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GOVERNANCE

KEY ISSUES AND EVENTS

President Donald J. Trump suspended U.S.-Taliban peace negotiations this quarter after nine rounds of talks between U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad and the insurgent group.²³⁴

The U.S. government and the Taliban had concluded the most recent round of peace talks in Doha, Qatar, on August 31, 2019. Ambassador Khalilzad described the situation then as being “at the threshold of an agreement.”²³⁵ However, on September 7, President Trump announced that after the Taliban admitted to an attack in Kabul that killed a U.S. soldier, he canceled previously unannounced, separate secret meetings he had planned to hold with the Taliban and President Ashraf Ghani at Camp David in Maryland.²³⁶ Two days later, President Trump reiterated to reporters that the talks were over, saying, “as far as I’m concerned, they’re dead.”²³⁷ Still, on September 25, President Trump told the UN General Assembly that “we will never stop working to make peace [in Afghanistan] a reality.”²³⁸ On October 3, the Taliban and the Pakistan government called for the resumption of the peace process.²³⁹

On September 28, Afghanistan held its fourth presidential election. According to initial turnout results from 79% of the polling centers, the Independent Election Commission (IEC) said only 2.2 million of the 9.67 million registered Afghans voted.²⁴⁰ President Ghani attributed the low turnout to the failure of Afghanistan’s unity government to implement reforms and improve the living situation of Afghans.²⁴¹ According to the IEC, preliminary election results were not due until October 19 (they missed this target), and the final results are set to be announced on November 7. Nonetheless, both the Ghani campaign and rival Chief Executive Abdullah Abdullah predicted victory soon after the balloting closed.²⁴² If no candidate receives more than 50% of the vote, the IEC will likely hold a second vote on or about November 23, depending on the resolution of any electoral complaints.²⁴³

This quarter, the Combined Security Transition Command-Afghanistan (CSTC-A) told SIGAR in a written response to a data call that it would be counterproductive to impose any conditions-based financial penalties on the Afghan Ministry of Defense (MOD) and Ministry of Interior Affairs (MOI) as a means to drive positive behavior change. However, CSTC-A

commander Lieutenant General James E. Rainey and his senior staff subsequently clarified in a meeting with Inspector General Sopko in Kabul that CSTC-A was still utilizing conditionality, but through an incentive-based approach rather than through commitment letters.²⁴⁴

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of September 30, 2019, the United States had provided nearly \$34.5 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$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).²⁴⁵

RECONCILIATION AND REINTEGRATION

U.S.-Taliban Talks Suspended

After nine rounds of negotiations, President Trump announced the suspension of U.S. peace talks with the Taliban on September 7. According to State, the U.S. government is reviewing options for moving ahead.²⁴⁶

President Trump said the Camp David talks were canceled after the Taliban admitted to an attack in Kabul that killed a U.S. soldier, which he interpreted as an attempt to gain leverage in the negotiations.²⁴⁷ As Secretary Pompeo described it, the Taliban “overreached” and failed to live up to a series of commitments they had made. However, Secretary Pompeo acknowledged that the United States also sought to pressure the Taliban while “fighting and talking,” claiming that over 1,000 Taliban had been killed in 10 days.²⁴⁸

A week prior to the suspension, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad described the talks as being “at the threshold of an agreement.”²⁴⁹ Secretary of State Michael R. Pompeo elaborated, saying the Taliban told U.S. negotiators that it would publicly and permanently break with al-Qaeda and that the Taliban would meet in Oslo, Norway, to begin reconciliation talks with fellow Afghans.²⁵⁰ The U.S.-Taliban talks had not included official representation from the elected government in Kabul.²⁵¹

Reacting to the canceled meeting at Camp David, President Ghani said he had not expected more than a symbolic meeting where the Taliban and the Afghan government would formally commit to a political solution and ending the violence.²⁵²

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

Proposals for Post-Peace Foreign Assistance

Recently, the World Bank and the U.S. and Afghan governments have publicly offered their views on the possible role of foreign assistance in a post-peace Afghanistan. While all three institutions agree that foreign assistance should continue, each emphasized a different rationale. For example, the World Bank described its proposed post-settlement suite of programs as “signaling change” that peace delivers a short-term, noticeable improvement in living standards, increasing the chance of sustaining peace.²⁵³ Acting U.S. Assistant Secretary of State for South and Central Asia Alice G. Wells said post-peace foreign assistance could provide the international community with “substantial amount of leverage” over the Taliban.²⁵⁴ Meanwhile, the Afghan government says “economic reintegration of ex-combatants and other parties is critical to maintaining peace.”²⁵⁵

This quarter, the World Bank publicly released its draft proposal for a package of post-settlement economic support to Afghanistan. The World Bank developed the proposal in response to the November 2018 Geneva Conference that called on the international community to develop a specific action plan for a program of economic initiatives related to the socio-economic requirements for peace.²⁵⁶ The World Bank estimates that it would cost around \$5.2 billion in “new and additional public financing [...] none of which has so far been programmed” to fund the full set of its proposed initiatives through 2024.²⁵⁷ (In comments to SIGAR, USAID criticized SIGAR’s description of the World Bank’s estimated funding requirements as requiring “new” donor funding as “extremely misleading” because “we [USAID] understand that this [\$5.2 billion] funding is not additive, but rather already existing resources.”²⁵⁸) The Bank says the best method to achieve immediate impact would be to use existing implementation mechanisms/programs.²⁵⁹ (For more detail on the proposed suite of programs, see page 135 of this report.)

Nearly 60% of the additional \$5.2 billion proposed by the World Bank would go towards bolstering existing initiatives such as expanding Citizen’s Charter, the Afghan government’s flagship program to build state legitimacy and end fragmentation, and extending access to health and education to more geographical areas, including formerly insecure areas.²⁶⁰ Despite the Afghan government’s concern about the economic reintegration of ex-combatants and other parties, the Bank specifically notes that its proposed suite of programs does not include disarming or demobilizing former combatants. Instead, it says its proposal will benefit former combatants indirectly through “expanding broad opportunities” for all Afghans.²⁶¹

State has not publicly specified the particular suite of foreign assistance programs it envisages in a post-peace Afghanistan. But it has reportedly led an interagency effort to plan for potential post-settlement economic assistance and has contemplated how foreign aid could enable the United States to support stabilization and self-reliance and continue influencing

a post-peace Afghanistan. USAID told SIGAR that the U.S. government participated in developing the World Bank's draft proposal and believes the World Bank proposal reflects its potential post-political settlement programs.²⁶² According to State, a joint statement issued at a July intra-Afghan dialogue event in Doha speaks to the Taliban's interest in the continuation of foreign assistance. According to this statement, participants—including senior Taliban officials—called for “support and assistance from donor countries post peace agreement based on the new cooperation and relations.”²⁶³ Further, as Ambassador Wells told the members of the House Foreign Affairs Committee in September, the Taliban say they want to be a legitimate part of the international community and have “learned lessons from the isolation that Afghanistan experienced under [their] rule in the late 1990s and early 2000s.” According to Ambassador Wells, the Taliban's desire for foreign investment and assistance would give the U.S. substantial leverage in a post-peace Afghanistan.²⁶⁴

In a July 2019 presentation to donors, the Afghan government offered an ambitious four-year program intended to “saturate” 120 target districts with services to create institutional and community resiliency and reconciliation following a peace agreement.²⁶⁵ The Afghan government's proposal includes:

- Increase the coverage of Citizen's Charter to an additional 120 districts beyond the 123 rural districts and four major cities that constitute the first phase of Citizen's Charter (Phase I is planned to run from 2017 to 2021).²⁶⁶ One goal would be to deliver short-term jobs in all target districts to rebuild and maintain critical infrastructure.²⁶⁷ The proposed beneficiaries would include all ex-combatants (regardless of affiliation), internally displaced persons, and returnees.²⁶⁸
- Establish mobile courts/units to deliver “swift and fair” dispute resolution, provide information, and implement government administrative functions (such as issuing government documents).²⁶⁹
- Develop a body within the first year of a peace program to adjudicate property rights by determining the evidence of claims, establishing linkages between informal and formal justice systems, enforcing decisions, and providing compensation and restitution.²⁷⁰

According to the Afghan government, this proposed “day-after peace program” could form the basis of concrete commitments negotiated within a peace agreement.²⁷¹ However, while the Afghan government did not propose a budget for this program, it does observe that “overpromising and under achieving can significantly undermine state legitimacy and threaten to further destabilise the country.”²⁷²

U.S. Support to Peace and Reconciliation

On July 27, President Ghani signed a decree dissolving the High Peace Council (HPC) Executive Secretariat, the operational arm of the HPC established by former President Hamid Karzai in 2010 to negotiate with elements of the Taliban. According to State, this action was not unexpected given the HPC's poor results. Two days later, the U.S. and other donors decided to end the United Nations Development Programme's (UNDP's) support to the HPC. For over 20 months, UNDP had provided support to the HPC through a series of temporary projects. The total amount of U.S. funds allocated for HPC support since September 2017 was \$10.1 million. State said it may be able to recover some of the unspent funds.²⁷³

Prior to the dissolution of the HPC, the Afghan government created the Ministry of Peace Affairs in June 2019. In August, the U.S. Embassy told the new Minister of Peace Affairs that previous assistance to the HPC would not be available for the ministry.²⁷⁴

This quarter, USAID's Office of Transition Initiatives (OTI) told SIGAR that it is exploring a program to support the Afghan peace process. While the scope of the program is still under development, OTI anticipates it will include analytical work to better understand needs and dynamics in areas where there would be a reduction in violence. These efforts would include communications and education regarding a peace agreement, potential small-scale community trust-building activities, and possible support to the Afghan government's Citizens' Charter program.²⁷⁵ According to USAID, OTI is tasked with providing fast, flexible, short-term assistance to take advantage of windows of opportunity to build democracy and peace.²⁷⁶ Since 2001, OTI has opened and closed two transition-programming phases in Afghanistan: 2002–2005 and again 2009–2016.²⁷⁷

PRESIDENTIAL ELECTIONS

On September 28, Afghanistan held its fourth presidential election. Of the approximately 9.67 million registered voters, at least 2.2 million voted according to an IEC statement made on September 29.²⁷⁸

The day before the election, the IEC announced that they would count votes only from biometrically registered and photographed voters.²⁷⁹ According to the Afghanistan Analysts Network, the IEC refused to allow women to vote if they refused to have their photograph taken as part of the biometric verification as an anti-fraud measure after elections in 2009 and 2014 ended in disputes over rampant ballot stuffing. However, according to Reuters, prior to the election, 18 Afghan women's-rights groups wrote the IEC that the measure would stop many women from voting because they believed it was un-Islamic or culturally inappropriate to allow themselves to be photographed by men.²⁸⁰



President Ashraf Ghani having his picture taken by Independent Election Commission staff on election day. (Afghan government photo)

Days before the election, Secretary of State Michael R. Pompeo appeared to express frustration with the Afghan government, writing on September 18 that the United States had “called repeatedly for the Afghan government and electoral institutions to make preparations for a credible and transparent presidential election.” He warned all parties, including the Taliban, against any attempt to intimidate, coerce, or buy voters as this would be “an attack on democracy.”²⁸¹ The following day, Secretary Pompeo announced what was reported as \$160 million in cuts and changes to some U.S. assistance to Afghanistan in response to concerns about corruption. When asked what message he was sending President Ghani in his announcement regarding reductions and/or changes to certain U.S. foreign assistance to Afghanistan, the Secretary responded that the United States desired free and fair elections in Afghanistan.²⁸²

According to the UN Secretary-General, there were persistent indications prior to the election that Afghan government resources were being improperly used for electioneering purposes. On August 1, the Electoral Complaints Commission (ECC) issued a written warning to both President Ghani and Chief Executive Abdullah for violating electoral campaign regulations, including by using Afghan government facilities and financial resources for campaign purposes. In its warning, the ECC cited the use of government vehicles and government equipment in campaign activities, as well as the participation of high-ranking government officials at electoral gatherings.²⁸³

Days before the election, the Taliban said that it was directing its fighters to neutralize the election “by making use of everything at their disposal.” The Taliban warned Afghans to stay home.²⁸⁴

According to the UN, the level of election-related violence remained relatively low in the months leading up to the September 28 election. The UN documented 100 election-related incidents with civilian casualties on election day. The UN’s preliminary figures indicated that 458 civilian casualties (85 deaths and 373 injured) were caused by attacks targeting the electoral process. Of these casualties, 277 civilian casualties (28 deaths and 249 injured) occurred on election day. Overall, civilian casualties figures were significantly lower in 2019 as compared to the October 2018 parliamentary elections, the UN said. However, civilian casualty levels were higher than the April and June 2014 presidential election days.²⁸⁵

It is unclear which specific factors (such as threats of violence, changes to biometric voter verification, or a general pessimism) drove the low turnout. A recent Gallup poll found that Afghans in 2018 rated their lives more poorly than in any other country based on the pollster’s decade of tracking the measure. Meanwhile, in 2018 a record-high portion (41%) of its sample of approximately 1,000 Afghans interviewed said they would leave Afghanistan if they could.²⁸⁶

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

U.S. Funding Support to Elections

The U.S. government provided financial support to Afghan parliamentary and presidential elections in 2018 and 2019 through a grant of up to nearly \$79 million to the UNDP. Through this grant, UNDP provides support to Afghanistan’s electoral management bodies, the IEC and the ECC.²⁸⁷

The Afghan government estimated that the presidential elections would cost \$149 million, with the Afghan government committing \$90 million and donors providing the remaining \$59 million through the UNDP.²⁸⁸

As shown in Table 3.15, USAID had three active elections-related programs this quarter, the largest of which is support to the UNDP.²⁸⁹

On August 8, 2018, USAID signed a three-year, \$14 million cooperative agreement with the Consortium for Elections and Political Process

TABLE 3.15

USAID ELECTION-RELATED PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	\$78,995,000	\$59,935,457
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	18,253,000	6,039,886

Source: USAID, response to SIGAR data call, 10/17/2019.

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.²⁹⁰

MUTUAL ACCOUNTABILITY

Afghanistan Compact

This quarter State said there were no updates on the Afghan government's progress in meeting the Afghanistan Compact's benchmarks because the Afghan government and the U.S. Embassy had suspended their periodic Compact meetings until after the election.²⁹¹

The U.S. and Afghan governments announced the launch of the Afghanistan Compact in 2017.²⁹² The 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.²⁹³

Civilian Assistance Review Between Afghan and U.S. Governments

In August 2019, the U.S. and Afghan governments finished a joint review of U.S. government civilian assistance to Afghanistan that began in May. According to State, the joint review focused on strategic results, alignment with Afghan government development priorities, and identification of challenges and successes.²⁹⁴ State said this review recommended an adjustment in the number of U.S.-supported projects. Further, the remaining activities should be focused on (1) supporting the Afghan peace process and preserving the flexibility to support implementation of an eventual peace settlement; (2) preserving state stability, including through support for democratic governance, in order to guard against conditions that would enable terrorist safe havens; and (3) assisting the transition to Afghan self-reliance by supporting private sector growth and civil society support for core functions customarily provided by government.

State anticipates that some existing programs will come to an end based on their intended period of performance. For instance, State said there are plans to completely phase out road construction, and (as has been the case for the last few years) the U.S. government will not underwrite any new major infrastructure.²⁹⁵

While USAID told SIGAR that the Ministry of Finance had no comments on USAID's summary report finalizing the civilian-assistance review,²⁹⁶ in an interview days before the election, President Ghani said "USAID is one of the incompetent donors." He complained that "from each American dollar, the people of Afghanistan don't get more than 10 cents of it."²⁹⁷ This statement prompted the U.S. Ambassador to Afghanistan, John Bass, to respond that he was disappointed that President Ghani overlooked the "excellent work of USAID" in Afghanistan.²⁹⁸

For more background on the U.S.-Afghan discussions on foreign assistance, see the classified addendum of this report.

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.²⁹⁹ 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 through 2024.³⁰⁰

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.³⁰¹ However, the World Bank believes that if a growing proportion of donor funds is delivered **on-budget**, the current donor commitments should be sufficient to fund existing levels of service delivery as well as some additional infrastructure investments.³⁰²

In several conferences after the 2010 Kabul Conference, the United States and other international donors supported an increase to 50% in the proportion of civilian development aid delivered on-budget through the Afghan government or multidonor trust funds to improve governance, cut costs, and align development efforts with Afghan priorities.³⁰³ USAID later updated its position, saying in December 2018 that it does not target or commit to specific percentage of funds to be used for on-budget programming.³⁰⁴

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.³⁰⁵

At the November 2018 Geneva Conference on Afghanistan, the Afghan government proposed that donors commit to delivering 60% of aid

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

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

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

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Inspector General John F. Sopko, seated next to National Procurement Authority Director Alham Omar Hotaki (left) and acting Finance Minister Mohammad Humayon Qayoumi, attends a meeting of the National Procurement Commission chaired by President Ghani. (Afghan government photo)

on-budget.³⁰⁶ However, international donors committed only to continue channeling aid on-budget “as appropriate” with no specific target.³⁰⁷

In his September 19 statement on transparency and anticorruption, Secretary Pompeo highlighted a lack of transparency surrounding procurement decisions by the Afghan government’s National Procurement Authority (NPA) as an area of great cause for concern.³⁰⁸ The NPA reviews proposed contracts, and recommends approval, disapproval, or other action to the National Procurement Commission (NPC), whose members are President Ghani, Chief Executive Abdullah, the second vice president, and the ministers of finance, economy, and justice. President Ghani chairs the NPC.³⁰⁹ By singling out the NPA for critique and by noting its plans to direct \$100 million in funds for a large energy-infrastructure project from on-budget to an off-budget mechanism, State told SIGAR it is signaling a greater level of scrutiny and calling on the Afghan government to take corruption more seriously.³¹⁰ Further, State appears to be raising broader concerns for the future of civilian on-budget assistance.

As shown in Table 3.16 on the following page, 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

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TABLE 3.16

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
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	6/30/2020	2,700,000,000	2,155,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

Note: *USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from all ARTF awards is currently \$3,527,677,528.

Source: USAID, response to SIGAR data call, 10/17/2019.

\$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).³¹¹

Civilian On-Budget Assistance

USAID has provided on-budget civilian assistance in two ways: bilaterally to Afghan government entities, and through contributions to two multidonor trust funds, the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF).³¹² According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.³¹³

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.³¹⁴ The AITF coordinates donor assistance for infrastructure projects.³¹⁵

As of July 2019, the United States remains the largest cumulative donor to the ARTF (30.3% of actual, as distinct from pledged, contributions paid in); the next-largest donor is the United Kingdom (17.3% of pledged contributions paid in).³¹⁶

ARTF Recurrent-Cost Window

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries and operation and maintenance expenses. The recurrent-cost window is also the vehicle for channeling reform-based incentive funds, such as the Incentive Program Development Policy Grant (IP DPG).³¹⁷

As of July 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 2002.³¹⁸

In July 2019, the World Bank's contracted monitoring agent for the recurrent-cost window submitted its review of the Afghan fiscal year (FY) 1397 (December 2017–December 2018). The Afghan government submitted \$1.3 billion in expenditures for the year, but the monitoring agent verified only \$922 million (71.9%) as eligible for reimbursement. The three most frequent types of ineligibility found by the monitoring agent were noncompliance with procurement procedures (22.7%), military-related payments (16.5%), and invalid expenditures (15.1%).³¹⁹

U.S. “Withholds” \$60 Million in Not-Yet-Due ARTF Incentive Funds

In 2018, the Afghan government, World Bank, and ARTF donors agreed to restructure the recurrent-cost window to make the provision of funds contingent upon policy reforms and fiscal stability-related results through the 2019 Incentive Program Development Policy Grant (IP DPG).³²⁰

The United States is the only ARTF donor to have specified that the World Bank should dedicate a portion of its contributions to the IP DPG, having provided \$210 million for that purpose as of July 2019.³²¹

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, with disbursement tied to the Afghan government's achievement of specific conditions before November 15, 2019. Tranches are penalized 10% per month if conditions are not met by the deadline.³²²

On September 19, State issued a statement on accountability and anticorruption in Afghanistan that announced, among other items, the withholding of \$60 million in planned U.S. assistance. According to State, the withholding was due to the Afghan government's failure to meet unspecified benchmarks for transparency and accountability in public financial management.³²³

Upon further inquiry, USAID informed SIGAR that the Afghan government had failed to meet two IP DPG public financial management-related benchmarks. These benchmarks require the Afghan government to (1) publish fortnightly revenue reports on its website and (2) publish the minutes of the cash-management committee meetings.³²⁴ However, as these benchmarks are not due until November 2019, USAID may still provide the World Bank with the full \$60 million for transfer to the Afghan government if the Afghan government meets the deadline. As of September 26, USAID reported to SIGAR that the Afghan government had already met six IP DPG benchmarks and was on track to meet the remaining seven benchmarks (including the two public financial management-related benchmarks).³²⁵

USAID officials told SIGAR the announced withholding of the IP DPG funds was intended to send a message to the Afghan government about the importance of ensuring transparency and accountability in their financial management.³²⁶

ARTF Fiduciary Review Finds Weaknesses in Ministry of Education's Internal Controls

In July, the World Bank briefed the ARTF Strategy Group, including nine ARTF donors, on the results of an education fiduciary review. According to the World Bank, the review began in December 2017, after allegations were made about possible corruption cases in the education sector and problems in the fiduciary arrangements of the Education Quality Improvement Program (EQUIP II) project.³²⁷ (EQUIP II was an ARTF-funded project that ran from 2008 to 2017 that aimed to increase equitable access to quality basic education.³²⁸) According to the World Bank, SIGAR's recommendations were one of the factors that motivated the in-depth review.³²⁹

The World Bank-hired consultants reviewed a sample of \$156.5 million out of the total \$418 million in EQUIP II transactions. The World Bank validated the draft consultant report and identified the following control weaknesses: inadequate documentation (totaling \$21.9 million, representing 14% of the sample); noncompliance with rules and regulations (\$2.2 million, 1% of the sample); and potential fraud (\$37.2 million, 24% of the sample).³³⁰

According to USAID, as of September 26, the review has prompted the World Bank to request the Afghan government to reimburse it \$2.2 million. The remaining EQUIP II questioned-costs balance is being further investigated. SIGAR and USAID OIG are collaborating in this investigation.³³¹

On-Budget Assistance to the ANDSF

Approximately 70% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.³³² According to a recent World Bank estimate, Afghan government security expenditures—including **off-budget** security costs—were equivalent to 29% of gross domestic product (GDP) in 2018. By contrast, the average low-income country spends 3% of GDP on security-related costs, according to the Bank.³³³

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).³³⁴

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.³³⁵ UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.³³⁶ 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.³³⁷

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.³³⁸

As of August 31, CSTC-A had provided the Afghan government the equivalent of \$415.9 million to support the MOD for FY 1398. Almost all of these funds (91%) paid for salaries.³³⁹ Additionally, as of August 31, CSTC-A had provided the equivalent of \$128.7 million to support the MOI. Of these funds, none were delivered via the LOTFA.³⁴⁰

CSTC-A has moved away from the LOTFA in the past few years. In 2016, for example, the United States contributed \$114.40 million to LOTFA, but only \$1.04 million in 2018.³⁴¹ According to CSTC-A, their reduced LOTFA contributions allow other donors (such as those that are prohibited from providing funds directly to the Afghan government) to contribute to the MOI costs through the UNDP-administered fund. Despite the significant reduction in contributions, CSTC-A believes the 2019 LOTFA donations are sufficient to meet the Afghan police salary requirements.³⁴²

CSTC-A No Longer Believes Conditions-based Financial Penalties are Effective

CSTC-A said this quarter that it would be counterproductive to impose financial penalties on the MOD and MOI for failing to meet conditions. However, CSTC-A commander Lieutenant General James E. Rainey and his senior staff subsequently clarified in a meeting with Inspector General Sopko in Kabul that CSTC-A was still utilizing conditionality, but through an incentive-based approach rather than through commitment letters.³⁴³

For the past three quarters, CSTC-A reported to SIGAR that it did not assess the MOD or MOI as meeting (or not meeting) the conditions outlined in the commitment letters for Afghan years 1397/1398. CSTC-A is able to issue fines and penalties if it determines that the MOD or MOI have not complied with the terms of these commitment letters. However, CSTC-A did not issue any financial penalties for those three quarters.³⁴⁴

Previously, CSTC-A viewed the commitment-letter conditions as a means to drive behavior change in the MOD and MOI by ensuring these institutions complied with various Afghan legal regulations, the Afghanistan Compact, and the U.S.-Afghanistan Strategic Partnership Agreement. The first commitment letters were implemented in 2014. As the commander of CSTC-A at that time, Major General Todd Semonite, told SIGAR, this was a reaction to his observation that “in 2013, we had no conditions” for on-budget funds to support the MOD and MOI. CSTC-A would apply financial and nonfinancial penalties (levers) when it observed noncompliance with commitment-letter conditions.³⁴⁵ One example of a nonfinancial lever included withholding

fuel allocations. According to CSTC-A in the past, exercising these levers improved Afghan reporting and added rigor to certain Afghan procedures.³⁴⁶

In lieu of applying conditions-based financial levers, CSTC-A said it currently “leverages” multiple assessment tools to track Afghan security force progress. In conjunction with the Advisor Network, CSTC-A reportedly uses the Afghan security forces’ “Top 10 Challenges/ Opportunities.” According to CSTC-A, these alternative assessments guide their train, advise, and assist efforts and include metrics for corruption cases, contract completion, and Afghan security-force casualties from checkpoint operations. CSTC-A said the new tool is still being evaluated and awaits final approval.³⁴⁷

NATIONAL GOVERNANCE

Civil Society and Media

As shown in Table 3.17, USAID funds programs to support broader human and institutional capacity building of civil-society organizations and the media.

The Afghan Civic Engagement Program’s (ACEP) goal is to promote civil-society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as advocates for political reform. Starting in June 2018, ACEP’s goals included expanding civic and voter education and engagement for the scheduled parliamentary and presidential elections.³⁴⁸ 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.³⁴⁹

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.³⁵⁰

Rasana supports women-run and women-owned media organizations to produce three to five minute-long women-focused radio programs.³⁵¹ Between April and June 2019, these organizations broadcast 226 radio stories, including a campaign encouraging the use of reusable tote bags

TABLE 3.17

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
Afghan Civic Engagement Program (ACEP)	12/4/2013	12/4/2019	\$79,120,000	\$76,927,077
Rasana (Media)	3/29/2017	3/28/2020	9,000,000	6,268,335

Source: USAID, response to SIGAR data call, 10/17/2019.

GOVERNANCE

to improve the environment in Jowzjan Province; the female karate team in Takhar Province; financial problems created by the increasing sums for dowries in Helmand and Takhar Provinces; a bicycle-riding contest for young women in Balkh Province; and the role of women in peace talks.³⁵²

SUBNATIONAL GOVERNANCE

Afghanistan’s National Security Advisor Hamdullah Mohib said this quarter that the Afghan government has classified 60 of Afghanistan’s 400 districts as “high” threat districts. According to Mohib, the Afghan government is present and provides services in all but 10 of these high-threat districts. Further, he clarified that these districts are not a facing a high threat of collapse. Instead, the Taliban are able to easily launch attacks or hinder road transport in these districts. According to Mohib, an additional 90 districts are medium or low threat.³⁵³

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). Table 3.18 summarizes total program costs and disbursements to date.

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.³⁵⁴

According to USAID, ISLA saw improvement in a core problem: the poor integration of provincial priorities into Afghanistan’s national budget plans.³⁵⁵ For the Afghan fiscal year (FY) 1398 (December 2018–December

TABLE 3.18

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	5/29/2020	\$72,000,000	\$57,054,252
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	7/30/2020	48,000,000	39,478,616
Citizens’ Charter Afghanistan Project (CCAP)*	3/31/2012	6/30/2020	N/A	34,314,589

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

Source: USAID, response to SIGAR data call, 10/17/2019.

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.³⁵⁶ Despite these improvements, ISLA failed to meet its target for this indicator for the third year in a row. For FY 1398, the target was 24.2% of PDP projects being included in the national budget.³⁵⁷ ISLA does not appear to track whether the projects included in the budget are actually implemented.

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.³⁵⁸

As of July, 14 SHAHAR-supported municipalities reported a 20% reduction in total revenues collected for Afghan fiscal year (FY) 1398 (December 2018–December 2019) (compared to the same period of time in the prior year). According to SHAHAR, the Ministry of Finance began collecting a fee that was a significant source of municipal revenues. Without the MOF fees, these municipalities would have registered an 18% revenue increase year-on-year.³⁵⁹

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. USAID requested that \$34 million of its \$300 million contribution to the World Bank's ARTF be spent on CCAP.³⁶⁰ Both the World Bank and Afghan government have proposed expanding CCAP in the event of peace.³⁶¹

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) and seeks to provide them.³⁶²

RULE OF LAW AND ANTICORRUPTION

Summary of Rule of Law and Anticorruption Programs

As shown in Table 3.19, the United States supports a number of active rule-of-law and anticorruption programs in Afghanistan.

Support to the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)

On September 19, State announced that the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) is “incapable of being a partner in the international effort to build a better future for the Afghan people.” As a result, State said the United States would stop providing funding to the MEC by the end of 2019.³⁶³ USAID decided to end its funding to the MEC in December 2019 after concluding that the challenges faced by the MEC would not be overcome. Further, USAID said it saw no evidence of the Afghan government institutionalizing the MEC despite commitments to do so.³⁶⁴

The MEC was established in 2011 to monitor and evaluate the Afghan government’s progress fighting internal corruption.³⁶⁵ Since 2015, USAID has had a cooperation arrangement with the UK’s Department for International Development to fund the MEC. USAID funds the MEC’s monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.³⁶⁶

State and USAID did not say why the United States had changed its position on the MEC. In 2016, USAID described the MEC as a “key actor” in the fight against corruption and that USAID funding was critical for continuity of MEC’s operations. Further, USAID then said that the MEC’s ministry-wide vulnerability to corruption assessments play an integral role in ensuring critical vulnerabilities to corruption are identified and mitigated.³⁶⁷

TABLE 3.19

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$26,138,276
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	5,284,446
Corrections System Support Program (OASIS CSSP) Option Year 2*	6/1/2019	5/31/2022	13,713,301	1,501,320
Justice Sector Support Program OASIS Contract*	8/28/2017	8/28/2022	27,772,896	17,287,391
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	2,400,000

Note: *Disbursements as of 9/18/2019.

Source: State, INL, response to SIGAR data call, 9/18/2019; USAID, response to SIGAR data call, 10/17/2019.

Moreover, as discussed below, USAID's own anticorruption program drew upon MEC work in its own assessments this quarter. USAID provided SIGAR a letter documenting their reasons for not funding the MEC beyond December 2019.³⁶⁸

Afghanistan's Measure for Accountability and Transparency (AMANAT)

In August 2017, USAID awarded the contract for Afghanistan's Measure for Accountability and Transparency (AMANAT) program to support the Afghan government's efforts to reduce and prevent corruption in government public services.³⁶⁹ According to USAID, AMANAT supports select Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.³⁷⁰

This quarter, AMANAT finalized a number of political-economy assessments of several Afghan government ministries, some of which drew upon the MEC's previous reporting on corruption. For example, in its review of the Ministry of Education (MOE), AMANAT reported that corruption is rampant in every aspect of the education sector including teacher recruitment, procurement, school construction, publication and distribution of textbooks, and certification of degrees. AMANAT's support for this statement was the MEC's 2017 vulnerability-to-corruption assessment of the MOE.³⁷¹ While AMANAT reported that their own interviewees for the political-economy analysis felt the MEC's 2017 report did not consider the feasibility of its proposed reforms and underreported the ministry's efforts to combat corruption, AMANAT said every ministry official said the report created serious pressures to implement the recommendations and propelled a number of anticorruption measures.³⁷²

Similarly, in its assessment of the Ministry of Public Health, AMANAT wrote that corruption is evident in every aspect of the public-health sector, including petty bribes paid to access health care, recruitment, procurement, distribution of health service delivery contracts, pharmaceutical imports and quality control, drug and vaccine delivery, oversight of private health care providers, and health care specialist accreditation. Again, the source for this statement is a previous MEC report.³⁷³ Further, AMANAT acknowledges that its own report is not definitive or representative of the views of all ministry staff and suggests the reader consult the MEC's reporting or ministry self-assessments.³⁷⁴

Assistance for the Development of Afghan Legal Access and Transparency (ADALAT)

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.”³⁷⁵ 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.³⁷⁶ ADALAT’s efforts to increase demand for quality legal services includes providing grants to (1) civil-society organizations to promote legal awareness and legal rights, and (2) private universities to prepare future “practical problem-solvers” within formal and traditional dispute resolution institutions.³⁷⁷

Justice Sector Support Program (JSSP)

State’s Justice Sector Support Program is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an estimated cost of \$23 million. The previous JSSP contract, which began in 2010, cost \$280 million. JSSP provides technical assistance to Afghan justice-sector institutions to: (1) build the capacity of justice institutions to be professional, transparent, and accountable; (2) assist the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) support 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.³⁷⁸

JSSP advises various Afghan government offices on the U.S.-funded Case Management System (CMS). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal-justice institutions, from the moment a case is initiated to the end of confinement.³⁷⁹ As of August 31, 2019, the CMS had recorded 482,215 criminal cases and 92,993 civil cases.³⁸⁰

As part of its support to legislative capacity building, JSSP assisted the Ministry of Women’s Affairs (MOWA) in reviewing women’s inheritance rights contained in the Law on Elimination of Violence Against Women (LEVAW). According to JSSP, some MOWA participants argued that the inheritance provision in the law discriminates against women. For example, a wife with children is entitled to one-eighth of the property of her husband upon his death (whereas a husband is entitled to one-fourth of the wife’s property). If the marriage did not produce children, the wife is entitled to one-fourth of the property (whereas a husband is entitled to half). A daughter will receive half the share a son would. The MOWA chair of the meeting rejected the proposal to revise the law, saying the contested provisions are based on Sharia law and cannot be changed.³⁸¹ (According to Article Three of the 2004 Afghan constitution, “No law shall contravene the tenets and provisions of the holy religion of Islam in Afghanistan.”³⁸²)

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.

Continuing Professional Development Support (CPDS)

In February 2018, State launched the \$8 million Continuing Professional Development Support (CPDS) program. According to State, CPDS responds 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.³⁸³

According to the most recent reporting, CPDS has developed a data-collection tool to measure the change in work-place behavior of graduates from CPDS-funded training courses. CPDS evaluators are visiting participants at their place of work in 11 provinces, interviewing and observing participants (and speaking to supervisors when available), and evaluating documents in case files using the data collection tool. According to CDPS, case file documents should demonstrate whether prosecutors, defense counsel, and judges are applying key concepts and knowledge learned during the training courses.³⁸⁴ SIGAR plans to report on the findings of this assessment in the future.

Corrections System Support Program (CSSP)

State's Corrections System Support Program (CSSP) provides mentoring and advising support, training assistance, leadership capacity-building initiatives, infrastructure assistance and nationwide case management for correctional facilities.³⁸⁵

This quarter, State highlighted the adoption of the electronic CMS by the Panjshir provincial prison as a successful pilot project. According to State, they have worked since 2014 to implement CMS throughout the Afghan prison system.³⁸⁶

CSSP recently finalized an assessment of their Afghan government counterpart entities in the General Directorate of Prisons and Detention Centers (GDPDC).³⁸⁷ According to the assessment, a number of their GDPDC counterparts continue to face difficulties in their core functions despite CSSP assistance. For example, the court communications office—which is responsible for maintaining all data and records related to incarcerated individuals—reportedly continues to be unable to complete basic tasks related to CMS data entry and system usage. In CSSP's assessment, this is due to a lack of commitment by GDPDC leadership as evidenced by the lack of performance accountability, constant staff rotation, and the assigning of staff who do not have the necessary skills to use the CMS. Further, CSSP reported that the office does not rely on information extracted from CMS to generate reports despite having migrated to the electronic CMS in 2016.³⁸⁸



IG Sopko, center; the Czech ambassador, Petr Stepanek, on the IG's left; and Pierre Mayaudon, ambassador of the European Union, on the IG's right; attend monthly working session of European mission heads in Kabul on anticorruption initiatives. (SIGAR Photo)

Anticorruption

This quarter, DOJ told SIGAR that recent events indicate the Afghan government has improved its commitment and capacity to prosecute major crime and public corruption cases. When asked for an assessment of the Afghan government's political will to pursue major crimes and corruption cases, DOJ responded that it "has no opinion on political will."³⁸⁹ However, DOJ does offer an assessment of the Afghan government's political will in its quarterly reporting to State.³⁹⁰ For DOJ's staff observations in their report to State, including perspectives on the Afghan government's political will to pursue major crimes and corruption cases, see the classified addendum of this report.

On August 15, President Ghani's office ordered the release of the imprisoned former Kabul Bank chief executive Khalilullah Ferozi. He was placed on house-arrest status, purportedly due to a severe diabetic condition, DOJ said. Ferozi was previously released from prison in 2015 under what DOJ described as "questionable circumstances," until press coverage prompted his return to prison. Presidential candidate and former intelligence director Rahmatullah Nabil claimed in a tweet that Ferozi's release was in exchange for a \$30 million campaign contribution. A Ghani spokesman challenged Nabil to produce evidence.³⁹¹

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,



Inspector General John Sopko meets with President Ashraf Ghani to discuss anticorruption issues. (Afghan government photo)

AGO prosecutors, and judges work to combat serious corruption. The ACJC’s jurisdiction covers major corruption cases in any province involving senior officials (up to the deputy minister), generals, and colonels, or cases involving substantial monetary losses. Substantial losses are defined as a minimum of five million afghani—approximately \$73,000—in cases of bribes, money laundering, selling of historical or cultural relics, illegal mining, and appropriation of Afghan government property; or a minimum of 10 million afghani—approximately \$146,000—in cases of embezzlement.³⁹²

This quarter, the ACJC took the following actions:

- Convicted three members of the Paktika provincial council of using false documents. All three were found guilty, sentenced to 14 months’ confinement, and fined the approximate equivalent of between \$23,800 and \$29,400.³⁹³
- Convicted the former chairs of the IEC and ECC, along with eight election commissioners, with illegally changing the recorded vote count during the October 2018 parliamentary election. The court sentenced each of the defendants to five years’ imprisonment.³⁹⁴
- Convicted six employees of the Ministry of Refugees and Repatriation to two years’ imprisonment for crimes associated with approximately \$451,000 in procurements.³⁹⁵

This quarter, the Supreme Court reduced the sentence of Major General Ahmad Zia Yaftali from six to three months’ imprisonment. In May 2019, the ACJC appellate court had convicted for abuse of authority Yaftali and nine others who had mismanaged the Dawood Military Hospital between 2005 and 2010, when \$150 million worth of medical supplies were pilfered. However, CSTC-A reported that Yaftali openly attended parliamentary

meetings as a member while he appealed his conviction. The ACJC had 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." Yaftali's codefendants also had their sentences reduced to three months.³⁹⁶

Afghan Government Recovers Less than 1% of ACJC-issued Financial Penalties

As shown in Table 3.20, less than 1% of the financial penalties the ACJC primary court has imposed on convicted criminals have been collected and deposited in the AGO bank account.³⁹⁷

As of August 27, the ACJC's primary court 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, seven members of province councils (including two chairs), and two mayors.³⁹⁸

Afghanistan Security Forces

According to CSTC-A, the largest area of corruption (in monetary terms) in the Afghan security forces are fuel-related theft and contract fraud. CSTC-A has also observed contract fraud and theft of other commodities, including food, clothing, equipment, ammunition, medical supplies, and spare parts. These schemes occur below the level of the more heavily overseen national- and operational-level logistics centers, CSTC-A says.³⁹⁹

CSTC-A believes that its collaboration with the new ministers of interior and defense has been helpful in driving increased countercorruption efforts. According to CSTC-A, these ministers have shown personal interest in removing corrupt actors. Further, CSTC-A has observed "aggressive" prosecutions of MOD personnel in Helmand Province, something CSTC-A cites as evidence of increased Afghan government reforms.⁴⁰⁰

Among the MOD and MOI elements tasked with reducing corruption, CSTC-A highlighted the work of the MOD Inspector General (MOD IG) for uncovering issues at the Kabul Military Training Center. Specifically, the MOD IG concluded that five of the training center's leaders should be removed for alleged illegal and corrupt acts.⁴⁰¹

Despite this, CSTC-A believes the MOD IG and the MOI Inspector General (MOI IG) do not take the initiative to conduct inspections and accurately report unfavorable findings in their reports. Further, CSTC-A believes the ministers of defense and interior are slow to act on the reports that are completed and often ignore substantiated findings. CSTC-A told SIGAR that more directive and aggressive ministers of defense and interior would result in more effective inspectors general.⁴⁰² According to CSTC-A, there is no contradiction in the ministers of defense and interior being assessed

TABLE 3.20

STATUS OF ANTI-CORRUPTION JUSTICE CENTER PRIMARY COURT-ISSUED FINANCIAL PENALTIES, AS OF AUGUST 27, 2019		
ACJC-Issued Financial Penalties^a	Approximate Value of Financial Penalties^b	Amount Fully Recovered^c
2,345,042,567 afghani	\$30,455,098	0.34%
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	0.21%

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," 8/2019.

as "highly focused on the removal of corrupt actors" and yet slow to act on MOD IG and MOI IG reports.

CSTC-A views the removal of corrupt actors by the ministers as a sign of progress in the face of a "long-standing culturally acceptable norm." However, CSTC-A attributes the ministers' failure to act in a timely manner on MOD IG and MOI IG reports to their view that inspectors general are "a concept that goes against traditional Afghan culture," leading to insufficient cohesion between the inspectors general and their parent ministries. CSTC-A hopes that as the MOD IG and MOI IG begin to report substantial findings, their relationship with the ministers of defense and interior will improve, and they will become more effective.⁴⁰³

CSTC-A attributed the following MOD and MOI actions to its train, advise, and assist efforts for anti- and counter-corruption:⁴⁰⁴

- an MOD investigation into contaminated aviation fuel in Mazar-e Sharif
- the MOI's decision to replace 27 of 34 provincial chiefs of police with "trusted officers"
- the MOI's inclusion of anticorruption lessons (such as ethics, rule of law, and methods for identifying corruption) in training classes for new province and deputy province chiefs of police, criminal investigative directorate personnel, and urban police officers
- MOI's publication of a gender policy which promotes equality between male and female officers although it is unclear how this relates to anti- or counter-corruption
- an MOI order for a complete inventory of all province and district equipment

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.⁴⁰⁵ According to CSTC-A, the MCTF is making steady progress towards improving its effectiveness. However, CSTC-A reports that the MCTF lacks the technical equipment and systems necessary to conduct proper investigations.⁴⁰⁶

According to CSTC-A, the MCTF struggles with its political will as some personnel put their personal interest before that of the organizations. Despite these internal challenges, CSTC-A believes that the MCTF has consistently demonstrated the political will to resist undue influence. CSTC-A also said the MCTF no longer reports directly to the interior minister, reversing a December 2018 presidential decree that CSTC-A then saw as helping the MCTF resist outside influence.⁴⁰⁷

REFUGEES AND INTERNAL DISPLACEMENT

According to State, starting in the summer of 2018, the Afghan Customs Department, an arm of the Ministry of Finance, began impounding humanitarian imported goods for nonpayment of customs duties, citing a discrepancy between Afghan tax laws and laws on nongovernmental organization. The U.S. government responded by creating a Compact benchmark to pressure the Afghan government to release all impounded goods and to resolve the discrepancy to ensure an efficient process for clearing humanitarian assistance at the border without the Afghan government imposing fees.⁴⁰⁸

While this issue was resolved and all obstructed goods were eventually released, State said that the Afghan government intervention caused a six-month delay for critical emergency humanitarian assistance, including medical supplies for trauma care and demining equipment.⁴⁰⁹

Afghan Refugees

As of June 29, 2019, the UNHCR reported that 6,133 refugees have voluntarily returned to Afghanistan in 2019. The majority (4,497) of these refugee returns were from Pakistan.⁴¹⁰

Undocumented Afghan Migrant Returnees

As of September 21, the International Organization of Migration (IOM) reported that 332,641 undocumented Afghans returned from Iran and 16,229 undocumented Afghan migrants returned from Pakistan in 2019.⁴¹¹

Conflict-induced Internal Displacement

Conflict-induced internal displacement numbers this year are similar to 2018. According to the UN Office for the Coordination of Humanitarian

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.

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Affairs (OCHA), as of September 22, conflicts in 2019 had induced 294,298 Afghans to flee their homes. The office recorded 294,548 displaced Afghans in the same period last year.⁴¹²

WOMEN'S ADVANCEMENT

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.”⁴¹³ 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.⁴¹⁴

USAID has committed \$280 million to Promote.⁴¹⁵ Table 3.21 shows the current Promote programs.

As of June 30 (the latest data available), USAID said that of the 68,622 total Promote beneficiaries, 21,523 Promote beneficiaries have been hired. Of these, 1,490 have been employed by the Afghan government and 10,913 have secured permanent employment in the private sector. There are also 9,120 Promote beneficiaries holding private-sector internships.⁴¹⁶

The three Afghan government entities with the largest number of Women in Government (WIG) beneficiary employees (as of June 2019) included the IEC (with 106 WIG beneficiaries employed), the Ministry of Education (with 62 employed), and the Ministry of Public Health (with 30 employed). In total, WIG beneficiaries constitute 614 of the 1,490 Promote beneficiaries to secure employment with the Afghan government.⁴¹⁷

TABLE 3.21

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2019
Promote: Women in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$52,533,869
Promote: Women’s Leadership Development	9/23/2014	9/22/2019	41,959,377	40,873,539
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	34,095,624
Promote: Women’s Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	20,400,893
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	5,231,232
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2020	7,098,717	6,944,820
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	1,113,950
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 10/17/2019.