, told the House Armed Services Committee in a hearing on March 7 that, "In Afghanistan, the president's South Asia strategy is working. The efforts of our [Special Representative for Afghanistan Reconciliation] Ambassador Zalmay Khalilzad show there is a path to progress. But there is much left to do to achieve our end-state of reconciliation between the government of Afghanistan and the Taliban."<sup>123</sup> General Votel added that U.S. military efforts must continue to be "focused on supporting the Afghan security forces and providing Ambassador Khalilzad the maximum military pressure and leverage to support his diplomatic efforts."<sup>124</sup>

Ambassador Khalilzad participated in two rounds of talks with Taliban delegations in Qatar during this reporting period: six days of talks in late January and roughly two weeks of talks from late February through mid-March.<sup>125</sup> According to Ambassador Khalilzad, during the first round of talks, Taliban and the U.S. representatives "agreed in principle" to four major issues deemed essential to any final political settlement: counterterrorism assurances from the Taliban, U.S. troop withdrawal, intra-Afghan dialogue, and a complete ceasefire between the parties to the conflict.<sup>126</sup> Ambassador Khalilzad said on March 12, after the second round of talks with a more senior Taliban delegation, that both sides have now "agreed in draft" on the first two of these issues. He added that once the first two issues have been finalized, "the Taliban and [the Afghan government] will begin intra-Afghan negotiations on a political settlement and comprehensive ceasefire."<sup>127</sup>

Though U.S. officials are optimistic about the recent progress made during the last few months of talks, there are several indications that the Taliban, the Afghan National Defense and Security Forces (ANDSF), and international forces will continue to fight to gain greater leverage at the



**Ambassador Zalmay Khalilzad** greeting Afghan partners during an early April trip to Kabul. (U.S. Embassy Kabul photo)

FIGURE 3.29



negotiating table. Figure 3.29 lists some of the key battles between the parties to the conflict this quarter, many of which occurred during or following each of the U.S.-Taliban talks. On April 12, the Taliban announced the beginning of its 2019 spring offensive just ahead of another round of talks scheduled between American, Taliban, and Afghan representatives for late April. The announcement reportedly followed President Ashraf Ghani's approval of an Afghan security plan in early April. Ambassador Khalilzad expressed particular discontent with the Taliban's decision, saying "It is irresponsible to suggest that an increase in violence is warranted because the [Afghan] government announced a security plan." On April 18, the scheduled talks were postponed due to unresolved disagreements over participation and representation between the parties involved.<sup>128</sup>

This quarter, NATO's Resolute Support (RS) train-advise-assist mission in Afghanistan formally notified SIGAR that it has discontinued producing one of its most widely cited Afghan security metrics: district, population, and territorial control data. The command said they no longer saw decision-making value in these data.<sup>129</sup> The latest data from the few remaining publicly available measures of the security situation in Afghanistan—enemy-initiated attacks, general ANDSF casualty trends, and security incidents—show that Afghanistan experienced heightened insecurity over the winter months.

According to Resolute Support (RS), enemy-initiated attacks rose considerably: the monthly average attacks from November 2018 through January 2019 was up 19% compared to the monthly average over the last reporting period (August 16 to October 31, 2018).<sup>130</sup> USFOR-A said that from December 1, 2018, through February 28, 2019, "the number of ANDSF casualties were approximately 31% higher during this three-month period when compared to the same period one year prior."<sup>131</sup> The Armed Conflict Location & Event Data Project (ACLED) reported 2,234 security-related incidents in Afghanistan from December 1, 2018–February 28, 2019, a 39% increase compared to same period the year before.<sup>132</sup> These trends are notable considering that violence has typically waned during the winter months in Afghanistan over the last several years.<sup>133</sup>

These data align with the U.S. intelligence community's most recent public assessment that "Afghan forces generally have secured cities and other government strongholds, but the Taliban has increased large-scale attacks, and Afghan security suffers from a large number of forces being tied down in defensive missions, mobility shortfalls, and a lack of reliable forces to hold recaptured territory."<sup>134</sup> Director of National Intelligence Dan Coats projected in late January that in 2019 "neither the Afghan government nor the Taliban will be able to gain a strategic advantage in the Afghan war in the coming year, even if Coalition support remains at current levels."<sup>135</sup> General Votel echoed this statement in March. When pressed whether current conditions in Afghanistan merit a withdrawal of U.S. forces, General Votel said "The political conditions . . . right now don't merit that."<sup>136</sup>

Note: Fatalities are estimates and are the number of the opposing party killed. The March 7 IS-K attack's fatalities were civilians.

Source: ACLED, South Asia 2016-Present dataset, 1/1/2019–4/13/2019, available online at [www.acleddata.com](http://www.acleddata.com); SIGAR, analysis of ACLED data, 4/2019.

## ANDSF Data Discontinued

USFOR-A discontinued the following data this quarter:

- District-stability assessments (district, population, and territorial control data)

## ANDSF Data Classified or Not Publicly Releasable

USFOR-A newly classified the following data this quarter:

- A narrative assessment about Afghan Special Security Forces (ASSF) misuse by the Ministry of Defense (MOD) and Ministry of Interior (MOI)

USFOR-A continued to classify or restrict from public release, in accordance with classification guidelines or other restrictions placed by the Afghan government, the following data (mostly since October 2017):

- ANDSF casualties, by force element and total
- Corps- and zone-level Afghan National Army (ANA) and Afghan National Police (ANP) authorized and assigned strength by component
- Performance assessments for the ANA, ANP, MOD, and MOI
- Information about the operational readiness of ANA and ANP equipment
- Special Mission Wing (SMW) information, including the number and type of airframes in the SMW inventory, the number of pilots and aircrew, and the operational readiness (and associated benchmarks) of SMW airframes
- Reporting on anticorruption efforts by the MOI (unclassified but not publicly releasable)
- Reporting on the status of the ANDSF's progress on security-related benchmarks of the Afghanistan Compact (unclassified but not publicly releasable)

The classified annex for this report covers the classified and nonreleasable data.

## Population, District, and Territorial Control

This quarter, RS formally notified SIGAR that it is no longer producing its district-level stability assessment of Afghan government and insurgent control and influence, expressed in a count of the districts, the total estimated population of the district, and the total estimated area of the districts.

According to RS, they determined the district-stability assessments were “of limited decision-making value to the [RS] Commander.” RS added that there is currently no other product or forum through which district-level control data is communicated within the command.<sup>137</sup> For RS's full statements on the discontinuation of its district-stability assessment, see Appendix D. The last district stability data RS produced was for its October 22, 2018, assessment; SIGAR reported on that assessment in its January 2019 *Quarterly Report to the United States Congress*.

In mid-January, DOD told SIGAR that the assessments “are not indicative of effectiveness of the South Asia strategy or of progress toward security and stability in Afghanistan, particularly in the wake of the appointment of U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad.” They reiterated that there is some “uncertainty in the models that produce [the district-stability data] and the assessments that underlie them are to a degree subjective.” DOD said that it is “more important to instead focus on the principal goal of the strategy of concluding the war in Afghanistan on terms favorable to Afghanistan and the United States.”<sup>138</sup>

SIGAR recognized and reported the limitations of the district-stability assessment, including its increasing level of subjectivity.<sup>139</sup> However, senior RS officials had previously cited its importance in public statements. For example, in November 2017, the then RS commander said that improving population control in Afghanistan (to 80% by the end of 2019) was one of his strategic priorities.<sup>140</sup> Additionally, RS told SIGAR in May 2017 that the district-control assessments were being “methodologically improved” by making them more subjective, basing them on RS regional commanders’ informed opinions about the control status of districts within their area of responsibility.<sup>141</sup> Despite its limitations, the control data was the only unclassified metric provided by RS that consistently tracked changes to the security situation on the ground. While the data did not on its own indicate the success or failure of the South Asia strategy, it did contribute to an overall understanding of the situation in the country.

As SIGAR has reported, RS’s control data from May 2017 to October 2018 showed a stagnant security environment in Afghanistan. Addressing the stagnation, RS said in late January that “one necessary condition [for a political resolution] is the perception by both sides that the conflict is in a military stalemate . . . little variation in district stability data support multiple years of assessments that the conflict is in a stalemate.”<sup>142</sup>

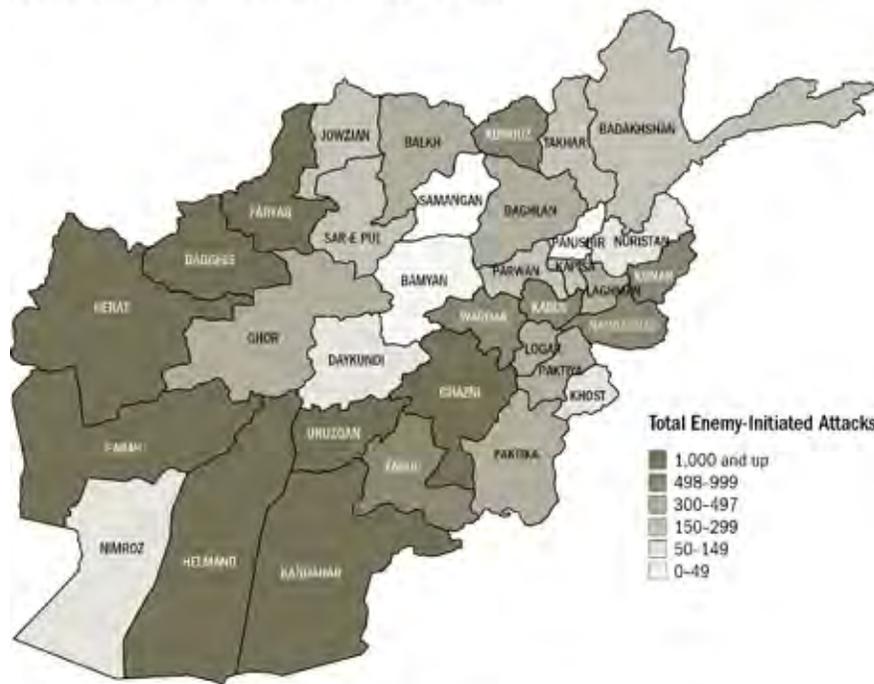
## Security-Incident Data

SIGAR tracks and analyzes several types of security-incident data to provide a robust account of the security situation in Afghanistan. With the recent discontinuation of official data on government and insurgent control of Afghanistan’s districts, population, and territory, the data presented in this section is an effort to show security activity between the parties to the conflict.

Each type of incident data presented here has advantages and limitations: RS-reported enemy-initiated attack data comes from an official source, but is only available unclassified at the provincial level and does not include U.S. and ANDSF-initiated attacks on the enemy; Armed Conflict Location & Event Data Project’s (ACLED) events data can be disaggregated to the district level, to a variety of security incident types, and to all the parties to the conflict, but depends entirely on media reporting of security-related events.

FIGURE 3.30

## RS-REPORTED ENEMY-INITIATED ATTACKS IN 2018



Source: RS, response to SIGAR data call, 4/1/2019; SIGAR, analysis of RS-provided data, 4/2019.

### Enemy-Initiated Attacks

According to RS, “enemy-initiated attacks are defined as all attacks (direct fire, indirect fire, surface-to-air fire, IED and mine explosions, etc.) initiated by insurgents that are reported as [significant activities] (SIGACTs).”<sup>143</sup> RS reported 22,669 enemy-initiated attacks (EIA) in Afghanistan in 2018, with 4,374 (19%) of them occurring in the last two months of the year (November 1 to December 31, 2018).<sup>144</sup> RS reported 6,245 EIA this quarter (November 1, 2018–January 31, 2019). This reporting period’s figures reflect an average of 2,082 EIA per month, a 19% increase in EIA compared to the average monthly EIA last reporting period (August 16 to October 31, 2018).<sup>145</sup>

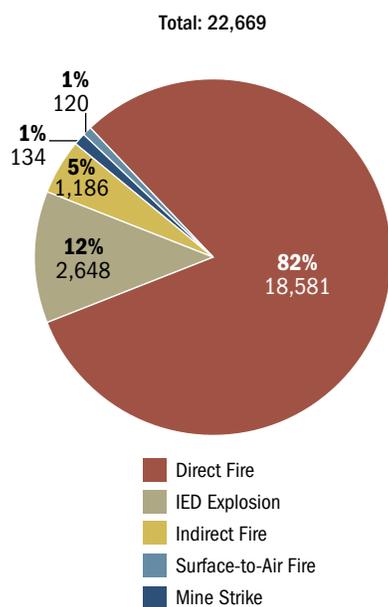
As seen in Figure 3.30, most of the attacks in 2018, (13,828, or 61%), occurred in eight of Afghanistan’s 34 provinces: Badghis, Farah, Faryab, Ghazni, Helmand, Kandahar, Uruzgan, and Herat. Of these provinces, Helmand and Badghis experienced the greatest increase in EIA since October 31 (96% and 30%, respectively). The most violent province in terms of EIA shifted toward the end of the year, with the most EIA reported by far in Helmand (2,861), followed by Farah (1,801), and Badghis (1,798)

**Effective enemy-initiated attacks:** a subset of all reported enemy-initiated attacks that result in combat-related ANDSF, civilian, or Coalition force casualties and are reported as a significant activity (SIGACT).

Source: RS, response to SIGAR vetting, 4/12/2019.

FIGURE 3.31

## ENEMY-INITIATED ATTACKS IN 2018 BY ATTACK TYPE



Source: RS, response to SIGAR data call, 4/1/2019.

Provinces. Last quarter's data showed Farah with the most reported EIA, followed by Helmand and Faryab Provinces.<sup>146</sup>

Figure 3.31 shows that the most common methods of attack for the EIA in 2018 were direct fire (82% of EIA), followed by IED explosions (12%), and indirect fire (5%).<sup>147</sup> SIGAR will continue to monitor EIA to track trends over time.

For the first time this quarter, SIGAR requested **effective enemy-initiated attacks** (EEIA) data from RS. Of the 22,669 EIA reported in 2018, RS said there were 10,990 EEIA, meaning about 48% of total EIA resulted in ANDSF, Coalition, or civilian casualties. RS recorded 2,384 EEIA this reporting period (November 1, 2018–January 31, 2019), about 38% of total EIA for the same period.<sup>148</sup> DOD has previously offered the caveat that ANDSF units do not always report insurgent attacks that do not result in casualties. As such, the number of EIA could be higher than what RS has reported, which would also impact the percentage of EEIA to EIA.<sup>149</sup>

## Security-Related Events

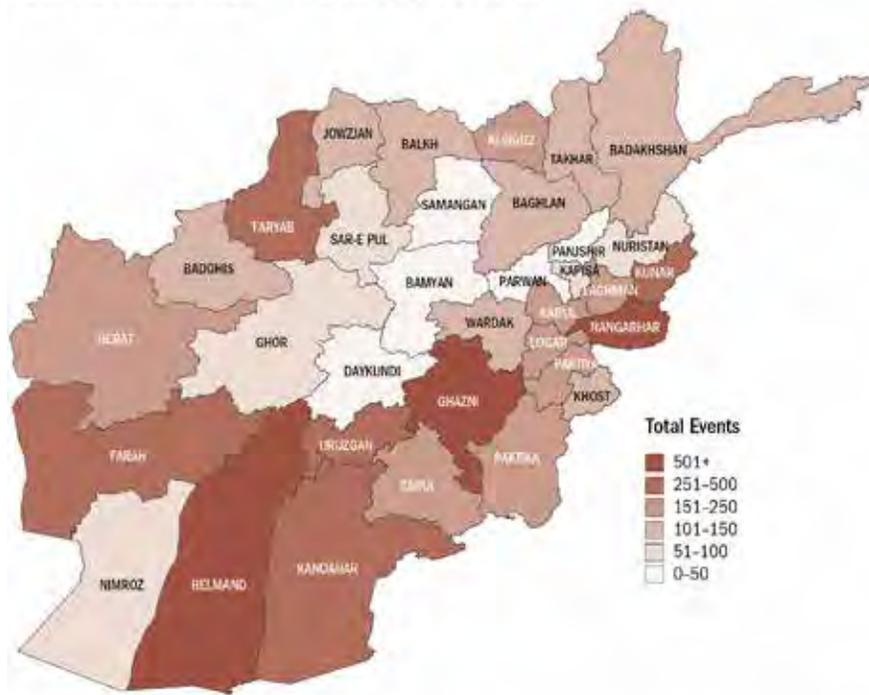
SIGAR also analyzes security incident data from Armed Conflict Location & Event Data Project (ACLED), which records district-level data of political violence and protest incidents across Afghanistan. For consistency with RS's enemy-initiated attacks data, SIGAR is presenting ACLED data at the provincial level this quarter (see Figure 3.32) and chose a date range for the data in alignment with RS's reporting period (January 1–December 31, 2018).

ACLED recorded 7,399 security-related events in Afghanistan in 2018, roughly the same as the 7,345 recorded in 2017. The three provinces with the most events were unchanged from 2017 to 2018: Nangarhar, Ghazni, and Helmand. The events occurring in these three provinces accounted for 35% of 2018's total events.<sup>150</sup> Eight of the top 10 provinces with the most ACLED-recorded security-related events in 2018 were also within the top 10 provinces where RS recorded the most enemy-initiated attacks in 2018 (Helmand, Farah, Faryab, Uruzgan, Kandahar, Herat, Ghazni, and Nangarhar).<sup>151</sup>

ACLED recorded 2,234 security-related events over the winter months (December 1, 2018–February 28, 2019), a roughly 39% increase compared to the 1,610 events reported during the same period one year prior.<sup>152</sup> The three provinces with the most security-related events were Helmand, Kandahar, and Nangarhar.<sup>153</sup> Much of the increase in events this reporting period compared to the same period the year before was due to increases in events reported in Kandahar and Helmand Provinces.<sup>154</sup>

FIGURE 3.32

## ACLED-RECORDED SECURITY-RELATED EVENTS IN 2018



Source: ACLED, South Asia 2016–Present dataset, 1/1/2018–12/31/2018, available online at <https://www.acleddata.com/>; SIGAR, analysis of ACLED data, 4/2019.

### What is ACLED?

The Armed Conflict Location & Event Data Project (ACLED) is “a disaggregated conflict collection, analysis, and crisis-mapping project” funded by the State Department. The project collects the dates, actors, types of violence, locations, and fatalities of all political violence, protest, and select non-violent, politically important events across several regions, as reported from open, secondary sources. ACLED’s aim is to capture the modes, frequency, and intensity of political violence and opposition as it occurs.

ACLED considers the event data it collects as falling into three categories “violent events,” “demonstrations,” or “nonviolent actions.” Within these categories, ACLED codes their events as: (1) Battles, (2) Explosions/ Remote Violence, (3) Protests, (4) Riots, (5) Strategic Developments, and (6) Violence against Civilians.

Source: ACLED, “About ACLED: What is ACLED?” and “Armed Conflict Location & Event Data Project (ACLED) Codebook (2019),” pp. 6–7, 4/2019, accessed online on 4/22/2019, available at <https://www.acleddata.com/>.

## Civilian Casualties

### UNAMA: Record-High Civilian Deaths in 2018

The United Nations Assistance Mission in Afghanistan (UNAMA) documented 10,993 civilian casualties from January 1 through December 31, 2018, an overall increase of 5% compared to 2017. The casualties included 3,804 deaths (a nearly 11% increase since 2017) and 7,189 injuries (a 2% increase), a record high number of civilian deaths since UNAMA began recording civilian-casualty data in 2009. Men made up the majority of civilian casualties (62%), followed by children (28%), and women (10%).<sup>155</sup>

Seen in Figure 3.33 on the following page, UNAMA attributed the majority of civilian casualties in 2018 (6,980, 63%) to antigovernment groups, which included the Taliban (37%), IS-K (20%), and unspecified antigovernment groups (6%). Casualties attributed to antigovernment elements rose by 3% compared to 2017. Civilian casualties from attacks deliberately targeting civilians by IS-K more than doubled from 843 in 2017 to 1,871

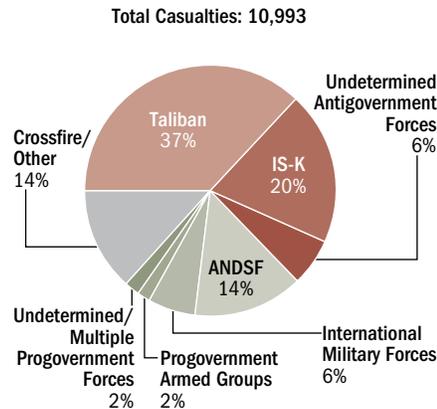
## UNAMA Collection Methodology

According to UNAMA, data on civilian casualties are collected through “direct site visits, physical examination of items and evidence gathered at the scene of incidents, visits to hospital and medical facilities, still and video images,” reports by UN entities, and primary, secondary, and third-party accounts. Information is obtained directly from primary accounts where possible. Civilians whose noncombatant status is under “significant doubt,” based on international humanitarian law, are not included in the figures. Ground-engagement casualties that cannot be definitively attributed to either side, such as those incurred during crossfire, are jointly attributed to both parties. UNAMA includes an “other” category to distinguish between these jointly-attributed casualties and those caused by other events, such as unexploded ordnance or cross-border shelling by Pakistani forces. UNAMA’s methodology has remained largely unchanged since 2008.

Source: UNAMA, *Protection of Civilians in Armed Conflict*, 3/6/2018, i-ii; 1/2010, p. 35; 2/11/2009, pp. 4–5; and 8/2015, p. 4.

FIGURE 3.33

### UNAMA: CIVILIAN CASUALTIES IN 2018 BY RESPONSIBLE PARTY

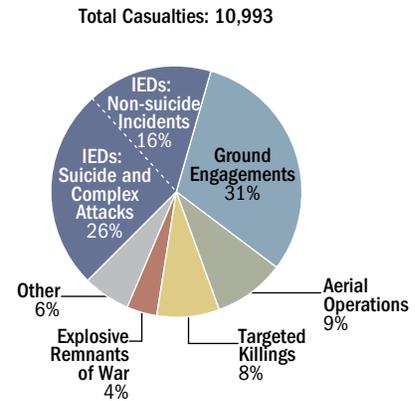


Note: Casualties include dead and wounded. A similar graphic appears on page 4 of UNAMA’s report.

Source: UNAMA, *Protection of Civilians in Armed Conflict Annual Report 2018, 2/2019*, pp. 1, 4–5, 46.

FIGURE 3.34

### UNAMA: CIVILIAN CASUALTIES IN 2018 BY INCIDENT TYPE



Note: Casualties include dead and wounded. A similar graphic appears on page 2 of UNAMA’s report.

Source: UNAMA, *Protection of Civilians in Armed Conflict Annual Report 2018, 2/2019*, pp. 1–2.

in 2018, mainly from suicide and other attacks, including deliberate sectarian-motivated attacks against the minority Shi’a Muslim population.<sup>156</sup>

An additional 2,612 civilian casualties (24%) were attributed to progovernment groups, which included casualties caused by the ANDSF (14%), international military forces (6%), progovernment groups (2%), and undetermined or multiple progovernment groups (2%). Casualties attributed to progovernment elements rose by 24% compared to 2017, mainly due to the increase in AAF and Coalition air operations.<sup>157</sup>

UNAMA attributed most of the 5% overall increase in civilian casualties to improvised-explosive devices (IEDs). UNAMA said Afghan antigovernment elements’ use of IEDs in both suicide and nonsuicide attacks was the leading cause of civilian casualties in 2018, comprising 42% of the total. Civilian casualties from all IED incidents increased by 11% compared to 2017, which was primarily driven by the 22% increase in suicide IED incidents, a record high in 2018. Although IEDs caused the most civilian casualties in 2018, other leading causes included ground engagements between pro- and antigovernment elements (31%), aerial operations (9%), and targeted killings (8%), as shown in Figure 3.34.<sup>158</sup>

Civilians living in Kabul, Nangarhar, Helmand, Ghazni, and Faryab Provinces suffered the highest number of casualties in 2018. Of these five provinces, four experienced an increase in civilian casualties compared to 2017, including Kabul (2% increase), Nangarhar (111%), Ghazni (84%), and

Faryab (1%), with Helmand seeing an 11% decrease. Two provinces had the most civilian casualties in 2018 by far: Kabul with 1,866 casualties (596 deaths) and Nangarhar with 1,815 (681 deaths).<sup>159</sup>

### UNAMA: Civilian Casualties in Early 2019 Decline Sharply

In a stark change from the final months of 2018, UNAMA documented 1,773 civilian casualties from January 1 through March 31, 2019, a 23% decrease in casualties compared to the same period in 2018 and the lowest number of civilian casualties in the first three months of the year since 2013. The casualties included 581 deaths and 1,192 injuries.<sup>160</sup>

UNAMA noted that the significant decrease in civilian casualties so far this year was primarily driven by a 76% decrease in casualties caused by suicide IED attacks. Last year's figures were higher due to many more suicide attacks in early 2018, including the January 27, 2018, attack in Kabul, which was the deadliest incident UNAMA had ever recorded. UNAMA also said the particularly harsh winter conditions during the first three months of this year may have contributed to the decline in civilian casualties, and that it is unclear whether the trend was influenced by any measures undertaken by parties to the conflict to better protect civilians, or by the ongoing talks between some of the parties. UNAMA expressed continued concern about the increase in civilian casualties from the use of nonsuicide IEDs by anti-government elements (up 21% compared to last year).<sup>161</sup>

UNAMA reported that progovernment elements caused more civilian deaths than antigovernment elements thus far in 2019 (608 casualties, 305 deaths and 303 injuries). This was attributed to substantial increases in civilian casualties caused by progovernment aerial (41%) and search operations (85%) compared to last year. UNAMA attributed 17% of all civilian casualties to the ANDSF, 13% to international military forces, 2% to progovernment armed groups, and 2% to multiple progovernment forces. As in previous years, antigovernment elements were responsible for the majority of overall civilian casualties during the first quarter of 2019 (963 casualties, 227 deaths and 736 injuries).<sup>162</sup>

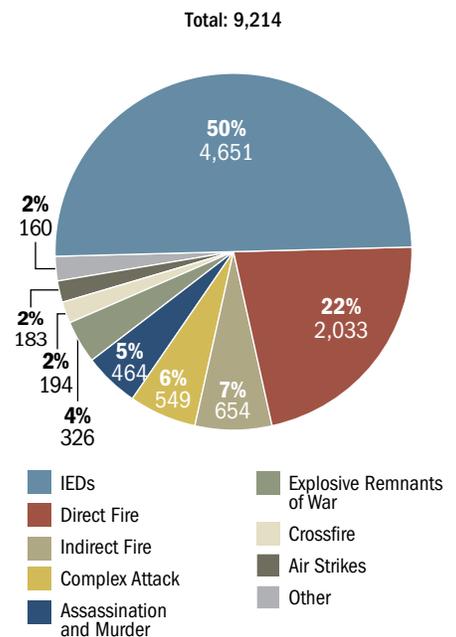
The decrease UNAMA reported for the first three months of 2019 is offset by the high number of civilian casualties seen from October through December 2018 (2,943). Civilian casualties from October 2018–March 2019 were at roughly the same level they were from October 2017–March 2018.<sup>163</sup>

### RS Civilian Casualties Data

RS reported 9,214 civilian casualties in 2018 (2,845 killed and 6,369 wounded). As reported last quarter, September and October were the deadliest months, with 950 and 1,274 civilian casualties respectively. RS's and UNAMA's data aligned in that Kabul, Nangarhar, and Helmand Provinces experienced the most civilian casualties in 2018. According to RS, about 21% of 2018's civilian casualties occurred in Kabul Province (1,976 casualties),

FIGURE 3.35

RS: CIVILIAN CASUALTIES IN 2018 BY INCIDENT TYPE



Note: Casualties include dead and wounded.

Source: RS, response to SIGAR data call, 3/20/2019.

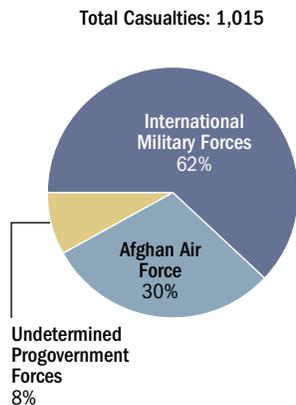
#### RS Collection Methodology

According to DOD, the RS Civilian Casualty Management Team relies primarily upon operational reporting from RS's Train, Advise, and Assist Commands (TAACs), other Coalition force headquarters, and ANDSF reports from the Afghan Presidential Information Command Centre to collect civilian-casualty data.

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 27.

FIGURE 3.36

## UNAMA: AERIAL OPERATIONS CIVILIAN CASUALTIES BY RESPONSIBLE PARTY

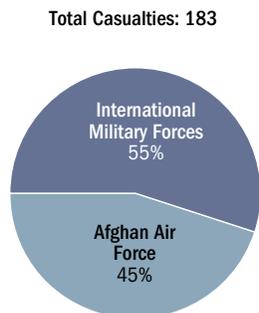


Note: Casualties include killed and wounded during progovernment aerial operations in 2018.

Source: UNAMA, *Protection of Civilians in Armed Conflict Annual Report 2018, 2/2019*, p. 38.

FIGURE 3.37

## RS: AERIAL OPERATIONS CIVILIAN CASUALTIES BY RESPONSIBLE PARTY

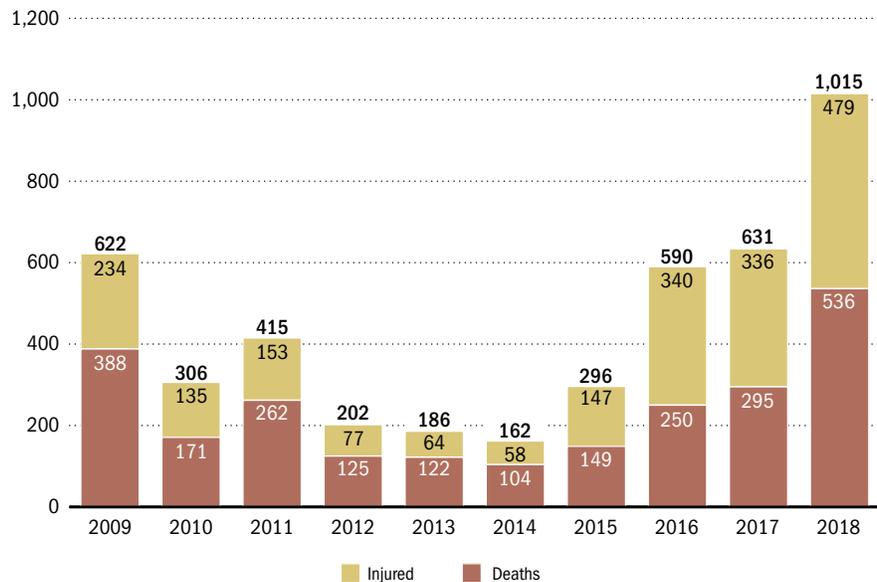


Note: Casualties include killed and wounded during progovernment aerial operations in 2018.

Source: RS, response to SIGAR data call, 3/20/2019.

FIGURE 3.38

## UNAMA: AERIAL OPERATIONS CIVILIAN CASUALTIES, 2009–2018



Note: A similar graphic appears on page 39 of UNAMA's report.

Source: UNAMA, *Protection of Civilians in Armed Conflict Annual Report 2018, 2/2019*, p. 39.

17% in Nangarhar (1,590), and 5% in Helmand (477). As seen in Figure 3.35 on the previous page, RS said the majority of the civilian casualties reported in 2018 were caused by IEDs (50%), followed by direct fire (22%), and indirect fire (7%).<sup>164</sup>

### Civilian Casualties and Aerial Operations

As aerial operations of progovernment forces (international military forces and the AAF) have increased, so have UN-recorded incidents of civilian casualties resulting from them. UNAMA's records indicate that air operations in 2018 caused 1,015 civilian casualties (536 deaths and 479 injuries). Of these, it attributed 632 civilian casualties (393 deaths and 239 injuries) to international military forces, 304 (118 deaths and 186 injuries) to the Afghan Air Force, and the remaining 79 civilian casualties to undetermined or multiple progovernment forces.<sup>165</sup>

Figure 3.38 shows that the number of UNAMA-recorded civilian casualties caused by aerial operations in 2018 increased by 61% compared to 2017 and was the highest number of civilian casualties from air strikes in a single year since UNAMA began tracking them in 2009. Figures 3.36 and

TABLE 3.6

WEAPONS RELEASED DURING U.S. AIR MISSIONS IN AFGHANISTAN, 2015–2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2015</b>	40	30	47	31	41	109	79	156	111	203	69	31	<b>947</b>
<b>2016</b>	127	115	58	62	89	94	160	108	162	205	92	65	<b>1,337</b>
<b>2017</b>	54	200	203	460	328	389	350	503	414	653	352	455	<b>4,361</b>
<b>2018</b>	378	469	339	562	591	572	746	715	841	769	841	539	<b>7,362</b>
<b>2019</b>	463	327											<b>790</b>

Note: A similar graphic appears in AFCENT's February 2019 report.

Source: AFCENT, "Combined Forces Air Component Commander 2013–2019 Airpower Statistics," 2/28/2019.

3.37 show the contrast between UNAMA and RS figures. RS provided a much lower figure for civilian casualties caused by Coalition and Afghan air strikes, and a different breakdown of responsibility for the strikes. According to RS there were 183 such casualties in 2018 (71 deaths and 112 injuries), with U.S. air strikes causing 101 of the casualties, and AAF air strikes causing 82.<sup>166</sup>

UNAMA's most recent report on civilian casualties in the first three months of 2019 shows that 2018 trends are continuing: UNAMA documented the highest number of civilian casualties from aerial operations recorded during the first quarter of 2019 compared to the same period of any year since UNAMA began systematic documentation. Additionally, UNAMA determined that aerial operations were the leading cause of civilian deaths from January 1–March 31, 2019. All progovernment forces' aerial operations caused 228 civilian casualties (145 deaths, 83 injuries), and international military forces were responsible for the vast majority of these casualties (140 deaths, 79 injuries).<sup>167</sup>

The UN recorded a 42% increase in U.S. and AAF air strikes from 2017 to 2018. The U.S. Air Forces Central Command (AFCENT) reported a 69% increase in weapons released during U.S. air operations in 2018 compared to 2017. AFCENT's data show that weapons released thus far in 2019 are about on par with 2018, but this only accounts for the first two months of the year. For AFCENT's data on U.S. weapons released in Afghanistan from the beginning of the RS mission in January 2015 through February 2019, see Table 3.6.<sup>168</sup>

## UNITED STATES FORCES-AFGHANISTAN

### Personnel Strength

According to DOD, as of March 2019, approximately 14,000 U.S. military personnel were serving as part of the United States' Operation Freedom's Sentinel mission in Afghanistan, the same number reported since November

“I have the authorities and the capabilities that I need from the U.S. and the Coalition standpoint to work with our Afghan partners. At the same time, as a commander, I’m always trying to bring the footprint down, bring our force structure down.”

—General Austin “Scott” Miller,  
RS and USFOR-A Commander

Source: ABC News, “Top U.S. Commander: Political Talks with Taliban ‘Absolutely’ Key Part of Any Endgame in Afghanistan War,” 2/4/2019.

2017. There are also an additional 861 DOD civilian personnel and 10,698 U.S. citizens who serve as contractors are also in Afghanistan.<sup>169</sup> Of the 14,000 U.S. military personnel, 8,475 are assigned to the NATO RS mission to train, advise, and assist Afghan security forces, unchanged since last quarter.<sup>170</sup> The remaining U.S. military personnel serve in support roles or in conducting air operations, training the Afghan special forces, and conducting counterterror operations.<sup>171</sup>

As of March 2019, the RS mission included roughly 8,559 military personnel from NATO allies and non-NATO partner nations, bringing the current total of RS military personnel to 17,034 (a 115-person increase since last quarter). The United States contributes the most troops to the RS mission, followed by Germany (1,300 personnel) and the United Kingdom (1,100).<sup>172</sup>

## U.S. Force Casualties

According to DOD, six U.S. military personnel were killed in action and 23 were wounded in action (WIA) in Afghanistan this reporting period (January 16–April 16, 2019). As of April 16, 2019, a total of 67 U.S. military personnel have died in Afghanistan (50 from hostile deaths and 17 in non-hostile circumstances) and 392 military personnel were WIA since the start of Operation Freedom’s Sentinel on January 1, 2015. Since the beginning of U.S. operations in Afghanistan in October 2001, 2,414 U.S. military personnel have died (1,894 from hostile deaths and 520 in non-hostile circumstances) and 20,488 were WIA.<sup>173</sup>

## Insider Attacks on U.S. and Coalition Forces

USFOR-A reported that there were no insider attacks on U.S. and Coalition forces this quarter.<sup>174</sup> There were five insider attacks in 2018, four on U.S. personnel, and one on Coalition personnel. Four RS soldiers were killed and eight were wounded during those attacks. In 2017, there were six confirmed insider attacks that killed three personnel and wounded 11.<sup>175</sup>

## AFGHAN NATIONAL DEFENSE AND SECURITY FORCES

### U.S. Reconstruction Funding for Security

As of March 31, 2019, the U.S. Congress had appropriated more than \$83.3 billion to support security in Afghanistan. This accounts for 63% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002. Of the \$4.7 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2018, \$4 billion had been obligated and \$3.7 billion disbursed as of March 31, 2019.<sup>176</sup>

In 2005, Congress established the ASFF to build, equip, train, and sustain the ANDSF, which comprises all forces under the Ministry of Defense (MOD) and Ministry of Interior (MOI). A significant portion of ASFF is

used for Afghan Air Force (AAF) aircraft maintenance, and for ANA, AAF, ASSF, and Afghan Local Police (ALP) salaries. The rest is used for fuel, ammunition, vehicle, facility, and equipment maintenance, and various communications and intelligence infrastructure. Detailed ASFF budget breakdowns are presented in Table 3.4 and 3.5 on pages 58–59.<sup>177</sup>

ASFF funds are obligated by either the Combined Security Transition Command-Afghanistan (CSTC-A) or the Defense Security Cooperation Agency. Funds CSTC-A provides to the Afghan government to manage (on-budget funds) are then provided to the Ministry of Finance. The Ministry of Finance then transfers funds to the MOD and MOI based on submitted requests. The ALP falls under the authority of the MOI although it is not included in the 352,000 authorized ANDSF force level that donor nations have agreed to fund; only the United States and Afghanistan provide funding for the ALP.<sup>178</sup>

Unlike the ANA, a significant share of ANP personnel costs are paid through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA), to which the United States has historically been (but is not currently) the largest contributor.<sup>179</sup>

A discussion of on-budget (Afghan-managed) and off-budget (U.S.-managed) expenditures of ASFF is found on page 117.

## ANDSF Strength

USFOR-A reported that the assigned (actual) personnel strength of the ANDSF (not including civilians) was 306,807, including 190,423 personnel in the ANA and AAF and 116,384 in the ANP. The ANA strength figure is as of January 31, 2019, and the ANP’s figure is as of December 21, 2018 (the latest available data).<sup>180</sup> For the third consecutive quarter, ANDSF strength is the lowest it has been since the RS mission began in January 2015.<sup>181</sup> ANDSF strength decreased by 1,886 personnel since last quarter and by 6,921 compared to approximately the same period in 2017. CSTC-A always offers the caveat that ANDSF strength numbers are Afghan-reported and that RS cannot validate them for accuracy.<sup>182</sup> See Figure 3.39 on the following page for a historical record of first-quarter ANDSF strength since 2015.

According to DOD, the ANDSF’s total authorized (goal) end strength in December remained 352,000 personnel, including 227,374 ANA and 124,626 ANP personnel. This number does not include 30,000 Afghan Local Police, who are under MOI’s command.<sup>183</sup> Table 3.7 on the following page shows this quarter’s ANDSF assigned strength at 87.2% (45,193 personnel short) of its authorized strength.<sup>184</sup>

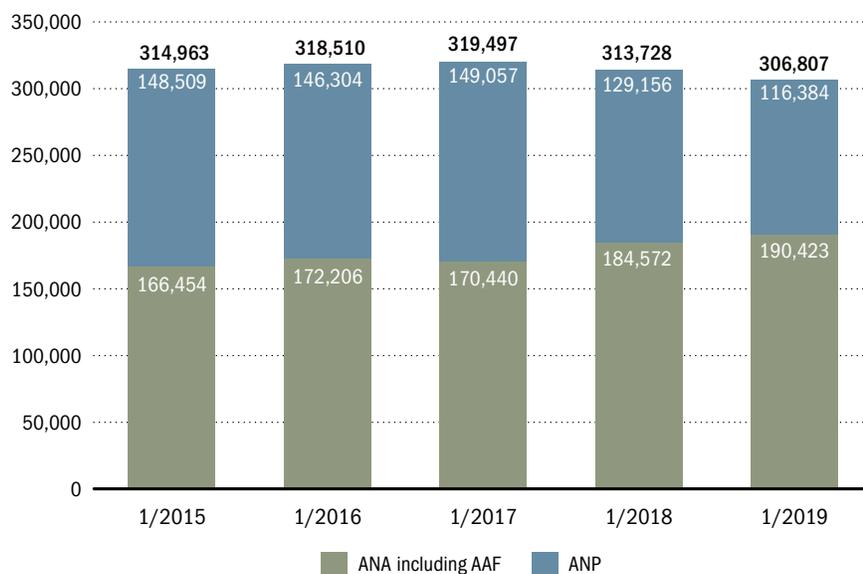
## ANDSF Casualties Increase

USFOR-A provided a general, unclassified assessment of ANDSF casualties this quarter. USFOR-A said that December 1, 2018, through February 28, 2019, “the number of ANDSF casualties were approximately 31% higher during this three-month period when compared to the same period one

# SECURITY

FIGURE 3.39

## FIRST-QUARTER ANDSF ASSIGNED STRENGTH SINCE 2015



Note: ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. ANA strength numbers include the AAF and trainees, transfers, holdees, and student personnel. No civilians are included. ANP strength numbers do not include “standby” personnel, generally reservists, personnel not in service while completing training, or civilians.

This quarter, ANA data is as of January 31, 2019, and ANP data is as of December 21, 2018. The change in the individual strengths of the ANA and ANP from 2017 to 2018 and 2018 to 2019 is skewed due to the gradual transfer of two force elements from MOI to MOD, but this change did not impact the overall strength of the ANDSF. The strength numbers reported here should not be viewed as exact: CSTC-A and SIGAR have long noted many data consistency issues with ANDSF strength numbers, and CSTC-A always cautions that ANDSF strength numbers are Afghan-reported and that RS cannot validate the data for accuracy.

Source: CSTC-A, response to SIGAR data call, 3/20/2019 and 3/20/2015; CSTC-A, response to SIGAR vetting, 5/10/2018; SIGAR, *Quarterly Reports to the United States Congress*, 4/30/2016 and 4/30/2017; SIGAR, analysis of CSTC-A-provided data, 4/2019.

TABLE 3.7

ANDSF ASSIGNED AND AUTHORIZED STRENGTH					
ANDSF Component	Authorized Strength	Assigned Strength	% of Target Authorization	Difference Between Assigned and Authorized	
				Assigned and Authorized	Difference
ANA including AAF	227,374	190,423	83.7%	(36,951)	(16.3%)
ANP	124,626	116,384	93.4%	(8,242)	(6.6%)
<b>ANDSF Total without Civilians</b>	<b>352,000</b>	<b>306,807</b>	<b>87.2%</b>	<b>(45,193)</b>	<b>(12.8%)</b>

Note: ANP data is as of December 21, 2018, and ANA data is as of January 31, 2019; ANDSF = Afghan National Defense and Security Forces; ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police. CSTC-A always cautions that ANDSF strength numbers are Afghan-reported and that RS cannot validate the data for accuracy.

Source: CSTC-A, response to SIGAR data call, 3/20/2019; SIGAR, analysis of CSTC-A-provided data, 4/2019.

year prior. The number of casualties incurred from defensive operations has increased by 45% while ANDSF casualties from offensive operations have increased by 21%.” USFOR-A also added that almost half of the ANDSF casualties this reporting period occurred during checkpoint security operations.<sup>185</sup>

USFOR-A continued to classify most ANDSF casualty data this quarter at the request of the Afghan government.<sup>186</sup> SIGAR’s questions about ANDSF casualties can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil). ANDSF casualties are reported in the classified annex of this report.

## Insurgent Casualties

For the first time, SIGAR reported this quarter USFOR-A’s estimates of insurgent casualties, which can also be found in the classified annex.

## Insider Attacks on the ANDSF Increase

“Green-on-green” insider attacks, in which ANDSF personnel are attacked from within their own ranks, sometimes by an insurgent infiltrator, remain a significant problem for the ANDSF.<sup>187</sup> According to USFOR-A, there were seven reported green-on-green insider attacks against ANDSF personnel from October 31 to December 31, 2018, bringing the 2018 total to 81 insider attacks resulting in 183 casualties (133 killed, 50 wounded). Compared to 2017, this represents 13 more attacks but 56 fewer casualties.<sup>188</sup>

From January 1 through February 20, 2019, there have been six recorded insider attacks that inflicted 32 casualties (16 dead, 16 wounded), a decrease of two attacks but an increase of six casualties compared to roughly the same period in 2018.<sup>189</sup>

## ANDSF Personnel Accountability

The MOD and MOI, with RS assistance, are implementing and streamlining several systems to accurately manage, pay, and track their personnel—an effort DOD expects will improve protection of U.S. funds. The United States pays the ANA and ALP personnel costs through the unilateral ASFF and the ANP by contributing (until 2018) to the multilateral LOTFA managed by the United Nations Development Programme (UNDP).<sup>190</sup>

The Afghan Personnel Pay System (APPS) is currently being fielded and, when fully implemented, will integrate personnel data with compensation and payroll data to process authorizations, record unit-level time and attendance data, and calculate payroll amounts.<sup>191</sup> The APPS data is also used to provide background information on ANDSF personnel to assist with assignment, promotions and other personnel actions.<sup>192</sup>

As USFOR-A has reported previously, three ongoing efforts aim to ensure that accurate personnel data exist in APPS: (1) “slotting” or matching a person to an authorized position; (2) “data cleansing” or correcting and completing key personnel data; and (3) the personnel asset inventory

## ONGOING SIGAR INVESTIGATION INTO PAYMENT OF “GHOST” POLICE

SIGAR’s special agents have been informed that portions of the ANDSF payroll process throughout Afghanistan have been manipulated to allow some former police officers to still be paid even though they have either resigned, been terminated, or been killed. These salary payments are then diverted to various bank accounts and are subsequently withdrawn and shared amongst conspirators. SIGAR’s Investigations Directorate is working closely with SIGAR’s Audits Directorate and CSTC-A to identify measures that will reduce and/or eliminate the payment of nonexistent police officers.

## APPS Data-Input Requirements for ANDSF Payroll

There are 20 data points that all ANDSF personnel must have in their APPS record in order to be paid. These include:

- ID card number
- Date of birth
- Enrollment date
- Gender
- Biometric verification number
- Actual rank
- Military education
- Blood type
- First/full name
- Tashkil rank
- Bank account number
- Contract expiration date
- Father's name
- Date of rank
- AHRIMS ID
- Paragraph number
- Grandfather's name
- Unit identification code
- Civilian education
- Line number

Note: AHRIMS (the Afghan Human Resource Information System) was the Afghan personnel accountability system prior to APPS. Where possible, records were migrated for personnel enrolled in AHRIMS to APPS.

Source: CSTC-A, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/12/2019.

(PAI) for biometrically enrolling personnel. All three efforts result in the continuous process of physically counting personnel and correcting the employment status of personnel retired, separated, or killed in action.<sup>193</sup> As of November 30, 2018, CSTC-A reported that both the MOD and MOI became “fully operationally capable” in APPS, meaning that the APPS system has been delivered and both ministries have the ability to fully employ the system and maintain it to meet their operational needs. However, CSTC-A expects that the transition to APPS for force-strength reporting will take until June 2019 for the ANA and the end of 2019 for the ANP.<sup>194</sup>

This quarter, CSTC-A reported improvements in the percentage of ANA and ANP personnel enrolled in APPS. As of February 28, 2019, 91% of ANA personnel were slotted into the system and met the minimum data-input requirements to be paid, an improvement from the 85% reported in December 2018. For the ANP, only 69% of the force is slotted into APPS and eligible to be paid, up from 60% reported in December 2018. CSTC-A calculates these percentages by dividing the number of personnel slotted in APPS by the number of personnel the Afghans report to be on hand in each force (their assigned-strength figures).<sup>195</sup>

CSTC-A confirmed that it continues to only pay APPS-enrolled, biometrically validated ANDSF personnel. CSTC-A said they are encouraging UNDP to transition from its current ANP payroll system, the Web Enabled Pay System (WEPS) to APPS, and to provide salaries only to APPS-validated personnel. To assist with this process, CSTC-A said this quarter that it is synchronizing with UNDP to reconcile APPS personnel data with the data UNDP has in WEPS.<sup>196</sup>

## ANDSF Combat Element Performance – Most Data Classified

USFOR-A continued to classify most assessments of ANDSF performance. SIGAR’s questions about ANDSF performance can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil). Detailed ANDSF performance assessments are reported in the classified annex for this report.

This quarter, USFOR-A provided a general overview on ANDSF performance. According to USFOR-A, senior ANDSF leaders are continuing to demonstrate progress in organizational management, decision-making, and operational planning and execution. The Afghan government has been striving to employ quality leaders and continues to successfully identify and replace ANDSF leaders found guilty of corruption.<sup>197</sup>

USFOR-A continued to report that ANA corps receive the preponderance of Coalition train, advise, and assist (TAA) support, and that as a result, their capabilities continue to advance more rapidly than the ANP’s. USFOR-A said the ANA’s improvements are evident in their ability to synchronize combat enablers (e.g., air and artillery support) and to conduct coordinated operational planning with adjacent corps.<sup>198</sup>

USFOR-A also reported this quarter that the Afghan government has dissolved the ANP’s zone system, which has challenged Coalition advisors,

FIGURE 3.40

## RS AND ANA AREAS OF RESPONSIBILITY



Note: The ANA 111th Capital Division covers Kabul Province with the exception of Sarobi District, which falls within the 201st Corps' area of responsibility.

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2018, pp. 18–19, 71; RS, "Train Advise Assist Command East," and "Task Force Southwest," accessed online at <https://rs.nato.int/rs-commands.aspx> on 4/17/2019.

who must now provide TAA support to multiple provincial police headquarters (PHQs) rather than to a single zone. Now instead of eight regional ANP zones, the 34 PHQs serve as the command structure for ANP throughout the country.<sup>199</sup>

### Operational Readiness Cycles

This quarter, SIGAR requested a status update on the implementation of **operational readiness cycles** (ORCs) for the ANA and ANP. The data discussed below shows an uneven execution of the ORC concept across the country. ANDSF personnel operating in the RS Task Force (TF) Southeast, Train, Advise, Assist Command (TAAC) East, and TAAC-West areas of responsibility (AORs) are implementing ORCs better than their counterparts in TAAC-Capital, TAAC-North, and TAAC-South.<sup>200</sup> ANDSF personnel in the latter two AORs have not been able to successfully use the ORC to prepare for the spring fighting season. TAAC-North is the largest AOR (nine provinces) and had the second highest number of enemy-initiated attacks (EIA) in 2018 (4,346, or 19.2% of total attacks) of all RS AORs. Despite only having four provinces in its AOR, TAAC-South ranked third of seven RS AORs in the number of EIAs experienced in 2018 (3,953, or 17.4% of total attacks).<sup>201</sup> USFOR-A provided updated ORC information for each AOR (see Figure 3.40 for the geographic locations of these areas).<sup>202</sup>

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**Operational Readiness Cycle:** a process that allows certain combat units to rotate out of operational duty to train, refit, and rest to increase readiness and effectiveness upon return to the battlefield. The ANDSF typically implement ORCs in the winter months when operational tempo is historically slower.

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Source: General Joseph L. Votel, U.S. Army, U.S. CENTCOM Commander, "Statement before the Senate Committee on Armed Services: The Posture of U.S. Central Command," 3/9/2017; NSOCC-A, response to SIGAR vetting, 10/11/2016; USFOR-A, response to SIGAR data call, 2/20/2017.

- **TF Southeast (SE):** The ANA 203rd Corps' Regional Military Training Center (RMTC) has been continuously conducting training for its soldiers from November 2018 until the most recent graduation of soldiers on February 19, 2019. Sometimes it is difficult for 203rd Corps personnel to get their brigade commanders to release them from operations in order to execute the re-training and refitting portion of the ORC. For the ANP, despite many of the provinces in the TF-SE AOR being under constant insurgent attack or threat of attack, the Gardez Regional Training Center (RTC) commander is reported to have successfully trained policemen assigned to the area. The RTC itself is well maintained and staffed and continues to train over 90% of assigned policemen in the AOR, which has better prepared the TF-SE provinces for the spring fighting season.
- **TAAC East:** The ANA's 201st Corps took it upon themselves to add an additional week of marksmanship training to its ORC process to maximize their combat effectiveness. The ANP in this AOR have used the RTC in Nangarhar for their training requirements. However, MOI has not developed an ORC program similar to MOD's.
- **TAAC West:** All three ANA 207th Corps brigades and two Afghan Border Force brigades entered into the ORC this quarter. The 207th Corps is gradually implementing the ORC until all platoons are phased into the cycle. There was no information available on ANP's ORC process in this area of responsibility.
- **TAAC North:** The ANA's 209th Corps has an established ORC process, but it is being implemented minimally due to frequent operations, manning of checkpoints, and critical manning shortfalls facing many of the units. Of eight kandaks in the 209th Corps, only one has been trained and through the ORC. The other kandaks have not been trained or reset and are not ready for the spring fighting season. There was no update for other ANP forces in this AOR.
- **TAAC Capital:** The ANA 111th Capital Division's ORC began in January 2019. The ORC lasts four weeks and was designed to accommodate one company at a time. As companies and kandaks rotate to different posts around the province, they plan to have a short retraining period at the Combat Training Center before they take their new posts.
- **TAAC South:** The 205th Corps has not successfully implemented an ORC due to heavy operational tempo in its AOR. There are not enough soldiers in the corps to man checkpoints, conduct operations, and return for training. ANP units in the TAAC-South AOR do not currently have a functioning ORC process, also due to their high operational tempo.

TABLE 3.8

<b>ANDSF FEMALE PERSONNEL ASSIGNED STRENGTH</b>					
	<b>Officers</b>	<b>Noncommissioned Officers</b>	<b>Soldiers/ Patrolmen</b>	<b>Cadets</b>	<b>Total</b>
ANP	748	1,220	1,375	0	<b>3,343</b>
ANA	697	603	220	121	<b>1,641</b>
<b>Total</b>					<b>4,984</b>
<b>Afghan Air Force (AAF)</b>					
AAF	45	27	9	5	<b>86</b>
<b>Afghan Special Security Forces (ASSF)</b>					
ANP	18	81	9	0	<b>108</b>
ANA	12	12	6	0	<b>30</b>

Note: ASSF personnel numbers are as of December 2018. All other data is as of January 2019.

Source: RS Gender Integration Advisory Office, response to SIGAR data call, 3/20/2019.

## Women in the ANDSF

As of January 2019, the ANDSF had 4,984 female personnel, 1.6% of the ANDSF's total force strength. The number of women in the ANDSF increased by about 250 since last quarter and by about 650 personnel compared to the same period a year ago. The increase since last quarter comes from the addition of 124 women in the ANA and 125 in the ANP. As in the past, the ANP has the vast majority of ANDSF female personnel (3,343), while 1,641 are in the ANA.<sup>203</sup>

Included in the ANA and ANP numbers are 138 women serving in the Afghan Special Security Forces (the same as last quarter) and 86 in the AAF (one more than last quarter). Noncommissioned officers account for the greatest number of females in the ANDSF (1,823), followed by soldiers and police (1,595), and commissioned officers (1,445).<sup>204</sup> For a full breakdown of ANDSF female strength, see Table 3.8.

The RS Gender Advisory Office said MOD and MOI recruitment of female personnel continues to be generally on hold as each ministry works to realign or create positions that allow for female personnel to have career progression.<sup>205</sup>

## AFGHAN NATIONAL ARMY

As of March 31, 2019, the United States had obligated \$47.4 billion and disbursed \$47.1 billion of ASFF funds from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANA, AAF, and parts of the Afghan Special Security Forces (ASSF).<sup>206</sup>

## ANA Force Manning

### ANA Strength – Some Data Classified

This quarter, USFOR-A continued to classify unit-level ANA personnel strength data in accordance with Afghan government classification guidelines. Detailed assigned- and authorized-strength figures will appear in the classified annex for this report. SIGAR's questions about ANA strength can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil).

According to DOD, the ANA's total authorized (goal) end strength as of December 2018 was 227,374.<sup>207</sup> USFOR-A reported that the assigned (actual) strength of the ANA and AAF as of January 31, 2019, (not including civilians) was 190,423 personnel, a decrease of 330 personnel since last quarter. This quarter's ANA strength represents a 5,851-person increase from the same period in 2017, but this figure is skewed due to the transfer of 18,950 personnel from the Afghan Border Police (formerly under MOI) to MOD. When adjusting for that transfer, the ANA actually lost 13,099 personnel compared to the same period in 2017.<sup>208</sup> CSTC-A always offers the caveat that ANDSF strength numbers are Afghan-reported and that RS cannot validate the data for accuracy.<sup>209</sup>

The ANA's 190,423 personnel consisted of 83,702 soldiers, 72,027 noncommissioned officers, and 34,694 officers. The ANA's noncommissioned officer and officer ranks experienced attrition since last quarter (losing 429 and 69 personnel, respectively), but the number of soldiers increased by 168.<sup>210</sup> This quarter's assigned strength puts the ANA at 83.7%, or 36,951 personnel short, of its goal strength, a slight decrease since last quarter.<sup>211</sup>

### ANA Attrition – Some Data Classified

USFOR-A continued to classify detailed ANA attrition information this quarter. SIGAR's questions about ANA attrition can be found in Appendix F. A detailed analysis of attrition by ANA force element is provided in the classified annex of this report.

According to CSTC-A, ANA monthly attrition rates averaged approximately 2.2% over the quarter, a slight improvement from the 2.5% recorded over the previous quarter. This percentage accounts for attrition alone, not the total decrease in force strength listed on the previous page, as that percentage change includes any gains made from recruitment occurring over the quarter. CSTC-A reported that attrition figures are calculated by taking an average of monthly ANA attrition rates over the last three months. CSTC-A noted this figure was calculated from Afghan-owned and -reported data provided by the MOD and that CSTC-A cannot independently verify its accuracy.<sup>212</sup>

TABLE 3.9

<b>MAJOR EQUIPMENT PROVIDED TO THE ANA, DEC 1, 2018–FEB 18, 2019</b>				
<b>Equipment Type</b>	<b>Equipment Description</b>	<b>Units Issued in Quarter</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Aircraft	MD-530 Helicopter	13	\$6,518,000	\$84,734,000
Aircraft	UH-60 Helicopter	6	11,670,000	70,020,000
Vehicle	M1152 HMMWV (Humvee)	80	230,868	18,469,440
Vehicle	M1151 HMMWV (Humvee)	61	232,775	14,199,275
Vehicle	Medium Tactical Vehicle	87	162,079	14,100,873
Vehicle	Medium Tactical Vehicle Refueller	29	236,455	6,857,195
Weapon	M240B Machine Gun	438	7,927	3,472,026
Vehicle	Medium Tactical Vehicle Water Tanker	10	247,372	2,473,720
Weapon	M2 .50 Caliber Machine Gun	192	12,685	2,435,520
Vehicle	Medium Tactical Vehicle Wrecker	5	350,152	1,750,760
<b>Total Cost of Equipment</b>			<b>\$218,512,809</b>	

Note: These items were the major items of equipment provided to the ANA this quarter, not the only items. Vehicles issued this quarter were procured under varying foreign military sales cases, which may cause their unit cost to vary from the cost reported last quarter.

Source: CSTC-A, response to SIGAR data call, 3/20/2019.

## ANA Sustainment

As of March 31, 2019, the United States had obligated \$23.5 billion and disbursed \$23.2 billion of ASFF from FY 2005 through FY 2018 appropriations for ANA, AAF, and some ASSF **sustainment**.<sup>213</sup>

For more information about what these costs include and the amount U.S. funds appropriated for ANA sustainment in FY 2019, see page 59 of this report.

## ANA Equipment and Transportation

As of March 31, 2019, the United States had obligated and disbursed \$13.7 billion of ASFF from FY 2005 through FY 2018 appropriations for ANA, AAF, and some ASSF equipment and transportation costs.<sup>214</sup>

Seen in Table 3.9, CSTC-A reported that the highest-cost items of equipment provided to the ANA this quarter (December 1, 2018, through February 18, 2019) included 13 MD-530 helicopters (valued at a total of \$84.7 million), six UH-60 helicopters (\$70 million), and two variants of HMMWVs (valued at a total of about \$32.7 million).<sup>215</sup>

## ANA Equipment Operational Readiness – Data Classified

This quarter, USFOR-A continued to classify data on ANA equipment readiness. SIGAR’s questions about ANA equipment readiness can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil). ANA equipment readiness is reported in the classified annex of this report.

**Sustainment:** Sustainment generally refers to operations and maintenance efforts. There are several types of sustainment costs: “personnel sustainment,” which includes salaries and incentive pay, food, the Afghan Personnel Pay System, “logistics sustainment” such as fuel, the CoreIMS inventory management system, and transportation services, “combat sustainment” to include organizational clothing and individual equipment, ammunition, and weapons repair parts, and other “general operational sustainment services,” such as vehicle, facility, and equipment sustainment (operations and maintenance costs).

Source: DOD, Department of Defense Budget, Fiscal Year (FY) 2019, Justification for FY 2019 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF), 2/2018, pp. 15, 22–23, 28, 30.

# SECURITY

TABLE 3.10

<b>HIGHEST-COST ANA INFRASTRUCTURE PROJECTS</b>				
<b>Project Description</b>	<b>Project Location</b>	<b>Agency / Contractor</b>	<b>Estimated Cost</b>	<b>Estimated Completion Date</b>
<b>Awarded Projects</b>				
ANA Kabul City Gates Improvements, Phase I	Kabul Province	USACE/Assist Consultants Inc.	\$2,637,500	9/14/2019
Kandahar Airfield Improvements, Phase I, Construction Materials	Kandahar Province	RCC-A	1,024,445	3/1/2019
Kandahar Airfield Improvements, Phase I, Heavy Equipment Lease	Kandahar Province	RCC-A	166,250	4/2/2019
<b>Ongoing Projects</b>				
Northern Electrical Interconnect at Camp Shaheen	Marmal, Balkh Province	USACE/Venco-Imtiaz Construction Company	27,692,414	10/21/2019
Special Operations Brigade North, Camp Pratt Forward Operating Center	Mazar-e Sharif, Balkh Province	USACE/Builtek Construction	25,353,848	2/26/2021
Northern Electrical Interconnect at Kunduz / Asqalan	Kunduz, Kunduz Province	USACE/Assist Consultants Inc.	10,488,724	7/15/2019
<b>Completed Projects</b>				
Kabul National Military Hospital, Entry Control Points	Kabul Province	USACE/Arab Shah Construction Company	703,962	12/17/2018
<b>Planned Projects</b>				
AAF Aviation Enhancement, Mazar-e Sharif Airfield*	Mazar-e Sharif, Balkh Province	N/A	47,000,000	N/A
AAF Kandahar Airfield Life Support Area	Kandahar, Kandahar Province	N/A	21,000,000	N/A
Special Mission Wing Ramp Growth at Kandahar Airfield	Kandahar, Kandahar Province	N/A	15,900,000	N/A
Special Mission Wing Ramp Growth at Kabul Airfield	Kabul, Kabul Province	N/A	13,600,000	N/A

Note: All data is as of February 28, 2019. \*Partially funded by the multilateral NATO ANA Trust Fund (not all U.S. ASFF funds).

Source: CSTC-A, response to SIGAR data call, 3/20/2019 and 12/20/2018. CSTC-A; response to SIGAR vetting, 4/11/2019.

## ANA Infrastructure

The United States had obligated and disbursed \$5.9 billion of ASFF from FY 2005 through FY 2018 appropriations for ANA, AAF, and some ASSF infrastructure projects as of March 31, 2019.<sup>216</sup>

This quarter, CSTC-A reported that the estimated U.S.-funded annual facilities-sustainment costs for all ANA facility and electrical generator requirements for FY 2019 will be \$110.8 million, the same as last quarter. This is a roughly \$43 million increase from the costs incurred in FY 2018. According to CSTC-A, of the \$110.8 million, \$74.7 million will be provided directly to the Afghan government and \$36.1 million will be spent by CSTC-A on behalf of the Afghan government. CSTC-A said the increase is due to the number of new construction projects slated for completion in 2019.<sup>217</sup>

As of February 28, 2019, the United States completed 457 ANA infrastructure projects in Afghanistan valued at a total cost of \$5.4 billion. CSTC-A reported that one project was completed this quarter, costing roughly \$704,000. Another 47 projects (valued at \$193.3 million)

TABLE 3.11

<b>HIGHEST-COST ANA WPP INFRASTRUCTURE PROJECTS</b>			
<b>Project Description</b>	<b>Project Location</b>	<b>Estimated Cost</b>	<b>Estimated Completion Date</b>
<b>Ongoing Projects</b>			
Pediatrics and Obstetrics/Gynecology Clinic at Kabul National Military Hospital	Kabul, Kabul Province	\$8,500,000	3/15/2019
Women's Facilities at Marshal Fahim National Defense University*	Kabul, Kabul Province	5,337,730	2/28/2019
Women's Facilities at North Hamid Karzai International Airport AAF Airbase*	Kabul, Kabul Province	1,704,766	2/20/2019
Women's Barracks at South Hamid Karzai International Airport/Afghan Air University	Kabul, Kabul Province	1,143,739	4/20/2019
<b>Awarded/Planned Projects</b>			
Women's Training Center in Kabul*	Kabul, Kabul Province	2,605,200	11/1/2019
Daycare and Kitchen at Camp Zafar	Herat, Herat Province	1,014,000	TBD
Female Tactical Platoon Facility at Camp Scorpion*	Kandahar, Kandahar Province	805,200	TBD

Note: All data is as of February 28, 2019. \*Partially funded by the multilateral NATO ANA Trust Fund (not all U.S. ASFF funds).

Source: CSTC-A, response to SIGAR data call, 3/20/2019 and 12/20/2018; CSTC-A, response to SIGAR vetting, 4/11/2019.

were ongoing, three projects were awarded (valued at \$3.8 million), and 33 projects (valued at \$450 million) were being planned.<sup>218</sup> Table 3.10 describes the highest-value awarded, ongoing, completed, and planned ANA infrastructure projects.

Included in the projects described above are four ongoing ANA Women's Participation Program (WPP) projects valued at a total of \$16.7 million and three ANA WPP projects in the planning phase valued at \$4.4 million.<sup>219</sup> See Table 3.11 for a description of these projects.

## ANA and MOD Training and Operations

As of March 31, 2019, the United States had obligated and disbursed \$4.3 billion of ASFF from FY 2005 through FY 2018 appropriations for ANA, AAF, some ASSF, and MOD training and operations.<sup>220</sup>

At the request of DOD, SIGAR will await the completion of the Government Accountability Office's (GAO) forthcoming audit on the cost of ASFF-funded ANDSF training contracts before reporting on the status of those contracts.<sup>221</sup> For more information about this and other GAO audits related to Afghanistan, see Section 4.

## AFGHAN AIR FORCE

### U.S. Funding

As of February 12, 2019, the United States had appropriated approximately \$8.4 billion to support and develop the AAF (including the SMW) from

## SIGAR RELEASES UH-60 AUDIT

Last quarter, SIGAR released an audit on the status of the AAF's UH-60 program. Among the key findings of the audit:

- The Army met CSTC-A's request for an initial operational capability date of June 1, 2018, by beginning training early, sending training version helicopters in October 2017, and using contractors to provide refurbishment, logistic support, and training. (The first operational UH-60 mission was flown in May 2018.)
- Pilot production has already begun to fall behind the aircraft delivery schedule and is likely to persist.
- DOD has not established benchmarks for when aircraft deliveries should slow or stop based on pilot production, an advantage cited by DOD when selecting the refurbished UH-60 platform for the Afghans.
- No organic ANDSF maintenance training course for the UH-60 has begun, creating a necessity for contractor-provided maintenance that increases the cost to the United States of supporting the UH-60 program.
- Lack of trained ANDSF maintainers also limits the effective area that UH-60s can operate in due to Coalition security restrictions on where Western maintainers can work.

Source: SIGAR, 19-18-AR, *Afghan Air Force: DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s*, 1/30/2019.

FY 2010 to FY 2019. Roughly \$1.7 billion of those funds were appropriated in FY 2019, a \$65.4 million increase in funds appropriated compared to FY 2018.<sup>222</sup> The AAF was allocated more funds in FY 2019 than any other ANDSF force element, \$88.3 million more than the funds allocated for the ANA.<sup>223</sup>

As in previous years, a large portion of the AAF's FY 2019 funds (\$893.2 million, or 52%) has been designated for AAF sustainment costs, a \$58.6 million decrease from \$951.8 million in FY 2018.<sup>224</sup> These funds are primarily used to pay for contractor-provided maintenance, major and minor repairs, and the procurement of parts and supplies for the AAF's in-country inventory of seven air platforms: UH-60, MD-530, Mi-17, A-29, C-208, AC-208, and C-130.<sup>225</sup>

DOD allocated \$537.6 million (31%) of the AAF's FY 2019 funds for equipment and transportation costs, roughly \$419.6 million of which is designated for the procurement of additional U.S.-manufactured UH-60 Black Hawk helicopters intended to replace the AAF's aging Russian-manufactured Mi-17 helicopters.<sup>226</sup>

Also, as of February 12, nearly \$5.3 billion had been obligated for the AAF and SMW, a roughly \$4 million increase since last quarter. About \$1.6 billion of those funds were obligated in FY 2018. A substantial portion of these funds (\$2.6 billion) was obligated for AAF sustainment, which accounts for 48.6% of obligated funds, followed by equipment and aircraft at 34.2%.<sup>227</sup>

## Aircraft Inventory and Status

As seen in Table 3.12, the AAF's current in-country inventory, as of February 2019, includes 170 aircraft (143 of which are operational).<sup>228</sup>

Train, Advise, Assist Command-Air (TAAC-Air) reported this quarter that the AAF received six more MD-530s and 10 UH-60s in Afghanistan. Additionally, the AAF received its first five AC-208 light attack aircraft this

TABLE 3.12

AFGHAN AVIATION SUMMARY AS OF FEBRUARY 2019						
Aircraft	Total	Usable	Quarter Change	Command Pilots	Co-Pilots	Other Aircrew
A-29	12	11	0	13	0	8
Mi-17	46	23	(3)	25	33	7
UH-60	36	35	10	11	26	35
MD-530	43	41	6	32	28	0
C-130	4	4	0	8	3	14
AC-208	5	5	5	5	0	4
C-208	24	24	1	25	25	0

Note: Only qualified pilots and aircrew are listed in this table, except for AC-208 personnel (who will be fully qualified in May 2019). "Other Aircrew" includes loadmasters, flight engineers, and special mission operators and vary by airframe. These figures do not include the aircraft or personnel for the Special Mission Wing, which are classified. "Quarter Change" refers to the change in usable aircraft only. All AC-208s are in this category because the air platform is new this quarter to the AAF's inventory.

Source: TAAC-Air, response to SIGAR data call, 3/20/2019 and response to SIGAR vetting, 4/11/2019; SIGAR, analysis of TAAC-Air-provided data, 4/2019.

quarter. Five more AC-208s are scheduled to arrive in Afghanistan by late May 2019, and two MD-530s, six UH-60s, and three A-29s are scheduled to arrive by September. Two MD-530s were lost this quarter: one was hit by surface-to-air fire near Ghazni City on February 7 and destroyed in place; another experienced engine failure after a hard landing in Zabul Province on February 10. The latter aircraft is expected to be recovered, but TAAC-South has so far had higher-priority missions.<sup>229</sup>

## AAF Operations and Task Availability

TAAC-Air reported that the AAF flew 14,398 sorties from December 1, 2018, through March 31, 2019. A sortie is defined as one takeoff and one landing. There were an average of 3,600 sorties per month this quarter, with the most sorties (4,027) flown in March 2019. This is a 10% increase from the 3,264 average sorties per month reported last quarter (August 1–November 30, 2018).<sup>230</sup> As in previous quarters, the Mi-17 flew the greatest number of sorties (6,182), followed by the UH-60 (3,270).<sup>231</sup>

According to TAAC-Air, two of six AAF airframes failed to meet their **task availability** benchmarks this quarter, the same airframes as last quarter. The MD-530's average task availability this reporting period was 74.3% against a goal of 75%, and the C-208's was an average of 68.3% against a goal of 75%.<sup>232</sup>

According to TAAC-Air, the AAF flew an average of roughly 2,875 hours this quarter, a 2% decrease in the average number of hours flown last quarter. Both the UH-60 and the MD-530 overtook the Mi-17 and flew the most hours, averaging 699.4 and 671.4 hours per month respectively.<sup>233</sup> USFOR-A said the AAF's flight-hours data include all hours flown by all aircraft, whether the hours flown were for operations, maintenance, training, or navigation.<sup>234</sup>

Of the six AAF airframes, only the Mi-17 continued to exceed its recommended flight hours. The Mi-17's average of 599.7 hours per month was 104.3% of its recommended flying time of 575 hours per month, an improvement from 123% of its recommended hours per month recorded over the previous reporting period.<sup>235</sup> With the increased usage of other airframes, the Mi-17's overutilization is declining: the airframe flew 20.9% of the total hours flown by the AAF this quarter, a nearly 6.5 percentage-point decrease from the 27.3% of the AAF's total hours the Mi-17 flew last quarter. The Mi-17's average task availability over the reporting period also met its task availability benchmark.<sup>236</sup>

## AAF Training and Manning

### Training

Critical for the success of the AAF modernization and expansion is the timely training of pilots, aircrew, and maintainers to ensure those personnel are capable of operating and maintaining the new aircraft procured for the AAF. Last quarter, TAAC-Air reported that the training of UH-60 and

**Task availability:** The task availability rate is defined as the number of aircraft serviceable and ready to be tasked, for combat or training, compared to the number of aircraft in the operational fleet (excluding those in depot). For example, if a 12-aircraft fleet has five serviceable aircraft, two aircraft in the maintenance depot, and five in other status, this calculation yields a 50% task availability (i.e., five of the 10 airframes not undergoing maintenance) for that aircraft type. Task availability is a capabilities-based measurement for senior leadership mission planning, rather than a measurement of how contractors are performing in maintaining AAF aircraft.

Source: USFOR-A, response to SIGAR data call, 3/22/2018.



**Two AAF UH-60 pilots** prepare for a training flight at Kandahar Airfield. (AFCENT photo by Staff Sgt. Clayton Cupit)

## Over 40% of the AAF students enrolled in the U.S.-based training went AWOL.

Source: TAAC-Air, response to SIGAR data call 3/21/2019; OUSD-F response to SIGAR vetting, 4/11/2019.

MD-530 pilots, aircrew, and maintainers had begun to lag behind schedule to produce the required number of aircrew for the fielded aircraft and for planned fleet expansions. This quarter, TAAC-Air provided several updates that show it has begun to address these issues. For example, regarding the training of aircraft maintainers, TAAC-Air said standing up the AAF Aircraft Maintenance Development Center (AMDC) and its personnel pipeline by June 2019 is expected to rapidly accelerate the development of mission-qualified maintainers. The AMDC will utilize a third-country and an Afghanistan location to train the maintainers. TAAC-Air anticipates that the AMDC pipeline will produce the required number of entry-level maintainers for all the AAF's platforms within the next two years.<sup>237</sup>

TAAC-Air provided the following updates on the training effort for each AAF platform:<sup>238</sup>

- **UH-60:** The UH-60 program is currently making a new effort to maximize the recruitment and training of pilots and aircrew utilizing a third-country location. The new effort will push all aircraft-qualification training through a third-country and mission-qualification training (which includes combat skills training) will take place in Kandahar. This adjusted, parallel effort will allow for qualified aircrew to keep pace with aircraft deliveries in Afghanistan. TAAC-Air is also using smaller class sizes in more frequent intervals to minimize the delay time for students between training programs. Some Mi-17 aircrew will be converted to UH-60 aircrew as the Mi-17 mission draws to a close for the AAF. There remains a continued emphasis on night-vision goggle training and employment for the UH-60 platform.
- **AC-208 and C-208:** The AC-208 pilot training classes that were underway in the United States were disbanded due to the number of trainees who were going absent without leave (AWOL). Those students that did not go AWOL were pulled back to Afghanistan to complete their training: as a result, only one class graduated from the U.S.-based program. The second and third classes will continue and finish their training in Afghanistan. TAAC-Air has a plan to continue the student training and is developing a contract solution to support the effort to train the initial group of AC-208 aircrew. TAAC-Air said the C-208 trainees continue to progress to a self-sustaining level of proficiency.
- **A-29:** The A-29 program is still building its pilot force at Moody Air Force Base in the United States. The U.S.-based program will end in late 2020 and the A-29 training efforts will transition to Afghanistan in order to develop the remaining A-29 force. After the required force is built, A-29 pilot training in Afghanistan will still be needed to create new pilots as older pilots leave due to promotions and retirements. The Afghanistan portion of the program will begin with a very small footprint in mid-2019 and is expected to be located in Mazar-e Sharif. TAAC-Air is exploring options to streamline the training timeline for

TABLE 3.13

AAF MAINTENANCE PERSONNEL STRENGTH, AS OF FEBRUARY 2019										
Maintenance Positions	2019 AUTHORIZED STRENGTH					2019 ASSIGNED STRENGTH				
	Kabul	Kand	MeS	Shind	Total	Kabul	Kand	MeS	Shind	Total
A-29	57	63	0	0	120	56	33	0	0	89
AC-208	56	4	0	0	60	55	4	0	0	59
C-208	49	53	0	44	146	48	43	0	41	132
C-130	2	0	0	0	2	2	0	0	0	2
MD-530	87	102	0	0	189	85	63	0	0	148
Mi-17	0	51	0	4	55	0	42	0	4	46
UH-60	74	78	0	42	194	74	29	0	38	141
Maintenance Operations	409	169	39	139	756	405	147	38	128	718
Munitions Squadron	71	48	17	16	152	70	32	17	16	135
Maintenance Staff	45	3	0	3	51	44	2	0	3	49
Air University	20	0	0	0	20	19	0	0	0	19
<b>Total</b>	<b>870</b>	<b>571</b>	<b>56</b>	<b>248</b>	<b>1,745</b>	<b>858</b>	<b>395</b>	<b>55</b>	<b>230</b>	<b>1,538</b>

Note: All personnel listed above are reported to be trained and fully mission-capable. The locations on the table refer to AAF airbases. Kand = Kandahar, MeS = Mazar-e Sharif, and Shind = Shindand. Maintenance Operations = nonmechanical functions like quality assurance, analysis, plans, scheduling, documentation, training, and logistics; Munitions Squadron = a squadron that stores, maintains, inspects, assembles, and issues aircraft munitions; Maintenance Staff = staff that handle command, support, and finance. In addition to the personnel listed above, there are U.S., local-national, or other-country national contractors who perform aircraft maintenance for the AAF. These include: A-29: 35 contractors, C208: 26, C-130: 30, Mi-17: 418 (includes contractors who maintain SMW aircraft), MD-530: 86, UH-60: 119.

Source: TAAC-Air, response to SIGAR data call, 3/20/2019.

pilots from entry level pilot training to mission qualified training. Night training also continues to be a training priority for this platform.

- MD-530:** TAAC-Air said it continues to find efficient solutions for the MD-530 training pipeline to ensure that students delivered to the squadron are trained to the best standard possible. Following issues raised last quarter, they are currently exploring options to expand the pilot training pipeline, including options to give contractors that provide training support more flexibility to train students. This would reduce the strain on the already limited Afghan trainer force. As with the UH-60 platform, TAAC-Air is also considering a third-country option to expand and streamline the pilot and aircrew training pipeline for the MD-530.

## Manning

TAAC-Air continued to provide information on the number of fully mission-qualified, or certified mission-ready aircrew and pilots the AAF has for each of its airframes, as shown in Table 3.12 on page 94.<sup>239</sup> TAAC-Air also provided the number of qualified maintenance personnel on hand for each AAF platform.<sup>240</sup> Table 3.13 shows the current number of

authorized and assigned AAF maintenance personnel by airframe and other maintenance function.

## The Special Mission Wing – Some Data Classified

This quarter, NATO Special Operations Component Command-Afghanistan (NSOCC-A) provided an expanded unclassified update on the Special Mission Wing (SMW). NSOCC-A continued to classify other data on the SMW. SIGAR's questions on this data can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil); information about the SMW is reported in the classified annex for this report.

### Funding

As of January 31, 2019, the United States had obligated a total of nearly \$2.3 billion for the SMW since FY 2012 from ASFF and the DOD-Counternarcotics Fund, a roughly \$94.4 million decrease since last quarter. About \$182.1 million of those funds were obligated in FY 2018. A substantial portion of the funding obligated since FY 2012 (\$2.3 billion) was obligated for SMW sustainment, which accounts for 48.9% of obligated funds, followed by equipment and aircraft at 42.7%. NSOCC-A said that the figures for SMW obligated funds decreased this quarter because NSOCC-A found several items in CSTC-A-reported obligations data were inflated. This issue is now resolved. NSOCC-A also said that FY 2019 funds will begin to be disbursed in May or June 2019.<sup>241</sup>

### SMW Operations and Performance

The SMW is an AAF component whose mission is to support the ASSF in operations. About 85% of SMW missions are focused on counterterrorism. However, the SMW has recently been tasked by the ANA and ANP to support conventional ground forces. This quarter, NSOCC-A again reported that the MOD, MOI, and the National Directorate of Security (NDS) continue to demand support from the SMW, though these instances of misuse have decreased compared to last quarter after the appointment of a new minister of defense in early 2019. However, the issue still negatively affects aircraft maintenance and the SMW's implementation of operational readiness cycles, and has at times resulted in higher-priority missions being dropped or pushed back. NSOCC-A's leadership continues to address this with the MOD by recommending CSTC-A levy financial penalties to curb SMW misuse.<sup>242</sup>

Between November 13, 2018, and February 18, 2019, NSOCC-A reported three aircraft mishaps, with two resulting in total aircraft losses (two more than last quarter). All three incidents occurred within days of each other in December 2018; they caused no AAF casualties. Both aircraft lost were Mi-17s; one loss occurred in Faryab Province, the other in Kandahar Province.<sup>243</sup>

According to NSOCC-A, the SMW continues to develop its capabilities, achieving success training with partner units on the Mi-17 Fast Rope Insertion and Exfiltration System (FRIES) for quickly delivering and retrieving troopers by rope from helicopters. As a complementary effort, SMW has also worked with Crisis Response Unit (CRU) 222 to develop an Aerial Suppression Platform (ASP) capability, in which snipers can conduct precision fires in urban areas during FRIES operations. These capabilities are vital to operations to defend against high-profile attacks within Kabul.<sup>244</sup>

## **Manning**

NSOCC-A reported that the SMW's leadership continues to emphasize quality recruiting, partly by developing its junior-officer and noncommissioned-officer leaders through mentorship and language training. The SMW is currently authorized to select 40 personnel (20 pilots and 20 crew chiefs) for training to field the first 10 of 20 UH-60 aircraft expected to arrive in the second quarter of FY 2020 and have already accepted 16 applicants this quarter. The SMW is expected to grow to an authorization of 1,086 personnel in 2019. NSOCC-A expressed some concern about the challenges with inducting enough qualified candidates with sufficient education capable of successfully completing the rigors of aircrew training.<sup>245</sup>

Additionally, SMW expansion is expected to include requisite maintenance personnel, to build up an organic SMW UH-60 maintenance workforce, but the force will remain reliant on contractor-provided maintenance. There are currently 206 of 228 authorized maintenance personnel assigned to the SMW. The SMW's maintainer squadron needs to grow from 228 to 960 personnel to fulfill the forecasted growth of the force and its aircraft.<sup>246</sup>

## **AFGHAN NATIONAL POLICE**

As of March 31, 2019, the United States had obligated \$21.4 billion and disbursed \$21.1 billion of ASFF funds from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANP and some ASSF.<sup>247</sup>

## **ANP Force Manning**

### **ANP Personnel Strength – Some Data Classified**

This quarter, USFOR-A continued to classify unit-level ANP personnel strength data in accordance with Afghan government classification guidelines. Detailed assigned- and authorized-strength figures will appear in the classified annex for this report. SIGAR's questions about ANP strength can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil).

According to DOD, the ANP's total authorized (goal) end strength in December 2018 was 124,626.<sup>248</sup> The assigned (actual) strength of the ANP, as of December 21, 2018, was 116,384 personnel. This figure represents a decrease of 1,556 personnel since last quarter, and a 12,772-person decrease compared to the same period in 2018. The latter decrease was mostly due to the transfer of 18,950 Afghan Border Police (formerly MOD) personnel to MOD. When adjusting for that transfer, the ANP actually gained 6,178 personnel compared to last year. CSTC-A always offers the caveat that ANDSF strength numbers are Afghan-reported and that RS cannot validate the data for accuracy.<sup>249</sup> This quarter's strength puts the ANP at 93.4% (or 8,242 personnel below) of its authorized strength.<sup>250</sup>

## **ANP Attrition – Data Classified**

USFOR-A continued to classify detailed ANP attrition information this quarter but declassified limited attrition information. SIGAR's questions about ANP attrition can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil). A detailed analysis of attrition by ANP force element is provided in the classified annex of this report.

According to CSTC-A, ANP attrition rates this quarter averaged approximately 2.2%, the same average reported last quarter. This percentage accounts for attrition alone, not the total decrease in force strength above as that percentage change would include any gains made from recruitment occurring over the quarter. CSTC-A reported that attrition figures are calculated by taking an average of monthly ANP attrition rates over the last three months. CSTC-A noted this figure was calculated from Afghan-owned and -reported data provided by the MOI.<sup>251</sup>

## **ANP Sustainment**

As of March 31, 2019, the United States had obligated \$9.4 billion and disbursed \$9.3 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP and some ASSF sustainment.<sup>252</sup>

For more information about what these costs include and the amount U.S. funds appropriated for ANP sustainment in FY 2019, see page 59 of this report.

## **ANP Equipment and Transportation**

As of March 31, 2019, the United States had obligated \$4.8 billion and disbursed \$4.7 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP and some ASSF equipment and transportation.<sup>253</sup>

Seen in Table 3.14, CSTC-A reported that the highest-cost items of equipment provided to the ANP this quarter included 181 HMMWVs (Humvees) valued at a total of \$43.1 million and 38 water tankers valued at about \$9.4 million.<sup>254</sup>

TABLE 3.14

<b>MAJOR EQUIPMENT PROVIDED TO THE ANP, DEC 1, 2018–FEB 18, 2019</b>				
<b>Equipment Type</b>	<b>Equipment Description</b>	<b>Units Issued in Quarter</b>	<b>Unit Cost</b>	<b>Total Cost*</b>
Vehicle	M1152 HMMWV (Humvee)	97	\$239,818	\$23,262,346
Vehicle	M1151 HMMWV (Humvee)	84	235,693	19,798,212
Vehicle	Medium Tactical Vehicle Water Tanker	38	247,372	9,400,136
Vehicle	Medium Tactical Vehicle	55	160,594	8,832,670
Vehicle	M1152 Ambulance	58	131,372	7,619,576
Vehicle	Medium Tactical Vehicle Fuel Tanker	13	235,776	3,065,088
Weapon	60mm Mortar	19	48,475	921,025
Weapon	40mm RPG-7s (Rocket-Propelled Grenade Launchers)	864	900	777,600
Weapon	M9 Pistols	206	636	131,016
Vehicle	DSHKA (Heavy Machine Gun)	50	2,250	112,500
<b>Total Cost of Equipment</b>			<b>\$73,920,169</b>	

Note: These items were the major items of equipment provided to the ANP this quarter, not the only items. Vehicles issued this quarter were procured under varying foreign military sales cases, which may cause their unit cost to vary from the cost reported last quarter.

Source: CSTC-A, response to SIGAR data call, 3/20/2019.

## Equipment Operational Readiness – Data Classified

This quarter USFOR-A continued to classify the data concerning the ANP's equipment readiness. The questions SIGAR asked about ANP equipment readiness can be found in Appendix F, available at [www.sigar.mil](http://www.sigar.mil). ANP equipment readiness is reported in the classified annex of this report.

## ANP Infrastructure

The United States had obligated \$3.2 billion and disbursed \$3.1 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP and some ASSF infrastructure projects as of March 31, 2019.<sup>255</sup>

This quarter, CSTC-A reported the estimated U.S.-funded annual facilities-sustainment costs for all ANP facility and electrical generator requirements for FY 2019 will be \$78.8 million, the same amount reported last quarter. According to CSTC-A, of the \$78.8 million, \$45.4 million will be provided directly to the Afghan government and \$33.4 million will be spent by CSTC-A for the Afghan government.<sup>256</sup>

As of February 28, 2018, the United States completed 773 ANP infrastructure projects in Afghanistan valued at roughly \$3 billion. CSTC-A reported that five projects were completed this quarter, costing \$3.4 million. Another 14 projects (valued at \$98.5 million) were ongoing, one project was awarded (valued at about \$33 million), and six projects (valued at \$77.9 million) were being planned.<sup>257</sup> Table 3.15 on the following page

# SECURITY

TABLE 3.15

<b>HIGHEST-COST ANP INFRASTRUCTURE PROJECTS</b>				
<b>Project Description</b>	<b>Project Location</b>	<b>Agency / Contractor</b>	<b>Estimated Cost</b>	<b>Estimated Completion Date</b>
<b>Awarded Projects</b>				
ANP Kabul Surveillance System Camera and Security Upgrade and Expansion	Kabul Province	USACE/Xator Corporation	\$32,992,327	5/1/2021
<b>Ongoing Projects</b>				
WPP Police Town, Phase II*	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	32,831,000	5/23/2021
WPP Police Town, Phase I*	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	23,646,225	11/21/2020
WPP Facilities at Kabul Police Academy*	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	7,072,803	6/13/2019
<b>Completed Projects</b>				
ANP WPP Police Town Water Tank Replacement	Kabul Province	USACE/Assist Consultants Inc.	1,266,512	12/19/2018
ANP WPP Daycare at Kapisa Provincial Police Headquarters	Kapisa Province	USACE/Assist Consultants Inc.	838,846	12/18/2018
ANP Bagram Ground Defense Checkpoints	Bagram, Parwan Province	USACE/Kahkashan Balkh Building	590,628	12/8/2018
<b>Planned Projects</b>				
WPP Police Town, Phase III	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	30,000,000	6/30/2021
WPP Police Town, Phase IV	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	40,000,000	8/30/2021

Note: All data are as of February 28, 2019. \*Funded by the multilateral NATO ANA Trust Fund (not U.S. ASFF funds). The estimated cost of the two WPP Police Town projects in the planning phase are rough estimates based upon recent contract awards.

Source: CSTC-A, response to SIGAR data call, 3/20/2019 and response to SIGAR vetting, 4/11/2019.

describes the highest-value awarded, ongoing, completed, and planned ANP infrastructure projects.

Included in these projects are 14 ANP Women’s Participation Program (WPP) projects valued at a total of about \$143.1 million, comprising nine ongoing projects (\$70.4 million), two projects in the planning phase (\$70 million), and three recently completed projects (\$2.7 million). The vast majority of these ANP WPP projects are being funded by the NATO ANA Trust Fund.<sup>258</sup>

## ANP Training and Operations

As of March 31, 2019, the United States had obligated \$4 billion and disbursed \$3.9 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP, some ASFF, and MOI training and operations.<sup>259</sup> At the request of DOD, SIGAR will await the completion of GAO’s forthcoming audit on the cost of ASFF-funded ANDSF training contracts before reporting on the status of those contracts.<sup>260</sup> For more information about this and other GAO audits related to Afghanistan, see Section 4.

## Afghan Local Police

ALP members, known as “guardians,” are usually local citizens selected by village elders or local leaders to protect their communities against insurgent attack, guard facilities, and conduct local counterinsurgency missions.

While the ANP’s personnel costs are paid via the LOTFA, only DOD funds the ALP, including its personnel and other costs. Funding for the ALP’s personnel costs is provided directly to the Afghan government.<sup>261</sup> Although the ALP is overseen by the MOI, it is not counted toward the ANDSF’s authorized end strength.<sup>262</sup> NSOCC-A reported the estimated amount of ASFF needed to fund the ALP for FY 2019 (assuming an ALP force authorization of 30,000 personnel) is about \$60 million, the same amount reported last quarter.<sup>263</sup>

NSOCC-A reported that according to the ALP Staff Directorate, the ALP had roughly 28,000 guardians on hand as of January 31, 2019, roughly 21,500 of whom were fully trained. The ALP’s strength declined by roughly 150 personnel since last quarter, and by about 1,100 since the same period in 2018. The number of trained personnel also dropped this quarter by about 1,300 personnel since last quarter, causing the percentage of the force that is untrained or in training to increase to 23%, up four percentage points since last quarter.<sup>264</sup> NSOCC-A has previously said that even if ALP training centers are full for the year, the number of ALP personnel losses and new and untrained recruits is so high that there probably will not be an appreciable increase in the number or percentage of trained ALP personnel.<sup>265</sup>

This quarter, NSOCC-A reported on the ALP’s continuing efforts to enroll personnel in APPS and to transition ALP salary payments to an electronic funds-transfer process. According to NSOCC-A, as of February 10, 2019, 70% of ALP personnel have been slotted into APPS. As of February 15, 2019, 85% of ALP personnel have banking/ATM/mobile money capabilities available to them and are encouraged to utilize these services instead of the previous system of turning over salaries to a trusted agent.<sup>266</sup>

For the first time, NSOCC-A reported this quarter that ALP reform has been a challenge due to the uncertainty regarding the future of the ALP. Both RS and NSOCC-A, in coordination with the Afghan government, are planning a possible transfer of the ALP to other ANDSF force elements. As this report went to press, no decisions have been made on timing of this change to the ALP’s status, nor is it clear to which ANDSF force the ALP would be transferred.<sup>267</sup>

This quarter, NSOCC-A provided SIGAR with the latest ALP power-broker-influence report that lists ALP personnel determined to be under the influence of local powerbrokers, such as village elders, parliamentarians, and other individuals outside the proper chain of command. As of December 12, 2018, 116 ALP personnel were under the influence of power-brokers across 11 provinces, an increase of 46 personnel and two provinces since last quarter. This is still a decrease from the 219 ALP personnel across

12 provinces reported under the influence of powerbrokers in July 2018. Most provinces have only a couple of ALP personnel under powerbroker influence, but the personnel in two provinces—Nangarhar (36 personnel) and Uruzgan (40 personnel) account for about 66% of the total number under powerbroker influence.<sup>268</sup>

## REMOVING UNEXPLODED ORDNANCE

According to the United Nations (UN), Afghanistan is one of the countries most affected by landmines and explosive remnants of war (ERW) such as live shells and bombs.<sup>269</sup> The UN said the country is averaging 180 civilian casualties per month from ERW and improvised landmines by antigovernment forces. The National Disability Survey of Afghanistan estimates at least 2.7% of the population are severely disabled, including 60,000 landmine and ERW survivors.<sup>270</sup>

The Department of State's Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan. Since FY 2002, State has provided \$381.9 million in weapons-destruction and humanitarian mine-action assistance to Afghanistan. (An additional \$11.6 million was provided between 1997 and 2001 before the current U.S. reconstruction effort.) PM/WRA so far obligated \$1.85 million in FY 2018 funds.<sup>271</sup>

State directly funds seven Afghan nongovernmental organizations (NGOs), six international NGOs, and one U.S.-based higher-education institution to help clear areas in Afghanistan contaminated by ERW and conventional weapons used by insurgents to construct roadside bombs and other improvised explosive devices (IEDs).

From 1997 through December 31, 2018, State-funded implementing partners have cleared more than 267.8 million square meters of land (101 square miles, or 1.7 times the land area of Washington, DC) and removed or destroyed over eight million landmines and other ERW such as unexploded ordnance (UXO), abandoned ordnance (AO), stockpiled munitions, and homemade explosives. Table 3.16 shows conventional weapons destruction figures, FY 2010–2019.<sup>272</sup>

The estimated total area of contaminated land continues to fluctuate: clearance activities reduce the extent of hazardous areas, but ongoing surveys find new contaminated land. At the beginning of October 2018, there were 558.7 square kilometers (215.7 square miles) of contaminated minefields and battlefields. As of December 31, the total known contaminated area was 636.9 square kilometers (245.9 square miles) in 3,754 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines, whereas a contaminated area can include both landmines and other ERW.<sup>273</sup>

USAID's Conflict Mitigation Assistance for Civilians (COMAC) is a \$40 million, five-year, nationwide program that began in March 2018 and

TABLE 3.16

<b>DEMINEING PROGRAM PERFORMANCE METRICS, FISCAL YEARS 2010–2019</b>						
<b>Fiscal Year</b>	<b>Minefields Cleared (m<sup>2</sup>)</b>	<b>AT/AP Destroyed</b>	<b>UXO Destroyed</b>	<b>SAA Destroyed</b>	<b>Fragments Cleared</b>	<b>Estimated Contaminated Area Remaining (m<sup>2</sup>)<sup>1</sup></b>
2010	39,337,557	13,879	663,162	1,602,267	4,339,235	650,662,000
2011	31,644,360	10,504	345,029	2,393,725	21,966,347	602,000,000
2012	46,783,527	11,830	344,363	1,058,760	22,912,702	550,000,000
2013	25,059,918	6,431	203,024	275,697	10,148,683	521,000,000
2014	22,071,212	12,397	287,331	346,484	9,415,712	511,600,000
2015	12,101,386	2,134	33,078	88,798	4,062,478	570,800,000
2016	27,856,346	6,493	6,289	91,563	9,616,485	607,600,000
2017	31,897,313	6,646	37,632	88,261	1,158,886	547,000,000
2018	25,233,844	5,299	30,924	158,850	N/A	558,700,000
2019 <sup>2</sup>	5,829,893	1,058	1,956	19,337	N/A	636,900,000
<b>Total</b>	<b>267,815,356</b>	<b>76,671</b>	<b>1,952,788</b>	<b>6,123,742</b>	<b>83,620,528</b>	<b>636,900,000</b>

Note: AT/AP = antitank/antipersonnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition. N/A = not applicable.

Fragments are reported because clearing them requires the same care as other objects until their nature is determined. There are about 4,047 square meters (m<sup>2</sup>) to an acre.

<sup>1</sup> Total area of contaminated land fluctuates as clearance activities reduce hazardous areas while ongoing survey work identifies and adds new contaminated land in the Information Management System for Mine Action (IMSMA) database.

<sup>2</sup> Partial fiscal year results (10/1/2018–12/31/2018)

Source: PM/WRA, response to SIGAR data call, 3/21/2019; PM/WRA, response to SIGAR vetting, 4/11/2019.

supports Afghan victims and their families who have suffered losses from military operations against the Taliban or from insurgent attacks. COMAC provides assistance to Afghan civilians and their dependent family members who have experienced loss due to:<sup>274</sup>

- military operations involving the U.S., Coalition, or ANDSF against insurgents, criminals, terrorists, or illegal armed groups
- landmines, improvised explosive devices (IED), unexploded ordnances, suicide attacks
- public mass shootings, or other insurgent or terrorist actions
- cross-border shelling or cross-border fighting

COMAC provides in-kind goods sufficient to support families affected by conflict for 60 days. Additional assistance such as referrals for health care and livelihood service providers, and assistance with economic reintegration for families impacted by loss or injury is also covered.<sup>275</sup> During the first quarter of FY 2019, COMAC provided immediate assistance to 3,102 families, including 317 households that received counseling, 80 beneficiaries that received medical assistance, and 735 households that received income-generation packages. COMAC is developing an incident-management system to be deployed in the coming months with biometric registration and identification of beneficiaries.<sup>276</sup> As of March 31, 2019, USAID has disbursed \$6.76 million for this program.<sup>277</sup>

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## GOVERNANCE

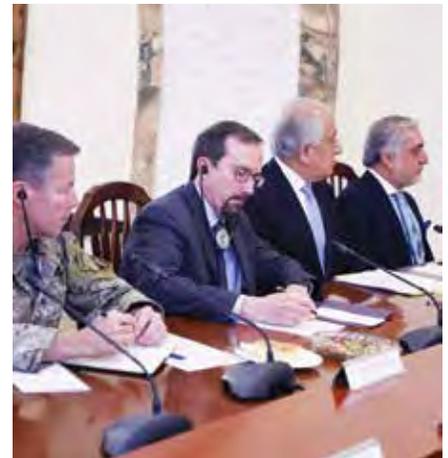
### KEY ISSUES AND EVENTS

On March 12, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad said the United States and the Taliban “agreed in draft” on counterterrorism assurances and troop withdrawal following more than two weeks of talks in Doha, Qatar. According to Special Representative Khalilzad, once the troop withdrawal and effective counterterrorism measures are finalized, the Taliban and the Afghan government will begin intra-Afghan negotiations on a political settlement and a comprehensive ceasefire. Special Representative Khalilzad stated that “there is no final agreement until everything is agreed.”<sup>278</sup>

At a news conference at the Afghan Embassy in Washington, DC, on March 14, President Ashraf Ghani’s National Security Advisor, Hamdullah Mohib, accused Special Representative Khalilzad of delegitimizing and weakening the Afghan government. Mohib further accused Special Representative Khalilzad of using the talks to “create a caretaker government of which he will then become the viceroy.”<sup>279</sup> Under Secretary for Political Affairs David Hale summoned Mohib that day to denounce the national security advisor’s public comments. Further, the State Department told Mohib that “attacks on Ambassador Khalilzad are attacks on the Department and only serve to hinder the bilateral relationship and the peace process.”<sup>280</sup>

Representatives of the Taliban along with a 250-person delegation of Afghan politicians, representatives of the Afghan government (serving in their personal capacity), and civil society members planned to meet informally in Qatar in April to express their views on peace. President Ashraf Ghani was quoted by Reuters telling delegates that they would represent “the wishes of the Afghan nation and government of Afghanistan.” The Taliban protested, insisting that none of the delegates could represent the Afghan government. On April 18, the hosting organization announced that the event planned for April 20–21 was postponed due to “lack of agreement around participation and representation.” President Ghani’s office blamed the Qatar government, arguing that its handling of the episode showed “disrespect” for the will of the Afghans.<sup>281</sup>

On March 20, the Independent Election Commission (IEC) delayed the presidential election for a second time, to September 28, 2019. The IEC said



**Special Representative for Afghanistan Reconciliation** Zalmay Khalilzad, Ambassador John R. Bass, and General Austin Scott Miller meet with Afghan government officials and political leaders to discuss the ongoing peace process. (Government of Afghanistan photo)

the new delay was necessary to implement voting system reforms.<sup>282</sup> The presidential election was originally scheduled for April 20, 2019.<sup>283</sup>

## **U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE**

As of March 31, 2019, the United States had provided nearly \$34.5 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).<sup>284</sup>

## **FALLOUT FROM THE OCTOBER 2018 PARLIAMENTARY ELECTIONS**

### **Some Results of the October 2018 Elections for Lower House of Parliament Still Outstanding**

On October 20, 2018, the elections for the lower house of parliament began in 32 provinces, not including 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, delayed due to the October 18 assassination of the Kandahar police chief, were held on October 27.<sup>285</sup> Elections were not held in Ghazni Province due to insecurity.<sup>286</sup>

Parliament was in recess between January 20 and April 26, 2019. The new parliament was scheduled to open March 6; however, the delay in finalizing the results of the October 2018 election postponed the start of the new parliament. On April 26, President Ghani inaugurated the upper and lower house of parliament, despite the IEC not announcing the final results for 33 lower house seats for Kabul Province.<sup>287</sup>

This quarter, the State Department said it would be premature to judge the impact of the October 2018 parliamentary elections on the legitimacy and inclusivity of the Afghan government while the final results are still outstanding.<sup>288</sup> State had previously said 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.<sup>289</sup> 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.”<sup>290</sup>

The October 2018 elections featured the first use of polling-center-based voter lists (which requires voters to cast their ballots at the polling center at which they register) and biometric voter-verification (BVV) devices. State

# GOVERNANCE

FIGURE 3.41

## TURNOUT OF REGISTERED VOTERS IN THE OCTOBER 2018 ELECTIONS



Source: SIGAR analysis of UN election data from UNDP, *United Nations Electoral Support Project (UNESP): 2018 Annual Project Progress Report*, 2/2019, pp. 51–52 and UNDP, *United Nations Electoral Support Project (UNESP): Monthly Electoral Update January 2019*, 2/2019, pp. 13–14.

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 potential number of excess ballots available at each polling center. State also said elections experts assessed that polling-center-based registration is the critical reform necessary to reduce ballot-box stuffing, the principal method of fraud in the 2014 election.<sup>291</sup>

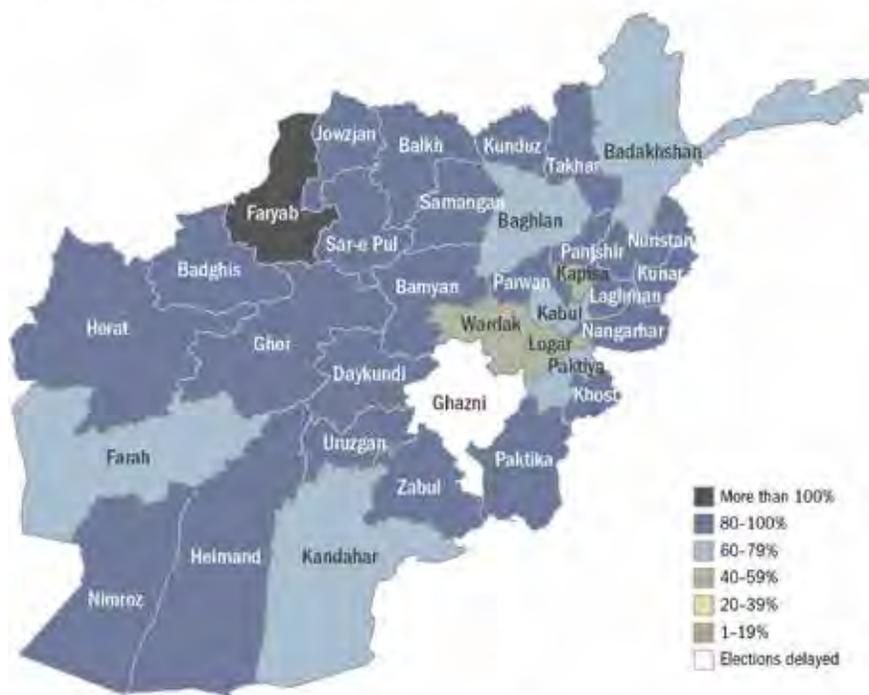
As shown in Figure 3.41, Daykundi and Bamyan Provinces had the highest percentage of registered male and female voters vote in the elections. In Daykundi, 82% of female and 78% of male registered voters voted. In Bamyan, 76% of female and 74% of male registered voters voted. Paktiya and Paktika Provinces had the lowest percent of registered female voters vote on election day (20% and 12% respectively) while Zabul and Paktika had the lowest percent of male voters vote (20% and 19% respectively).<sup>292</sup>

On the following page, Figure 3.42 shows the use of BVV devices varied significantly by province. According to United Nations (UN) data, Faryab Province had the largest use of BVV devices with the number of votes recorded by BVV devices representing the equivalent of 103% of the total votes recorded for the province. Conversely, Wardak Province registered the lowest use of BVV devices with the number of votes recorded by BVV devices representing the equivalent of 43% of the total votes recorded for the province.<sup>293</sup>

# GOVERNANCE

FIGURE 3.42

## PERCENT OF VOTES RECORDED USING BIOMETRIC VOTER VERIFICATION DEVICES IN THE OCTOBER 2018 ELECTIONS



Note: The number of votes recorded by biometric voter verification devices may exceed the total number of votes cast due to duplicate biometric verifications.

Source: SIGAR analysis of UN election data from UNDP, *United Nations Electoral Support Project (UNESP): 2018 Annual Project Progress Report*, 2/2019, pp. 51–52 and UNDP, *United Nations Electoral Support Project (UNESP): Monthly Electoral Update January 2019*, 2/2019, pp. 13–14.

### All Election Commissioners Fired, New Ones Appointed

On February 12, President Ghani announced that he had fired all 12 IEC and ECC commissioners for alleged abuse of their authorities. A presidential advisor tweeted that the firing had been unanimously approved by “all presidential candidates, political parties, and election observer groups.” The day before the firing, the IEC had issued a statement criticizing the Afghan government for meddling in the presidential elections by changing the election law.<sup>294</sup>

Following the announced firing of the elections commissioners, the Attorney General’s Office (AGO) announced that it was investigating the commissioners for misuse of their authority. These commissioners were also barred from leaving the country.<sup>295</sup>

Also on February 12, President Ghani issued a presidential decree amending the 2016 electoral law. According to State, key reforms included a new selection process for IEC and ECC commissioners, clearer lines of authority between the IEC and ECC as well as between each commission’s

professional secretariat and political leadership, and the creation of a special court to resolve disputes between the IEC and ECC.<sup>296</sup>

According to the Afghanistan Analysts Network, senior election commissioners' appointments have been terminated—through amendments to the election law after every Afghan election.<sup>297</sup>

On March 3, President Ghani swore in a new slate of IEC and ECC commissioners and chief electoral officers. According to State, the senior IEC and ECC officials were appointed to their respective commissions following an inclusive selection process where political parties and civil society groups nominated and voted on candidates for appointment by President Ghani.<sup>298</sup>

## Presidential Elections Delayed to September 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.<sup>299</sup>

On March 20, the IEC again delayed the elections, this time to September 28, 2019. The IEC said the new delay was necessary to implement voting-system reforms.<sup>300</sup>

## U.S. Funding Support to Elections

The U.S. government has provided financial support to the 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.<sup>301</sup>

As shown in Table 3.17, USAID has had three active elections-related programs this quarter, the largest of which is their support to the UNDP.<sup>302</sup>

On August 8, 2018, USAID signed a three-year, \$14 million cooperative agreement with the Consortium for Elections and Political Process Strengthening (CEPPS)—representing the International Foundation for Electoral Systems, the International Republican Institute, and the National



**U.S. Embassy officials** met with Independent Election Committee officials to discuss the planned September 28, 2019, elections. (U.S. Embassy photo)

TABLE 3.17

USAID ELECTION-RELATED PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	\$78,995,000	\$27,411,968
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	14,000,000	3,472,150
Global Elections and Political Transitions Program	1/1/2018	12/30/2018	222,445	222,445

Source: USAID, response to SIGAR data call, 4/11/2019.



**Special Representative for Afghanistan Reconciliation** Zalmay Khalilzad speaking via computer with young people from Bamyan, Jowzjan, and Parwan Provinces to discuss the ongoing peace process. (U.S. Embassy photo)

Democratic Institute—to support domestic Afghan election observation of the 2018 parliamentary elections and the 2019 presidential elections, and to promote longer-term electoral reforms.<sup>303</sup> According to USAID, 6,510 of the promised CEPPS-supported 6,817 domestic monitors were deployed for the October 2018 parliamentary elections.<sup>304</sup>

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

## RECONCILIATION AND REINTEGRATION

### Peace Efforts with the Taliban

On March 12, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad said the United States and the Taliban “agreed in draft” on counter-terrorism assurances and troop withdrawal following more than two weeks of talks in Doha, Qatar. According to Special Representative Khalilzad, once the troop withdrawal and effective counterterrorism measures are finalized, the Taliban and the Afghan government will begin intra-Afghan negotiations on a political settlement and a comprehensive ceasefire. Khalilzad noted that “there is no final agreement until everything is agreed.”<sup>305</sup>

On February 5–6, a Taliban delegation met with a number of Afghan political leaders (including many opposition politicians) in Moscow. A representative of the Taliban Political Commission described what he considered to be important steps for the peace process, including delisting of the Taliban from sanctions lists, the release of detainees, and the formal opening of a Taliban office. The representative also highlighted the need for international guarantees of an eventual peace agreement. According to the UN Secretary-General, the participants called for an inclusive intra-Afghan dialogue. In the declaration, they also called for the withdrawal of foreign forces from Afghanistan and expressed support for ensuring the educational, political, social and economic rights of women, as well as for the freedom of speech of all Afghans, in accordance with Islamic values.<sup>306</sup>

Nevertheless, many questions regarding the Taliban’s stance remain, particularly around their interpretation of women’s rights according to Islam. In a speech delivered on February 5 in Moscow, the Taliban denounced “so-called women’s rights activists” who, in their view, were encouraging women to violate Afghan customs. Thus, specific Taliban positions on women’s rights are difficult to ascertain, catalyzing much concern among Afghan women.<sup>307</sup>

On February 11, President Ghani called for a grand consultative jirga (a traditional assembly) to discuss the peace process and the post-peace government in Afghanistan.<sup>308</sup> The High Peace Council (HPC) announced



**President Ghani** chairing the second meeting of the Reconciliation Leadership Council. (Government of Afghanistan photo)

on February 20 that the jirga would be held March 17–20 and would discuss the “values and red lines” for peace.<sup>309</sup> However, the meeting was delayed to April 29, 2019.<sup>310</sup>

This quarter, the Afghan government created the Reconciliation Leadership Council to establish a unified Afghan government position on peace negotiations. According to the head of the HPC, this council would draft red lines, prepare to “exchange views” (but not negotiate with) Taliban representatives, and determine the composition and authorities of a future negotiating team.<sup>311</sup>

## **State Sees the Need for Additional Afghan Government Reforms to Prepare for Peace**

According to State, the Afghan government recognizes that it needs to develop and implement comprehensive peace-related guidelines for provincial and district Afghan government officials. State said these guidelines are necessary to facilitate and manage de-escalation and reintegration by local Taliban fighters and commanders to reduce violence, enhance stability at the local/district level, and set the stage for implementing a peace agreement.<sup>312</sup> Further, State believes that the Afghan government needs to develop a messaging campaign that explicitly supports the government’s negotiating team, emphasizing how this representative group incorporates elements of government, political parties, women, and civil society and is empowered to negotiate with the Taliban.<sup>313</sup>

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.<sup>314</sup> State provided an additional \$6 million in September 2018 for a project extension to April 30, 2019.<sup>315</sup>

According to State, these funds have supported the HPC to reform itself, start building a consensus for peace across the country, and develop Afghanistan's institutional capacity to facilitate reconciliation.<sup>316</sup> While the Afghan government has taken positive steps to have the HPC enact structural reforms, a great deal of work remains to be done to make the HPC a truly effective organization, State says.<sup>317</sup>

The World Bank has drafted a *Package of Economic Incentives Report* that includes the use of Citizens' Charter of Afghanistan Project (CCAP) as a possible platform for delivering programming in the event of a post-settlement environment in Afghanistan. According to State, the Afghan government is establishing criteria for expanding CCAP into newly stabilized communities should a peace agreement be achieved.<sup>318</sup>

## MUTUAL ACCOUNTABILITY

### Afghanistan Compact

In August 2017, the U.S. and Afghan governments announced the launch of the "Afghanistan Compact."<sup>319</sup> The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government's commitment to reforms.<sup>320</sup> The Afghan government appears to face no direct financial consequences if it fails to meet the Afghanistan Compact reform commitments.<sup>321</sup> Instead, the principal motivation for the Afghan government officials tasked with achieving the Compact benchmarks appears to be avoiding embarrassment, State said.<sup>322</sup>

According to State, this quarter, the Afghan and U.S. Compact working groups focused on updating the benchmarks and milestones with an overall focus on countercorruption efforts.<sup>323</sup> State attributed the following actions this quarter to the pressure created by the Compact:<sup>324</sup>

- The Afghan government began the process of verifying the assets of 17,000 Afghan officials.
- The Attorney General's Office (AGO) continued investigating 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. (SIGAR was instrumental in this investigation. In August 2014, SIGAR investigators received allegations that companies bidding on the MOD fuel contract colluded to rig their bids, inflate fuel prices, and prevent two other competing companies

from submitting bids.<sup>325</sup>) DOJ reported last quarter that the Anti-Corruption Justice Center (ACJC) was not receiving the necessary copies of MOD fuel contracts from the MOD.<sup>326</sup> This quarter, however, DOJ said that the ACJC is now receiving the necessary documents following a phone call by the attorney general to the minister of defense.<sup>327</sup>

- The AGO agreed to investigate and prosecute corrupt elections officials, including elections commissioners. The AGO announced travel bans against all of the commissioners and stated publicly that multiple investigations are under way.
- The Afghan government convened top-level meetings to dislodge international humanitarian assistance that had been held up in the Afghan customs process.

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.<sup>328</sup>

## U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

### Summary of Assistance Agreements

At the Brussels Conference in October 2016, the United States and other international participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan’s development priorities.<sup>329</sup> 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.<sup>330</sup>

In several conferences since the 2010 Kabul Conference, the United States and other international donors have supported an increase to 50% in the proportion of civilian development aid delivered **on-budget** through the Afghan government or multidonor trust funds to improve governance, cut costs, and align development efforts with Afghan priorities.<sup>331</sup>

At the November 2018 Geneva Conference on Afghanistan, the Afghan government proposed that donors commit to delivering 60% of aid on-budget.<sup>332</sup> Yet, international donors committed only to continue channeling aid on-budget “as appropriate” with no specific target.<sup>333</sup> USAID said it does not target or commit to a specific percentage of funds to be used for on-budget programming.<sup>334</sup>

As shown in Table 3.18 on the following page, USAID’s active, direct bilateral-assistance programs have a total estimated cost of \$75 million.

**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.

# GOVERNANCE

TABLE 3.18

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
<b>Bilateral Government-to-Government Projects</b>					
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	\$ 75,000,000	\$0
<b>Multi-Donor Trust Funds</b>					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	2,700,000,000	2,155,686,333
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 \$3,527,677,528.

Source: USAID, response to SIGAR data call, 4/11/2019.

USAID also expects 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).<sup>335</sup>

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 targets for the on-budget share of assistance.<sup>336</sup>

## 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).<sup>337</sup> According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.<sup>338</sup>

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.<sup>339</sup> The AITF coordinates donor assistance for infrastructure projects.<sup>340</sup>

As of January 2019, the United States remains the largest cumulative donor to the ARTF (30.9% of actual, as distinct from pledged, contributions) with the next-largest donor being the United Kingdom (16.8% of actual contributions).<sup>341</sup>

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of January 2019, the ARTF recurrent-cost window has cumulatively provided the Afghan government

approximately \$2.6 billion for wages, \$600 million for operations and maintenance costs, \$1.1 billion in incentive program funds, and \$62 million in ad hoc payments since 2002.<sup>342</sup>

In 2018, the Afghan government, World Bank, and ARTF donors agreed to restructure the recurrent-cost window to make provision of 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.<sup>343</sup> However, in March 2019, ARTF donors agreed to merge these two programs for 2019.<sup>344</sup> As shown in Figure 3.43, the ARTF recurrent-cost window has changed in the overall size and composition of funds. Starting in FY 1397 (December 2017–December 2018), the baseline recurrent-cost window funds were eliminated and reform- and performance-based funds gained prominence.<sup>345</sup>

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.<sup>346</sup> 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 its ARTF incentive program to better align with USAID’s development objectives in Afghanistan.<sup>347</sup>

As of April 2019, the ARTF donors, the World Bank, and the Afghan government are still negotiating the specific reforms for funds disbursement.

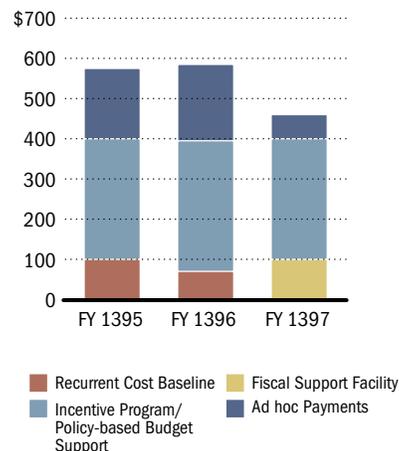
## On-Budget Assistance to the ANDSF

Approximately 69% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.<sup>348</sup> 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).<sup>349</sup>

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.<sup>350</sup> LOTFA is administered by the UNDP and primarily funds Afghan National Police salaries and incentives.<sup>351</sup> Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.<sup>352</sup>

FIGURE 3.43

**ARTF RECURRENT-COST WINDOW  
COMPOSITION OF FUNDS (1395–1397)**  
(\$ MILLIONS)



Note: Afghan fiscal years run from approximately one December 22 to the next; fiscal years 1395, 1396, and 1397 run 2015–2016, 2016–2017, and 2017–2018, respectively.

Source: BDO, *Monitoring Agent for ARTF Detailed Quarterly Management Report Meezan to Qaws FY 1397, 1/2019*, p. 16.

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 commitment letters used to enforce agreements with the Afghan government.<sup>353</sup>

For Afghan fiscal year (FY) 1398 (December 2018–December 2019), DOD plans to provide the Afghan government up to the equivalent of \$707.5 million to support the MOD and \$137.3 million to support the MOI.<sup>354</sup>

As of February 28, CSTC-A had provided the Afghan government the equivalent of \$61.3 million to support the MOD for FY 1398. All of these funds paid for salaries.<sup>355</sup>

Additionally, as of February 28, CSTC-A provided the equivalent of \$71 million to support the MOI. Of these funds, none were delivered via the LOTFA.<sup>356</sup>

The LOTFA's salary support project that pays the salaries, hazard-duty pay, and incentives of the Afghan National Police and Central Prisons Department personnel was extended for another year to December 31, 2019.<sup>357</sup> According to CSTC-A, the majority of LOTFA donors still support the transition of payroll management from UNDP to MOI once the MOI meets the necessary conditions. This quarter, CSTC-A said it has received no updates on the Afghan government's progress in meeting these conditions.<sup>358</sup>

## **CSTC-A Reassessing their Conditionality Assessment Approach**

This quarter, CSTC-A reported to SIGAR that it conducted no assessments of the MOD or MOI in meeting the conditions outlined in the 1397/1398 commitment letters.<sup>359</sup> Instead, CSTC-A is reassessing the bilateral financial-commitment letter conditionality approach.<sup>360</sup>

According to CSTC-A, the commitment-letter conditions were meant to drive behavior change in the MOD and MOI by ensuring these institutions complied with various Afghan legal regulations, the Afghanistan Compact, and the U.S.-Afghanistan Strategic Partnership Agreement. The commitment letters were implemented in 2014. As the commander of CSTC-A told SIGAR at that time, this was a reaction to his observation that “in 2013, we had no conditions” for on-budget funds to support the MOD and MOI. CSTC-A would apply financial and nonfinancial penalties (levers) when it observed noncompliance with commitment-letter conditions. One example of a nonfinancial lever included withholding fuel allocations. According to CSTC-A, exercising these levers improved Afghan reporting and added rigor to certain Afghan procedures.<sup>361</sup>

Now, however, CSTC-A believes that assessing MOD and MOI change in relation to the commitment-letter conditions is not feasible because of the complex sustainability challenges facing the Afghan security forces.

Further, the CSTC-A commander has directed a review of the commitment-letter process as he believes it contradicts his decision to empower CSTC-A's senior ministerial advisors.<sup>362</sup>

## NATIONAL GOVERNANCE

### Capacity-Building Programs

USAID capacity-building programs seek to improve Afghan government stakeholders' ability to prepare, manage, and account for on-budget assistance. These programs, shown in Table 3.19, also provide general assistance to support broader human and institutional capacity building of Afghan government entities such as civil-society organizations and the media.<sup>363</sup>

TABLE 3.19

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Afghan Civic Engagement Program (ACEP)	12/4/2013	12/4/2019	\$79,120,000	\$71,297,480
Rasana (Media)	3/29/2017	3/28/2020	9,000,000	4,838,235

Source: USAID, response to SIGAR data call, 4/11/2019.

### 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.<sup>364</sup> In July, USAID approved extending and modifying ACEP to focus its civil-society organization (CSO) support on civic and voter education for the 2018 and 2019 elections.<sup>365</sup>

This quarter, USAID provided data on ACEP's support to civic and voter education. Between January and February 2019, 25 ACEP CSO partners conducted 1,426 civic and voter education sessions in 21 provinces. According to USAID, 54,465 people (28,298 men, 26,167 women) participated in these civic and voter education sessions.<sup>366</sup> Also this quarter, ACEP facilitated a Civil Society Elections Coordination Group (CECG) meeting, with five CSO members and four donor organizations, to discuss Election Law amendments, including the dismissal of IEC and ECC officials and preparations for candidate nominations to fill the vacant commissioner positions. As the amendments coincided with the dismissal of all IEC and ECC commissioners, the meeting was the first not to include representatives of the electoral-management bodies.<sup>367</sup>

# GOVERNANCE

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.<sup>368</sup>

A recently completed, USAID-commissioned study of the current state of civil society and media in Afghanistan offered an overall negative impression. The purpose of the assessment was to identify key challenges and opportunities in the civil-society and media sector in Afghanistan following more than a decade of sustained development assistance. According to the assessors, civil-society and media sectors in Afghanistan have been largely created and supported by the international community over the past 17 years. While the authors pointed to many positive developments in these sectors, in the past few years the “civil society ecosystem” has faced “a corrosive combination of threats, especially those emanating from increasing insecurity, and rising levels of corruption.”<sup>369</sup>

The assessors focused on three areas, including the civil-society and media-sector operational environment, the capacity of the sector, and the state of vital relationships. The authors reached the following key findings:<sup>370</sup>

- Declining security has rendered many areas inaccessible to civil-society activists and journalists (with women more affected than men).
- Journalists are increasingly at risk and subject to physical violence and abuse.
- Corruption and powerbroker influence and increasing insecurity are shrinking civic space.
- Despite an enabling environment on paper, CSOs and media organizations still face challenges regarding accurate and timely access to information from the government.
- While the media sector is widely seen as a success, the gains are largely concentrated at the national level. At the provincial and district level, the media is struggling for survival. Also, while the assessors consider the new Access to Information Law to be a model piece of legislation, there are major problems with the law’s implementation.
- Journalists have been able to combine forces to advance their interests, forming a variety of unions and associations.
- The civil society sector has substantial experience in service delivery and advocacy, especially in health and education and promotion of legal reform and women’s empowerment.

- The initiatives and capacity of women and youth are increasing. For example, the assessors cited the “impressive” level of sophistication and confidence of women and youth civil society activists.<sup>371</sup>
- Relationships between CSOs and their constituencies are very weak, though reportedly improving slightly. Although CSOs face the inherent challenge of limited public understanding of civil society in Afghanistan (exacerbated by the unclear distinctions between different types of CSOs), CSO unaccountability to their constituencies is the main culprit.<sup>372</sup>
- There is a prevailing sentiment among many government officials that CSOs are unaccountable competitors for foreign funding.
- With the exception of a few interviewees who reported some support from private donors, CSO partnerships with the private sector are almost nonexistent.

In summarizing the current situation, the authors said that civil society and the media are operating under severe duress in a repressed civic environment. Further, insecurity has largely confined civic activities to urban centers and has made it difficult for civil-society activists and journalists, especially women, to enjoy freedom of movement and expression.<sup>373</sup>

## SUBNATIONAL GOVERNANCE

A recently completed, USAID-commissioned study of the current state of subnational governance in Afghanistan offered a mixed assessment of some progress attributable to USAID programs but also of persistent challenges. The report was based on documents, key informant interviews, and focus-group discussions. A total of 95 individuals (37 women and 58 men) in five locations (Kabul, Mazar-e Sharif, Herat, Kandahar, and Jalalabad) were interviewed.<sup>374</sup>

The authors had the following key findings in response to the questions posed by USAID:<sup>375</sup>

- Informants reported a variety of changes over the past four years, mainly for the better. These were attributed to a number of factors, mainly the merit-based appointment of younger, educated people to senior level positions across the country.
- Challenges included corruption, capacity problems, and the influence of power brokers and political interests. A rapid rise in urban populations due to instability and economic factors was creating problems for service providers, resulting in reduced services per capita in the cities.
- Most informants reported low levels of satisfaction with service delivery. Examples included overcrowded schools and unhygienic clinics, which prompted citizens to seek services from the private sector or in neighboring countries.

# GOVERNANCE

- Challenges related to improving service delivery at the provincial and municipal levels included reduced government budgets, patronage and nepotism in recruitment, the public’s unrealistic expectations, and the refusal of powerful people to pay taxes. Other challenges included complex and bureaucratic business processes, and low capacity of older, semiliterate public servants.
- Donor inputs, such as from USAID’s Strong Hubs for Afghan Hope and Resilience (SHAHAR), were reported as improving budgeting and planning capacity, but there were also concerns about sustainability, and comments about donors setting up parallel systems that did not strengthen the state. There were major problems in the linkages among provincial-level planning, the central government, and subsequent provincial-level ministry programming.
- Informants were almost unanimous in reporting major improvements in revenue generation at both municipal and provincial levels. However, a major challenge was the reduction of revenue potential due to declining economic activity.

## 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. USAID is also directing a portion of its ARTF contributions to support the Citizen’s Charter Afghanistan Project (CCAP). Table 3.20 summarizes total program costs and disbursements to date.

TABLE 3.20

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	\$72,000,000	\$51,892,317
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	48,000,000	34,685,637
Citizens’ Charter Afghanistan Project (CCAP)*	10/27/2016	10/31/2021	N/A	34,310,000

Note: \*This includes USAID contributions to ARTF with an express preference for the Citizens’ Charter Afghanistan Project. Disbursements to the World Bank are as of 1/20/2019.

Source: USAID, response to SIGAR data call, 4/11/2019; World Bank, *Administrator’s Report on Financial Status*, 1/20/2019, p. 5.

## Citizen’s Charter Afghanistan Project

Starting in October 2018, USAID now explicitly contributes a portion of its ARTF funds to the Citizen’s Charter Afghanistan Project (CCAP), the first time since the program began in 2016. In October, USAID requested that \$34 million of its \$300 million contribution to the World Bank’s ARTF be spent on CCAP. According to the Afghan government, CCAP is the center-piece of the government’s national inclusive development strategy for rural

and urban areas. As of November 1, 2018, the Afghan government reported that CCAP had been rolled out in 10,000 communities (700 urban and 9,300 rural) in all 34 provinces. CCAP works through Community Development Councils (CDC) to implement community projects. CCAP defines 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).<sup>376</sup>

## **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.<sup>377</sup>

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 in unconditional funds, 123 were derived from province development plans.<sup>378</sup>

A recent, USAID-commissioned assessment of the state of subnational governance reported consistent complaints about the PDP process. According to the assessment, there is a perception that when the Afghan budgets are allocated, Afghan ministry programming at the provincial level often bears little resemblance to the previous year's planning and budgeting work that went into the PDPs. Central ministries were reportedly as much as five months late in releasing funds at the provincial level, which put ministry staff in the position of trying to accomplish a year's work in the short remaining available time. This contributed to low levels of budget execution, negatively impacted service delivery, and reduced public perception of state legitimacy. The assessors concluded that despite considerable efforts at developing PDPs, they have had limited impact on subsequent sectoral programming and budgeting by central ministries.<sup>379</sup>

Despite these negative findings on the actual utility of PDPs, the assessors rated the technical support of USAID programs as having been highly effective. For example, the assessors wrote that ISLA had a considerable impact in supporting provincial entities in preparing quality PDPs.<sup>380</sup>

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## 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.<sup>381</sup>

## 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 3.21.

USAID has a cooperation arrangement with the UK's Department for International Development to fund the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.<sup>382</sup>

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 \$23 million. The previous JSSP contract, which began in 2010, cost \$280 million.<sup>383</sup> 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

TABLE 3.21

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/17/2021	\$68,163,468	\$21,977,760
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	3,492,015
Corrections System Support Program (OASIS CSSP) Option Year 1*	6/1/2018	5/31/2022	12,131,642	6,319,617
Justice Sector Support Program OASIS Contract*	8/28/2017	8/28/2022	23,424,669	11,901,506
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 3/20/2019.

Source: State, INL, response to SIGAR data call, 3/20/2019; USAID, response to SIGAR data call, 4/11/2019.

development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) supporting the 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.<sup>384</sup>

This quarter, JSSP reported that the MOI recently used the case-management system to perform criminal background checks on nearly 9,000 applicants for government jobs (around 200 applicants were found to have criminal convictions).<sup>385</sup>

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.<sup>386</sup> As of December 2018, CPDS reported that the Afghan government demonstrated increased interest in the professional training and development of the CPDS partner institutions by greatly increasing the budgets from training. The training departments of the AGO, Supreme Court, and Ministry of Justice all saw increased budgets, with an average of 544% among these three institutions. Also this quarter, CPDS said it is developing a curriculum on terrorist financing.<sup>387</sup>

In April 2016, USAID launched the \$68 million Assistance for the Development of Afghan Legal Access and Transparency (ADALAT) program. ADALAT aims to (1) increase the effectiveness and reach of the formal justice sector, (2) strengthen the linkages between the formal and traditional justice sectors, and (3) increase citizen demand for quality legal services.<sup>388</sup>

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.<sup>389</sup>

## Afghan Correctional System

As of January 31, 2019, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 31,262 males and 796 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 725 male and 17 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to their data.<sup>390</sup>

According to State, the major corrections-related accomplishments this quarter related to improved detection and reduction of contraband entering Afghan correctional facilities. The GDPDC, in collaboration with the State-funded Corrections System Support Program (CSSP), provided security

## 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 are seeking further input.

staff at the Pul-e Charkhi central prison technology, training, and mentoring to combat what State describes as the contraband security crisis. According to State, in January 2019, approximately 85 grams of heroin, 426 grams of hashish, and 19 tablets were confiscated by prison staff.<sup>391</sup>

## Anticorruption

When SIGAR asked DOJ this quarter for its current assessment of the Afghan government's political will to pursue major crimes and corruption cases, DOJ responded that they had "no opinion" on political will, but that recent events indicate an improved commitment to prosecute major crimes and corruption cases.<sup>392</sup> However, in its most recent report to State, covering the period October 2018 to December 2018, DOJ says that while the Afghan government has made some progress in its response to corruption, it has not demonstrated that it is serious about combating corruption.<sup>393</sup> DOJ reported to State that the Afghan government needs to demonstrate real initiative to prosecute corrupt actors without having to be told to do so (presumably by international partners).<sup>394</sup>

One recurring high-profile corruption prosecution involves the former Minister of Communications and Information 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. After being acquitted by the first-ever Special Court last quarter, DOJ says that Wahidi is now being prosecuted at the Anti-Corruption Justice Center (ACJC) for alleged offenses committed while he was deputy minister of finance.<sup>395</sup>

## Attorney General's Office

When SIGAR asked DOJ for its current assessment of the Afghan government's capacity to effectively combat major crimes and public corruption with a focus on sustainable and independent Afghan operations, DOJ said that recent events indicate an improving capacity to bring major crime and public corruption cases.<sup>396</sup> In its most recent report to State covering the period October 2018 to December 2018, DOJ said the Afghan government has made slow progress in becoming more effective in investigating and prosecuting corruption cases.<sup>397</sup> According to DOJ, it appears that many of the obstacles to the ACJC effectiveness are not necessarily caused by AGO officials. Instead, DOJ believes other high-level Afghan officials and the failure of other Afghan ministries (such as MOI) to provide support has resulted in the failure to execute ACJC warrants.<sup>398</sup>

## Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the ACJC.<sup>399</sup> At the ACJC, elements of the Major

Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption.<sup>400</sup> The ACJC's jurisdiction covers major corruption cases committed in any province involving senior officials (up to the deputy minister), generals, and colonels or cases involving substantial monetary losses. Substantial losses are defined as a minimum of five million afghani—approximately \$73,000—in cases of bribes, money laundering, selling of historical or cultural relics, illegal mining, and appropriation of Afghan government property; or a minimum of 10 million afghani—approximately \$146,000—in cases of embezzlement.<sup>401</sup>

This quarter, the ACJC held seven trials, prosecuting 41 corruption suspects and securing 35 convictions—an 85% conviction rate. CSTC-A said that while the number of trials was below expectations, it was an improvement over the quarterly average in 2018, making it one of the ACJC's most productive quarters to date.<sup>402</sup>

After months of international pressure, the AGO, reportedly for the first time, began publicizing the final Supreme Court decisions on ACJC corruption cases on the internet.<sup>403</sup>

According to CSTC-A, the most notable conviction this quarter was of Colonel Abdul Hamid, former chief of the General Command of Police Special Units (GCPSU), who was sentenced to seven years and six months in jail for treachery and forgery in connection with an \$80,000 fraud scheme. This case represented the first time a suspect arrested as a result of a CSTC-A-facilitated warrant-tracking initiative was tried and convicted.<sup>404</sup>

CSTC-A observed the ACJC making progress in working toward bringing INTERPOL into the warrant-tracking process. This is a critical step as half of the ACJC's unexecuted warrants are for international fugitives, CSTC-A says. CSTC-A is also working to have the GCPSU use their special-tactics skills to execute more domestic warrants.<sup>405</sup>

CSTC-A views the failure of the Afghan government to prosecute significant corrupt actors through the ACJC as the main long-term challenge to their countercorruption efforts.<sup>406</sup> According to CSTC-A, the Afghan government has shown a lack of political will to investigate and prosecute high-level corruption cases through the ACJC. CSTC-A says its counterparts are generally willing to pursue low-level corruption cases but “act as if they are walking on proverbial egg-shells” with high-level corruption cases. These counterparts reportedly fear the personal and political repercussions of crossing the wrong high-level figure.<sup>407</sup>

## **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.<sup>408</sup>

# GOVERNANCE

Last quarter, 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.<sup>409</sup> CSTC-A reports that regional logistics centers are focal points of corruption where ammunition, uniforms, and other commodities are easily pilfered and sold.<sup>410</sup>

This quarter, CSTC-A reported that it had assisted in the following countercorruption actions, a number of which related to logistics matters:<sup>411</sup>

- Removing a colonel from the 203rd Corps' logistics section
- Removing the commander (and subordinates) of the Regional Logistics Center in Nangarhar Province who were involved in the theft of fuel, ammunition, weapons and other commodities
- Disrupting a criminal scheme to steal spare parts in the 20th Division by removing an officer in the division's logistics section
- Assisting the MOD Criminal Investigation Directorate (CID) in its continuing investigation of fuel theft in the 209th Corps (reported last quarter), resulting in pending indictments against a brigadier general, two lieutenant colonels, a major, three captains, and four senior noncommissioned officers
- Ensuring increased oversight at the Kabul Military Training Center following an investigation of a lieutenant general

CSTC-A is currently working to reform the jurisdictional issues associated with corruption-related military crimes. At present, all corruption crimes are referred to the AGO, regardless of severity. According to CSTC-A, the AGO cannot effectively manage its current caseload. Military courts now have the jurisdiction and capacity to prosecute military offenders, and low-level crimes, in CSTC-A's view, should be retained by the military courts. MOD is presently working with the AGO to transfer responsibility for these prosecutions to the MOD. As of January 2019, the military has begun taking back lower-level cases and those committed by general officers that are unrelated to corruption.<sup>412</sup>

Despite CSTC-A's advocating to have the MOD judicial system handle more criminal cases itself, the Supreme Court has challenged the authority of MOD courts. CSTC-A observed progress when, in August 2018, President Ghani issued a legislative decree that seeks to reestablish the jurisdiction of military courts. That decree, though, is subject to being reversed by the Afghan parliament within 90 days of the start of its session. Despite the decree, the Supreme Court has refused to confirm any new military judges. This, along with the implementation of the Inherent Law, has created a chronic shortage of military judges.<sup>413</sup> The implementation of the Inherent Law has resulted in the retirement more than 3,000 senior MOD and MOI leaders as of April 2018 based on time-in-service, the age of the individual, and performance in the present position.<sup>414</sup>

In previous quarters, CSTC-A expressed its hope that implementation of the Inherent Law would help fight corruption. However, last quarter, CSTC-A acknowledged that it is not possible for CSTC-A to determine whether the majority of those retired to date were suspected of corruption.<sup>415</sup>

A related CSTC-A-identified corruption-related challenge is the more than 6,000 outstanding warrants maintained by the AGO. The Afghan government agencies that are responsible for executing warrants are ineffective and largely unwilling to perform this task, CSTC-A said. Individuals awaiting trial and convicted felons remain free. According to CSTC-A, the MOD is working to create a warrant-enforcement squad that will serve warrants on military members. In December 2018, the MOD approved the transfer of 156 military police to the MOD CID. According to CSTC-A, these military police will provide prisoner and court security and assist the MOD CID to serve outstanding warrants.<sup>416</sup>

CSTC-A said that the most significant near-term countercorruption challenge they face is the absence of a permanent minister of interior, as the previous minister resigned to run for vice president. This limits CSTC-A's ability to influence and pressure the minister to administratively remove, retire, reassign, or permanently eliminate known MOI corrupt actors and network leaders.<sup>417</sup> Further, CSTC-A says that lower-level MOI officials are hesitant to pursue certain corruption-related initiatives without senior leadership approval. The number of MOI leadership vacancies means that such approval is not forthcoming.<sup>418</sup>

## **Security Ministry Inspectors General**

CSTC-A provides training, advice, and assistance to the inspectors general for the MOD (MOD IG) and MOI (MOI IG). As with previous quarters, CSTC-A reported to SIGAR that it observed an increase in the quality and professionalism of the MOD IG and MOI IG inspections reports.<sup>419</sup> Also this quarter, CSTC-A reported to SIGAR that it is working with the MOI IG to review and update its internal assessments in order to comply with the ministry's reporting requirements established in December 2017.<sup>420</sup>

CSTC-A said the acting minister of interior recently decided to move the MOI IG's anticorruption unit to the MOI Criminal Investigative Directorate (MOI CID). Along with losing staff, CSTC-A said this decision caused the MOI IG to lose critical anticorruption capabilities to prepare and conduct the monthly meetings, collect asset declarations, and administer the ministerial internal control program.<sup>421</sup> Further, CSTC-A believes that the MOI IG will not be a truly independent organization until it reports directly to the interior minister and becomes its own budgetary unit.<sup>422</sup>

The MOD has also taken steps to establish a CID as the lead criminal investigative office for the ministry that will report directly to the minister. In October 2018, the minister of defense approved a plan that gave the MOD

CID the authority to investigate without approval of corps commanders and increased the size of the organization from 69 to 134 personnel. These plans await approval by President Ghani.<sup>423</sup>

The minister of defense also directed the merging of the MOD IG and the General Staff IG (GS IG). According to CSTC-A, this will increase the number of available investigators and inspectors and eliminates structural redundancies.<sup>424</sup>

### **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.<sup>425</sup> This quarter, CSTC-A reported that the MCTF's internal political will and overall effectiveness faces significant challenges. Major leadership changes at MOI have disrupted the MOI at all levels, including the MCTF. According to CSTC-A, the MOI CID and MCTF are particularly affected as they require senior-level protection to carry out their tasks.<sup>426</sup>

CSTC-A observed significant progress in the MCTF's ability to discover and feed digital evidence into police intelligence. Further, CSTC-A said the MCTF is working to establish a framework for cybercrime capacity, which is a first for the organization and should enhance the MCTF's corruption-fighting abilities. CSTC-A does not have an estimate for when the MCTF will be fully proficient in this new capacity.<sup>427</sup> CSTC-A observed an improved working relationship between the MCTF and the Financial Investigations Unit (FIU), which they hope will result in more referrals from FIU to the MCTF for investigation.<sup>428</sup>

Despite these improvements, CSTC-A believes that poor infrastructure (including poor internet and facilities and neglected vehicle maintenance) and political influence hinder the MCTF. CSTC-A cited the case of Major General Zemarai Paikan (the former chief of the Afghanistan National Civil Order Police, who was convicted in absentia of murder and abuse of power and sentenced to five years and two months confinement) as an example of how political influence undermines the work of the MCTF. According to CSTC-A, although the MCTF has sufficient information to support Paikan's capture, he has never been taken into custody. CSTC-A says that MOI leaders at both the MCTF and above have not provided CSTC-A with justification for why Paikan has not been apprehended. The fact that Paikan is living comfortably and unconcerned about his apprehension despite being sentenced for serious felonies sets a bad example for other Afghan government officials, CSTC-A says.<sup>429</sup>



**Afghan refugees** in Quetta, Pakistan, who live outside of the formal system of refugee camps. (UN photo)

## 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.<sup>430</sup> On March 1, the State Bank of Pakistan issued a directive to banks and development-finance institutions allowing Afghan refugees to open up accounts by using the POR cards. According to State, this directive paves the way for Afghan refugees to avail themselves of banking services in Pakistan. Also on March 1, United Nations High Commissioner for Refugees (UNHCR) re-opened voluntary repatriation centers following the annual winter pause.<sup>431</sup>

As of March 30, 2019, the UNHCR reported that 611 refugees have voluntarily returned to Afghanistan in 2019. The majority (312) of these refugee returns were from Iran.<sup>432</sup>

### Undocumented Afghan Returnees

As of March 23, the International Organization of Migration (IOM) reported that 88,516 undocumented Afghans returned from Iran and 4,182 undocumented Afghans returned from Pakistan in 2019. So far, 92,698 undocumented Afghans have returned in 2019. For 2019, IOM is projecting over 570,000 returnees from Iran (due to Iran's ongoing economic challenges) and a minimum of 50,000 returns from Pakistan. Additionally, IOM says more than 1,000,000 Afghans may face deportation from Pakistan in 2019.<sup>433</sup>



**A USAID Promote-supported intern** prepares for the Afghan civil service. (USAID photo)

## Conflict-Induced Internal Displacement

There has been less conflict-induced internal displacement this year than in 2018. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), as of March 22, the conflicts of 2019 had induced 35,433 people to flee. The office recorded 85,817 persons in the same period last year.<sup>434</sup>

## GENDER

In July 2013, then-USAID Administrator Rajiv Shah described the Promote partnership in a public speech as “the largest investment USAID has ever made to advance women in development.”<sup>435</sup> According to USAID, Promote 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 government, and help women gain business and management skills.<sup>436</sup>

USAID has committed \$280 million to Promote.<sup>437</sup> Table 3.22 shows the current Promote programs.

As of December 31, 2018, USAID said that a total of 16,468 Promote beneficiaries have been hired. Of these, 1,407 have been employed by the Afghan government and 7,461 have secured permanent employment in the private sector. There are also 7,600 Promote beneficiaries holding internships in the private sector.<sup>438</sup>

According to USAID, all Promote-supported private-sector interns receive a stipend. These stipends are meant to cover the cost of commuting to and from work, phone credit top-ups to communicate with employer and program staff, and a meal when at the workplace. This quarter, Promote

# GOVERNANCE

TABLE 3.22

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Promote: Women in the Economy	7/1/2015	6/30/2019	\$71,571,543	\$44,433,202
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	38,300,520
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	30,261,403
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	17,834,450
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	4,310,379
Combating Human Trafficking in Afghanistan	1/11/2016	6/30/2019	7,098,717	6,142,999
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	744,950
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 4/11/2019.

decreased the stipends for future interns as it was recognized that the full-time salary later offered by employers is sometimes less than that of the internship stipend.<sup>439</sup>

Promote has benefited 58,124 women through leadership training, civil-service training and internships, civil-society advocacy work, and economic growth activities, USAID says.<sup>440</sup>

This quarter, USAID reported that Promote established the Women in Peace Process coalition and hosted the first national conference on women and the Peace Process aimed at establishing strategies to facilitate women's participation in the peace and reconciliation process.<sup>441</sup>

# ECONOMIC AND SOCIAL DEVELOPMENT CONTENTS

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## ECONOMIC AND SOCIAL DEVELOPMENT

### KEY ISSUES AND EVENTS

Following a significant drought in 2018, severe floods affected more than 163,000 people in at least 14 of Afghanistan's 34 provinces this quarter, as of April 2, 2019, according to the United Nations.<sup>442</sup> Of those affected, more than 42,000 Afghans had been displaced.<sup>443</sup> Speaking to the *Guardian*, the deputy governor of hard-hit Kandahar Province, where nearly 33,000 people had been affected, described the floods as “the worst in at least seven years.”<sup>444</sup> The UN said 63 people had died as a result of the floods and that an additional 31 people had been injured, as of March 19, 2019.<sup>445</sup> Droughts can contribute to flooding when precipitation begins again because droughts kill water-absorbing vegetation and dry out (and therefore compact) soil, limiting absorption during heavy rains.<sup>446</sup>

Displacement related to the flooding, combined with the lingering effects of the 2018 drought, high levels of violence, frigid winter temperatures, and general poverty led Toby Lanzer, UN Deputy Special Representative of the Secretary-General, to describe the level of suffering in Afghanistan as “as bad as [he’s] ever seen,” according to reporting from the *Guardian*.<sup>447</sup> According to the USAID-funded Famine Early Warning Systems Network (FEWS NET), as of March 11, 2019, most Afghan households faced acute food insecurity—meaning they were likely to suffer from food consumption gaps leading to acute malnutrition or would be forced to deplete household assets to meet minimum needs.<sup>448</sup>

In addition to the factors identified by the UN, FEWS NET ascribed current levels of food insecurity to a weakening of the casual labor market and below-average remittances from Afghans living in Iran.<sup>449</sup> Reimposed U.S. sanctions resulted in substantial depreciation of the Iranian rial and lower demand for labor in the informal sector, where Afghans in Iran generally work.<sup>450</sup> Largely because of the effects of the sanctions, 773,125 Afghans returned to Afghanistan from Iran in 2018, according to the UN’s International Organization for Migration.<sup>451</sup>

In September 2018, USAID contributed approximately \$44 million to the UN World Food Programme (WFP) to support the provision of critical food assistance to Afghans.<sup>452</sup> According to UN data, 78% of Afghanistan’s humanitarian assistance needs in 2018 were met by donors.<sup>453</sup> So far, disaster assistance in 2019 has not kept pace. In early March 2019, UN

Deputy Special Representative Lanzer described donor contributions of approximately \$611.8 million toward UN-identified humanitarian assistance requirements for Afghanistan in 2019 as “shocking” because they were so low (3% of total requirements as of the end of February 2019).<sup>454</sup> As of March 20, 2019, donor funding had reached only 10.6% (\$64.9 million) of total identified requirements.<sup>455</sup>

This quarter, the International Monetary Fund (IMF) released preliminary results of its latest macroeconomic appraisal of Afghanistan. The IMF said it had revised its estimate of 2018 growth in Afghan gross domestic product (GDP) from 2.3% to 2.7%.<sup>456</sup> Estimated growth was higher due to stronger-than-expected performance from Afghanistan’s industrial sector, which compensated for the effects of the widespread drought on agricultural performance.<sup>457</sup> The IMF assessed that growth in 2019 would improve to 3% as agricultural production recovered.<sup>458</sup> According to the World Bank, the agricultural sector employs approximately 40% of Afghans overall and more than half of the rural labor force.<sup>459</sup>

In sharp contrast to the IMF’s estimates, updated World Bank estimates released this quarter had Afghanistan’s GDP growing by only 1.0% in 2018.<sup>460</sup> Previously, the Bank had projected 2.4% growth for 2018.<sup>461</sup> While the factors accounting for the Bank’s downward revision were not immediately clear, it appeared that lower-than-expected agricultural output played a significant role.<sup>462</sup> The Bank added that heightened political uncertainty and election-related violence had lowered business confidence.<sup>463</sup>

SIGAR analysis showed that the Afghan government’s domestic revenues grew by approximately 12.9%, year-on-year, over the first three months of Fiscal Year (FY) 1398 (December 22, 2018–March 19, 2019), compared to the first three months of FY 1397 (December 22, 2017–March 20, 2018).<sup>464</sup> Expenditures, meanwhile, increased by 32.1% year-on-year, over the first three months of FY 1398. While this is a large increase, average monthly expenditures over the first three months of FY 1398 were 46.1% less than average monthly expenditures over all 12 months of FY 1397, suggesting that expenditure increases may moderate as the year progresses.<sup>465</sup>

## U.S. SUPPORT FOR ECONOMIC AND SOCIAL DEVELOPMENT: THEORY, OBJECTIVES, AND FUNDING

Over the course of the U.S. reconstruction effort in Afghanistan, U.S. officials have viewed economic development as a necessary component of security. The U.S. government saw the development of a robust economy in Afghanistan as contributing positively to security by (1) providing gainful employment to the young, unemployed men who were considered most likely to join an insurgency; (2) creating confidence in and legitimacy for the state; and (3) generating revenue that would enable the state to deliver services and prevent dependency on donors.<sup>466</sup>

This quarter, SIGAR published its third *High-Risk List*. The purpose of the *High-Risk List* is to alert Members of Congress and the Secretaries of State and Defense to major areas of reconstruction at risk of waste, fraud, abuse, mismanagement, or mission failure. One reconstruction area deemed at risk by SIGAR was Afghanistan’s sluggish economic growth. For more, see pages 11–12 of this report.

The United States continues to emphasize the importance of economic development in its policy planning for Afghanistan. The U.S. government’s current Integrated Country Strategy (ICS) for Afghanistan states that U.S. efforts in Afghanistan—including the fundamental objective of preventing further attacks by terrorists on the U.S. homeland—cannot be sustained without a growing licit Afghan economy.<sup>467</sup> The ICS further identifies clear risks posed by a lack of sustained economic growth and job creation—risks that include increased youth unemployment and poverty that could lead to extremism.<sup>468</sup> One goal of the U.S. mission in Afghanistan, therefore, is to create economic prosperity in Afghanistan by advancing private-sector-led export growth and job creation, and by bolstering social gains in health, education, and women’s empowerment.<sup>469</sup>

This goal, as well as the aspiration of rendering the Afghan government more stable and accountable, links the ICS to USAID’s Country Development Cooperation Strategy (CDCS) for Afghanistan.<sup>470</sup> The CDCS, which postulates that accelerating economic growth will help expand the Afghan government’s revenue base, contribute to stability, and create the conditions necessary for peace, defines how the agency plans to approach its development efforts in Afghanistan over the next five years.<sup>471</sup> Figure 3.44 shows USAID assistance by sector.

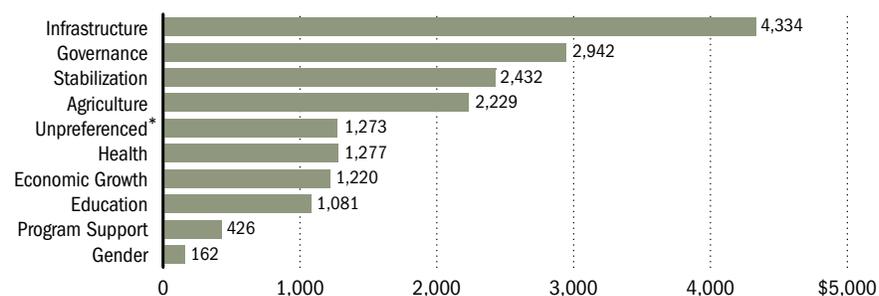
USAID articulated its strategic **Development Objectives (DOs)** for Afghanistan in the articles of a \$2.5 billion assistance agreement with the Afghan government signed on September 6, 2018. The agreement, which

**Development Objectives (DOs):** correspond to specific development challenges that a mission aims to address. A Country Development Cooperation Strategy cannot have more than four DOs. DOs are typically the most ambitious results to which a USAID Mission in a particular country (e.g., the USAID/Afghanistan Mission), in conjunction with its development partners, can contribute.

Source: USAID, *ADS Chapter 201: Program Cycle Operational Policy*, 5/24/2018, p. 29.

FIGURE 3.44

**USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF APRIL 6, 2019**  
(\$ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. USAID gender programs managed by the agency’s Office of Gender are presented as a separate category. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and other programs that build health and education facilities. OFM activities (e.g. audits and pre-award assessments) included under Program Support funds. In line with last quarter, additional OFM activities added due to increased data coverage. Discrepancies in the data provided by USAID between last quarter and this quarter for Stabilization and Program Support projects resulted in a drop in cumulative disbursements for these categories. This did not seem realistic. Therefore, SIGAR used the cumulative disbursement figures from last quarter for the Stabilization and Program Support categories. SIGAR will raise this issue with USAID prior to next quarter’s reporting cycle.

\*Unpreferred funds are U.S. contributions to the ARTF that can be used for any ARTF-supported initiatives.

Source: SIGAR analysis of USAID, response to SIGAR data call, 4/11/2019; SIGAR analysis of World Bank, ARTF, *Administrator’s Report on Financial Status as of January 20, 2019*, 3/6/2019.

covers the agency's development efforts through December 31, 2023, states that USAID's development assistance is intended to:<sup>472</sup>

- accelerate private-sector-driven, export-led economic growth (DO 1)
- advance social gains in health, education, and gender equality (DO 2)
- increase the Afghan government's accountability to its citizens (DO 3)

It is unclear if these objectives are achievable, especially without a peace agreement. While the emphasis and intensity of specific policies and programs have changed over the past 17 years, the core belief and theory of change—that a growing economy contributes to stability and security—has remained constant.<sup>473</sup> Yet, there is not universal agreement on the relationship between economic growth and security.<sup>474</sup> SIGAR's own research suggests that security may be a prerequisite to sustained development.<sup>475</sup>

As of March 31, 2019, the U.S. government has provided approximately \$34.5 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly \$20.5 billion—were appropriated to USAID's Economic Support Fund (ESF). Of this amount, \$19.2 billion has been obligated and \$16.7 billion has been disbursed.<sup>476</sup>

## ECONOMIC PROFILE

Donor plans articulated in the ICS and CDCS must grapple with the reality that building economic momentum will be difficult within the present context of increased political uncertainty, the lingering effects of an extreme drought for much of 2018, and declining business confidence, according to the World Bank.<sup>477</sup> The IMF noted that as of December 2018, the midterm outlook for the Afghan economy faced “considerable downside risks” and that the near-term outlook had “weakened.”<sup>478</sup>

Even so, the IMF unexpectedly revised upward its 2018 GDP growth estimate to 2.7% due to stronger-than-expected performance from Afghanistan's industrial sector, which compensated for the effects of the drought on agricultural performance.<sup>479</sup> Previously, the IMF had projected that Afghanistan's 2018 growth rate would be 2.3%.<sup>480</sup>

In sharp contrast to the IMF, but still in line with Afghanistan's recent low-growth trend, the Bank estimated that Afghanistan's GDP grew by only 1.0% in 2018.<sup>481</sup> Previously, the Bank had projected 2.4% growth for 2018.<sup>482</sup> While the reasons for the differing estimates (and the divergent revisions) were not immediately clear, the Bank appeared to have made the downward revision because of lower-than-expected agricultural output.<sup>483</sup> According to the Bank, political uncertainty, which was degrading business confidence, had been heightened not only because of upcoming Afghan presidential elections scheduled for September 2019, but also because of ongoing peace talks between the U.S. and the Taliban.<sup>484</sup>

### Opium and GDP Growth

Inclusive of the opium economy, GDP growth in Afghanistan can be higher or lower than that reported by the IMF and the World Bank. Reflecting the significant (approximately 90%) growth of opium production in 2017, Afghanistan's National Statistics and Information Authority reported that GDP growth inclusive of the opium economy in that year was 7.2%. Although final figures have not yet been published, opium will likely contribute far less to GDP growth in 2018, as high levels of supply and a widespread drought resulted in a significant decline in the amount of income earned by opium farmers.

Source: NSIA, *Afghanistan Statistical Yearbook 2017–2018*, 8/2018, p. 110; SIGAR, *Quarterly Report to the United States Congress*, 1/30/2019, pp. 150, 152; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, p. 5.

While both the Bank and the IMF anticipated that agricultural output would recover somewhat in 2019, the IMF said that even under its current projections, Afghanistan “would not make much progress in reducing poverty.”<sup>485</sup> Neither the Bank’s nor the IMF’s analyses, however, account for the financial impacts of the opium economy to any significant extent.<sup>486</sup>

Although both donors and the Afghan government hope that licit growth will pick up gradually over the next several years, SIGAR’s 2018 lessons-learned report on private-sector development and economic growth found that optimistic longer-term expectations for the pace and level of progress did not always reflect the realities of the Afghan economy and the operating environment.<sup>487</sup> Overall, many enduring barriers to growth remain, including limited skilled labor, a significant infrastructure deficit, corruption, and heavy reliance on foreign donor support.<sup>488</sup>

## **Fiscal Situation: Revenue Gains Remained Strong in Early 2019**

Following a substantial budget shortfall in 2014 when international military expenditures in-country declined rapidly, the Afghan government’s revenue gains have been quite strong.<sup>489</sup> The World Bank said Afghanistan’s 2018 revenue performance (AFN 189.7 billion, or approximately \$2.6 billion) represented a record high, reaching 14.2% of GDP according to SIGAR analysis.<sup>490</sup>

According to the Bank, recent revenue gains were attributable to improved customs enforcement and administration as well as new non-tax charges and fees, although revenue gains attributable to these factors were reaching diminishing returns.<sup>491</sup> The Bank expected revenues to stall in 2019, partly because these measures had reached exhaustion, and partly because of anticipated weakening in customs revenues due to diminished governance and political instability.<sup>492</sup>

SIGAR analysis showed that the Afghan government’s domestic revenue performance remained strong this quarter despite these concerns. Revenues grew by approximately 12.9%, year-on-year, over the first three months of Fiscal Year (FY) 1398 (December 22, 2018–March 19, 2019), compared to the first three months of FY 1397 (December 22, 2017–March 20, 2018).<sup>493</sup>

Ascertaining what revenue categories might have driven this increase was difficult this quarter because a large proportion (14.2%) of revenues over the first three months of FY 1398 were categorized as unspecified “Other Revenue” (also referred to as “Miscellaneous” revenue).<sup>494</sup> According to MOF officials, the “Miscellaneous” category is sometimes used as a catch-all designation for uncategorized revenues prior to the MOF’s reconciliation.<sup>495</sup> However, a 56.7% increase in income tax revenues and an 18.9% increase in revenues from the sale of goods and services appear to have contributed to the overall increase.<sup>496</sup>

TABLE 3.23

EXPENDITURES, FIRST THREE MONTHS, AFGHAN FISCAL YEARS 1397 AND 1398 COMPARED (IN AFGHANIS)			
Category	FY 1396	FY 1397	% Change
Wages and Salaries <sup>a</sup>	33,592,390,324	37,403,674,732	11.3%
Goods and Services <sup>b</sup>	3,361,042,150	7,776,365,575	131.4%
Subsidies, Grants, and Social Benefits <sup>c</sup>	1,438,338,383	929,497,905	(35.4%)
Acquisition of Assets <sup>d</sup>	657,513,061	5,574,659,282	747.8%
Interest and Repayment of Loans <sup>e</sup>	410,469,547	435,065,213	6.0%
<b>Total</b>	<b>39,459,753,465</b>	<b>52,119,262,708</b>	<b>32.1%</b>

Note:  
<sup>a</sup> Compensation of government employees.  
<sup>b</sup> Includes: (1) payments to private firms in return for goods and/or services, and (2) payments to other government units or agencies in return for services performed.  
<sup>c</sup> Includes: (1) expenditures made to entities in return for development assistance and promotional aid, or reimbursement for losses caused by equalization of commodity tariffs, price controls, and other similar purposes that are not repayable; (2) grants to other government units for which unequal value is provided in return; and (3) social assistance benefits not covered by social security.  
<sup>d</sup> Expenditures related to the purchase, improvement, or construction of assets.  
<sup>e</sup> Interest, principal payments, and fees related to government debt.

Source: SIGAR analysis of USAID-provided AFMIS data exported 4/8/2019; SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019; Government of Afghanistan, MOF, *Chart of Account Guide Fiscal Year: 1397, Version 1, "Object Exp Long Des,"* 1/7/2018.

**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.

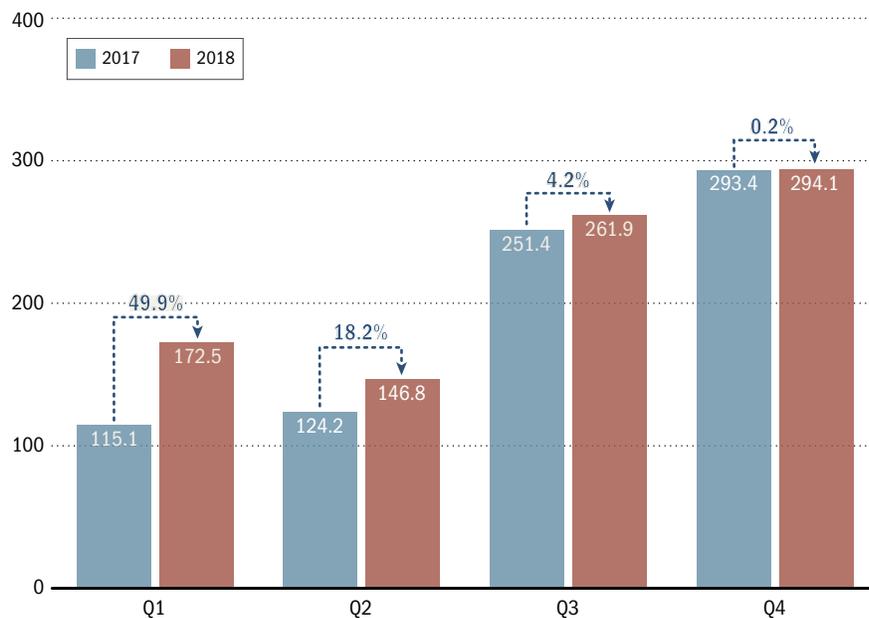
Expenditures, meanwhile, increased by 32.1% year-on-year. While this is a large increase, average monthly expenditures over the first three months of FY 1398 were 46.1% less than average monthly expenditures over all 12 months of FY 1397, suggesting that expenditure increases may moderate as the year progresses. Higher expenditures at the beginning of FY 1398, compared to the beginning of FY 1397, may also portend a smoother spending pattern this year. The first two months of FY 1397 were marked by unusually low spending levels, which did not tick up to end-of-year average monthly expenditure thresholds until months 4–5. Thus far, spending increases have been driven primarily by increases in outlays for the acquisition of assets and the purchase of goods and services. An 11.3% increase to wage and salary expenditures was also a factor.<sup>497</sup> Table 3.23 shows a comparison of expenditures for the first three months of FY 1398, compared to FY 1397.

Overall, Afghanistan’s fiscal situation remains fragile. According to IMF projections, the Afghan government’s domestic revenues (total revenues minus donor contributions) will continue to cover less than 50% of total Afghan government expenditures through 2023.<sup>498</sup> SIGAR analysis of World Bank data shows that foreign grants currently finance more than 70% of combined Afghan government expenditures and off-budget security and development spending.<sup>499</sup> Consequently, increasing the fiscal sustainability of the Afghan government remains a key development objective for the United States.<sup>500</sup>

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-R, response to SIGAR vetting, 1/15/2018.

FIGURE 3.45

AFGHANISTAN'S EXPORT PERFORMANCE, 2017-2018 (\$ MILLIONS)



Source: SIGAR analysis of NSIA quarterly and annual export data, 2017-2018, accessed 9/25/2018, 12/20/2018, and 3/23/2019.

## Trade: Exports Rose by Nearly 12% from 2017-2018 but Air Exports have been Subsidized

Afghanistan maintains a large licit merchandise trade deficit, equivalent to more than 30% of GDP, according to the IMF.<sup>501</sup> Nonetheless, air exports have been growing at a rapid rate. According to USAID, the value of goods exported by air rose from nearly \$250 million in 2016 to over \$500 million in 2018—an increase of more than 100% over that two-year period.<sup>502</sup> Data provided to SIGAR by USAID this quarter showed that the value of air exports as a proportion of the total value of merchandise exports had increased to nearly 50% by the end of 2017.<sup>503</sup>

USAID has promoted its support to Afghanistan's recent surge in air exports: in January 2018, USAID said exports were “set to soar” as a result of that support.<sup>504</sup> Despite this, the IMF said Afghanistan's trade deficit remained “very large,” noting that recent efforts to increase exports did not yet appear to have had a material effect.<sup>505</sup> In fact, the IMF projected the trade deficit to rise substantially in 2018, from the equivalent of 31.2% of GDP to 39.7% of GDP.<sup>506</sup>

## Potential Data Quality Issue

On its public website, USAID said the total value of Afghanistan's air exports in 2018 was more than \$500 million. However, when SIGAR asked USAID's Office of Economic Growth to provide disaggregated data on air exports, USAID reported that the value of air exports in 2018 was only \$152.2 million—more than \$347.8 million (or approximately 70%) less than its public reporting. The reasons for this discrepancy were insufficiently explained. SIGAR will continue to follow this matter.

Source: USAID, OEG, response to SIGAR data call, 3/21/2019 and 9/21/2018; USAID, "Economic Growth: Afghanistan," 3/20/2019, <https://www.usaid.gov/afghanistan/economic-growth>, accessed 3/24/2019; USAID, OEG, response to SIGAR vetting, 4/11/2019.

Moreover, overall gains in Afghanistan's merchandise exports appear to be slowing. While SIGAR analysis of recent data from Afghanistan's National Statistics and Information Authority showed that overall export growth from 2017–2018 stood at 11.6%, quarter-to-quarter growth has slowed significantly, as Figure 3.45 on the previous page shows.<sup>507</sup> The value of exports in quarter 4 of 2018 (\$294.1 million) was virtually unchanged from the value of exports in quarter 4 of 2017 (\$293.4 million), reflecting quarter-to-quarter, year-on-year growth of just 0.2%.<sup>508</sup> The total value of merchandise exports in 2018 was \$875.2 million, while the total value of imports over the period was \$7.4 billion, putting Afghanistan's 2018 merchandise trade deficit at \$6.5 billion, nearly unchanged from 2017.<sup>509</sup>

Furthermore, Afghan, USAID, and State officials confirm that Afghanistan's air exports are currently receiving subsidies.<sup>510</sup> This quarter, USAID further clarified the magnitude of these subsidies. Relaying data from the Afghanistan Chamber of Commerce, USAID said that Afghan government subsidies covered 83% of shipment costs for flights to New Delhi, India; 80% of shipment costs for flights to Mumbai, India; and 70% of shipping costs for flights to Europe.<sup>511</sup>

Subsidies distort market dynamics. The World Trade Organization (of which Afghanistan is a member) prohibits export subsidies, subject to limited exceptions, because they provide an unfair competitive advantage to recipients. In particular, exceptions are made for specified developing countries.<sup>512</sup>

It is not clear whether recent, seemingly encouraging merchandise export gains are sustainable given that subsidies cover the majority of what the Afghanistan Chamber of Commerce described as "shipment costs."<sup>513</sup> Despite a request from SIGAR, USAID has not fully explained the economics of the subsidies (which could clarify whether they exceed the profit margins of exporters and whether their net effect on Afghan income is positive, negative, or neutral).<sup>514</sup> While USAID claimed net gains to Afghan income as a result of the subsidies were 24% of the exported value of covered products, SIGAR has not independently verified this figure.<sup>515</sup> SIGAR will continue to look into this matter.

## Afghanistan Sends First Round of Export Trade Through Chabahar Port

Although the United States reimposed sanctions on Iran, a waiver granted under the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) provided an exemption for the development of the Chabahar Port in southeastern Iran, including the construction of an associated railway.<sup>516</sup> State said the purpose of the exemption was to facilitate reconstruction assistance to, and economic development for, Afghanistan.<sup>517</sup>

On February 24, 2019, Afghanistan sent its first exports through Chabahar in a convoy of 23 trucks carrying 570 tons of dried fruit, textiles,

carpets, and mineral products, according to State.<sup>518</sup> State said that using the route from Zaranj (Nimroz Province), the departure point of the convoy, to Chabahar allows Afghan goods to reach India without crossing Pakistani territory.<sup>519</sup> Pakistan is regularly criticized by Afghan media and government officials for predatory economic practices, such as product dumping and nontariff barriers to trade.<sup>520</sup>

Even with the waiver for Chabahar and a separate exemption that allows Afghanistan to continue importing petroleum from Iran, reimposed sanctions may be having an overall negative effect on Afghanistan.<sup>521</sup> The sanctions resulted in substantial depreciation of the Iranian rial and lower demand for labor in the informal sector, where Afghans in Iran generally work.<sup>522</sup> Largely because of the effects of the sanctions, 773,125 Afghans returned to Afghanistan from Iran in 2018, according to the UN's International Organization for Migration, cutting remittances from Iran to Afghanistan to "almost zero" according to State.<sup>523</sup> The loss of remittance incomes to families already stressed by a multi-year drought and heavy conflict, including some 250,000 internally displaced persons (IDPs) in western Afghanistan, will continue to provide significant challenges to those communities, according to State.<sup>524</sup> State said the returnees include 4,005 unaccompanied Afghan children from Iran, many of whom faced severe sexual and physical abuse in detention centers before crossing the border.<sup>525</sup> Most of these migrant children (98%) were forcibly deported from Iran, according to State.<sup>526</sup>

## **BANKING AND FINANCE**

Afghanistan's modest financial sector consists of 12 banks—seven Afghan private banks, two branches of foreign banks, and three state-owned institutions.<sup>527</sup> Arian Bank, a subsidiary of Iran's state-owned Bank Melli with a presence in Afghanistan, was recently subjected to U.S. sanctions as a result of the U.S. withdrawal from the Iran nuclear deal and is no longer listed as a licensed financial institution on the Afghan central bank's website.<sup>528</sup> This quarter, Afghanistan's central bank also canceled the operating license of Habib Bank Ltd., a Pakistani financial institution with a presence in Afghanistan.<sup>529</sup> While the precise reason for the cancellation was unclear, various Afghan news agencies reported that Habib had committed unspecified violations of Afghan law.<sup>530</sup>

Overall, Afghanistan's weak and underdeveloped banking sector constrains investment and growth, according to the World Bank.<sup>531</sup> The Bank said that, due to high levels of uncertainty affecting the business climate, credit to the private sector had declined by 4% in 2018 and was equal to just 3% of GDP.<sup>532</sup> Excess liquidity, the Bank added, had risen to 63% of total bank assets.<sup>533</sup>

The banking sector is also vulnerable to high levels of abuse from terrorist and criminal organizations. In a report released this quarter, State continued to list Afghanistan as a major money-laundering jurisdiction. State said that terrorist and insurgent financing, money laundering, bulk cash smuggling, abuse of informal value-transfer systems, and other illicit activities that finance criminal activity continue to threaten Afghanistan's security and development. State added that although the Afghan government has enacted laws and regulations to combat financial crimes, it faces significant challenges in implementing and enforcing them.<sup>534</sup>

## **Treasury Technical Assistance Remained Limited This Quarter**

In March 2015, the U.S. Treasury's Office of Technical Assistance (OTA) signed an agreement with Afghanistan's MOF to develop and execute technical-assistance and capacity-building programs aimed at strengthening the government's public financial management. OTA also aims to help the government of Afghanistan provide better oversight of its financial sector. President Ghani requested that OTA renew its engagement with the Afghan government in 2014 to assist with budget reforms and other activities.<sup>535</sup> OTA's current work in Afghanistan is funded through an interagency agreement with USAID that expires in September 2019.<sup>536</sup>

This quarter, OTA reported that travel to Kabul continued to be on hold due to security concerns.<sup>537</sup> OTA said it provided limited assistance to the MOF during the reporting period.<sup>538</sup> No assistance was provided to Afghanistan's central bank this quarter, but OTA said it was planning a series of training sessions for central bank officials that would be executed in 2019.<sup>539</sup>

## **Kabul Bank Theft: Progress on Cash and Asset Recoveries Inches Forward**

Embezzlement and fraud by a handful of politically connected individuals and entities left Kabul Bank—a systemically important Afghan financial institution—at the brink of collapse in September 2010.<sup>540</sup> The scam, which required an \$825 million bailout from the Afghan government (an amount equivalent to approximately 5–6% of the country's GDP at the time), was one of the largest banking catastrophes in the world, relative to GDP.<sup>541</sup>

The scandal involved an elaborate fraud and money-laundering scheme orchestrated by Kabul Bank chief executive officer Khalilullah Ferozi, founder Sherkhan Farnood (who died in August 2018 while serving time in Bagram Prison), and other key shareholders and administrators. According to a report from the United States Institute of Peace (USIP), years later, the legacy of Kabul Bank remains a striking symbol of the extensive corruption and criminality that undermines the Afghan government's legitimacy.<sup>542</sup> Every quarter, SIGAR requests an update from relevant agencies on Kabul

Bank Receivership (KBR) efforts to recover funds stolen from the Kabul Bank. The KBR was established to manage Kabul Bank's bad assets.<sup>543</sup>

According to State, KBR continued to make progress in recovering sizeable amounts of cash and assets from Kabul Bank debtors this quarter.<sup>544</sup> Specifically, State said that since it began demanding that the Afghan government make progress on Kabul Bank debt collections and seizures through the Afghanistan Compact in June 2018, approximately \$10.3 million in cash or liquidated assets had been transferred to Afghan courts.<sup>545</sup> The Afghanistan Compact is an initiative designed to demonstrate the Afghan government's commitment to reforms.<sup>546</sup> State added that an additional \$10 million in property was making its way through Afghan courts for forfeiture, and that, separately, a large cache of gems possessed by Farnood's family, with a potential multi-million-dollar value, had been seized for forfeiture and auction.<sup>547</sup>

Nevertheless, total cash recoveries, as reported by the KBR, were \$265.92 million, as of March 20, 2019.<sup>548</sup> This figure was just \$5.62 million more than total cash recoveries reported by the KBR on June 10, 2018.<sup>549</sup> From January 6, 2019, to March 20, 2019, cash recoveries increased by \$2.02 million.<sup>550</sup>

State added that \$48.69 million in penalties were reimposed against Ferozi, reducing the total amount of waived interest to \$63.42 million (because interest payments previously waived are now being demanded), and raising the total amount of outstanding debt.<sup>551</sup> Mostly driven by this action, the KBR's figure for total recoveries fell by nearly \$50 million to \$401.9 million, which amounted to just 40.7% of \$987 million in total possible recoveries.<sup>552</sup>

## ECONOMIC GROWTH

USAID's objective to accelerate private-sector-driven, export-led growth means that the agency's Office of Economic Growth (OEG) will play an important role in the agency's Country Development Cooperation Strategy (CDCS).<sup>553</sup> Within the context of the new strategy, OEG's efforts seek to:<sup>554</sup>

- strengthen trade connections between Afghanistan and its neighbors
- increase firm-level competitiveness by supporting export-ready Afghan businesses
- raise employment levels through that firm-level support and by creating a more favorable enabling environment for businesses

It will be difficult for USAID to achieve its goal of accelerating Afghanistan's economic growth rate amid heightened uncertainty and ongoing conflict. USAID has cumulatively disbursed over \$1.2 billion for economic-growth programs in Afghanistan.<sup>555</sup> USAID's active economic-growth programs have a total estimated cost of \$114 million and can be found in Table 3.24 on the following page.

TABLE 3.24

<b>USAID ACTIVE ECONOMIC-GROWTH PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
Multi-dimensional Legal Economic Reform Assistance (MELRA)	2/7/2018	2/6/2023	\$19,990,260	\$0
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	2,246,298
Afghanistan Investment Climate Reform Program	3/27/2015	3/26/2020	13,300,000	5,892,783
Commercial Law Development Program	3/1/2014	9/30/2019	13,000,000	9,819,364
Carpet and Jewelry Value Chains	2/1/2019	3/31/2023	9,941,606	0
Goldozi Project	4/5/2018	4/4/2022	9,718,763	1,158,551
Livelihood Advancement for Marginalized Population (LAMP)	8/1/2018	7/31/2022	9,491,153	170,750
Establishing Kabul Carpet Export Center (KCEC)	6/6/2018	6/5/2021	9,416,507	2,373,000
Trade Show Support (TSS) Activity	6/7/2018	12/6/2020	3,999,174	2,249,850
Development Credit Authority (DCA) with Ghazanfar Bank	Not provided	Not provided	2,163,000	0
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	0
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	732
<b>Total</b>			<b>\$113,870,489</b>	<b>\$24,432,128</b>

Source: USAID, response to SIGAR data call, 4/11/2019.

## Natural Resources Remain Relatively Untapped

According to the World Bank, Afghanistan’s medium-term economic growth will depend in part on the realization of Afghanistan’s extractives industry potential.<sup>556</sup> President Ghani has said, “The economic development and prosperity of Afghanistan depends on its mining sector, which will enable Afghanistan to pay its military expenditure and achieve self-reliance.”<sup>557</sup> According to U.S. government estimates, Afghanistan has more than \$1 trillion in untapped extractive reserves that could generate more than \$2 billion in annual revenues for the Afghan government.<sup>558</sup>

Over the last several quarters, the Afghan government has attempted to move forward on tendering and approving mining projects. In the fall of 2018, the Afghan government signed three major contracts that had previously been stalled. These contracts included two copper mines—one in Herat Province and the other in Balkh and Sar-e Pul Provinces—and one gold mine in Badakhshan Province.<sup>559</sup> This quarter, according to reporting from Reuters, Acting Minister of Mines and Petroleum Nargis Nehan announced 43 tenders for natural resource projects during a visit to Dubai. Nehan said the projects had generated interest from U.S., European, and

Persian Gulf companies. Further details regarding claimed investor interest were not provided.<sup>560</sup>

But despite much hope about the promises of mineral riches, mining currently constitutes only a small share of Afghan economic activity.<sup>561</sup> SIGAR analysis of Afghanistan National Statistics and Information Authority data shows that, in 2017, mining contributed only 0.97% of added value to the country's licit GDP. Including the opium economy, value added from the mining sector was even lower: 0.92% of GDP.<sup>562</sup>

In contrast to licit mining, illegal mining—broadly defined—has flourished in Afghanistan. Most mineral extraction in the country is either illicit or unregulated, according to a USIP report. While some local communities have operated for decades under informal agreements brokered before the current regulatory regime took effect, the Taliban and various criminal networks control other sites.<sup>563</sup> State said that, according to Afghan mining experts, Afghan raw minerals are exported almost entirely to Pakistan through informal channels, with no chain of custody for tax revenue collection.<sup>564</sup>

## **Bilateral U.S. Support to Afghanistan's Extractives Sector Likely to Remain Minimal Through 2023**

U.S. interest in developing Afghanistan's extractives sector appeared to reemerge following President Donald J. Trump's August 2017 announcement of a new South Asia strategy.<sup>565</sup> In September 2017, President Trump met with Afghan President Ashraf Ghani on the sidelines of the United Nations General Assembly in New York, where they discussed, among other topics, how American companies could rapidly develop Afghanistan's rare-earth minerals to lower the costs of U.S. assistance and render Afghanistan more self-reliant.<sup>566</sup>

Still, U.S. programming to develop the extractives sector remains relatively minimal. USAID has interagency agreements with the Department of Commerce to provide legal assistance to the sector (among other business-enabling activities that are not specific to extractives).<sup>567</sup> USAID has a separate interagency agreement with the United States Geological Survey (USGS) to provide technical advisory services.<sup>568</sup> These represent the only current U.S.-led initiatives to develop the natural resources industry.<sup>569</sup>

USAID's Office of Economic Growth, which manages the agency's current extractives sector assistance to Afghanistan, said the current projects involving CLDP and USGS are the only U.S. government projects likely to be implemented in the extractives sector over the implementation period of the CDCS, which covers USAID's development efforts in Afghanistan through 2023.<sup>570</sup> State said it was unaware of any plans emanating from the Administration to develop Afghanistan's extractives sector, despite reported interest when President Trump took office.<sup>571</sup>

### **Taliban Mining Revenues**

While the Taliban are believed to derive revenues from illegal mining, reliable data on the extent of that revenue is difficult to obtain. According to one USIP report, extractives represent the second-largest revenue stream after narcotics, with approximately \$200–300 million in illegal mining revenues flowing to the group annually. However, State said its sources indicate that Taliban mining activities comprise a relatively small proportion of the total informal mining sector. According to State's sources, total Taliban revenues from illegal mining were just \$21 million (though it was unclear whether this figure was intended to include revenue from taxation). Thus, the range of possible Taliban revenues from illegal mining is quite wide.

Source: State, response to SIGAR data call, 3/22/2019; USIP, *Illegal Mining in Afghanistan: A Driver of Conflict*, 7/2017, pp. 1–2; State, response to SIGAR vetting, 4/9/2019.

In October 2018, two large mining contracts were indirectly awarded to a company—Centar Ltd.—that State believes reincorporated as a U.S. firm in Delaware just prior to signing the contracts.<sup>572</sup> One concession is for the Balkhab copper mine in Sar-e Pul and Balkh Provinces, and the other for a gold mine in Badakhshan.<sup>573</sup> State said it is not aware of which investors hold precisely what percentage in either contract.<sup>574</sup> According to contract documents, a company named Centar Ltd., based in Guernsey in the Channel Islands of the UK, owns 24.5% of the Badakhshan concession and 49.9% of the Balkhab project.<sup>575</sup> Therefore, while at least one company executive and other Centar Ltd. representatives are American, according to State, it is not clear that Centar Ltd. is itself a U.S.-based firm.<sup>576</sup>

## **2018 Mining Law is in Force**

SIGAR reported last quarter that there was some confusion whether Afghanistan's 2018 mining law was in effect. The Departments of State and Commerce reported this quarter that Afghanistan's 2018 mining law, which supersedes a 2014 law, was in force.<sup>577</sup> The Afghan government is currently drafting new regulations, with input from donors, to support implementation of the new law.<sup>578</sup>

According to a September 2018 statement from Global Witness, a nongovernmental organization that aims to expose corruption and human-rights abuses, Afghan civil society organizations (CSOs) had reacted positively to some parts of a draft version of the law, including a transparency provision requiring that contracts be published before becoming valid.<sup>579</sup> However, some concerns remained. For example, the draft law granted significant authority to presidentially appointed bodies, minimizing the role of Afghanistan's Ministry of Mines and Petroleum (MOMP), according to the CSOs.<sup>580</sup> Additionally, CSOs said, the draft version of the law did not require publishing Afghan government sub-accounts used for mining revenues, which would make it more difficult to determine whether mining companies were paying required royalty fees.<sup>581</sup> There is also some concern among donors that royalty rates, which are fixed in the law, could render certain projects uneconomical (and therefore not investment-worthy).<sup>582</sup>

The Afghan government said the new law more clearly defined roles and responsibilities within MOMP departments and generally contained greater transparency and anticorruption provisions than the earlier statute.<sup>583</sup> SIGAR has not independently assessed the 2018 mining law and does not currently have an official English translation of its final version.<sup>584</sup> SIGAR will continue to report on the implications of the new law.

TABLE 3.25

USAID ACTIVE AGRICULTURE PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	\$87,905,437	\$15,046,901
Regional Agriculture Development Program (RADP North)	5/21/2014	5/20/2019	78,429,714	64,490,651
Commercial Horticulture and Agriculture Marketing Program (CHAMP)	2/1/2010	12/31/2019	71,292,850	61,532,955
Afghan Value Chains-Livestock Activity	6/9/2018	6/8/2021	55,672,170	4,233,421
Afghanistan Value Chains-High Value Crops	8/2/2018	8/1/2023	54,958,860	2,300,878
RADP East (Regional Agriculture Development Program-East)	7/21/2016	7/20/2021	28,126,111	11,726,049
Grain Research and Innovation (GRAIN)	3/13/2017	9/30/2022	19,500,000	8,380,990
Promoting Value Chain-West	9/20/2017	9/19/2020	19,000,000	8,000,000
ACE II (Agriculture Credit Enhancement II)	6/23/2015	6/30/2019	18,234,849	17,041,341
Catalyzing Afghan Agricultural Innovation	5/28/2018	5/27/2023	8,000,000	967,508
SERVIR	9/14/2015	9/30/2020	3,100,000	1,558,556
<b>Total</b>			<b>\$444,219,991</b>	<b>\$195,279,249</b>

Note: Some of the USAID programs listed receive both Alternative Development and Agriculture Development funds. For more information on Alternative Development programs, see pages 170–177 of this report.

Source: USAID, response to SIGAR data call, 4/11/2019.

## AGRICULTURE

The agricultural sector employs more than half of the rural labor force and approximately 40% of Afghans overall, according to the World Bank. Historically, agriculture has made substantial contributions to Afghanistan’s licit economic growth, although the sector’s share of the overall economy has declined since the 2001 intervention in Afghanistan due to growth in Afghanistan’s service sector.<sup>585</sup>

In addition to licit agricultural activity, which donors support, illicit opium-poppy cultivation thrives in Afghanistan.<sup>586</sup> According to the United Nations Office on Drugs and Crime, in 2017, the value of opiates potentially available for export was the equivalent of 20–32% of Afghanistan’s licit GDP.<sup>587</sup>

Since 2002, USAID has disbursed more than \$2.2 billion to improve agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production.<sup>588</sup> Pages 170–177 of this quarterly report discuss USAID’s agriculture alternative-development programs. USAID’s active agriculture programs have a total estimated cost of \$444 million and can be found in Table 3.25.



**Flash floods** struck large swathes of Afghanistan in early March 2019. A second wave of flooding hit later that month. (U.S. Embassy Kabul photo)

In a February 13, 2019, press briefing, Toby Lanzer, the UN Secretary-General's Deputy Special Representative for Afghanistan, in response to a question about Taliban taxation of NGOs, said importing humanitarian aid into Afghanistan was sometimes a challenge for NGOs. While Lanzer provided no specifics, he said aid agencies "sometimes struggle with the authorities on either side of any dividing line." Lanzer added the UN was "having a conversation about this with everyone to make all officials aware and all people in position of influence aware."

Source: UN, "Press briefing by DSRSG Toby Lanzer in Kabul," 2/14/2019.

## Floods Follow Drought, Contributing to High Levels of Food Insecurity

Severe floods affected at least 14 of Afghanistan's 34 provinces this quarter. According to the United Nations (UN), the floods had affected more than 163,000 people as of April 2, 2019, with more than 42,000 displaced.<sup>589</sup> Speaking to *Guardian*, the Deputy Governor of hard-hit Kandahar Province, where nearly 33,000 people had been affected, described the floods as "the worst in at least seven years."<sup>590</sup> The UN said 63 people had died as a result of the floods and that an additional 31 people had been injured, as of March 19, 2019.<sup>591</sup>

The floods follow a severe drought in 2018 that affected the majority of Afghan provinces, with precipitation 70% below Afghanistan's long-term rainfall average.<sup>592</sup> Droughts can lead to flooding when precipitation begins again because they kill water-absorbing vegetation and dry out (and therefore compact) soil, limiting absorption during heavy rains.<sup>593</sup>

The drought decreased winter food supplies in many locations, thereby increasing the urgency of assisting displaced and returned populations, according to State.<sup>594</sup> According to the USAID-funded Famine Early Warning Systems Network (FEWS NET), as of March 11, 2019, most Afghan households faced acute food insecurity—meaning they were likely to suffer from food-consumption gaps leading to acute malnutrition or would be forced to deplete assets to meet minimum needs.<sup>595</sup>

Some households had resorted to selling children or forcing them into childhood marriages in order to survive, according to State.<sup>596</sup> Flood-related displacement, combined with the lingering effects of the drought, high levels of violence, frigid winter temperatures, and general poverty led UN Deputy Special Representative of the Secretary-General Toby Lanzer to describe the level of suffering in Afghanistan as "as bad as [he's] ever seen," according to reporting from the *Guardian*.<sup>597</sup> In September 2018, USAID contributed approximately \$44 million to the UN World Food Programme (WFP) to support the provision of critical food assistance to Afghans.<sup>598</sup> However, as of March 20, 2019, donor funding had reached just 10.6% (\$64.9 million) of total UN-identified humanitarian relief requirements.<sup>599</sup> According to UN data, 78% of Afghanistan's humanitarian assistance needs were met by donors in 2018.<sup>600</sup>

## ESSENTIAL SERVICES AND DEVELOPMENT

The United States has provided reconstruction funds to increase the electricity supply, build roads and bridges, and construct and improve health and education facilities in Afghanistan since 2002.<sup>601</sup> This section addresses key developments in U.S. efforts to improve the government's ability to deliver these essential services, focusing specifically on ongoing projects intended to increase access to electricity in Afghanistan.

## Power Supply: Lack of Access to Electricity Remains a Key Challenge

Approximately 30% of Afghans had access to grid-based electricity, as of August 2017, according to USAID. USAID said the proliferation of distributed solar systems (systems that provide energy at or near where it will be used) means that significantly more than 30% of Afghans have access to electricity today. However, the agency added that these systems lack the capacity and availability required to be the primary source of power for commercial enterprises.<sup>602</sup>

The World Bank said that lack of access constitutes a crucial barrier to progress on a wide range of development indicators, including poverty reduction, health, education, food security, and livelihoods.<sup>603</sup> Overall, many enduring challenges in the power sector remain, according to USAID. Those challenges include Afghanistan's near-complete (80%) dependence on electricity imports, weak sector governance, a poorly functioning national utility, insufficient supply to meet growing demand, and insufficient transmission and distribution networks.<sup>604</sup>

Insecurity can also present obstacles to implementing power-infrastructure projects. In an interview conducted by SIGAR in Kabul last quarter, USAID Office of Infrastructure (OI) officials stated that once power-infrastructure has been constructed, the Taliban rarely attack it directly; damage is more often a result of crossfire.<sup>605</sup> According to The Asia Foundation's 2018 *Survey of the Afghan People* released last quarter, perceptions of access to electricity appear to have improved slightly from last year, with 16.4% of respondents to the 2018 survey stating that their electricity supply had improved, relative to the previous year.<sup>606</sup> In contrast, only 12.2% of respondents to the Foundation's 2017 survey said their electricity supply had improved relative to the prior year.<sup>607</sup> Still, 20.1% of respondents cited access to electricity as the biggest problem in their local area.<sup>608</sup>

## U.S. Power-Sector Assistance: Priority on Expanding the National Power Grid

The majority of the U.S. government's current work in the Afghan power sector consists of large-scale infrastructure projects. A top priority has been expanding and connecting islanded power grids. Both USAID and DOD have been working to connect Afghanistan's Northeast Power System (NEPS) with its southeastern counterpart, the Southeast Power System (SEPS).<sup>609</sup> USAID is funding the construction of a 470-kilometer transmission line that, when complete, will connect the two networks.<sup>610</sup> USAID is also expanding the SEPS network.<sup>611</sup>

For its part, DOD has funded projects intended to expand and improve SEPS, as well as a significant expansion of NEPS. DOD also funded a "bridging solution" for power in Kandahar City that concluded in September 2015. The bridging solution provided power to key industrial parks to buy

### SIGAR SPECIAL PROJECT

In March 2019, SIGAR released the results of site visits to verify the locations and conditions of eight DOD-funded bridge projects in Ghazni Province. The eight bridges were constructed or rehabilitated using funds from the Commander's Emergency Response Program between 2009 and 2012. SIGAR found that the location information maintained in DOD systems was accurate; all eight bridges were within one kilometer of their recorded coordinates. SIGAR also found that all eight bridges were open, in good condition, and that local community members regarded them as being very useful to the local communities.

In addition to power-infrastructure projects funded by AIF, DOD is connecting Afghan National Defense and Security Force bases to regional electricity networks. These projects are funded through the Afghanistan Security Forces Fund. For a list of current projects, see pp. 92 and 102 of this report.

TABLE 3.26

<b>USAID ACTIVE POWER-INFRASTRUCTURE PROJECTS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
Contributions to the Afghanistan Infrastructure Trust Fund (AIF)	3/7/2013	3/6/2023	\$153,670,184	\$153,670,184
Engineering Support Program	7/23/2016	7/22/2019	125,000,000	59,502,138
Kandahar Solar Project	2/23/2017	8/25/2019	10,000,000	1,000,000
Design and Acquisition of SEPS Completion and NEPS-SEPS Connector	3/7/2018	6/27/2022	20,151,240	991,145
Power Sector Governance and Management Assessment	1/12/2019	3/2/2019	567,330	567,330
<b>Total</b>			<b>\$309,388,754</b>	<b>\$215,730,797</b>

Source: USAID, response to SIGAR data call, 4/11/2019.

According to USAID, when power-infrastructure projects are completed, they provide nearly immediate benefits to local populations. In an interview in Kabul last quarter, USAID officials told SIGAR that its construction of substations and transmission lines from Arghandi to Ghazni (the first segment of the USAID's NEPS-SEPS Connector) had resulted in increased access to electricity for Afghans in Ghazni City and Sayyidabad (located in Ghazni and Wardak Provinces, respectively). According to data provided to USAID by DABS, the project had resulted in 1,500 new connections in Sayyidabad and 2,600 new connections in Ghazni.

Source: SIGAR, interview with USAID/OIG officials, 11/8/2018.

time for other infrastructure to be built.<sup>612</sup> However, much of that additional infrastructure was either completed well after the bridging solution ended, or is still under construction.<sup>613</sup>

DOD and USAID's power-infrastructure projects are funded through the Afghanistan Infrastructure Fund (AIF), with monies appropriated by Congress in Fiscal Years (FYs) 2011–2014. USAID is also using the Economic Support Fund to cover some project costs.<sup>614</sup> No additional AIF monies have been appropriated since FY 2014.<sup>615</sup> However, up to \$50 million of Title IX Overseas Contingency Operations (OCO) funds appropriated in later acts may be used to complete these projects.<sup>616</sup>

### **DOD Power-Infrastructure Projects are Nearly Complete; Major USAID Projects Remain Ongoing; Implementation Risks Remain**

The majority of DOD's AIF power-infrastructure projects are complete. Two remain. The first is a two-part project to construct substations and a transmission line from Sangin to Lashkar Gah in Afghanistan's restive Helmand Province (this component of the project remains ongoing) and to improve three substations in SEPS (this component of the project is now complete). The second ongoing project will construct transmission lines from Paktiya Province to Khost Province. Approximately \$187.4 million has been obligated for those two projects, of which \$166.1 million has been disbursed. In total, \$601.0 million has been obligated for DOD's AIF-funded power infrastructure projects (including \$141.7 million for the aforementioned Kandahar Power Bridging Solution project), with \$572.1 million disbursed.<sup>617</sup>

Cumulatively, USAID has disbursed more than \$1.5 billion in Economic Support Funds since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector.<sup>618</sup> The

agency's active power-infrastructure programs have a total estimated cost of more than \$309 million and are listed in Table 3.26.

Both DOD and USAID power-infrastructure projects have faced substantial delays over the years, raising questions about whether they will fully achieve their intended economic-development effects.<sup>619</sup>

USAID said its current set of power-infrastructure projects would be complete by late 2022.<sup>620</sup> Completion delays for the agency's power-infrastructure projects may continue: in a biweekly report submitted on March 6, 2019, USAID quality-assurance contractor Tetra Tech warned that Afghanistan's national utility, Da Afghanistan Breshna Sherket (DABS), had not yet compensated persons affected by the project's land-acquisition resettlement plan for USAID-funded NEPS-SEPS connector transmission lines.<sup>621</sup> Consequently, those persons had stopped construction activities at 88 project locations, as of March 6, 2019. Tetra Tech said this development would affect the project completion date.<sup>622</sup> In response to a draft of this report, USAID said the number of construction locations affected by the project's land-acquisition resettlement plan had dropped from 88 to 59, as of April 11, 2019.<sup>623</sup> Tetra Tech also noted numerous instances of contract non-conformance on the part of the contractor, KEC International Limited, that may indicate substandard construction quality at some work sites along the planned transmission lines.<sup>624</sup>

Tetra Tech said that, as of March 3, 2019, project sites for USAID's NEPS-SEPS Connector had a total of 92 open construction deficiencies.<sup>625</sup> According to USAID, 5% of the total contract value is withheld from the contractor until all deficiencies noted in the final inspection are resolved.<sup>626</sup>

## EDUCATION

Prior to the U.S.-led military intervention of 2001, Afghanistan's education system had been decimated by several decades of conflict. In the years since, donors have generally highlighted Afghanistan's progress in the education sector as a significant success story.<sup>627</sup> However, given poor data quality, it is difficult to ascertain the extent of that success. Figures for the number of children and youth in school vary widely.<sup>628</sup> Afghanistan's Ministry of Education (MOE) counts students who have been absent for up to three years as enrolled because, it says, they might return to school, limiting the usefulness of government data to determine attendance rates.<sup>629</sup>

It is clear that many Afghan children and youth do not attend school, either because they drop out or because they never enroll at all.<sup>630</sup> According to a comprehensive survey conducted by Afghanistan's statistical authority in 2016 and 2017, the number of out-of-school children ages 7–18 was more than 4.2 million, of whom nearly 2.6 million were girls.<sup>631</sup> Moreover, attendance rates appear to have stagnated in recent years. Commenting on the failure to raise attendance rates of primary-school

### Education and the Taliban

The Taliban periodically disrupt the education system in Afghanistan. However, unverified reports paint a more complicated portrait of negotiation and compromise between the Afghan government and its adversary. For example, according to the Afghanistan Analysts Network (AAN), schools continue to operate in areas under Taliban control in Dasht-e Archi district, Kunduz Province. In most of the district, a Taliban education committee controls the schools. The committee reportedly interferes in curricula by insisting on additional religious teaching and exerts influence over school staffing. A dispute between the government and the Taliban over teacher salaries was mediated by local elders, according to AAN's research.

Source: Pajhwok Afghan News, "Taliban shut 39 schools in Logar," 7/7/2018; UN, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 9/10/2018, p. 8; Afghanistan Analysts Network, "One Land, Two Rules (3): Delivering public services in insurgency-affected Dasht-e Archi district in Kunduz province," 2/26/2019.

TABLE 3.27

<b>USAID ACTIVE EDUCATION PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
Afghanistan University Support and Workforce Development Program	1/1/2014	9/30/2019	\$93,158,698	\$86,687,630
Increasing Access to Basic Education and Gender Equality	9/17/2014	12/31/2019	77,402,457	77,402,457
Textbook Printing and Distribution II	9/15/2017	12/31/2019	75,000,000	0
Afghan Children Read (ACR)	4/4/2016	4/3/2021	69,547,810	29,899,949
Support to the American University of Afghanistan (AUAF)	8/1/2013	11/29/2019	72,181,844	61,858,575
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2020	44,835,920	32,835,808
Let Girls Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	15,000,000
Capacity Building Activity at the Ministry of Education	2/1/2017	1/31/2022	23,212,618	10,073,392
Afghanistan's Global Partnership for Education	10/11/2012	6/30/2019	15,785,770	14,235,078
Financial and Business Management Activity with AUAF	7/5/2017	6/4/2019	4,384,058	2,290,957
PROMOTE Scholarships PAPA	3/4/2015	3/3/2020	1,247,522	1,247,522
<b>Total</b>			<b>\$501,756,697</b>	<b>\$331,531,367</b>

Source: USAID, response to SIGAR data call, 4/11/2019.

age children between surveys conducted in 2011–2012 and 2016–2017, Afghanistan's statistical authority said, "This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country."<sup>632</sup>

Numerous challenges plague the education sector. They include insecurity, shortages of school buildings and textbooks, rural access issues, poor data reliability, and the alleged appointment of teachers on the basis of cronyism and bribery.<sup>633</sup> While they have improved since 2001, educational prospects for girls in particular remain low.<sup>634</sup>

USAID, which aims to improve access to and quality of education in Afghanistan, as well as build capacity at the MOE, has disbursed nearly \$1.1 billion for education programs in Afghanistan, as of April 6, 2019.<sup>635</sup> USAID's active education programs have a total estimated cost of \$502 million as shown in Table 3.27.

## **New World Bank Education Project Moving Forward, but Experiencing Some Friction**

The World Bank's \$298 million Education Quality Reform in Afghanistan (EQRA) project aims to increase access to primary and secondary education, especially for girls, in provinces where attendance and enrollment indicators are lagging behind. Another objective of the project is to improve learning conditions in Afghanistan.<sup>636</sup> According to the Bank, EQRA is

designed to build on its predecessors, the First and Second Educational Quality Improvement Programs (EQUIP I and EQUIP II).<sup>637</sup>

EQRA is financed by a \$100 million grant from the World Bank's International Development Association (which provides grants and zero- or low-interest loans to help develop low-income countries), a \$100 million grant from the Global Partnership for Education (GPE, a multistakeholder organization that assists developing countries implement their education strategies), and a \$100 million contribution from the Afghanistan Reconstruction Trust Fund (ARTF).<sup>638</sup> The grant from GPE includes \$2 million to cover administrative costs borne by the World Bank throughout project implementation (hence, the Bank lists the total project cost as \$298 million rather than \$300 million).<sup>639</sup> EQRA, which was approved in September 2018, will be implemented through December 2023.<sup>640</sup> The U.S. has disbursed approximately \$21.1 million to the ARTF to support EQRA.<sup>641</sup> Since October 2012, the U.S. has disbursed approximately \$12.9 million to GPE to support education in Afghanistan.<sup>642</sup>

This quarter, SIGAR received a report describing the results of the Bank's first implementation support mission for EQRA. The purpose of the mission was to review implementation progress and provide technical support.<sup>643</sup> Bank officials noted there had been "concrete progress" on EQRA implementation. That progress included the signing of a memorandum of understanding between the MOE and the Ministry of Rural Rehabilitation and Development (MRRD) that delineated their respective responsibilities to further the planned construction of nearly 1,950 new schools and the improvement of 700 others under the project.<sup>644</sup> According to the Bank, the mandate for school construction in rural areas was shifted last year from the MOE to the MRRD.<sup>645</sup>

Bank officials also said MRRD engineers surveying sites identified for school construction had observed a variety of issues that could warrant concern if not resolved in a timely manner. According to MRRD engineers, some of the surveyed sites did not have functioning Community Development Councils (CDCs).<sup>646</sup> The Bank views CDCs, which were first established under its National Solidarity Program (NSP), as viable mechanisms for channeling development funding to local areas.<sup>647</sup> During the implementation of NSP, CDCs, which operate at the village level and consist of members selected by a given community, were trained to manage small-scale projects funded by block grants.<sup>648</sup>

The lack of functioning CDCs at some planned school-construction sites, the Bank said, was an indication there was insufficient capacity to implement construction projects in these areas.<sup>649</sup> Other issues identified by MRRD engineers included unavailable land, school buildings already constructed by other donors, community requests extending beyond the scope of the project, and unspecified security issues.<sup>650</sup> Of 700 sites surveyed by MRRD engineers, only 300 had been found acceptable by the Bank

**Seemingly acknowledging the limited utility of Afghan government enrollment data, USAID said the World Bank's Education Quality Reform in Afghanistan project, to which the agency contributes, will attempt to track actual attendance rates. USAID said this represented a shift in the World Bank's approach to monitoring its education projects in Afghanistan.**

Source: USAID, OED, response to SIGAR vetting, 4/11/2019.

for the construction or improvement of schools, as of December 2018.<sup>651</sup> SIGAR will continue to track implementation progress of this flagship education project.

## SPECIAL PROJECT

SIGAR released findings from site visits at 17 USAID-supported public health facilities in Faryab Province. The purpose of this review was to determine if the public health facilities were open, operational and adequately maintained and whether geospatial coordinates were accurate. SIGAR found that all 17 facilities were open and operational. Several facilities had minor structural issues (including cracked walls and leaking roofs) and not all facilities had access to reliable electricity.

## HEALTH

Afghanistan's health outcomes have improved since 2001. Nevertheless, fairly serious data limitations complicate a precise evaluation of the extent to which those outcomes have improved.<sup>652</sup>

According to the World Bank, Afghanistan has made progress in key health indicators concerning maternal and child health, health service delivery, and nutrition, despite increasing insecurity since 2005. Pointing to Afghanistan's Demographic and Health Survey, which gathered substantial data on then-current health outcomes in Afghanistan, the Bank said that Afghanistan benefitted from a significant reduction in the under-five mortality rate, which fell from 97 per 1,000 live births in 2010 to 55 per 1,000 live births in 2015.<sup>653</sup>

Even with these improvements, however, Afghanistan's maternal mortality ratio remains very high at 650 deaths per 100,000 live births, according to the Bank (demonstrating the extent of discrepancies in health outcome data, another World Bank source, referring to UN estimates, stated that the maternal-mortality ratio was 396 deaths per 100,000 live births in 2015).<sup>654</sup> The Bank added that Afghanistan's neonatal mortality rates, which account for approximately 40% of total under-five mortality, also remain high.<sup>655</sup> According to the CIA World Factbook, Afghanistan also has the lowest life expectancy (52.1 years) in the world.<sup>656</sup>

USAID believes that continuing to improve health outcomes will help achieve stability by bolstering Afghans' confidence in the government's capacity to deliver services.<sup>657</sup> However, there is reason to doubt this theory of change. Although SIGAR cannot independently verify them, some reports indicate that the Taliban benefit directly from government-funded health provision. For example, recent research from AAN in Dasht-e Archi District, Kunduz Province, found that the majority of the 10 health facilities in the district were located in Taliban-controlled areas. Health services are crucial for the Taliban, AAN said, because the group must ensure that their fighters are treated.<sup>658</sup> According to AAN, the Taliban do not interfere directly in health services in Dasht-e Archi.<sup>659</sup> While respondents to AAN interviews said that health facilities in the district treated both men and women, women are unable to seek treatment at health facilities unless they were accompanied by a male relative, indirectly limiting their access.<sup>660</sup>

U.S. on- and off-budget assistance to Afghanistan's health sector totaled nearly \$1.3 billion as of April 6, 2018.<sup>661</sup> USAID's active health programs have a total estimated cost of \$284 million, and are listed in Table 3.28.

# ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.28

<b>USAID ACTIVE HEALTH PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/11/2016	5/10/2021	\$75,503,848	\$22,181,634
Helping Mothers and Children Thrive (HEMAYAT)	1/7/2015	1/06/2020	60,000,000	50,443,943
Disease Early Warning System Plus (DEWS Plus)	7/1/2014	6/30/2022	54,288,615	28,988,615
Health Sector Resiliency (HSR)	9/28/2015	9/27/2020	27,634,654	17,097,156
Medicines, Technologies and Pharmaceuticals Services (MTaPS)	9/20/2018	9/20/2023	20,000,000	174,925
Challenge Tuberculosis	1/1/2015	9/29/2019	16,886,357	12,889,395
Enhance Community Access, Use of Zinc, Oral Rehydration Salts for Management of Childhood Diarrhea	7/21/2015	7/20/2020	13,000,000	13,000,000
Sustaining Health Outcomes through the Private Sector (SHOPS) Plus	10/11/2015	9/30/2020	12,500,000	8,210,149
Provide Family Planning Health Commodities for USAID Health Programs (GHSCM-PSM)	4/20/2015	4/19/2020	2,343,773	256,227
Global Health Supply Chain Quality Assurance (GHSC-QA)	1/2/2015	12/31/2019	1,500,000	1,182,308
Global Health Supply Chain Management (GHSCM)	4/20/2015	4/19/2020	176,568	176,568
4 Children	9/15/2014	9/16/2019	20,000	20,000
<b>Total</b>			<b>\$283,853,815</b>	<b>\$154,620,920</b>

Source: USAID, response to SIGAR data call, 4/11/2019.

## **\$624 Million World Bank Program Intended to Improve Health Outcomes Yields Some Encouraging Results, but Misses on 67% of Objectives**

The World Bank's \$623.9 million System Enhancement for Health Action in Transition project (SEHAT), which concluded on June 30, 2018, aimed to expand the coverage, quality, and scope of health-care services, particularly to Afghans living below the poverty line in project areas.<sup>662</sup> The project also sought to strengthen the Ministry of Public Health to integrate its health-services contracting unit and develop uniform performance-monitoring and contracting-management systems.<sup>663</sup> SEHAT, which funded basic primary health-care services, provided support to more than 2,000 facilities across Afghanistan.<sup>664</sup>

As of January 20, 2019, the United States, through USAID, had provided approximately \$218.7 million in funding for the project, paid through the World Bank-administered Afghanistan Reconstruction Trust Fund.<sup>665</sup>

According to SEHAT's Implementation Completion and Results (ICR) Report on final project results, which was provided to SIGAR this quarter by USAID, SEHAT exceeded two of its development objectives by wide margins.<sup>666</sup> SEHAT helped increase the number of births attended by skilled



**World Health Organization** (WHO) Director-General Dr. Tedros Adhanom Ghebreyesus reemphasized the WHO's commitment to eradicating polio in Afghanistan while speaking at the Ministry of Public Health in January 2019. (WHO photo)

health professionals from a baseline of 429,305 in December 2012 to 890,240 as of June 30, 2018. This latter figure was more than 107% above the project baseline and just over 57% more than SEHAT's target of 566,683.<sup>667</sup> The project also expanded treatment of acute malnutrition for children under five years old from a baseline value of 24% to 77% of those children, a figure that was well above the project's target of 55%.<sup>668</sup>

While these results are impressive, the ICR also noted that the project had fallen short of 67% of project development objectives.<sup>669</sup> While SEHAT expanded coverage of the Pentavalent vaccine, which provides immunization against five life-threatening diseases (tetanus, hepatitis B, pertussis, diphtheria, and Hib influenza) and is administered in three doses, to 45.0% of children between 12 and 23 months old in Afghanistan's lowest income quintile—up from a baseline of 28.9% in January 2011—the target for this indicator, to be achieved by June 30, 2018, was 60.0%.<sup>670</sup>

SEHAT also lagged significantly behind on expanding the use of contraceptives, finishing 13.7 percentage points below its end-program target of 30%. According to the data presented in the ICR, the contraceptive prevalence rate may have decreased by 1.7 percentage points from a January 2011 baseline value of 18.0%.<sup>671</sup> Moreover, while SEHAT made progress on improving the quality of health care from a baseline value of 55% (assessed via a balanced scorecard) to 59.3% by project closure, progress halted 10.7 percentage points shy of the project's end target of 70%.<sup>672</sup> Finally, SEHAT had not achieved full accreditation of the MOPH's procurement department, which was part of an effort to strengthen the ministry's fiduciary systems.<sup>673</sup>

While SEHAT is now closed, the World Bank approved the \$600 million Sehatmandi project in March 2018. Sehatmandi has similar objectives.<sup>674</sup>

## **Polio: 2018 was a Bad Year**

Afghanistan and Pakistan, which share a 1,500-mile border, are the only two countries in which polio remains endemic or “usually present,” according to the Centers for Disease Control.<sup>675</sup> A fatwa issued by the Pakistani Taliban targeting polio workers complicates vaccination outreach, while large-scale population movements between the two countries increase the risk of cross-border transmission.<sup>676</sup>

Although they sometimes provide access to vaccination efforts, the Afghan Taliban also disrupt them. This quarter, the Taliban reportedly announced a ban on the World Health Organization (WHO) and the International Committee of the Red Cross (ICRC) in areas controlled by the group. The Taliban claimed the WHO, which is conducting a vaccination campaign in Afghanistan, and the ICRC had been engaging in unspecified “suspicious activities.”<sup>677</sup>

As of March 28, two new polio cases were reported in Afghanistan in 2019. Twenty-one cases were reported in 2018, which was substantially higher than the 13–14 cases seen in 2016 and in 2017.<sup>678</sup> In November 2018, the World Health Organization said it was “very concerned” by the increase in polio cases worldwide, particularly by the increase in Afghanistan.<sup>679</sup>

As of December 31, 2018, USAID had obligated approximately \$36.6 million and disbursed approximately \$32.5 million for polio-eradication efforts in Afghanistan since 2003.<sup>680</sup>

**In a February 13, 2019, press briefing, Toby Lanzer, the UN Secretary-General's Deputy Special Representative for Afghanistan, called Shah Wali Kot district in Kandahar Province the “epicenter of polio in the world.”**

Source: UN, “Press briefing by DSRSG Toby Lanzer in Kabul,” 2/14/2019.

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## COUNTERNARCOTICS

### KEY ISSUES AND EVENTS

Poppy cultivation for 2018 decreased 33% to 221,000 hectares from 2017's level of 329,000 hectares, "but remained a near record high," according to a U.S. government estimate released in April 2019. Potential opium production decreased 42% from 9,140 metric tons in 2017 to 5,330 metric tons in 2018. The decline in cultivation and production are attributed to large areas of drought and low opium prices stemming from 2017's record crop.<sup>681</sup>

U.S. government estimates are lower than the United Nations Office on Drugs and Crime (UNODC)'s estimates for 2018. UNODC reported 263,000 hectares and 6,400 metric tons for 2018 in its latest opium survey (released November 2018).<sup>682</sup> The U.S. government and UNODC frequently differ in their estimates; however, the differences in recent years are not as significant as in the early years of the reconstruction period.<sup>683</sup>

INL released its annual narcotics-control strategy report in March 2019. Afghanistan remains the world's foremost supplier of illicit opiates. According to INL, the country's illicit drug trafficking does not just benefit the insurgency, nor is it limited to insurgent-controlled areas. It is a main driver of corruption throughout the country, undermining governance and rule of law. Illicit drug use is widespread in Afghanistan, resulting in a considerable health crisis.<sup>684</sup>

The fiscal year (FY) 2020 budget released by the Trump Administration in March 2019 proposes \$963 million for the Department of Defense (DOD)'s global drug-interdiction and counterdrug activities, a \$72 million decrease from FY 2019 approved levels, and \$945 million for the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), a \$424 million decrease from the previous year.<sup>685</sup>

Between January 1 and March 21, 2019, DOD reported seizures of 1,327 kilograms (kg) (2,925.5 lbs) of heroin, 18,808 kg (41,465 lbs) of hashish, and 14.68 kg (32.4 lbs) of methamphetamine.<sup>686</sup> A kilogram is about 2.2 pounds.<sup>687</sup> DOD did not provide SIGAR with opium-seizure data or cumulative interdiction results for various illicit narcotics this quarter. According to the Drug Enforcement Administration (DEA), Afghan specialized units conducted 36 operations, compared to 53 operations reported last quarter. No high-value targets were apprehended during the quarter. DEA said the

# COUNTERNARCOTICS

After reviewing SIGAR's June 2018 counternarcotics findings and ongoing U.S. government counterthreat finance (CTF) efforts, the Senate Caucus on International Narcotics Control requested that SIGAR evaluate the effectiveness of U.S. CTF efforts against Afghan terrorist and insurgent narcotics trade in Afghanistan. In response, SIGAR began an audit in February 2019 that is reviewing the Departments of Defense, Justice, State, and Treasury's CTF efforts and funding in Afghanistan since 2017. Specifically, the audit will: (1) identify the strategies and policies that guide the U.S. government's counternarcotics efforts, including efforts to counter Afghan terrorists and insurgents' drug trade-related sources of funding; (2) identify the activities and funding U.S. agencies have directed to counter Afghan terrorists and insurgents' drug trade-related sources of funding; (3) determine the extent to which U.S. agencies measure and evaluate the effectiveness of their efforts to counter Afghan terrorists and insurgents' drug-trade-related sources of funding; and (4) identify the challenges, if any, that affect these efforts and how the agencies are addressing these challenges.

Inspector General John Sopko testified on April 3 before the House Committee on Oversight and Reform, Subcommittee on National Security. The hearing examined U.S. reconstruction activities in Afghanistan, including the progress of U.S. efforts to build, equip, train, and sustain the Afghan National Defense and Security Forces, as well as high-risk U.S. reconstruction program areas, including counternarcotics efforts, that are particularly vulnerable to waste, fraud, and abuse.

challenging security situation in Afghanistan's drug-producing and drug-refining areas "has impacted every aspect of interdiction activities" and "constrains virtually every aspect of drug enforcement."<sup>688</sup>

In February 2019, DOD ceased its counterthreat finance (CTF) campaign targeting insurgents' revenue generation at the end of 2018. The campaign sought to disrupt and degrade Taliban resources through air strikes and raids targeting narcotics production, processing, trading, and transportation.<sup>689</sup> DOD reported to its Inspector General in April that the NATO Resolute Support (RS) commander ended the CTF campaign because military operations strategy had changed to maximize impact on the Taliban and bring them to the negotiating table.<sup>690</sup> DOD reported to SIGAR that the Afghan Air Force (AAF) did not destroy any labs outside of the CTF campaign between October 2018 and March 21, 2019, which they said may indicate a deprioritization of the counternarcotics mission at the senior levels of the Afghan government.<sup>691</sup> The AAF had destroyed 10 narcotics facilities during October 2017 to September 2018 outside the CTF campaign.<sup>692</sup>

The U.S. government's updated integrated country strategy does not discuss efforts to reduce Afghanistan's illicit narcotics trade and its expanding opium-poppy cultivation.<sup>693</sup> USAID no longer includes counternarcotics indicators in its alternative-development or agriculture programs, focusing instead on achieving private-sector-driven and export-led economic growth.<sup>694</sup> DOD has informed SIGAR that it does not have a counternarcotics mission in Afghanistan and DEA has reduced its personnel in country.<sup>695</sup> Consequently, INL remains the U.S. government agency responsible for implementing counternarcotics activities. According to the State Department, counternarcotics is interwoven into the U.S. Administration's South Asia strategy.<sup>696</sup>

## U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of March 31, 2019, the United States has appropriated \$9.01 billion for counternarcotics (CN) efforts in Afghanistan since FY 2002. Congress appropriated most CN funds for Afghanistan through the Department of Defense Drug Interdiction and Counter-Drug Activities (DICDA) Fund (\$3.38 billion), the Afghan Security Forces Fund (ASFF) (\$1.31 billion), the Economic Support Fund (\$1.42 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account (\$2.31 billion).<sup>697</sup>

ASFF is primarily used to develop the Afghan National Army and Police, including the Counter Narcotics Police of Afghanistan (CNPA) and the Special Mission Wing (SMW), which support the counternarcotics efforts of the Ministries of Defense (MOD) and Interior (MOI).<sup>698</sup> As shown in

Figure 3.46, DOD is the largest contributor, followed by INL, in support of CN efforts.

## Dissolution of the Ministry of Counter Narcotics

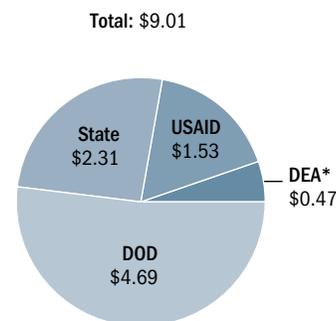
In January 2019, Afghan President Ashraf Ghani issued a decree dissolving the Ministry of Counter Narcotics (MCN) and merging some of its responsibilities with the Ministry of Interior (MOI). A committee is to present a plan for the new counternarcotics structure within three months.<sup>699</sup> The decree established a ministerial committee, led by the MOI minister, and includes staff members from the MCN, MOI, Ministry of Public Health (MOPH), Ministry of Agriculture, Irrigation and Livestock (MAIL), and Administrative Office of the President. There is also a national committee overseeing the transition composed of officials from the President's Office, MCN, MAIL, National Security Council, Ministry of Finance, Attorney General's Office, Civil Service Commission, and Civil Statistics Office.<sup>700</sup>

This quarter, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) reported serious deficiencies in the MOI's procurement process which rendered it extremely vulnerable to corruption. Issues such as poor record-keeping and lack of transparency hampered inventory management and the flow of goods and services from providers, to warehouses, to the end user.<sup>701</sup> According to State, the dissolution of the MCN will have no significant impact on current counternarcotics programs when the MCN's responsibilities are absorbed into other ministries.<sup>702</sup> The MOPH is currently responsible for implementing drug-demand-reduction policy, so the MCN's abolition would have no significant impact on drug-demand-reduction responsibilities, according to INL.<sup>703</sup> The Afghan government is updating its own counternarcotics strategy, the National Drug Action Plan (NDAP), and INL has provided an advisor to assist. The advisor's findings and recommendations are still going through the Afghan intergovernmental clearance process. INL will continue to assist in updating the government's strategy once the MCN dissolution is complete.<sup>704</sup>

INL is evaluating all its advisory contracts with the MCN given its dissolution and has not reassigned advisors/mentors to other ministries.<sup>705</sup> The Afghan press has reported that since the announcement of the dissolution, MCN employees have been receiving salaries without having any work to do. According to INL, no staff terminations have occurred, though some have found other employment. The MOI has denied recent INL requests to visit it, though INL local Afghan staff have visited. INL is unable to provide the precise number of staff still on the MCN's payroll, but the MCN is currently funded for 549 staff until September.<sup>706</sup>

FIGURE 3.46

U.S. FEDERAL AGENCY SPENDING ON COUNTERNARCOTICS, AS OF MARCH 31, 2019 (\$ BILLIONS)



Note: \*DEA funds the salary supplements of the specialized units annually.

Source: SIGAR, *Quarterly Report to the United States Congress*, 4/30/2019, Appendix B.

## INSTITUTIONAL DEVELOPMENT

Developing Afghan institutions that can effectively fight the narcotics trade remains a challenge. INL supports several Afghan government institutions to combat the illicit drug trade, strengthen law enforcement, and combat domestic substance abuse.<sup>707</sup> According to INL, the MCN worked at mainstreaming drug control activities throughout the entire government. However, high-level Afghan government support at countering illicit drugs through other ministries has historically been lacking.<sup>708</sup> Moreover, DOJ reported that the Counter Narcotics Justice Center (CNJC), the unit created to prosecute high level narcotics cases, is totally dependent on donor support. There is no evidence that the Afghan government will support the Center should INL funding end. The UK government also disburses salary supplements to employees, an additional handicap to CNJC's sustainability if donor funding were to stop.<sup>709</sup> Since 2008, INL has obligated \$35.8 million and disbursed \$27.7 million to build capacity at the MCN.<sup>710</sup>

## Composition of the Afghan Counter Narcotics Police

The Counter Narcotics Police of Afghanistan (CNPA), comprising regular narcotics police and specialized units, leads counternarcotics efforts by Afghan law-enforcement personnel. The CNPA, authorized at 2,596 personnel, are located in all 34 provinces. Specialized units include the Sensitive Investigative Unit (SIU), the National Interdiction Unit (NIU), and the Intelligence and Investigation Unit (IIU).<sup>711</sup> The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from the DEA and U.S. Special Operations Forces.<sup>712</sup> The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat.<sup>713</sup> In 2018, the NIU's tashkil was increased by 250 personnel to 783.<sup>714</sup>

The SIU's mission is to identify significant drug-trafficking and narcoterrorist organizations operating in Afghanistan and dismantle them through the Afghan criminal justice system.<sup>715</sup> The Technical Investigative Unit (TIU) consists of 100 staff who collect and analyze evidence in support of SIU/NIU investigations.<sup>716</sup> Another SIU component has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.<sup>717</sup>

Other Afghan law-enforcement elements such as the General Command of Police Special Units conducts high-risk operations against terrorism, narcotics, and organized crime.<sup>718</sup> The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.<sup>719</sup> The ABP collaborate closely with the counternarcotics elements of the Anti-Crime Police and Ministry of Finance, national and international intelligence agencies, as well as border police of neighboring states.<sup>720</sup>

The Special Mission Wing (SMW) is a rotary- and fixed-wing aircraft force that supports NIU missions as well as counterterrorism missions conducted

by Afghan special security forces. The SMW is the only Afghan National Defense and Security Forces (ANDSF) organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of four squadrons: two in Kabul, one at Kandahar Airfield, and one at Mazar-e Sharif.<sup>721</sup>

Since its establishment in 2012, the SMW has been used to conduct counterterrorism and counternarcotics missions. In recent years, counterterrorism missions have dominated.<sup>722</sup> According to RS, the SMW is misused when officials do not follow the mission approval process or use assets without appropriate execution-planning time, for civilian movements, or to evacuate non-Afghan Special Security Forces. CSTC-A began enforcing penalties for SMW misuse in August 2018. Fines increased to \$150,000 per Mi-17 flight hour and \$60,000 per PC-12 flight hour in September 2018. According to DOD, the penalties were effective in the near term since SMW misuse decreased in September. CSTC-A fines totaled \$582,306 from June 1 through November 30, 2018.<sup>723</sup>

More information on the SMW is available in the Security section on pp. 98–99.

## **Funding for Afghan Counternarcotics Elements**

INL estimates that it funds approximately \$21 million per year for NIU and SIU operations and maintenance. Costs directly attributable to NIU and SIU include \$6.01 million to support an evidence-gathering platform over two years under an interagency agreement with the DEA, \$9.56 million in other interagency agreement support, and \$825,000 per year for NIU salary supplements. SIU supplements are funded separately by DEA.<sup>724</sup> In October, DEA allocated \$40,000 to SIU for FY 2019. As of March 21, DEA has disbursed \$5,250 in interagency agreement operational funds, and \$35,646 for SIU salary stipends.<sup>725</sup> Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. Supplements are provided to all NIU officers, from police officers to unit commanders on the basis of rank.<sup>726</sup> DOD provided \$675,000 for equipment to the NIU for 2017 and \$1 million for equipment such as vehicles and communications gear to be delivered in 2019.<sup>727</sup>

## **Interdiction Results**

Between January 1 and March 21, 2019, DOD reported seizures of 1,327 kilograms (kg) (2,925.5 lbs) of heroin, 18,808 kg (41,465 lbs) of hashish, and 14.68 kg (32.4 lbs) of methamphetamine.<sup>728</sup> A kilogram is about 2.2 pounds.<sup>729</sup> Unlike prior quarters, DOD did not provide SIGAR with opium-seizure data or cumulative interdiction results for various illicit narcotics. DEA reported that Afghan specialized units conducted 36 operations during the same period, compared to 53 operations reported last quarter, resulting in seizures and arrests. No high-value targets were apprehended during the

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TABLE 3.29

<b>SPECIALIZED UNITS SEIZURE RESULTS FROM FY 2015 TO FY 2019</b>						
<b>Sensitive Investigative Unit and National Interdiction Unit Results</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019*</b>	<b>Total</b>
Number of Operations	33	55	85	119	89	<b>381</b>
Arrests	56	105	119	228	136	<b>644</b>
Labs destroyed	5	14	105	131	18	<b>273</b>
Heroin seized (kg)	183	1,404	10,707	3,470	3,488	<b>19,252</b>
Opium seized (kg)	7,682	6,591	33,601	14,661	2,306	<b>64,841</b>
Hashish seized (kg)	1,040	77,377	263,972	31,467	189,681	<b>563,537</b>
Morphine seized (kg)	380	3,650	75,660	15,767	1,857	<b>97,314</b>
Liquid chemicals seized (liters)	234,039	3,185	27,899	93,974	120	<b>359,217</b>
Dry chemicals seized (kg)	1,450	3,250	71,074	18,100	N/A	<b>93,874</b>
Cash seized (USD equivalent)	N/A	N/A	N/A	\$974,049	\$66,870	<b>\$1,040,919</b>

Note: \*Results for the first two quarters.

Source: DEA, response to SIGAR data call, 4/8/2019; DEA, response to SIGAR vetting, 4/15/2019.

quarter.<sup>730</sup> In February 2019, an Afghan man was extradited to New York from Estonia, where he had been arrested last October for attempting to import large quantities of heroin into the United States, funneling the proceeds to the Taliban, and attempting to provide financial assistance to the Haqqani terrorist network.<sup>731</sup>

DEA told SIGAR the challenging security environment in drug-producing and drug-refining areas constrains every aspect of drug enforcement and is the primary reason for the drop in interdiction activities throughout Afghanistan.<sup>732</sup> INL reports that members of the CNPA are increasingly able to plan and conduct effective counterdrug operations.<sup>733</sup>

Specialized units' seizure results have improved over the past five years, but as shown in Table 3.29, the thousands of kilograms of narcotics seized pale in comparison to yearly opium production. Nearly 65 metric tons of opium were seized between 2015 and 2019, yet Afghanistan's opium production for 2018 alone reached 5,330 metric tons, according to U.S. government estimates.<sup>734</sup>

## Penal Law Enforcement

The CNJC is the central facility for the investigation, prosecution, and trial of major drug and drug-related corruption cases.<sup>735</sup> It receives \$6 million annually from INL for operations and maintenance.<sup>736</sup> According to DOJ, between October 1 and December 31, 2018, the CNJC investigated 134 cases, arrested 166 individuals in relation to those cases, and referred 302 cases for trial resulting in 129 court convictions.<sup>737</sup>

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**Afghan commandos seized** more than \$12 million worth of opium in a night raid on this processing lab in Helmand Province in April 2018. (RS photo by Martha Schaeffer courtesy of ANDSF)

As noted in SIGAR's lessons-learned report on counternarcotics, the CNJC is an example of a capacity-building success, but not a strategic one. The CNJC investigates and prosecutes several hundred cases annually. Yet, its high conviction rate has not had a noticeable impact on overall levels of drug production and trafficking. The CNJC has not prosecuted major traffickers, who are often connected to Afghanistan's political elite.<sup>738</sup>

Afghanistan's new penal code, enacted in late 2017, authorizes confiscating assets (including land, structures, and vehicles) used in, or earned through, narcotics production and trafficking. However, according to DOJ, the government does not have procedures in place to distribute the proceeds of seized assets to support law enforcement.<sup>739</sup> According to DOJ, the CNJC focuses on low-level offenders at the expense of pursuing high-profile targets. The investigators and prosecutors build solid cases and have a high conviction rate, but they often fail to pursue the next-higher ranking targets. Ringleaders then hire new people to replace the lower-rung suspects targeted by the CNJC and continue operations.<sup>740</sup>

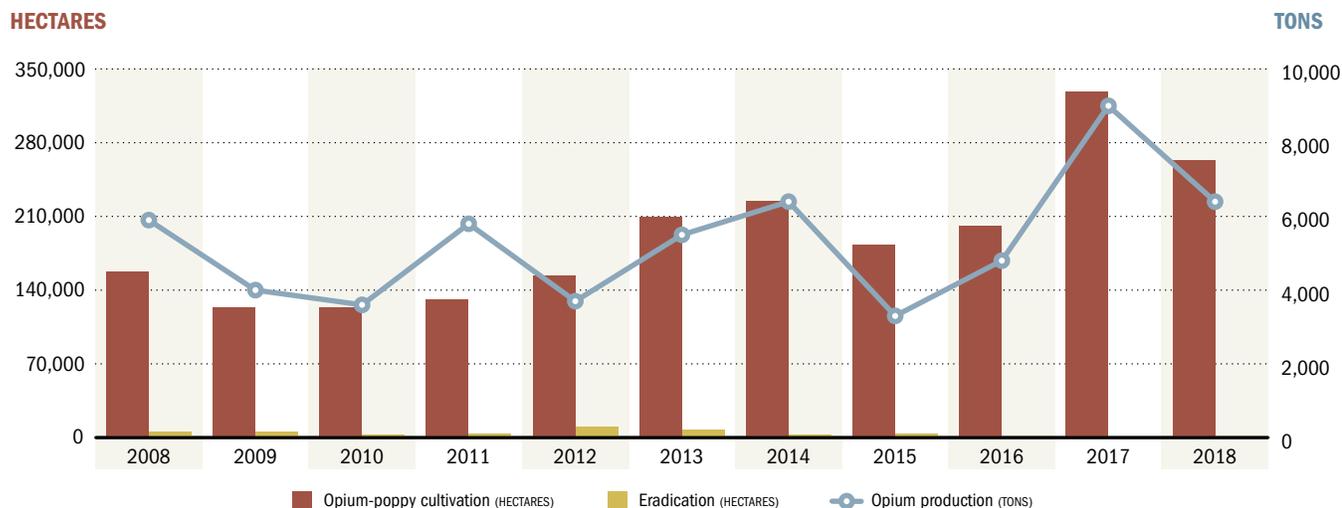
DOJ, INL, and U.S. Embassy officials have attempted to increase the number of kingpin cases pursued, but they said the Afghan criminal-procedure process is incompatible with long-term investigations. Under Afghan law, prosecutors have little discretion in determining or filing charges; an arrest is almost always required.<sup>741</sup>

DOJ said it has a cooperative relationship with the CNJC and its general director, Mohammed Arif Noori, always complies with DOJ requests for information. However, Director Noori has not taken a polygraph,

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FIGURE 3.47

AFGHAN OPIUM-POPPY CULTIVATION, ERADICATION, AND PRODUCTION SINCE 2008



Source: UNODC, *World Drug Report 2016*, 5/2016, Annex, vii, ix, xii; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, pp. 5, 61–68.

unlike his subordinates, leading the UK government to suspend his salary supplement.<sup>742</sup>

## Eradication Results

### Governor-Led Eradication

Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.<sup>743</sup> INL has disbursed \$6.9 million since the program's inception in 2008.<sup>744</sup>

UNODC reported the eradication of 406 hectares during 2018, a 46% decrease from 2017. Eradication took place in Kunar, Nangarhar, Kandahar, and Badakhshan Provinces. No eradication took place in Helmand, the highest poppy-cultivating province, between 2016 and 2018.<sup>745</sup> Afghan press reported in early April 2019 that the government started poppy-eradication campaigns in Helmand and Nangarhar Provinces.<sup>746</sup>

INL reports that the Afghan government has still not finalized its eradication strategy containing provincial targets for 2019.<sup>747</sup>

As Figure 3.47 illustrates, eradication efforts have had minimal impact on curbing opium-poppy cultivation. Since 2008, on average, annual eradication results represent 2% of the total yearly opium cultivation total.<sup>748</sup>

## Good Performers Initiative

The Good Performers Initiative (GPI) sought to incentivize provincial governors' counternarcotics and supply-reduction activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation.<sup>749</sup> GPI projects included schools, roads, bridges, irrigation structures, health clinics, and drug treatment centers.<sup>750</sup> According to INL, the program was deemed “ineffectual at curbing opium cultivation” in those provinces receiving awards. MCN's inability to adequately manage the program was also a factor in INL phasing out the program.<sup>751</sup>

As of March 2019, INL reported that 286 projects valued at \$126.9 million have been contracted. Of those, 283 projects have been completed and three are still in progress, though INL provided no update on details.<sup>752</sup> However, no new GPI projects were approved after April 30, 2016.<sup>753</sup>

The number of poppy-free provinces increased from six at the beginning of the program in 2007 to 15 in 2013, the last year GPI awards were granted.<sup>754</sup>

## TREATMENT AND PREVENTION

INL works closely with international partners to coordinate and execute capacity building and training activities for service providers in drug prevention, treatment, and recovery.<sup>755</sup> The INL-funded 2015 *Afghanistan National Drug Use Survey* conservatively estimated that roughly 11% of the population would test positive for one or more drugs, including 5.3% of the urban population and 13% of the rural population. Drug use among women and children is among the highest documented worldwide, and 38.5% of rural households tested positive for some form of illicit drug.<sup>756</sup>

The United States and the Afghan government are finalizing a transition plan for the transfer of U.S.-funded drug-treatment centers to the Afghan government. INL is finalizing the plan to include the modifications from the December 2018 bilateral workshop with the **Colombo Plan** held in Jakarta.<sup>757</sup> In December 2018, INL signed an agreement to fund drug-treatment centers in the amount of \$2.8 million. INL will provide additional funds through a future agreement to support the treatment centers until December 31, 2020.<sup>758</sup> According to INL, MCN's dissolution would have little the impact on drug-demand-reduction programs since MOPH is currently responsible for implementing drug-demand-reduction policy.<sup>759</sup>

Most of the patients at the 86 drug-treatment centers (DTCs) supported by INL are adult males. Of the 86 facilities, 67 are inpatient centers and 19 are outpatient centers; 24 are dedicated to women, adolescents, and children.<sup>760</sup> Forty-four of the residential treatment centers also offer home-based services, with six of them providing services to adult females.<sup>761</sup> INL has developed a software tool to monitor inventory and procurement of

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**Colombo Plan:** Instituted as a regional intergovernmental organization to further economic and social development, it was conceived at a conference held in Colombo, Sri Lanka (then Ceylon) in 1950 with seven founding-member countries. The organization has since expanded to include 26 member countries. INL supports the Colombo Plan's Universal Treatment Curriculum, a national level training and certification system for drug-addiction counselors aimed at improving the delivery of drug treatment services in Africa, Asia, and Latin America.

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Source: Colombo Plan Secretariat website, “History,” [www.colombo-plan.org](http://www.colombo-plan.org), accessed 7/1/2017; INL, *International Narcotics Control Strategy Report, Volume I: Drug and Chemical Control*, 3/2018, p. 19.

## SIGAR AUDIT

An ongoing SIGAR audit of INL's drug-treatment programs in Afghanistan is examining the extent to which INL and its implementers: (1) developed strategies and assessed program achievements; (2) conducted required oversight, and identified and addressed program challenges; and (3) incorporated sustainment into the programs. More information is found in Appendix C of this report.

INL-funded drug treatment centers. In September 2018, INL used the tool to monitor DTCs in Kabul. The tool has also been deployed to Nangarhar, Herat, Kandahar, and Balkh Provinces this fiscal year.<sup>762</sup>

INL has obligated and disbursed approximately \$159.7 million for the Colombo Plan since 2008 on drug demand reduction programs.<sup>763</sup> According to INL, the demand for treatment and prevention services far exceeds the capacity of the centers, most of which have extensive waiting lists for new patients.<sup>764</sup>

The United States supports UNODC's global child-addiction program to develop protocols for treating opioid-addicted children, training treatment staff, and delivering services through nongovernmental organizations. The United States also funds an antidrug curriculum in Afghan schools that has trained over 1,900 teachers and reached over 600,000 students in 900 schools over seven years.<sup>765</sup>

## ALTERNATIVE DEVELOPMENT

The United States is currently implementing alternative development initiatives, within the framework of the Afghanistan Integrated Country Strategy, to reduce illicit drug production and promote sustainable agriculture-led economic growth.<sup>766</sup> The U.S.-funded programs listed in Table 3.30 are discussed in this section of the report:

### Boost Alternative Development Intervention Through Licit Livelihoods

The U.S.-funded Boost Alternative Development Interventions through Licit Livelihoods (BADILL) project, implemented by UNODC, aims to strengthen and diversify licit livelihoods of small and marginal farmers through alternative development methods. The project supports and strengthens selected value chains in production, processing, quality control, and market linkages across the following 13 target provinces: Helmand, Uruzgan, Nimroz, Samangan, Jowzjan, Takhar, Bamyan, Wardak, Parwan, Panjshir, Paktiya, Paktika, and Nangarhar.<sup>767</sup>

From January through March 2019, the project established 762 new orchards, provided nearly 55,000 saplings, 3.4 metric tons (MT) of flax, pea seed, and 35 MT of fertilizer to farmers. Additional activities such as sales of backyard poultry and dairy milk brought in approximately \$320,000. According to UNODC, 192.4 hectares of land were brought under licit cultivation. The project also facilitated the participation of female entrepreneurs to several events such as the International Women's Day Jobs and Fair Exhibition, the UNAMA Welfare exhibition, and the National Spring Agriculture Exhibition. The exhibitions provided male and female beneficiaries the opportunity to showcase their products, engage with other producers, meet distributors and wholesalers, and share ideas about

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TABLE 3.30

<b>ALTERNATIVE LIVELIHOOD PROGRAMS</b>					
<b>Project Title</b>	<b>U.S. Implementing Agency</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
Regional Agricultural Development Program-North (RADP-N)	USAID	5/21/2014	5/20/2019	\$78,429,714	\$64,490,651
Commercial Horticulture and Agricultural Marketing Program (CHAMP)	USAID	2/1/2010	12/31/2019	71,292,850	61,532,955
Afghanistan Value Chain-Livestock (AVC-L)	USAID	6/9/2018	6/8/2021	55,672,170	4,233,421
Afghanistan Value Chain-High Value Crops (AVC-HVC)	USAID	8/2/2018	8/1/2023	54,958,860	2,300,878
Regional Agricultural Development Program-East (RADP-E)	USAID	7/21/2016	7/20/2021	28,126,111	11,726,049
Community-Based Agriculture and Alternative Development-West (CBARD-West)*	INL	9/1/2016	4/18/2020	24,368,607	24,368,607
Community-Based Agriculture and Alternative Development-East (CBARD-East)*	INL	11/11/2017	11/11/2020	22,128,683	22,128,683
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)*	INL	8/12/2016	8/12/2020	20,000,000	20,000,000
Promoting Value Chains-Western Afghanistan (PVC-W)	USAID	9/20/2017	9/19/2020	19,000,000	8,000,000
<b>Total</b>				<b>\$373,976,995</b>	<b>\$218,781,243</b>

Note: \* Cumulative disbursements, as of 3/31/2019.

Source: USAID, response to SIGAR data call, 4/11/2019; State, INL, response to SIGAR data call, 3/20/2019; USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP), Quarterly Report, January–March 2018*, 2018, p. 1; USAID, *Promoting Value Chains—Western Afghanistan, Semi-Annual Progress Report, September 20, 2017 to March 31, 2018, 5/29/2018*, i; USAID, *Regional Agricultural Development Program—East (RADP-E), Quarterly Report FY 2018, Quarter 3 (April–June, 2018)*, 7/30/2018, p. 3; USAID, *Regional Agricultural Development Program—East (RADP-E), Activity Monitoring and Evaluation Plan, FY 2018, 1/20/2018*, p. 1; USAID, *Regional Agricultural Development Program (RADP)—North, FY 2018, Quarter 3 (April–June, 2018)*, 7/31/2018, p. 8.

increasing the quality and reach of their products. During the exhibitions, 21 BADILL beneficiaries realized approximately \$5,900 in sales from their off-farm products (natural soap, mint oil, dry fruit, and mint tea). UNODC reported that one of the events hosted by MAIL Minister Nasir Ahmad Durrani, featured speeches encouraging Afghan farmers to embrace licit agriculture.<sup>768</sup>

## Community-Based Agriculture and Rural Development

The U.S.-funded Community-Based Agriculture and Rural Development projects implemented by the United Nations Development Programme (UNDP) work to improve household income while reducing dependency on illicit poppy cultivation for selected communities in 12 high-poppy cultivating districts in Badghis, Farah, and Nangarhar Provinces. The projects will also develop and strengthen community-based agribusiness infrastructure, such as irrigation, transportation, and storage facilities.<sup>769</sup> Information about the CBARD projects is available in Table 3.31 on the following page.

TABLE 3.31

COMMUNITY-BASED AGRICULTURE AND RURAL DEVELOPMENT (CBARD)					
Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost	Cumulative Disbursements, as of 3/31/2019
CBARD-West	11/2016	4/2020	UNDP	\$24,368,607	All funds disbursed
CBARD-East	11/2017	12/2020	UNDP	22,128,683	All funds disbursed
<b>Total</b>				<b>\$46,497,290</b>	<b>\$46,497,290</b>

Source: INL, response to SIGAR vetting, 1/13/2017; State, INL, *Letter of Agreement with UNDP*, 11/09/2017; State, INL, response to SIGAR data call, 3/20/2019.

**Value chain:** the range of goods and services necessary for an agricultural product to move from the farm to the final customer or consumer. It encompasses the provision of inputs, actual on-farm production, post-harvest storage and processing, marketing, transportation, and wholesale and retail sales.

Source: USAID, response to SIGAR vetting, 4/12/2015.

**Micro greenhouses:** are 60 square meters and given primarily to women for income diversification and production at the household level. They are often close to the homes to allow access for women and produce seedlings for commercial greenhouses.

Source: State, INL, response to SIGAR vetting, 1/15/2019.

## Community-Based Agriculture and Rural Development-East

The \$22 million Community-based Agriculture and Rural Development-East (CBARD-E) project strengthens community-based local production and marketing of high-value crops in 100 communities in Nangarhar Province. CBARD-E will assess alternative livelihoods as alternatives to opium cultivation in communities and directly benefit approximately 28,500 households (199,500 individuals). In addition to building capacity in treatment communities, CBARD-E strengthens public and private agribusiness infrastructures such as **value-chain** facilities, irrigation, and transportation.<sup>770</sup>

From October 1 to December 31, 2018, CBARD-E provided training to 840 people (223 women, 617 men) in agribusiness development, as well as training to 359 people (24 women, 335 men) on land layout, orchard plantation, kitchen gardening, and post-harvest processing of citrus and pomegranate. The project's lead farmers (7 women, 28 men) provided technical skills training to 169 farmers on high-value crop cultivation at farmer field schools and distributed 460 horticulture tool packages directly to local beneficiaries.<sup>771</sup>

CBARD-E established 230 kitchen gardens, created orchards on 20 hectares (ha) of land, rehabilitated orchards on 10 ha of land, and distributed 100 beekeeping packages and 4,600 kg of fertilizer. CBARD-E also completed construction on 30 **micro greenhouses** in six districts of Nangarhar, which are being used for the cultivation of tomato, cucumber, and other vegetables. According to UNDP, micro greenhouses provide farmers with returns of about \$100 annually, which is an initial economic incentive not to cultivate opium. In addition, CBARD-E project staff, collaborating with Afghan government and local organizations, identified 30 new irrigation projects to improve water resource management on an additional 425 ha.<sup>772</sup>

The micro greenhouses in Nangarhar were specifically planned for female beneficiaries in order to improve household livelihoods and increase food security by providing income through the cultivation of vegetables. Insecurity, cultural traditions, and the remoteness of CBARD-E project sites make it difficult for women to participate. The CBARD-E project is addressing these challenges by prioritizing interventions more accessible

to women, such as kitchen gardens and home-based greenhouses that don't require women to leave the vicinity of their residences.<sup>773</sup>

## Community-Based Agriculture and Rural Development-West

The \$24 million Community-based Agriculture and Rural Development-West (CBARD-W) project strengthens community-based local production and marketing of high-value crops in 63 communities in Farah and Badghis Provinces. CBARD-W will assess alternative livelihoods as alternatives to opium cultivation in communities and directly benefit approximately 33,240 households (232,680 individuals). In addition to building capacity in treatment communities, CBARD-W strengthens public and private agribusiness infrastructures such as value-chain facilities, irrigation, and transportation.<sup>774</sup>

During the final calendar quarter of 2018, CBARD-W trained 853 individuals (617 men, 236 women) on agribusiness development, and 344 people (173 men, 171 women) on land layout, orchard plantation, kitchen gardening, and post-harvest processing techniques. In addition, the CBARD-W project's 45 lead farmers (38 men and 7 women) trained 74 farmers in Badghis on technical skills related to high-value crop cultivation and distributed 110 horticulture tool packages and 164 items of post-harvest value additional equipment directly to beneficiaries. CBARD-W also established 147 kitchen gardens, orchards on 268.4 ha of land, and distributed 80 bee-keeping packages and nearly 19,000 kg of fertilizer.<sup>775</sup> CBARD-W completed construction on 79 greenhouses and 10 micro greenhouses, which are being used for the cultivation of tomato, cucumber, and other vegetables.<sup>776</sup>

## Afghanistan Value Chains Programs

These programs cover the regions previously targeted by now-inactive Regional Agricultural Development programs (RADP).<sup>777</sup> RADP's objective is to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects focus on strengthening farmers' productivity in wheat, high-value crops, and livestock. Using a value-chain approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of

TABLE 3.32

AFGHANISTAN VALUE-CHAINS (AVC) PROGRAM				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
AVC-Livestock	6/9/2018	6/8/2021	\$34,714,295	\$4,233,421
AVC-High Value Crops	8/2/2018	8/1/2021	33,482,672	2,300,878
<b>Total</b>			<b>\$68,196,967</b>	<b>\$6,534,299</b>

Source: USAID, response to SIGAR data call, 4/11/2019.

agricultural value chains.<sup>778</sup> Table 3.32 on the previous page, provides program value, duration, and expenditures to date.

## **Afghanistan Value Chains - High Value Crops**

The \$33.5 million Afghanistan Value Chains-High Value Crops (AVC-HVC) is a five-year project to reverse market failures, strengthen linkages, spur growth and job creation for men, women, and youth along value chains for fruit, nuts, high-value horticulture, spices, and medicinal crops.<sup>779</sup> Activities are designed around “anchor firms” and important value-chain service providers such as financial institutions, shipping and transport companies, and management consultant firms.<sup>780</sup> According to USAID, anchor firms have the willingness and potential to create systemic change in their value-chain, with benefits that go beyond the individual firm.<sup>781</sup>

The project established regional offices in Jalalabad, Kandahar, Herat, and Mazar-e Sharif during the quarter. AVC-HVC selected 26 anchor firms to enter into partnership agreements. The project will support the participation of anchor firms in trade and promotion events. It selected four firms to participate at the Gulfood 2019 exhibition.<sup>782</sup> As of April 6, 2019, USAID has disbursed \$2.3 million.<sup>783</sup>

## **Afghanistan Value Chains - Livestock**

The three-year \$34.7 million Afghanistan Value Chains-Livestock (AVC-L) will work with anchor firms in the poultry, small ruminants, dairy products, and other livestock value-chains.<sup>784</sup> During the first quarter of FY 2019, AVC-L completed its livestock value-chain analysis and signed eight partnership agreements with livestock agribusinesses. The project also referred several agribusinesses to the Agriculture Development Fund to which a dozen submitted loan applications totaling \$1.6 million.<sup>785</sup> As of April 6, 2019, USAID has disbursed \$4.2 million.<sup>786</sup>

## **Promoting Value Chains - Western Afghanistan**

The \$19 million Promoting Value Chains-Western Afghanistan (PVC-W) program is implemented by the UN's Food and Agriculture Organization (FAO).<sup>787</sup> PVC-W aims to promote inclusive growth and create jobs in the agriculture sector by strengthening the capabilities of producers and private enterprises by:<sup>788</sup>

- increasing wheat productivity
- improving production and productivity of high-value crops
- enhancing technology utilization in the livestock industry
- building institutional capacity at provincial and district levels

The first year of the project, which launched in January 2018, targeted Herat Province. The project will expand to Badghis, Farah, and Nimroz Provinces in 2019. Sixteen project districts were identified based on the

presence of production and processing facilities for targeted crops, accessibility, and security. Nearly 120 beneficiaries such as suppliers, service providers, and associations were selected during the first year.<sup>789</sup> During the second year, all other activities except for the wheat component will cease in Farah.<sup>790</sup> Due to security concerns in Farah Province, USAID determined that the financial and security investments required for UN staff to operate in the province outweigh the value-chain development potential that can be realized within the project timeframe. According to USAID, the available funds will be more efficiently utilized in the remaining provinces targeted by the program.<sup>791</sup>

Private-sector beneficiaries participate in a project innovation fund (PIF). The PIF is a source of co-financing for selected agribusinesses and enterprises. USAID hopes to stimulate investments in private agribusinesses that develop and promote new markets and sales for agricultural inputs, wheat, high-value crops, and dairy products. The PIF intends to improve business performance by addressing some of the key barriers to production and marketing, as well as support farmer and producer groups in adopting and using new technologies and equipment.<sup>792</sup> The initial group of companies was approved for the first round of PIF implementation during the second half of 2018. Proposals from another group were conditionally approved and will likely be accepted for the second round.<sup>793</sup> As of April 6, 2019, USAID has disbursed \$8.0 million.<sup>794</sup>

## Commercial Horticulture and Agricultural Marketing Program

The \$71.3 million Commercial Horticulture and Agricultural Marketing Program (CHAMP) works with leading Afghan processing and export firms to enhance the supply chain, marketing, and export promotion of Afghan fruits and nuts. CHAMP supports traders through its trade offices in India, United Arab Emirates, and Kazakhstan to boost Afghan agricultural exports.<sup>795</sup>

As of December 2018, CHAMP has exported 100,000 tons of produce valued at \$153 million to markets in Pakistan, India, the United Arab Emirates, Canada, and other nations. The program has trained 113,000 farmers, constructed over 230 storage facilities, such as cool rooms and raisin-drying facilities, and planted 2.85 million saplings.<sup>796</sup> CHAMP initiated a grants program to finance innovative initiatives that will ultimately promote Afghan goods in international markets. In December, approximately four metric tons of dried fruit, nuts, and other Afghan agricultural goods were shipped to neighboring countries and Europe valued at \$10.6 million.<sup>797</sup> As of April 6, 2019, USAID has disbursed \$61.5 million.<sup>798</sup>

## Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) intends to help Afghan farmers achieve more inclusive and sustainable economic

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growth. RADP projects have ended in the western and southern regions, but continue in the eastern and northern regions of Afghanistan. The projects focus on strengthening farmers' productivity in wheat, high-value crops, and livestock. Using a value-chain approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of agricultural value chains.<sup>799</sup>

As shown in Table 3.33, USAID funding for all RADP programs, targeting various regions of the country amounts to approximately \$283.6 million and USAID has spent \$211.1 million as of April 6, 2019.<sup>800</sup>

TABLE 3.33

<b>USAID REGIONAL AGRICULTURAL DEVELOPMENT PROGRAM (RADP)</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 4/6/2019</b>
RADP-South*	10/7/2013	11/20/2017	\$111,414,339	\$108,475,771
RADP-North	5/21/2014	5/20/2019	78,429,714	64,490,651
RADP-West*	8/10/2014	10/25/2016	65,629,170	26,394,196
RADP-East	7/21/2016	7/20/2021	28,126,111	11,726,049
<b>Total</b>			<b>\$283,599,335</b>	<b>\$211,086,666</b>

Note: \* Denotes inactive programs. Afghanistan Value Chains-High Value Crops and Afghanistan Value Chains-Livestock target the regions previously served by the inactive RADP programs.

Source: USAID, response to SIGAR data call, 4/11/2019.

USAID's midterm performance evaluation revealed mixed results among the RADP key indicators. Though projects sometimes failed to meet their targets, the evaluation team found that participants still benefited from engaging with the program. Significant challenges such as access to finance, water shortages, and access to markets were not always addressed by the RADP projects.<sup>801</sup> GIS analysis showed mixed results regarding opium-poppy cultivation. Poppy production fell in the RADP-East and RADP-West regions. But in RADP-South, total hectares allocated to poppy production increased, although the proportion of total agricultural land allocated to poppy production decreased due to increases in licit agricultural production. In RADP-North, poppy production rose substantially in terms of its absolute land area and its proportion of total agriculture.<sup>802</sup>

One of the report's recommendations is to support alternative development financing that will connect businesses to sources of finance to improve the program's sustainability.<sup>803</sup>

## **RADP-East**

The five-year, \$28.1 million RADP-East program seeks to expand sustainable economic growth through the agriculture sector in eight provinces:

Ghazni, Kapisa, Laghman, Logar, Nangarhar, Parwan, Wardak, and Kabul. Its goal is to increase the sale of agricultural goods by at least \$57 million by the end of the program in July 2021.<sup>804</sup>

For the first quarter of FY 2019, RADP-E realized sales valued at \$4.29 million. The program monitors 32 grants valued at \$1.69 million across its targeted value chains. As part of initiatives to expand export-led economic growth, the program sponsored agribusiness representation to the World Food Kazakhstan event held in late October–early November 2018. The sponsored businesses signed agreements worth \$1.6 million and have potential deals worth \$2.4 million for various dried fruits.<sup>805</sup> As of April 6, 2019, USAID has disbursed \$11.7 million.<sup>806</sup>

## RADP-North

RADP-North extends food and economic security for rural Afghans of six provinces: Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan. Activities strengthen farmers' capacity through improved production in the wheat, high-value crop, and livestock value chains.<sup>807</sup> The \$78.4 million five-year program is in its final year.<sup>808</sup>

In October, **laser land leveling** (LLL) operators conducted 25 demonstration field days to 721 farmers in Balkh and Jowzjan Provinces. Three of the project's LLL operators leveled 69.4 *jeribs* (one hectare equals five *jeribs*) for seven farmers generating AFN 209,500 (\$2,831) in revenue.<sup>809</sup>

In November, RADP-North cultivated plots in 70 villages and distributed and sold wheat seeds to farmers. The program also conducted hygiene and nutrition training for 500 women in Balkh, Jowzjan, and Samangan. Laser-land-leveling operators leveled 305 *jeribs* of land which generated AFN 847,600 (\$12,465) in revenue. RADP-North supported nine agribusinesses at the WorldFood India trade show. Their attendance generated signed contracts valued at \$1.6 million.<sup>810</sup> **Paravets** trained 200 women and 400 men on livestock deworming in five provinces. Additional urea treatment training for 950 beneficiaries (800 men and 150 women) took place in Balkh, Jowzjan, and Samangan.<sup>811</sup>

At the Kabul Ag-Fair, held October 3–5, 2018, the program supported the participation of 11 agribusinesses. The companies reported confirmed sales of \$8,570, with additional deals for subsequent delivery of \$27,255. The 11 companies also reported potential deals worth \$296,232.<sup>812</sup>

RADP-N provided support to four agribusinesses to participate at the WorldFood Kazakhstan trade show held October 31 through November 2, 2018. The participating companies generated confirmed sales of \$2,963,100 for dried fruit and nut products. The trade show also helped the agribusinesses establish networks with other international buyers and conduct 28 business-to-business meetings.<sup>813</sup> As of April 6, 2019, USAID has disbursed \$64.5 million.<sup>814</sup>

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**A laser land leveller** is a machine equipped with a laser-guided drag bucket and is more effective and quicker in ensuring a flat, table-top like surface. An even land surface means irrigation water reaches every part of the field with minimal waste from runoff or water-logging.

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Source: CGIAR, Research Program on Climate Change, Agriculture and Food Security, *Laser land levelling: How it strikes all the right climate-smart chords*, 5/26/2015, <https://ccafs.cgiar.org/research-highlight/laser-land-levelling-how-it-strikes-all-right-climate-smart-chords>, accessed 4/2/2019.

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**Paraveterinarian or paravet:** a community-based animal health worker who provides initial diagnosis and basic treatment of animals.

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Source: A. Catley, T. Leyland, et al., "Para-veterinary professionals and the development of quality, self-sustaining community-based services," *Revue scientifique et technique (International Office of Epizootics)*, 2004, p. 225.

