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GOVERNANCE

KEY ISSUES AND EVENTS

This quarter, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad held two rounds of talks with the Taliban in Doha, Qatar, that he described as “the most productive” to date, with “substantial progress” on all four principal topics: counterterrorism assurances, foreign troop withdrawal, intra-Afghan dialogue and intra-Afghan negotiations, and a permanent and comprehensive ceasefire. Ambassador Khalilzad’s office confirmed to SIGAR that the latest round of talks ended on July 9 with both sides agreeing to set a date for another meeting after completing internal consultations.²²²

On July 6, the U.S. and Taliban negotiators paused negotiations for two days to accommodate a parallel intra-Afghan dialogue event sponsored by Qatar and Germany.²²³ (Ambassador Khalilzad met again with Taliban representatives on the morning of July 9, but then departed for China and the United States for consultations.²²⁴) Some 44 delegates (including 10 women) from Afghanistan met with 17 Taliban representatives to share their ideas for peace. Afghan government officials expressed their hope that the dialogue could lead to direct talks between the Afghan government and the Taliban.²²⁵ Participants called for the continuation of foreign assistance following a peace agreement.²²⁶

Following the dialogue, the Taliban’s senior negotiator, Sher Mohammad Abas Stanekzai, said the Taliban would enter into direct negotiations “with the Afghan government side for internal matters” only after a timetable for the withdrawal of foreign troops is finalized.²²⁷

Political opponents of President Ashraf Ghani—including a group of 11 presidential candidates—claimed this quarter that May 22, 2019, marked the end of President Ghani’s constitutional term of office. On April 21, the Supreme Court had ruled in favor of extending President Ghani’s term until the election of a new president, saying this followed the 2009 precedent. The president’s opponents criticized the Supreme Court’s decision and warned of potential civil disobedience if its proposals for an interim government were not considered. According to the United Nations, there were no observed demonstrations against Ghani’s presidency on May 23.²²⁸

President Ghani further upset his political opponents when he appointed several senior security officials, including two deputy ministers for defense,

As this report went to print, Ambassador Khalilzad had embarked on a July 22–August 1, 2019, trip to Afghanistan and Qatar. According to State, Ambassador Khalilzad intended to work with the Afghan government to identify a national team to participate in intra-Afghan negotiations. In Doha, Qatar, he intended to resume talks with the Taliban. Afghan media quoted President Ashraf Ghani as saying on July 20 that intra-Afghan negotiations would begin within the next few weeks.

Source: State, “Special Representative Khalilzad Travels to Afghanistan and Qatar,” 7/22/2019; TOLONews, “Intra-Afghan Talks To Begin Within Next Few Weeks: Ghani,” 7/20/2019.

“We are not and will not negotiate with the Taliban on behalf of the government or people of Afghanistan. Rather, we’re working to bring Afghans together at the negotiating table to decide the future of their own country collectively.”

—Secretary of State Michael R. Pompeo



Special Representative for Afghanistan Reconciliation Zalmay Khalilzad (left), Ambassador to Afghanistan John R. Bass (center), and Secretary of State Michael R. Pompeo (right) meet with President Ashraf Ghani, former Afghan President Hamid Karzai and Chief Executive Abdullah Abdullah in June. (State photo)

provincial chiefs of police in 17 provinces, and three new deputies in the Office of the National Security Council. While President Ghani said these appointments were part of his reform agenda, the UN reported that opposition figures claimed these appointments created the perception that he was politicizing the security sector ahead of the presidential elections.²²⁹

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of June 30, 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).²³⁰

RECONCILIATION AND REINTEGRATION

U.S.-led Peace Talks with the Taliban

On June 29, the United States began the latest round of peace talks with the Taliban in Doha, Qatar.²³¹ During a visit to Kabul days before the talks, Secretary of State Michael R. Pompeo expressed his hope for a peace deal by September 1.²³²

Ambassador Khalilzad described the most recent talks as “the most productive” to date having made “substantial progress” on all four principal topics agreed upon between the United States and the Taliban in January 2019: counterterrorism assurances, foreign troop withdrawal, intra-Afghan dialogue and intra-Afghan negotiations, and a permanent and comprehensive ceasefire. Ambassador Khalilzad’s office confirmed to SIGAR that the latest round of talks ended on July 9 with both sides agreeing to set a date for another meeting after completing internal consultations.²³³

In a previous round of talks between May 1 and 9, U.S. and Taliban negotiators focused their discussions on the withdrawal of international troops and guarantees that Afghanistan would not become a base for transnational terrorism.²³⁴

On July 11, Acting Assistant Secretary of State for South and Central Asia Alice G. Wells said that no future Afghan government can expect international assistance if it “restricts, represses or relegates Afghan women to second-class status.”²³⁵

A more comprehensive discussion of State’s perspectives on the peace talks is presented in the classified addendum of this report.

Parallel Peace Efforts in Moscow and Doha

Although Afghan politicians and the Taliban negotiators failed to reach a ceasefire agreement during talks in Moscow in May, the Afghan delegates and Taliban representatives at a July intra-Afghan dialogue event in Doha, Qatar, committed to a goal of reducing “civilian casualties to zero.”²³⁶

Afghan politicians, particularly those opposed to President Ghani, pushed for a ceasefire with a Taliban delegation led by the group’s co-founder, Abdul Ghani Baradar, but the Taliban rejected this request. Russia’s foreign minister opened the meeting with a call for the complete withdrawal of foreign troops from Afghanistan.²³⁷

A more detailed account of the Moscow meeting is presented in the classified addendum of this report.

Also in May, Germany’s special representative to Afghanistan and Pakistan, Markus Potzel, twice met with Taliban representatives in Doha.²³⁸ On June 30, a representative for Afghanistan’s Ministry of Foreign Affairs said Germany agreed to facilitate imminent direct talks between the Afghan government and the Taliban.²³⁹ Potzel clarified that those attending the upcoming event would “participate only in their personal capacity and on an equal footing.” Ambassador Khalilzad described these talks as “an essential element of the four-part peace framework.”²⁴⁰

On July 7 and 8, 44 Afghan delegates (including 10 women) and 17 Taliban representatives gathered for the German- and Qatar-sponsored “Intra-Afghan Peace Conference.” According to State, the Afghan delegates included Afghan government officials, civil-society representatives, political opposition representatives, and members of parliament.²⁴¹ In a joint declaration issued at the conclusion of the conference, participants said a dignified and thoughtful peace was only possible through inclusive Afghan negotiations.²⁴² The participants further called for the parties to the Afghanistan conflict to consider a number of measures, including:²⁴³

- immediate release of all elderly, disabled, and sick inmates
- ensuring the security of public buildings, such as schools and madrassas, hospitals, markets, and water dams
- respecting educational institutions
- reducing civilian casualties to zero

Ambassador Khalilzad’s office told SIGAR that the Doha dialogue included “serious” discussions (despite all participants’ serving only in their personal capacities), was a “strategic success,” and represented the highest profile gathering of Afghans (including the Taliban) since 2001.²⁴⁴

Participants called for assuring women’s political, social, economic, and cultural rights “within the Islamic framework of Islamic Values.”²⁴⁵ One female delegate said she asked the Taliban representatives for their definition of a hijab (a head covering that some believe is required for women by Islam) “because, during the Taliban time, women were beaten for not



Participants in the July 7th and 8th Intra-Afghan Peace Conference in Doha, Qatar, meet with President Ghani upon their return to Afghanistan. (Afghan government photo)

“In the end only the Afghans themselves, including the Taliban, can decide upon the future of their country.”

—Markus Potzel, Germany’s Special Representative of the Federal Government for Afghanistan and Pakistan



Acting Assistant Secretary of State for South and Central Asia Alice G. Wells meeting with High Peace Council Deputy Chair Habiba Sarabi in May. (U.S. Embassy photo)

wearing a burqa” [a one-piece veil that covers the face and body, often leaving just a mesh screen to see through]. According to the delegate, a Taliban representative responded that, from their interpretation of Islam, a less concealing headscarf is as appropriate as a burqa.²⁴⁶

On June 6, 77 members of Congress sent a bipartisan letter to Secretary of State Michael R. Pompeo urging him to ensure that women are included in Afghan peace negotiations and that any agreement protects Afghan women’s rights.²⁴⁷

Afghanistan Holds a Consultative Loya Jirga on Peace

Over five days starting on April 29, more than 3,000 delegates met in Kabul to discuss their views and thoughts on peace and stability in Afghanistan. Hosted by the Afghan government, the Consultative Peace Loya Jirga, or grand gathering, sought to develop the parameters for talks with the Taliban.²⁴⁸ The delegates called on the Afghan government and Taliban to declare an immediate and permanent ceasefire to coincide with the start of Ramadan in May.²⁴⁹ (The Taliban rejected demands for a ceasefire on the final day of the Jirga and again on June 1, 2019, in the group’s annual message for the Eid al-Fitr holiday.²⁵⁰)

Further, the delegates said any amendments to the Afghan constitution should occur after a peace agreement, recommended that Taliban establish a political office in Afghanistan, and requested that the Afghan government and international community develop a timeline for a responsible withdrawal of foreign military forces.²⁵¹ Chief Executive Abdullah Abdullah, as well as opposition presidential candidates, boycotted the event, claiming it was part of President Ghani’s reelection campaign.²⁵²

U.S. Support to Peace and Reconciliation

State provided \$3.9 million to the United Nations Development Programme in September 2017 to support reconciliation, including the activities of the High Peace Council (HPC).²⁵³ State provided an additional \$6 million in September 2018 for a project extension to July 31, 2019. State has allocated, but not obligated, another \$2.5 million to support Afghanistan’s peace strategy.²⁵⁴ The United States, United Kingdom, and South Korea are developing a follow-on to the present interim reconciliation activity.²⁵⁵

State’s funding supports the HPC as it prepares the Afghan public for negotiations with the Taliban, including initiatives to develop a social consensus for peace and reconciliation. According to State, the HPC, with funding from the European Union, will conduct a series of peace dialogues over the next six months. Residents of Paktiya, Bamyan, Kandahar, Herat, Balkh, and Kunduz Provinces will discuss their potential peacebuilding roles to address the causes of the conflict.²⁵⁶

The HPC is not effective enough to implement a peace agreement, State says. The Afghan government still needs to develop and implement

guidelines for province and district government officials to de-escalate local conflicts and reintegrate local Taliban fighters and commanders. According to State, local Afghan civil and military officials regularly engage with Taliban commanders to de-escalate the conflict. These same officials have requested financial support from the Afghan government, but no national program exists. In the event of a broader peace agreement, State said the contacts generated through these local efforts could help in implementing the larger peace plan.²⁵⁷

PREPARATIONS FOR THE PRESIDENTIAL ELECTIONS CONTINUE

This quarter, the Afghan election management bodies—the Independent Elections Commission (IEC) and the Electoral Complaints Commission (ECC)—continued their preparations for the upcoming presidential elections. On May 29, the IEC announced that only the presidential elections would occur on September 28, 2019. This reversed the IEC’s previous decision to hold provincial council elections and the delayed parliamentary elections for Ghazni Province on the same day as the presidential voting. The IEC did not announce a new date for these other elections.²⁵⁸

The United States and the other principal international election donors welcomed the IEC’s decision to concentrate solely on the presidential election, writing this was “essential given the very tight timeline and the practical challenges.”²⁵⁹

The IEC launched a 22-day voter registration “top-up” on June 8. Five categories of voters can register, including those:²⁶⁰

- who will be 18 years old by election day
- who recently returned to Afghanistan
- who have not registered before
- whose name was previously registered incorrectly or who have lost or damaged national identification cards
- who changed their electoral constituency

The IEC will also run a full voter-registration exercise during the 22-day voter registration period in Ghazni Province, which could not complete voter registration in 2018 due to insecurity and political disputes.²⁶¹

The IEC said it would post the existing voter lists at all polling centers during the registration period to allow already registered voters to make corrections.²⁶² The October 2018 parliamentary elections featured the first use of polling-center-based voter lists (which require voters to cast their ballots at the polling center at which they register).²⁶³ According to the UN, Afghan civil-society organizations observed polling centers having inaccurate voter lists and difficulties in identifying registered voters during the October 2018 parliamentary election.²⁶⁴



U.S. Embassy officials visit a voter registration center in Kabul. (State photo)

After initially deciding on April 25, 2019, that it would register all voters biometrically, the IEC reversed itself on May 13 when it said the voter registration top-up would use paper-based registration methods. According to the UN Secretary-General, international donors facilitated an assessment by a senior technology expert, who advised the IEC that it would need 18 to 24 months to properly implement a biometric voter registration process.²⁶⁵

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

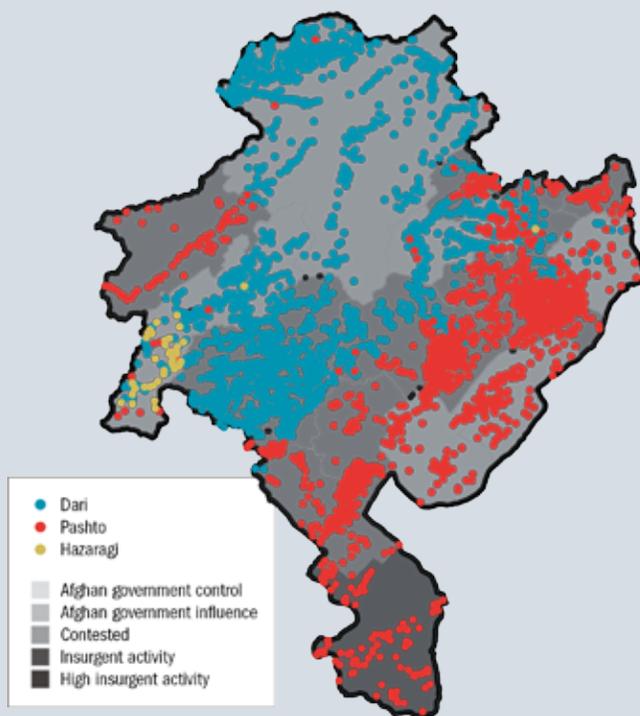
Why No Elections in Ghazni Province?

Out of all Afghan provinces, only Ghazni failed to hold parliamentary elections in October 2018. This quarter, the IEC again delayed parliamentary elections in Ghazni to an unknown future date.²⁶⁶ Earlier, in 2010, parliamentary elections in Ghazni were also controversial. As shown in Figure 3.38, Ghazni is a linguistically and ethnically mixed province with predominately Dari-speaking Hazara- and Pashto-speaking, Pashtun-dominated districts. Whereas the 2005 parliamentary elections produced five Hazara and six Pashtun victors, in 2010 Hazara candidates won all 11 parliamentary seats. According to the National Democratic Institute, insurgent violence and intimidation depressed Pashtun turnout that year. Pashtun candidates protested and claimed they had been disenfranchised following the announcement of the preliminary results.²⁶⁷

Against this backdrop of controversy, the IEC announced in June 2018 that it would split Ghazni Province into three electoral constituencies. This would have made Ghazni unique among the other 33 provinces that are unitary, multi-seat constituencies (multiple parliamentarians representing a single province). Protests in support of and opposed to the split seriously hindered election preparations in the province.²⁶⁸ A few days before the October 2018 elections were to be held, the IEC announced it was delaying the Ghazni vote due to insecurity and difficulties in registering voters. While the IEC expressed hope that the elections would be held in four months as required by law,²⁶⁹ the parliamentary elections remain unscheduled.

FIGURE 3.38

PRINCIPAL LANGUAGE SPOKEN IN GHAZNI PROVINCE (AT THE SETTLEMENT LEVEL) WITH RESOLUTE SUPPORT DISTRICT-CONTROL ASSESSMENT (AS OF OCTOBER 2018)



Note: Adapted from 2012 Afghan Geodesy and Cartography Head Office (AGCHO) shapefile with 399 districts. Adjustments, some approximate, were made to data for districts that were whole in AGCHO's 399-district set, but split in RS' 407-district set. See R.L. Helms, District Lookup Tool, <https://arcgis.is/1b0jGv> accessed 10/14/2018, for differences amongst district sets. This 407-district set was used to present 6/2013 USAID Measuring Impacts of Stabilization Initiatives (MISTI) "Settlements (villages, towns, cities)" dataset of settlement-level principal language spoken. SIGAR used ArcGIS Pro 2.3 for this analysis and all layers were project to UTM 42N. As of 2019, RS no longer assesses district control. Principal language spoken is not same as ethnicity. However, ethnic Hazaras generally speak Dari or Hazaragi (a dialect of Dari) and ethnic Pashtuns speak Pashto. Source: MISTI, Afghanistan: Settlements (villages, towns, cities) dataset, 6/2013; RS, AAG, response to SIGAR data call, 12/20/2018.

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WHO'S WHO OF PRESIDENTIAL CANDIDATES

The IEC has approved 18 candidates to run in the September 2019 presidential election. If no candidate receives more than 50% of the vote, the election will move to a second round on November 23, 2019.²⁷⁰ Each candidate has a randomly assigned position on the ballot and a candidate-selected symbol and photograph to help illiterate voters.²⁷¹ According to Afghanistan's election law, each candidate had to gather support of 100,000 voters in at least 20 provinces to register.²⁷² The ECC vetted and cleared all 18 candidates, reporting that there were no complaints made against any them.²⁷³

CANDIDATES FOR THE 2019 PRESIDENTIAL ELECTION



Rahmatullah Nabil

Amniyat wa Adalat
(Security and Justice)
Former chief, National
Directorate of Security



Sayed Noorullah Jalili

Director of a road-construction company



Dr. Faramarz Tamana

Tadbir wa Tawse'a
(Prudence and Development)
Head of the Centre for Strategic Studies
of the Ministry of Foreign Affairs



**Shaida
Mohammad Abdali**

Musharekat wa Taghir
(Participation and Change)
Former Ambassador to India



Ahmad Wali Masood

Wefaq-e Melli (National Accord)
Former Ambassador to
the United Kingdom



Noor Rahman Lewal

Masuliat wa Adalat
(Responsibility and Justice)
Founder and owner of
a software company



**Mohammad
Shahab Hakimi**

Solh, Qanuniat wa Refah
(Peace, Lawfulness and Welfare)
Director of the Mine Detection Centre



**Mohammad
Ashraf Ghani**

Dawlat-sazan (State-builders)
Incumbent President of Afghanistan



Dr. Abdullah Abdullah

Subat wa Hamgerayi
(Stability and Integration)
Current Chief Executive of Afghanistan



**Mohammad
Hakim Torsan**

Amal mekonem, sho'ar
na medehem
(We act, we do not chant
slogans)
Former intelligence official during the
communist government



Gulbuddin Hekmatyar

Solh wa Adalat-e Islami
(Peace and Islamic Justice)
Former leader of Hezb-e Islami insurgent
group; reconciled with the Afghan govern-
ment in 2016



Abdul Latif Pedram

Azadi wa Adalat
(Freedom and Justice)
Leader of a political party



Noorulhaq Uloomi

Mardomsalari, Enkeshaf
wa Tawazun
(Democracy [People's Power],
Development and Balance)
Former minister of interior



**Haji Mohammad
Ibrahim Alokazi**

Mubareza bar zed Zulm wa Be-
adalati (Fight against
Oppression and Injustice)
Leader of a political coalition



**Prof. Dr. Ghulam
Farooq Nejrabi**

Leader of a political party



Enayatullah Hafiz

Khademin-e Mellat
(Servants of the Nation)
Unsuccessful candidate for province
council and lower house of parliament



**Mohammad Hanif
Atmar**

Solh wa Etedal (Peace and
Moderation)
Former national security adviser
and government minister



Dr. Zalmay Rasool

Wahdat, Shafafiat wa Etedal
(Unity, Transparency and
Moderation)
Former national security adviser
and government minister

Source: Afghanistan Analysts Network, "Afghanistan's 2019 elections (2): Who are running to become the next president?" 2/11/2019; IEC, "Bulletin #11," 5/15/2019; IEC, "final-presidential-candidateslist.pdf," n.d.

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.²⁷⁴

As shown in Table 3.18, USAID had three active elections-related programs this quarter, the largest of which is support to the UNDP.²⁷⁵

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 Democratic Institute—to support domestic Afghan election observation of the 2018 parliamentary elections, the 2019 presidential elections, and to promote longer-term electoral reforms.²⁷⁶

TABLE 3.18

USAID ELECTION-RELATED PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	\$78,995,000	\$29,462,122
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	14,000,000	4,178,899
Global Elections and Political Transitions Program	1/1/2018	12/30/2018	222,445	222,445

Source: USAID, response to SIGAR data call, 7/11/2019.

MUTUAL ACCOUNTABILITY

Afghanistan Compact

In August 2017, the U.S. and Afghan governments announced the launch of the “Afghanistan Compact.”²⁷⁷ The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government’s commitment to reforms. The Afghan government appears to face no direct financial consequences if it fails to meet the Afghanistan Compact reform commitments. Instead, the principal motivation for the Afghan government officials tasked with achieving the Compact benchmarks appears to be avoiding embarrassment, State said.²⁷⁸

According to State, this quarter, the Attorney General’s Office (AGO) met several Compact benchmarks, including successfully prosecuting former Herat governor and head of the IEC Ahmad Yusuf Nooristani (for further details of this case, see page 128).²⁷⁹ Further, the AGO indicted for fraud all 12 election commissioners who oversaw the October 2018 parliamentary election.²⁸⁰ The AGO also continued its investigation of the individuals

named in the October 2015 Farooqi Report on fuel-related corruption that uncovered collusion, price fixing, and bribery related to bids for fuel contracts totaling nearly \$1 billion. However, this case remains stalled because, according to State, it lacks support from President Ghani's office.²⁸¹

The AGO made progress on a Compact benchmark when it investigated sexual-abuse allegations against the former president of the Afghan Football Federation (AFF), Keramuudin Karim, and his associates. The AGO issued an arrest warrant against Karim a day after the International Federation of Association Football (FIFA) imposed a lifetime ban and a \$1 million fine on Karim following its investigation into physical and sexual abuse of women players.²⁸²

State reported some progress with the Supreme Court obtaining equipment to record trials at its specialized judicial centers. However, the Supreme Court has not started using this equipment. The Supreme Court also committed to publish all judicial opinions and hired consultants to share the work of the judiciary with the media.²⁸³

After several high-level meetings, the Afghan government resolved an issue that saw international humanitarian assistance caught in Afghan customs. It also committed more than \$10 million to assist displaced persons and returnees.²⁸⁴

According to State, the Afghan government self-reports its progress in meeting the Compact benchmarks. When possible, the U.S. Embassy may try to follow up and verify these reports.²⁸⁵

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.²⁸⁶ 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 2024.²⁸⁷

According to the World Bank, the planned 2020 expiration of major donor pledges means that the future trajectory of foreign grant assistance is highly uncertain.²⁸⁸ However, the World Bank believes that if a growing proportion of donor funds are delivered **on-budget**, the current donor commitments should be sufficient to fund the existing levels of service delivery as well as some additional infrastructure investments.²⁸⁹

In several conferences after the 2010 Kabul Conference, the United States and other international donors supported an increase to 50% in the

On-budget assistance: encompasses donor funds that are aligned with Afghan government plans, included in Afghan government budget documents, and included in the budget approved by the parliament and managed by the Afghan treasury system. On-budget assistance is primarily delivered either bilaterally from a donor to Afghan government entities, or through multidonor trust funds. (DOD prefers the term "direct contributions" when referring to Afghanistan Security Forces Fund (ASFF) monies executed via Afghan government contracts or Afghan spending on personnel.)

Off-budget assistance: encompasses donor funds that are excluded from the Afghan national budget and not managed through Afghan government systems.

Source: SIGAR, *Quarterly Report to the United States Congress*, 7/30/2014, p. 130; Ministry of Finance, "Aid Management Policy for Transition and Beyond," 12/10/2012, p. 8; State, response to SIGAR vetting, 1/14/2016; DOD, OSD-P response to SIGAR vetting, 1/15/2018.

SIGAR's Concern with On-Budget Assistance

As the United States reduces its military and civilian presence in Afghanistan, U.S. agencies will likely provide a greater proportion of their foreign aid as on-budget assistance. If more U.S. reconstruction funds are provided directly to the Afghan government on-budget, SIGAR believes strong accountability measures and internal controls must be in place, as well as oversight of those measures and controls. Likewise, if more U.S. and other donor on-budget assistance is provided through international trust funds such as the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF), the UN Development Programme's Law and Order Trust Fund for Afghanistan (LOTFA), and Asian Development Bank's Afghanistan Infrastructure Trust Fund, enhanced accountability measures and internal controls by the Afghan government must be in place, as well as oversight of those measures and controls by the international organizations and the donor community. As Inspector General John F. Sopko has said, "If those conditions and that will to protect that money are lacking, and assistance is provided anyway, we at SIGAR believe you may as well take all of that cash and set it ablaze in Massoud Circle for all the help it will do to the Afghans or to us."

SIGAR has found that the World Bank and UN have had serious problems monitoring the on-budget funds they disburse. Further, U.S. agencies have shown very little inclination to monitor what the funds' financial agents are doing. For example, a 2017 SIGAR investigation uncovered corruption with Afghan-based contractors and the award process of the on-budget, USAID-funded, Ghazni-Kandahar Five Substations Project run by the Afghan national power utility, Da Afghanistan Breshna Sherkat (DABS), worth nearly \$135 million. As a result, in 2018, USAID deobligated all on-budget support to DABS for future and planned energy projects not yet awarded, worth nearly \$400 million.

Additionally, SIGAR found that despite steps taken to improve monitoring and accounting of ARTF funds since 2011, continuing limitations on and lack of transparency into the World Bank and Afghan government's monitoring and accounting of ARTF funds put billions of dollars at risk. In 2013, SIGAR found that despite 13 years and after more than \$1 billion in U.S. assistance, the multilateral LOTFA, which pays Afghan National Police (ANP) salaries and helps build the capacity of the Ministry of Interior, could provide no assurance that personnel and payroll data were accurate.

To protect U.S. taxpayer funds and eliminate payments for nonexistent "ghost" soldiers and police, United States Forces-Afghanistan has since implemented the Afghan Personnel and Pay System to better integrate personnel data with compensation and payroll data, and to calculate payroll amounts. Still, as of June 2019, only about 73.6% of ANP personnel have been matched to an authorized position and met the requirements to be paid.

If U.S. agencies choose to provide more on-budget assistance, this aid should be conditioned on an independent and context-specific finding that adequate monitoring mechanisms and internal controls are in place for the Afghan ministry or multilateral trust fund in question. SIGAR has found that Afghanistan's programming environment presents unique challenges that strain the normal processes of foreign assistance. SIGAR urges Congress to consider these unique challenges for monitoring and managing foreign assistance in Afghanistan, particularly if these funds are provided on-budget.

Source: SIGAR, *2019 High Risk List*, SIGAR 19-25-HRL, 3/28/2019, pp. 53-54; John Sopko, "Remarks on 2019 SIGAR High-Risk List" (speech, Center for Strategic and International Studies, Washington, DC, 3/28/2019).

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TABLE 3.19

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Bilateral Government-to-Government Projects					
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	\$75,000,000	\$0
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	1,900,000,000	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, 7/11/2019.

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.²⁹⁰ According to USAID, by the time of the November 2018 Geneva Conference, the whole donor community’s thinking on on-budget commitments and specific targets had “matured.” As a result, USAID and other donors committed at the conference to “review options to continue channeling on-budget development assistance as appropriate.”²⁹¹ (During the conference, however, the Afghan government unsuccessfully proposed that donors commitment to delivering 60% of aid on-budget.²⁹²) USAID told SIGAR in December 2018, and again in March 2019, that it does not commit to a target of a specific percentage of funds to be used for on-budget programming.²⁹³

As shown in Table 3.19, USAID’s active, direct bilateral-assistance programs have a total estimated cost of \$75 million. 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).²⁹⁴

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.²⁹⁵

Civilian On-Budget Assistance

According to the World Bank, Afghan government domestic revenues finance only 46% of its civilian expenditures.²⁹⁶

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).²⁹⁷ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.²⁹⁸

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.²⁹⁹ The AITF coordinates donor assistance for infrastructure projects.³⁰⁰

As of March 2019, the United States remains the largest cumulative donor to the ARTF (30.8% of actual, as distinct from pledged, contributions paid in); the next-largest donor is the United Kingdom (16.8% of actual contributions).³⁰¹

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of March 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 \$762 million in ad hoc payments since 2002.³⁰²

ARTF Incentive Reforms for 2019 Finalized

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 were 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. However, in March 2019, ARTF donors agreed to merge these two programs for 2019.³⁰³

The World Bank reports that the United States is the only ARTF donor explicitly preferring that a portion of its funds should be spent for the IP DPG, having provided \$210 million as of March 2019.³⁰⁴ (While other donors may not express a similar preference for their funds to be spend on the IP DPG, USAID says they still help fund the IP DPG as the contributions of all ARTF donors can be used to support the recurrent-cost window.³⁰⁵) USAID started using the IP DPG after its own mechanism for providing reform-based financial incentives, the New Development Partnership (NDP) program, ended. 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 2018.³⁰⁶

The 2019 IP DPG consists of 11 reform-based tranches. The first tranche of \$100 million comes from non-ARTF World Bank monies. The remaining 10 tranches are each worth \$30 million in ARTF funds tied to Afghan government achievement of specific conditions. The Afghan government receives these funds if the conditions are met before November 15, 2019. Tranches are penalized 10% per month if conditions are not met by the deadline.³⁰⁷

Table 3.20 on the following pages lists the 2019 reforms and a summary of the World Bank's justification for each reform.

On-Budget Assistance to the ANDSF

Approximately 70% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.³⁰⁸ According to a recent World Bank estimate, Afghan government security expenditures—including **off-budget** security costs—were equal to 29% of gross domestic product (GDP) in 2018. The average low-income country spends 3% of GDP on security-related costs, according to the Bank.³⁰⁹

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).³¹⁰

According to DOD, most of the ASFF appropriation is not on-budget because it is spent on equipment, supplies, and services for the Afghan security forces using DOD contracts.³¹¹ UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.³¹² The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the Ministry of Finance (MOF), which allots it incrementally to the MOD and MOI.³¹³

For Afghan fiscal year (FY) 1398 (December 2018–December 2019), CSTC-A 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.³¹⁴

As of May 25, CSTC-A had provided the Afghan government the equivalent of \$267.2 million to support the MOD for FY 1398. Almost all of these funds (90%) paid for ministry salaries.³¹⁵ Additionally, as of May 25, CSTC-A had provided the equivalent of \$110.6 million to support the MOI. Of these funds, none were delivered via the LOTFA.³¹⁶

CSTC-A has Not Assessed MOD or MOI Compliance with Commitment Letters

For the past two quarters, CSTC-A reported to SIGAR that it did not assess the MOD or MOI in meeting the conditions outlined in the 1397/1398 commitment

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TABLE 3.20

WORLD BANK'S 2019 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS			
Policy Area	Indicator	Baseline (as of 2018)	Target (end of 2019)
Develop a regulatory framework for e-money and digital payments	Proportion of customs duties (as a share of total payments by volume throughout the fiscal year) transferred to Da Afghanistan Bank (central bank) via electronic payment from commercial banks	2%	60%
	Average monthly number of transactions through the Afghanistan Payment System (APS)	3,534	100,000
Support implementation of the Civil Servants Law	Proportion of total civil servant appointments (2018–2020) made in compliance with the new competitive recruitment processes	0%	80%
	Proportion of female civil servants in total and at Senior Management Group level (Director General (Grade 1) and Director (Grade 2) positions)	22% (all grades) 6% (grades 1 and 2)	26% (all grades) 9% (grades 1 and 2)
Support private-sector development through improved access to credit	Credit-registry coverage as a proportion of adult population (15–64)	1.3%	2.0%
	Proportion of women included on the credit register	2.3%	4.0%
Reduce the cost and time requirements to access electricity	Time taken to acquire an electricity connection for commercial customers	114 days	80 days
	Cost of acquiring an electricity connection for commercial customers	2,448% of income per capita	1,500% of income per capita
	Number of international power-purchase agreements reviewed by dedicated multi-disciplinary team in the national electric utility (DABS)	0	3
Improve land administration	Number of municipal districts in which an administrative land system is operating	0	1
Improve management of water resources	Responsibility for the design, construction, and management of irrigation canals for agriculture from the source to the farm is allocated to Ministry of Agriculture, Irrigation, and Livestock (MAIL)	No	Yes
Improve public investment management	Proportion of new projects of over \$7.5 million approved for implementation in the discretionary development budget that have undergone economic and gender analysis	0% (2019 budget)	50% (2020 budget)
Improve tax administration	Proportion of active Large Taxpayer Office (LTO) filing firms utilizing fast-track filing	9.7%	60%
	Number of cases submitted for ruling by the Tax Dispute Resolution Board	0	10
Improve tax policy	Approve Value-Added Tax (VAT) business processes and release communications materials based on regulations, including procedures for exemptions	No	Yes
Improve the quality of public expenditure	The budget is developed through application of the new Operations and Maintenance (O&M) norms for four pilot ministries (as reflected in budget working papers)	No (2019 budget)	Yes (2020 budget)
Strengthen transparency and improve accountability and quality of cash management	Number of downloads of new-revenue performance reports	0	500
	Proportion of treasury salary payments made within 10 days of submission of monthly claims by line ministries	100%	100%

Note: The World Bank has linked provision of up to \$400 million of support to the Afghan government's budget to achievement of these targets.

*Unless otherwise noted, these are the justifications offered by the World Bank in its proposal to ARTF donors.

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Background and Justification*

Improving access to e-money and digital payments could improve access to financial services. The APS currently has limited impact as the number of e-money and digital payment providers connected to APS has not reached a critical mass.

Most large customs and tax payments are currently made in cash, posing security and financial integrity risks such as opportunities for corruption. (In 2017, SIGAR found that less than 1% of all custom duty collections were being collected electronically as of December 2016, despite a USAID program that sought over four years to increase the amount collected to 75% by November 2017).

Civil service capacity is weakened by poor recruitment processes that remain convoluted and vulnerable to political interference.

Women remain under-represented in the civil service. (According to the Afghan government in April 2019, the government already reached the goal, with women accounting for 27% of civil servants at all grades).

Only 5% of firms have access to a line of credit. Access to credit is constrained by limited coverage of the public credit registry managed by Da Afghanistan Bank (the central bank). The registry connects 15 commercial banks, four microfinance institutions, and the Ministry of Finance's revenue's department.

The high cost of accessing electricity is a key constraint to economic growth and investment. Electricity is extremely unreliable and the fee schedule is not transparent.

DABS, the national electric utility, relies heavily on imported electricity under international supply contracts that have not been subject to thorough economic assessment or regular review, and often contain unfavorable terms.

There is low formal land registration in Afghanistan, with only 30% of urban properties and 10% of rural properties formally registered. It takes 250 days to register a property in Afghanistan, well above the South Asian average of 114 days. (In 2017, SIGAR reported that USAID had spent \$96.7 million from 2004 through 2014 to reform Afghanistan's land administration system.) Afghanistan is currently developing a centralized administrative system including a land registration database.

The existing Water Law does not provide clarity on the roles and responsibilities of Ministry of Energy and Water (MEW) and MAIL. This lack of clarity has undermined the expansion of the irrigation network, impacting agricultural production and productivity. The Afghan cabinet has approved and submitted to parliament a revised Water Law that clarifies the roles of MEW and MAIL.

Project selection under existing budget systems is inadequate. The Afghan government-managed discretionary development budget (approximately \$700 million in 2018) lacks robust alignment with policy priorities and adequate project appraisals. Political concerns have historically driven discretionary project selection.

The Afghan government is introducing a hybrid "Fast Track Filing" system with all but the final submission step performed electronically. Increased use of electronic systems will reduce compliance costs for taxpayers, reduce administrative costs for revenue department, and reduce opportunities for petty corruption.

Taxpayers in Afghanistan have limited options when attempting to resolve tax disputes. Many in the business community perceive the revenue department as biased, while cases are also often subject to delay and petty corruption. The 2015 Tax Administration Law called for the establishment of a tax dispute resolution board. This board will exist outside of the revenue department.

Afghanistan is currently heavily reliant on customs revenues, which account for around 19% of total revenues. Customs revenues are expected to decline following Afghanistan's accession to the World Trade Organization in 2016. Afghanistan also currently levies a business tax which is a significant constraint to private sector development. To replace both the business tax and revenues lost from declines in tariff rates, the Afghan government plans to implement a 10% VAT by the end of 2020.

Afghanistan faces major challenges in ensuring adequate and efficient O&M expenditures. Pressure on available resources for O&M has dramatically increased. In late 2018, the Afghan government approved a new O&M policy that includes costs schedules for budgeting, a national asset registry, and detailed codes for budgeting and monitoring O&M expenditures.

Elections in Afghanistan, scheduled for 2019, have historically been associated with deteriorations in revenue performance and governance, posing important fiscal and macroeconomic risks. The Afghan government is now seeking to ensure full transparency in revenue performance and expenditure management decision-making. This is expected to both improve accountability on policymakers to citizens and the international community. It should also ensure that development partners have full and up-to-date information on short-term developments impacting the revenue and cash position in order to inform any international donor response to fiscal disruptions. Data on revenue performance is not currently published throughout the year. (Every quarter since July 2017, SIGAR has reported Afghan government revenue figures after the Afghan government stopped its monthly public reporting.)

Source: World Bank, 2019 *Incentive Program Development Policy Operation (P168446): Program Document*, 5/23/2019, pp. 4, 19, 20–31; Ministry of Finance, *Geneva Conference on Afghanistan: 2019 First Quarter Report*, 4/2019, p. 9.

letters. CSTC-A is able to issue fines and penalties if CSTC-A determines that the MOD or MOI have not complied with the terms of these commitment letters. However, CSTC-A did not issue financial penalties this quarter.³¹⁷

CSTC-A says it is reviewing over 1,300 “tasks” it previously used to monitor the progress of the Afghan security forces. Once CSTC-A completes this review, it plans to deploy a new assessment instrument that will inform its conditionality approach.³¹⁸

CSTC-A reported no instances of withholding funds for noncompliance with the commitment letters. The command issued, but did not ultimately implement, the threat to withhold over \$90 million from the MOI’s future budget disbursements after the MOI failed to meet deadlines for retiring personnel under Afghanistan’s Inherent Law that lowers mandatory retirement ages, time-in-service maximums, and time-in-grade limits. CSTC-A and the MOI agreed to delay imposing these penalties; CSTC-A reported that all the delayed retirements have now occurred.³¹⁹

NATIONAL GOVERNANCE

President Ghani inaugurated the first new parliament since 2011 (minus representatives from Kabul and Ghazni Provinces) on April 26, 2019.³²⁰ The elections took place in October 2018, but the Afghan election-management bodies did not finalize the results for Kabul Province until May 14, more than six months later. The parliamentarians from Kabul Province were sworn in on May 15.³²¹

State reports that a dispute over the selection of the new speaker of the lower house and other administrative positions has prevented parliament from passing any legislation since it reconvened.³²²

Parliament’s recent internal dysfunction may coincide with a broader marginalization of the institution vis a vis the executive branch. For example, in 2018, President Ghani issued 34 legislative acts by decree under emergency powers, while both houses of parliament only passed 14 laws.³²³ In another example of the legislative branch’s weakness, the UN reported also this quarter that the Afghan government, effective October 2018, suspended the salaries of parliamentarians who failed to declare their assets per the terms of the anticorruption law that President Ghani enacted by presidential legislative decree.³²⁴ (According to the UN, the salary suspension was followed by a “remarkable” increase in asset declarations by parliamentarians, showing the importance of political will for anticorruption reforms.³²⁵) For 2018, at least, the executive branch appears to have taken the lead in developing the laws it then executes.



A member of the USAID-supported Afghan Civic Engagement Program (ACEP) delivers election-related information. (U.S. Embassy photo)

Civil Society and Media

As shown in Table 3.21, USAID funds programs to support broader human and institutional capacity building of civil-society organizations and the media.

TABLE 3.21

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Afghan Civic Engagement Program (ACEP)	12/4/2013	12/4/2019	\$79,120,000	\$74,347,180
Rasana (Media)	3/29/2017	3/28/2020	9,000,000	5,577,135

Source: USAID, response to SIGAR data call, 7/11/2019.

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. Starting in June 2018, ACEP’s goals included expanding civic and voter education and engagement for the scheduled parliamentary and presidential elections.³²⁶ In its first five years, ACEP awarded \$9.2 million in grants to local institutions and civil-society organizations (CSO). Its current portfolio includes an additional \$2.1 million in grants.³²⁷

Much of ACEP’s work is in the form of trainings to civil society members. Below are illustrative examples of two recent ACEP-sponsored trainings:

- ACEP provided women-focused training to 90 people on political participation in elections. The training covered identity issues,

gender division of labor, equality and equity concepts, and gender mainstreaming. One participant was quoted describing how it was the first time he learned of the differing needs, challenges, and aspirations of men, women, boys, girls, transgender, minorities, differently abled, and marginalized sections of the societies. According to ACEP, participants developed action plans to integrate these lessons into their public outreach activities.³²⁸

- In Kunar Province, an ACEP-supported CSO provided women’s-rights awareness training to 140 individuals. One female participant was quoted saying that the training would help her and others to raise their voices for their rights. A male participant said he appreciated that young men and women sat together for the training and “now we can easily create awareness among our families and communities.”³²⁹

On May 8, the Taliban attacked the Kabul office of the ACEP implementing partner, Counterpart International. The Taliban killed four Afghan Public Protection Force guards, but all Counterpart staff were safe. According to Counterpart, this was the first attack of its kind against the organization in its 14 years working in Afghanistan.³³⁰ Reuters said the Taliban’s spokesperson accused Counterpart of promoting “Western culture,” including gender mixing.³³¹

USAID’s \$9 million Rasana program 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.³³²

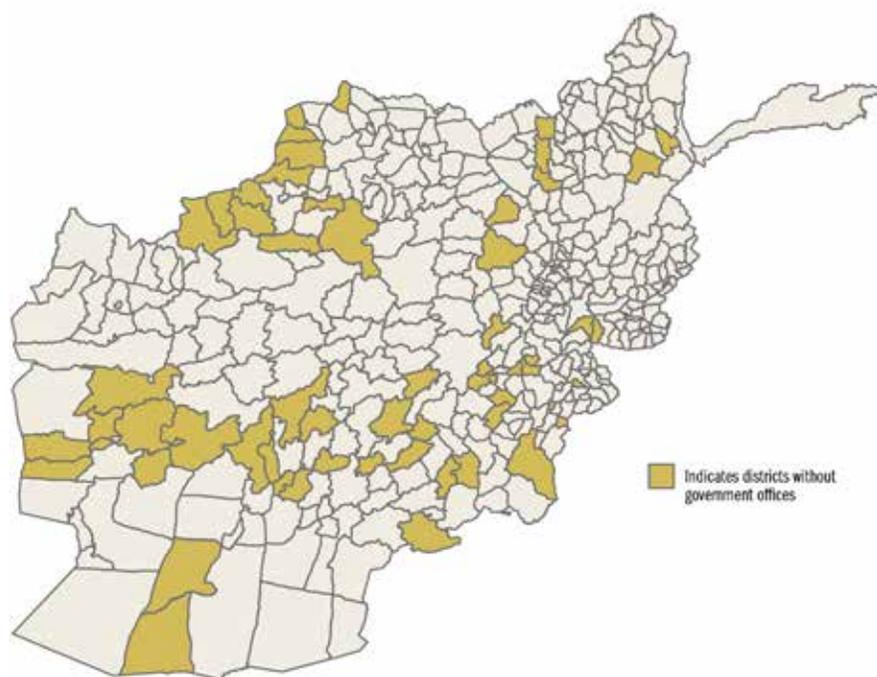
Rasana supports women-run and women-owned media organizations to produce three to five minute-long women-focused radio programs. Between January and March 2019, Rasana-supported outlets produced 188 such radio packages. This quarter, Rasana attributed Kunduz municipality’s promise to open a women-only market to one Rasana-supported radio broadcast.³³³

SUBNATIONAL GOVERNANCE

This quarter, the Afghan news organization TOLONews conducted an investigation on the presence of Afghan government institutions at the district level. In June, TOLONews interviewed local officials, members of parliament and provincial councils, and, in some cases, visited selected districts. TOLONews found that in 64 out of 364 official and 11 unofficial districts, the Afghan government’s civil offices either were working outside the district (for example, a district administrator worked out of a location such as the province capital) or were no longer functional. Figure 3.39 shows the districts TOLONews reported with no Afghan government civil offices.

FIGURE 3.39

MEDIA REPORT: DISTRICTS WITHOUT AFGHAN CIVIL GOVERNMENT OFFICES



Note: This district map was adapted from the 5/29/2016 United Nations Office for the Coordination of Humanitarian Affairs (OCHA) "Afghanistan administrative level 0-2 and UNAMA region boundary polygons, lines, and points" shapefile that included 399 districts. SIGAR used ArcGIS Pro 2.3 for this analysis and all layers were project to UTM 42N. Because of changing district boundaries, the following districts are not exact matches for the TOLONews list: Qala-e-Kah District, Farah Province; Shindand District, Herat Province; Khan Abad District, Kunduz Province; and Gomal District, Paktika Province. Source: SIGAR, email communications with TOLONews, 7/2/2019, 7/3/2019.

According to TOLONews, the Independent Directorate of Local Governance (IDLG) confirmed that in approximately 20 of these districts, the Afghan government had no government presence (civil and security) at all.³³⁴ SIGAR has not independently verified this information but the latter findings do conform to other information provided to SIGAR.

Provincial and Municipal Programs

USAID has two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.22 on the following page summarizes total program costs and disbursements to date.

GOVERNANCE

TABLE 3.22

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	\$72,000,000	\$54,489,243
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	48,000,000	37,167,536
Citizens' Charter Afghanistan Project (CCAP)*	3/31/2012	7/31/2019	TBD	34,314,589

Note: *This includes USAID contributions to ARTF with an expressed preference for the Citizens' Charter Afghanistan Project.

Source: USAID, response to SIGAR data call, 7/11/2019.

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.³³⁵

This quarter, ISLA assisted the IDLG in establishing a Regional Development Authority (RDA) and developing strategic guidelines. At the request of IDLG, ISLA examined regional bodies in the United States, Pakistan, Colombia, and the Philippines as comparative models. The Afghan government specifically cited these countries in a May 2018 subnational governance policy that placed responsibility for the design, planning, implementation, and monitoring of development projects at a new regional level between the national and province levels.³³⁶ In April 2019, ISLA drafted an outline for the IDLG's regional strategic development planning guideline.³³⁷

According to USAID, ISLA saw improvement in a core problem: the poor integration of provincial priorities into Afghanistan's national budget plans.³³⁸ For the Afghan fiscal year (FY) 1398 (December 2018–December 2019), ISLA found that 14.2% of community-proposed provincial development-plan (PDP) projects from 16 ISLA-supported provinces found their way into the national budget plan. This was an increase from the previous budget, when the Afghan government adopted only 11% of PDP projects.³³⁹ However, it is unclear whether such a minor increase will change the reported perceptions that Afghan ministry programming often bears little resemblance to the PDPs developed the previous year after extensive planning and budgeting work. According to a USAID-commissioned assessment of the state of subnational governance before the latest Afghan budget, PDPs have had a limited impact on sectoral programming and budgeting by central ministries.³⁴⁰

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.³⁴¹

Four SHAHAR-supported municipalities (Mazar-e Sharif, Jalalabad, Kandahar, and Herat) reported a 61% reduction in fixed-revenue collection for the first quarter of this year (compared to the first quarter of the prior year). According to SHAHAR, the Ministry of Finance began collecting a fee that was a significant source of municipal revenues.³⁴² USAID said it had no additional information regarding this fee or the MOF's motives in collecting it themselves.³⁴³ Despite this loss of fixed revenues, however, municipalities registered increased overall year-on-year revenues for the first quarter with a 25% increase for northern municipalities, 160% increase for eastern municipalities, 35% increase for southern municipalities, and 43% increase for western municipalities.³⁴⁴

Citizen's Charter Afghanistan Project

In October 2018, USAID began explicitly contributing a portion of its ARTF funds to the Citizen's Charter Afghanistan Project (CCAP) for 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.³⁴⁵

According to the Afghan government, CCAP is the centerpiece of the government's national inclusive development strategy for rural and urban areas. As of November 1, 2018, the 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).³⁴⁶

SERVICE DELIVERY IN TALIBAN-CONTROLLED OR INFLUENCED AREAS

The Taliban have not ruled Afghanistan since 2001, but they still exert a heavy influence on the Afghan government's delivery of public services in many parts of the country. The Taliban seldom provide services themselves, but they reportedly can co-opt, modify, or choose to facilitate or hinder Afghan government services.

These observations—troubling given the Afghan government's need to improve perceptions of its legitimacy and effectiveness—emerge from studies conducted in the past two years by the Afghanistan Analysts Network (AAN), the United States Institute of Peace (USIP), the Overseas Development Institute (ODI), and the World Bank. Although SIGAR has not independently verified these studies, they highlight a rarely acknowledged aspect of service delivery in Afghanistan: bargains with insurgents are often a necessary compromise when operating in areas they control or influence. The ODI study described the situation in 2018:³⁴⁷

Aid agencies, the [Afghan] government and the international community seem worryingly unaware of [the growing Taliban efforts to control and influence service delivery], deeply unprepared and reluctant to engage with the Taliban, despite their growing influence on the ground, including over aid and government programmes.

These studies have largely sought to describe the Taliban's role in service delivery rather than examine its political consequences. However, some analysts argue that the Taliban's approach is part of a larger governing strategy. According to the scholar Antonio Giustozzi, some Taliban leaders seem to believe involvement in service delivery can be a source of political legitimacy for them. Since the group has few resources to dedicate to providing services themselves, it is more efficient, according to Giustozzi, for the movement to "hijack" Afghan government-provided services.³⁴⁸

Since December 2018, AAN and USIP have issued a series of case studies on life in Taliban-controlled or influenced districts. This research relied on semi-structured interviews with key informants from districts under varying levels of insurgent influence.³⁴⁹ As shown in Table 3.23, there was a pattern to the Taliban's activities across districts. The Taliban were reported to monitor schools, prohibit some school subjects such as science, promote others such as Islamic studies, restrict polio campaigns from going door-to-door but instead to operate from the village mosque, and run commissions that would register nongovernmental service providers.

As one USIP author summarized, service delivery in Taliban-controlled and -influenced areas is a "hybrid of state- and nongovernmental organization-provided services, operating according to Taliban rules."³⁵⁰ The Taliban have been both disrupters and advocates or facilitators of services. For example, the Taliban regularly threaten cell phone providers to stop service

QUARTERLY HIGHLIGHT

TABLE 3.23

TALIBAN ROLES IN SERVICE DELIVERY		Andar District, Ghazni Province	Hukumate-e Nad Ali District, Helmand Province	Obeh District, Herat Province	Dasht-e Archi District, Kunduz Province	Achin District, Nangarhar Province*
	Role					
Education	Supervise/monitor schools	X	X	X	X	X
	Censor school books/subjects	X	X	X	X	X
	Involved in selecting teachers/monitoring teacher performance	X		X	X	X
Health	Health facilities agree to treat Taliban fighters	X	X	X	X	X
	Monitor health centers	X			X	X
	Post guards at health facilities	X				
	Involved in health staffing		X			
	Restrict or influence vaccinations	X	X	X		X
Revenue collection	Tax businesses/population	X	X	X	X	X
	Tax service providers	X	X	X	X	X
Communications	Restrict cell phone services	X	X	X	X	X
	Restrict television and/or radio (though often ignored)		X	X	X	X
Justice	Operate Taliban courts	X	X	X	X	X
Administration	Appoint resident shadow governor	X		X	X	
	Service-related shadow directors or registration of service providers	X	X	X	X	X
	Organize locals for small projects	X				X

Note: *According to the Afghanistan Analysts Network, the Islamic State-Khorasan (IS-K) is presently the principal antigovernment armed group in this district and the Afghan government mostly controls the district. This graphic summarizes the Taliban's approach to service delivery during their time of control between 2009 and 2015 rather than IS-K's uniformly opposed approach to state service delivery. For example, IS-K is reported to have run its own health clinic during but were opposed to state-funded health services.

Source: Afghanistan Analysts Network, "One Land, Two Rules (1): Service delivery in insurgent-affected areas, an Introduction," 12/6/2018; Afghanistan Analysts Network, "One Land, Two Rules (2): Delivering public services in insurgency-affected Obeh district of Herat province," 12/9/2018; Afghanistan Analysts Network, "One Land, Two Rules (3): Delivering public services in insurgency-affected Dasht-e Archi district in Kunduz province," 2/26/2019; Afghanistan Analysts Network, "One Land, Two Rules (4): Delivering public services in embattled Achin district in Nangarhar province," 3/25/2019; Afghanistan Analysts Network, "One Land, Two Rules (6): Delivering public services in insurgency-affected Nad Ali district of Helmand province," 6/2/2019; Afghanistan Analysts Network, "One Land, Two Rules (7): Delivering public services in insurgency-affected Andar district in Ghazni province," 6/13/2019.

at night. Conversely, the Taliban have threatened to attack Afghan government electrical infrastructure to force the government to provide electricity to villages under their control.³⁵¹

In multiple districts, the Taliban reportedly co-opted government services, taxing service providers, monitoring services, and presenting candidates for government jobs. These actions by the Taliban's "shadow state" are parallel to, but in many ways parasitically dependent on, the formal Afghan government. In some cases, the Taliban appeared to advance community interests. For example, respondents in Andar District in Ghazni Province reported that the Taliban removed nonexistent or "ghost" teachers from the Afghan government's roster.³⁵² In other cases, the Taliban reportedly benefited from corruption. In Nad Ali District, Helmand Province, respondents said the Taliban collected ghost-teacher salaries.³⁵³

The UK's ODI and the World Bank published research in 2017 and 2018, respectively, showing that development programming can continue (in

some cases, rather successfully) in Taliban-controlled or -influenced areas through bargains with insurgents. ODI, relying on interviews with 162 individuals, reported that the Taliban co-opted government- and aid agency-provided goods and services in areas under their control. The report says that Afghan government service delivery ministries have struck deals with local Taliban and that most provincial or district-level government health and education officials interviewed for the report said they were in direct contact with their Taliban counterparts.³⁵⁴

Similarly, an Afghan government official interviewed for the recent AAN/USIP study of Dasht-e Archi District, Kunduz Province described how the responsibilities for school monitoring were divided between the government and the Taliban, depending on which group controlled the areas in which the school resided.³⁵⁵

The World Bank wrote that where the Taliban was relatively reliant upon local support, agreements with local elites emerged to support delivery of government-funded health and education services. The World Bank found that after launching attacks on schools in 2006–2008, the group has since changed to attempting to influence state schools through local-level negotiations with Ministry of Education officials. Some Taliban were thus bargaining about co-opting rather than closing schools.³⁵⁶

While the AAN/USIP, ODI, and World Bank studies offered similar descriptions of Taliban involvement in service delivery, only the ODI study drew strong conclusions on the consequences for Taliban governance. The World Bank demurred on a critical question, writing that their study did not address “the question of whether or how service delivery may contribute to, or undermine, state-building, peace-building, or conditions of fragility,” as they saw improving the delivery of services as a worthy goal in its own right.³⁵⁷ However, ODI argued that the bargains around service delivery were indicative of a coherent Taliban governing strategy. According to ODI, the Taliban’s involvement in service delivery allows the group to exert influence beyond the areas under its direct control in furtherance of its goal to impose its rule.³⁵⁸

RULE OF LAW AND ANTICORRUPTION

According to the UN, Afghan courts are functioning in 232 out of 378 districts with 24 district primary courts operating in neighboring districts and 116 primary courts operating in the provincial capitals. No courts are operating in 146 districts.³⁵⁹ The Attorney General’s Office (AGO) is present in 283 districts and the Ministry of Justice’s legal services department is present in 336 districts.³⁶⁰

Summary of Rule of Law and Anticorruption Programs

As shown in Table 3.24, the United States has a number of active rule-of-law and anticorruption programs.

TABLE 3.24

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$23,587,962
Afghanistan’s Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	4,371,065
Corrections System Support Program (OASIS CSSP) Option Year 1*	6/1/2018	5/31/2020	12,131,642	9,556,662
Justice Sector Support Program OASIS Contract*	8/28/2017	2/28/2022	23,424,669	15,882,368
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 6/20/2019.

Source: State, INL, response to SIGAR data call, 6/20/2019; USAID, response to SIGAR data call, 7/11/2019.

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.³⁶¹ ADALAT collaborates with the Ministry of Justice (MOJ) Department of the Huquq (“rights”). Huquq offices provide citizens the opportunity to settle civil cases within the formal system before beginning a court case.³⁶² According to ADALAT, the Afghan government is replacing half of the Huquq professional staff (approximately 400 persons) since they did not have the required academic degrees.³⁶³ This quarter, the UN Secretary-General said the MOJ failed to finalize its required anticorruption-related reforms of the Huquq and the Department of Government Cases (*Qaza-e-Dawlat*), and failed to develop a law codifying relationship between the formal and the informal justice sectors.³⁶⁴

USAID restricts public availability of certain performance data.

This quarter, USAID provided SIGAR with copies of program performance reports submitted by one of its contractors. USAID stamped these documents “SENSITIVE BUT UNCLASSIFIED, FOR OFFICIAL SIGAR USE ONLY” as the documents were being prepared for transmission to SIGAR. USAID has not explained how any of the information contained in these reports is “sensitive” or why it should be withheld from the public. SIGAR will pursue this issue with USAID.

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.³⁶⁵ According to USAID, AMANAT supports select Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.³⁶⁶ This quarter, USAID declared the AMANAT’s implementing-partner performance reporting to be sensitive but unclassified and, therefore, not usable as a source for this public report. USAID did not offer a justification for this restriction or offer any alternative source to report on AMANAT’s efforts during the quarter.³⁶⁷

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.³⁶⁸

State’s Justice Sector Support Program (JSSP) is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an estimated cost of \$23 million. The previous JSSP contract, which began in 2010, cost \$280 million. JSSP provides technical assistance to Afghan justice-sector institutions through (1) building the capacity of justice institutions to be professional, transparent, and accountable; (2) assisting the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) supporting 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.³⁶⁹

JSSP advises various Afghan government offices on the Case Management System (CMS). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal justice institutions, from the moment a case is initiated to the end of confinement.³⁷⁰ As of May 31, 2019, the CMS had recorded 467,527 criminal cases and 87,604 civil cases.³⁷¹

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.³⁷²

Anticorruption

In May, the UN reported that while the Afghan government has created new anticorruption institutions and adopted laws and strategies, the results have



SIGAR attendees at the Fifth Annual European Union Anti-Corruption Conference on July 10, 2019. (Afghan government photo)

not materialized quickly enough.³⁷³ The UN cited the October 2018 parliamentary elections as an example of legal and process reforms failing to prevent severe levels of corruption in practice.³⁷⁴

According to the UN, one of the major reforms contained in the September 2018 anticorruption law was the intention to create an independent anticorruption commission. However, seven months after the law was enacted by a presidential legislative decree, no such commission exists.³⁷⁵

In cases involving prominent figures, the UN says the Afghan criminal-justice system “looks like a system promoting impunity.” According to the UN, there are numerous incidents when the police failed to make arrests and the AGO failed to issue charges. Further, suspects have been released prior to trial and orders to not leave the country were not enforced. Despite there being legal and procedural grounds for these choices, the UN says the cumulative effects are limited execution of Anti-Corruption Justice Center arrests, limited enforcement of sentences in high-level cases, and fewer indictments against high-ranking officials.³⁷⁶

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC). At the ACJC, elements of the Major Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption. 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

The Department of Justice provided no assessment of corruption in Afghanistan.

SIGAR regularly conveys the Department of Justice’s (DOJ) views on the corruption situation in Afghanistan. This quarter, however, SIGAR cannot report those views because DOJ, for the first time, marked the primary data source as “sensitive but unclassified.” Further, DOJ provided no responses to SIGAR’s direct questions for its assessment of the Afghan government’s anticorruption institutions. Previously, DOJ reported that it observed increased vigor on the part of Afghan government anticorruption bodies following SIGAR’s publishing of DOJ’s critiques. SIGAR will pursue this issue with DOJ.

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 government has recently provided information concerning their activities to implement this strategy that SIGAR staff is translating and reviewing as part of this assessment.

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.³⁷⁷

This quarter, the ACJC convicted two high-profile defendants in absentia. The primary court convicted Ahmad Yusuf Nooristani—a member of the upper house of parliament and a former governor of Herat Province—of illegal ownership of money. According to DOD, the illegal ownership of money is a crime akin to embezzlement and is committed when a “public official takes the ownership of state money, securities, financial documents, goods, or other government properties or damages or destroys the said items.” When Nooristani was Governor of Herat Province, he unlawfully demanded approximately \$13,000 from the chairman of Herat’s Mili Bus Enterprise. While Nooristani claimed he later lawfully distributed the money, he did not. He is the first parliamentarian prosecuted at the ACJC. The primary court sentenced Nooristani to one year and one month imprisonment and fined him the approximate equivalent of \$13,000.³⁷⁸

In the second case, the primary court convicted for abuse of authority Major General Ahmad Zia Yaftali and nine others who had mismanaged the Dawood Military Hospital between 2005 and 2010, when \$150 million worth of medical supplies were pilfered.³⁷⁹ The ACJC sentenced each defendant to six months’ confinement and collectively fined them the approximate equivalent of \$220,800. According to DOJ, the corruption at the military hospital caused “horrendously inhumane conditions that were described as ‘Auschwitz-like.’”³⁸⁰

Following up on a corruption case that State highlighted in a previous quarterly report, the ACJC appeals court this quarter acquitted 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. He had been found guilty in absentia by the ACJC primary court and imprisoned in April 2019 for a three-year prison sentence.³⁸¹

Personnel attached to the ACJC continue to face threats. This quarter, two AGO prosecutors attached to the ACJC were attacked on the way to work. One of the prosecutors was killed in the attack.³⁸²

Afghan Government Recovers Less than 1% Of ACJC-issued Financial Penalties and Struggles to Execute Warrants and Summonses

As shown in Table 3.25 below, less than 1% of the financial penalties the ACJC primary court has imposed on convicted criminals has been deposited in the AGO bank account.³⁸³

TABLE 3.25

STATUS OF ANTI-CORRUPTION JUSTICE CENTER PRIMARY COURT-ISSUED FINANCIAL PENALTIES		
ACJC-issued financial penalties^a	Approximate value of financial penalties^b	Amount fully recovered^c
2,321,626,267 afghani	\$30,150,990	0.31%
153,140,821 USD	153,140,821	0.18
299,500 Pakistani rupees	2,045	100
3,090,000,000 Iranian rials	73,392	0
6,701,000 Saudi riyals	1,786,933	0
100,000 United Arab Emirates dirhams	27,229	0
15,000 euros	16,855	0
Total	\$185,198,267	0.2%

Note: ^a Includes orders for cash fines, restitution, compensation, and confiscation.

^b Conversions of currencies to approximate U.S. dollar values based on the average of the average monthly exchange rates for April, May, and June 2019.

^c This is the amount of the penalties that has been enforced, recovered, and deposited into the Attorney General Office's bank account.

Source: Islamic Republic of Afghanistan, Attorney General's Office, Office of Database Management, "Primary Court's Financial Order" and "Financial Orders Enforced, Recovered and Deposited into AGO's Account," 5/2019.

To date, the ACJC's primary court has convicted 10 deputy ministers (two from security ministries and eight from civilian ministries), 16 general officers (one lieutenant general, seven major generals, and eight brigadier generals), one governor, four members of province councils (including two chairs), and two mayors.³⁸⁴

According to the UN, the ACJC significantly increased its output in the first half of 2019 compared to the decline recorded in the latter half of 2018. By May 20, the ACJC primary court had issued judgments in 57 cases involving 223 defendants, the appeals court had decided 52 cases involving 173 defendants, and the Supreme Court had issued 36 judgments involving 117 accused in appeals against the decisions of the ACJC primary and appeals courts.

Despite the increased judicial output, the UN said Afghan law enforcement agencies have been unable to execute ACJC arrest warrants and summons. As shown in Table 3.26 on the following page, most warrants were resolved when suspects voluntarily surrendered.³⁸⁵

Per the International Monetary Fund's extended credit facility arrangement, the Afghan government is required to publish ACJC-related data on prosecutions and convictions. According to the UN, the AGO has published statistics and a chart on ACJC decisions with names of defendants and the sanctions on the AGO's website, demonstrating its attempt to meet this benchmark. However, the ACJC did not establish a consistently functioning website, and its judges argued the publication of full decisions was not possible under Afghan law.³⁸⁶

TABLE 3.26

STATUS OF ANTI-CORRUPTION JUSTICE CENTER-RELATED LAW ENFORCEMENT ACTIONS					
Type	Number pending (as of April 2019)	Executed (as of June 14, 2019)	Suspect voluntarily surrendered	Executed by force	Persons tried and serving their sentence
Arrest Warrants	94	17	11	6	1
Summons	161	44	-	-	-

Source: UN, *The situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 6/14/2019, pp. 10–11; United Nations Assistance Mission in Afghanistan, *Afghanistan's Fight against Corruption: Groundwork for Peace and Prosperity*, 5/1/2019, p. 55.

Afghanistan Security Forces

According to CSTC-A, powerbrokers vying for political power and profit help drive corruption in the Afghan security forces. The Afghan government has weak oversight of units and their commanders in peripheral areas. CSTC-A predicts corruption will remain a problem at least through the presidential election season.³⁸⁷

CSTC-A believes that partnering with the new ministers of interior and defense has been helpful in driving increased countercorruption efforts.³⁸⁸ CSTC-A said the insistence and assistance of CSTC-A leaders and countercorruption advisors led to an MOI investigation of the commander of the regional logistics center in Nangarhar Province and an MOD investigation into fuel corruption in northern Afghanistan.³⁸⁹

Among the MOD and MOI elements tasked with reducing corruption, CSTC-A singled out the MOI Criminal Investigative Directorate (MOI CID) for critique this quarter. According to CSTC-A, the MOI CID has undertaken no investigations or other actions to counter corruption. CSTC-A believes that MOI CID leadership participates in, rather than disrupts, corruption.³⁹⁰

CSTC-A's critique is particularly noteworthy since MOI CID recently received additional personnel when the Anti-Corruption Unit (ACU) was transferred from the MOI Inspector General (MOI IG) to the MOI CID. Last quarter, CSTC-A said this transfer 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.³⁹¹ This quarter, however, CSTC-A said that the loss of 33 of its personnel has not significantly altered MOI IG's work.³⁹²

CSTC-A reported that the MOD has empowered its criminal-investigative directorate (MOD CID) by nearly doubling its personnel strength and removing the layers of leadership between it and the defense minister. According to CSTC-A, under the previous arrangement, corrupt actors could intervene to stop investigations. Now, the MOD CID, as well as the MOD Inspector General, reports directly to the minister.³⁹³ Additional reforms include nominating new MOD judges and reviving the former practice of nonjudicial punishments for minor military infractions.³⁹⁴



U.S. Ambassador to Afghanistan John R. Bass and Afghan officials observe World Refugee Day on June 20. (U.S. Embassy photo)

The Major Crimes Task Force (MCTF) is an MOI unit chartered to investigate corruption by senior government officials and organized criminal networks, and high-profile kidnappings committed throughout Afghanistan.³⁹⁵ According to CSTC-A, the majority of MCTF personnel appear to be passionate about investigations and the organization has reasonable latitude in its operations. CSTC-A says that the expectation by other Afghan organizations that the MCTF serve arrest warrants negatively affects the MCTF.³⁹⁶ According to DOD, the MCTF director has said that other Afghan government agencies (particularly the police) should be able to assist with warrant execution. In the past, the MCTF has executed warrants related to their own cases with their own investigators. The MCTF only has 291 personnel and is not staffed or equipped to be assigned multiple warrants from other agencies, DOD says.³⁹⁷

REFUGEES AND INTERNAL DISPLACEMENT

According to the World Bank, the more than two million migrants who have returned since 2015 and the 1.7 million internally displaced persons represent both a risk and an opportunity to the Afghan economy. Returnees are generally better educated and could provide a boost to productivity and growth if successfully integrated, the Bank says. However, the concentration of refugee returnees and the displaced persons in urban areas risks overwhelming public services and generating large humanitarian needs.³⁹⁸

State, however, disagrees with the idea that returnees are better educated, calling it a common misconception. State, citing United Nations High Commissioner for Refugees (UNHCR) data, said that only 19% of Pakistan-based returnee children attended school there. Despite this, State agreed

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that it would be beneficial to use returnees' talents and productivity and integrate them into the economy.³⁹⁹

Refugees are persons who are outside their country of origin for reasons of feared persecution, conflict, generalized violence, or other circumstances that have seriously disturbed public order and, as a result, require international protection. According to the UNHCR, refugees have the right to safe asylum and should receive at least the same rights and basic help as any other foreigner who is a legal resident.

Migrants are persons who change his or her country of usual residence, irrespective of the reason for migration or legal status. According to the UN, there is no formal legal definition of an international migrant.

Source: United Nations, "Refugees and Migrants: Definitions," 2019; UNHCR, "Protecting Refugees: questions and answers," 2/2002.

Afghan Refugees

As of June 29, 2019, the UNHCR reported that 2,969 refugees have voluntarily returned to Afghanistan in 2019.⁴⁰⁰ The majority (2,165) of these refugee returns were from Iran. Far fewer refugees have returned to Afghanistan this year than the high in October 2016.⁴⁰¹

Undocumented Afghan Migrant Returnees

As of June 22, the International Organization of Migration (IOM) reported that 214,217 undocumented Afghans returned from Iran and 10,720 undocumented Afghan migrants returned from Pakistan in 2019. So far, 224,937 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 2019.⁴⁰²

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 June 16, conflicts in 2019 had induced 150,888 people to flee their homes. The office recorded 172,387 displaced persons in the same period last year.⁴⁰³

TABLE 3.27

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2019
Promote: Women in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$48,669,632
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	39,790,892
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	31,944,022
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	19,302,261
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	4,746,529
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2019	7,098,717	6,526,279
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272
Countering Trafficking in Persons (CTIP) II - Empowerment and Advocacy to Prevent Trafficking	1/10/2018	1/9/2020	1,483,950	929,950
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 7/11/2019.

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.”⁴⁰⁴ 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.⁴⁰⁵

USAID has committed \$280 million to Promote.⁴⁰⁶ Table 3.27 show the current Promote programs.

As of June 20, 2019, USAID said that of the 65,216 total Promote beneficiaries, 19,244 Promote beneficiaries have been hired. Of these, 1,455 have been employed by the Afghan government and 9,447 have secured permanent employment in the private sector. There are also 8,342 Promote beneficiaries holding private sector internships.⁴⁰⁷

Recently, four Promote-supported activists participated in a roundtable discussion with U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad on peace. USAID cited this meeting as an example of Promote’s strategic effect.⁴⁰⁸

As of March 31, USAID’s third-party monitor for the Promote programs has interviewed 49,161 beneficiaries to establish a baseline for establishing program effects.⁴⁰⁹ Table 3.28 shows the demographic profile of the Promote beneficiaries.

TABLE 3.28

PROFILE OF PROMOTE BENEFICIARIES (BY PROJECT)					
Project Title	Average Age	Percent married	Average monthly household income	Percent employed	Number of persons interviewed
Promote: Women in the Economy	24	21%	\$239	17%	14,975
Promote: Women’s Leadership Development	22	8	236	4	19,901
Promote: Women in Government	25	19	343	5	2,244
Promote: Women’s Rights Groups and Coalitions	29	46	361	46	975
Comparison group	22	15	206	7	11,069

Source: RSI Consulting, *Promote: Rolling Baseline and Endline Contract FY’19 Quarter 2 Report: January – March 2019, 5/13/2019*, pp. 10, 12.