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GOVERNANCE

KEY ISSUES & EVENTS

On May 17, President Ashraf Ghani and his 2019 presidential-election rival, former Chief Executive Abdullah Abdullah, reached a power-sharing agreement after a nearly three-month impasse following the February 2020 announcement of the preliminary results of the September 2019 presidential election.

Concurrent Taliban and Afghan government Eid ceasefires in May brought hope for a continued reduction in violence. However, by the end of June the Afghan government claimed that a wave of Taliban attacks had killed more Afghan soldiers than in any previous week in the conflict.

State downgraded Afghanistan's human trafficking rating to the lowest level since it first assessed the country in 2002, saying the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.

Several donors issued a joint statement expressing concern over the slowdown in Afghanistan's anti-corruption efforts and calling for an end to "polarization through mutual accusations of corrupt practices."

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of June 30, 2020, the United States had provided more than \$35.85 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$21.05 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).²⁶⁶

Since counternarcotics is a crosscutting issue that encompasses a variety of reconstruction activities, a consolidated list of counternarcotics reconstruction funding appears in Appendix B.

PEACE AND RECONCILIATION

Election Crisis "Resolved"

State called the political settlement between President Ashraf Ghani and Abdullah Abdullah reached on May 17 "an important milestone for Afghanistan's adoption of a unified approach to intra-Afghan negotiations." The agreement followed a nearly three-month impasse after Afghan election

authorities announced in February that President Ghani won the September 2019 presidential election.²⁶⁷ According to the UN Secretary-General, the two agreed to share evenly ministry and provincial governor positions, create a High Council of Government and a High Council for Peace and National Reconciliation (the latter body under Abdullah's leadership), advance electoral reforms, and promote former First Vice President Abdul Rashid Dostum to the rank of marshal. (State, however, interpreted the agreement differently, saying it did not specify an even distribution of provincial governor positions.²⁶⁸) The agreement called for a delegation of six political elders to monitor implementation and mediate disputes between the parties.²⁶⁹ Some observers noted that neither women nor international participants were present at the political agreement's signing ceremony.²⁷⁰

Secretary of State Michael R. Pompeo, NATO, the European Union (EU), and the UN mission in Afghanistan welcomed the political agreement, but the Taliban rejected it, declaring it "a repetition of the past failed experiences."²⁷¹

Status of Billions in Current and Future U.S. Assistance Unclear

Secretary Pompeo had described the extended contest between Ghani and Abdullah as "a direct threat to U.S. national interests." In March, he announced that the United States would immediately reduce U.S. assistance to Afghanistan by \$1 billion in 2020 (with further cuts of \$1 billion possible in 2021) unless the Afghan leaders formed an inclusive government that would participate in the peace process.²⁷² The EU and Norway in late April said the failure to resolve the political crisis could affect future funding for security and development in Afghanistan.²⁷³

On May 24, Secretary Pompeo declared this political crisis "resolved."²⁷⁴ U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad made a similar statement on June 1. Yet, the status of billions in U.S. reconstruction assistance remains uncertain. When asked about the status of this assistance that Secretary Pompeo said was tied to progress in a political settlement, Ambassador Khalilzad demurred, saying "I think the money is cut and the implementation is . . . with the Pentagon."²⁷⁵

On June 15, Senators Jack Reed and Robert Menendez wrote to Secretary of Defense Mark T. Esper expressing their frustration that "despite many inquiries at a staff level to the Department of Defense and Department of State since [Secretary Pompeo's statement in] late March, it remains unclear if [the \$1 billion] reduction [in reconstruction assistance] has actually taken place and if so, in what specific areas."²⁷⁶ According to the senators, neither the Afghan government nor NATO allies was given advance notice of the funding cut.²⁷⁷

On July 1, DOD reported that "the \$1 billion reduction had not been implemented as of June 2020."²⁷⁸ On July 17, DOD told SIGAR that the



These Taliban prisoners were among the 4,019 the Afghan government said it has released since March. (Afghan government photo)

Secretary of Defense has been actively engaged in reviewing recommendations for implementing a reduction in ASFF support.²⁷⁹

Violence Rises Despite U.S.-Taliban Agreement and Prisoner Releases

Implementation of the U.S.-Taliban Agreement

Prisoner Release

The United States committed to work with “all relevant sides” on a plan to release “combat and political prisoners” as a confidence-building measure with the coordination and approval of all relevant parties, including up to 5,000 Taliban prisoners and 1,000 prisoners “of the other side” (the Afghan government) by March 10, 2020 (the hoped-for start of intra-Afghan negotiations). The goal would be for the Taliban and the Afghan government then to release remaining prisoners over the subsequent three months.²⁸⁰ (While the date was not specified in the agreement, this would be approximately June 10, 2020.)

As of June 12, State reported that the Afghan government had released over 3,000 Taliban prisoners and had announced plans to move ahead with inter-Afghan negotiations. The Taliban, in turn, had released over 500 government prisoners.²⁸¹ By July 9, the Afghan government said it had released 4,019 Taliban prisoners whereas the Taliban had released “barely half of the 1,000 ANDSF hostages they agreed to release.” The Afghan government did not wish to release 592 Taliban-proposed prisoners, saying they had committed serious crimes, such as drug trafficking, kidnapping, sexual assault,

SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess “the extent to which the Department of State and USAID have developed strategies and plans for the provision of continued reconstruction assistance to Afghanistan in the event of a peace agreement, including a review of any strategies and plans for monitoring and evaluating the effectiveness of such assistance and for protecting the rights of Afghan women and girls.” SIGAR initiated this work in May 2020.

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U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad (left) met with President Ghani on June 10 to discuss the peace process. (Afghan government photo)

stoning of women, and assassinations. The Afghan government suggested the Taliban submit 592 alternative candidates for release, or the Afghan government “might take matters in our own hands.”²⁸²

The Taliban maintained its position that 5,000 prisoners (the February agreement used the phrase “up to 5,000”) must be released before it would participate in intra-Afghan negotiations, but publicly committed to begin intra-Afghan talks within a week of this milestone, State said.²⁸³ According to Resolute Support commander General Austin S. Miller, prisoner releases are the key to intra-Afghan negotiations, but violence, poor accountability, and problematic prisoners make that “a less than straight line.”²⁸⁴

Ongoing Concerns over Post-Signing Violence

U.S. and Afghan government officials cited violence patterns this quarter when discussing their assessments of Taliban intentions and the state of the peace process. For example, an Afghan government spokesman said that Taliban attacks that kill civilians deteriorate “the already shaken trust on the will of the Taliban” to pursue peace.²⁸⁵ Similarly, NATO said that the “unacceptably high” levels of violence, particularly Taliban attacks on Afghan security forces, undermine confidence in the peace process.²⁸⁶ The EU declared on July 13, “Only a ceasefire will be a proof of goodwill,” labeling a Taliban attack in a province capital a “provocation.”²⁸⁷

While the U.S.-Taliban agreement does not preclude the United States from acting in defense of Afghan forces, the agreement also does not expressly prohibit all Taliban attacks against Afghan security forces, State told SIGAR last quarter.²⁸⁸ However, State also said the Taliban committed to discuss the date and modalities of a permanent and comprehensive ceasefire during intra-Afghan negotiations and to seek to continue to reduce

violence in Afghanistan until a permanent and comprehensive ceasefire is reached.²⁸⁹ In a May 2 Twitter message addressing the Taliban spokesman, USFOR-A said there had been a “drastic increase in violence” following the U.S.-Taliban agreement. Referring to the talks leading up to the U.S.-Taliban agreement, the USFOR-A spokesman wrote “ALL sides [spoke of] reducing violence by as much as 80% to pave the way for peace talks.” The USFOR-A spokesman appeared to acknowledge that specific violence targets did not make it into the final signed agreement, saying that the negotiations involved both “written and spoken commitments.”²⁹⁰ Further, on July 13, Ambassador Khalilzad said that a Taliban attack against an Afghan government intelligence agency compound in the Samangan Province capital that day “contradicts [the Taliban’s] commitment to reduce violence until a permanent ceasefire is reached in intra-Afghan talks.”²⁹¹

The U.S. and Afghan governments reacted differently to a particularly egregious high-profile attack in mid-May. On May 12, gunmen attacked a maternity ward in Kabul run by the nongovernmental organization Doctors Without Borders. Several civilians were killed, including newborn babies, new mothers, and health-care workers. Secretary Pompeo described the attack as “an act of sheer evil” and called on the Afghan government and Taliban to cooperate to bring those responsible for the attack to justice.²⁹² Although the Taliban denied responsibility and condemned the maternity-ward attack,²⁹³ that same day President Ghani ordered the Afghan security forces to go on the offensive. President Ghani said the Taliban had ignored calls to reduce violence and agree to a ceasefire. On July 18, however, DOD told SIGAR that the Afghan security forces were “not conducting offensive operations.”²⁹⁴ The May 12 attack led at least one senior Afghan government official to express skepticism of the efficacy of the U.S.-Taliban agreement. Afghan National Security Advisor Hamdullah Mohib, writing on Twitter the day of the maternity-ward attack, declared the Taliban insincere in their purported desire for peace. Writing, “this is not peace, nor its beginnings,” Mohib said there seemed “little point in continuing to engage Taliban in ‘peace talks.’”²⁹⁵

Whereas the Afghan government appeared to associate the Taliban with the maternity-ward attack, implying but not directly assigning culpability, Ambassador Khalilzad on May 15 said the Taliban was in compliance with his understanding of the terms of the U.S.-Taliban agreement. Although he also expressed concern with the level of Taliban violence, noting that the volume of attacks against Afghan security forces violated “the spirit if not the letter” of the agreement.²⁹⁶ The Taliban, he said, upheld their agreement to not attack Coalition forces nor carry out attacks in 34 major cities.²⁹⁷ This latter statement, coming just days after the maternity-ward attack, appeared to put Ambassador Khalilzad at odds with some senior Afghan government officials’ apparent attempt to connect the Taliban with the attack. State, in comments to SIGAR, contested this interpretation, saying the statements of Afghan government officials and Ambassador Khalilzad “were not at



President Ashraf Ghani addresses participants in the July 7, 2020, “Strengthening Consensus for Peace” online conference. (Afghan government screen shot)

odds.”²⁹⁸ Ambassador Khalilzad concluded that the Islamic State-Khorasan carried out the attack, declaring the group “an enemy of the peace process [that] wants the peace process to fail.”²⁹⁹

Taliban Declare an Eid Cease-Fire, Prompting the Afghan Government to Reciprocate

On May 24, the Taliban declared a three-day Eid cease-fire, vowing to “conduct no offensive operations against the enemy anywhere” while retaining the option to retaliate “if there is an attack from the enemy in any place.”³⁰⁰ In response, the Afghan government declared its own reciprocal cease-fire. Secretary Pompeo welcomed the ceasefire declarations, saying he expected that “both leaders of the Afghan government and the Taliban [would] not to escalate violence after Eid.”³⁰¹

In his Eid message to the nation, President Ghani announced that he had returned the Afghan security forces to a defensive posture to observe the cease-fire. He described the Taliban as “a reality of the Afghan society” and said it was ultimately up to the Afghan people to approve any peace agreement.³⁰² (Ghani clarified on June 11 that if there is an agreement, the government would seek the people’s approval through a Loya Jirga.³⁰³)

Violence Returns in the Wake of the Eid Cease-Fire

By June 1, Ambassador Khalilzad said that Taliban “violence has been relatively low” following a Taliban-declared Eid cease-fire.³⁰⁴ However, on June 5, USFOR-A announced that it had conducted two air strikes (the first since the Eid cease-fire) to disrupt Taliban attacks on Afghan security forces check-points.³⁰⁵ The Afghan government, through its National Security Council, issued estimates of Taliban-caused casualties. The violence led to a June 22 council statement that claimed the “past week was the deadliest of the past 19 years” with 291 Afghan security forces killed and 550 wounded. The council’s spokesman declared the “Taliban’s commitment to reduce violence is meaningless, and their actions inconsistent with their rhetoric on peace.”³⁰⁶

Overall, though, the UN Secretary-General on June 17 said that following the February 29 agreement between the United States and the Taliban,³⁰⁷ violence returned to “established trends.”³⁰⁸ DOD, on July 1, said based on Afghan government reporting, “violence levels increased above historical norms, though lethality remained below historical norms” following the signing of the U.S.-Taliban agreement. DOD confirmed there had been no Taliban attacks against coalition forces, though there were several provincial center attacks at the end of the reporting period.³⁰⁹ Despite “unacceptably high” levels of violence, on June 22, NATO’s Senior Civilian Representative in Afghanistan said, “technically the Taliban are keeping faith to that agreement [in] refraining from attacking the Coalition forces in the urban centers.” This, he said, “is the spirit, the letter of the agreement between the U.S. and the Taliban.”³¹⁰

According to Resolute Support Commander General Austin S. Miller, despite two historic periods where violence was exceptionally low—February 22–28, 2020, and the Eid ceasefire—Taliban violence has “surged.” According to DOD, Taliban violence presents a risk to the political pathway to peace, the ANDSF, and, ultimately, the Coalition. DOD told SIGAR that “the Taliban must be pressured to reduce violence.”³¹¹

DOD believes that the Taliban is calibrating its use of violence to harass and undermine the Afghan government and security forces, but remain at a level it perceives is within the bounds of the U.S.-Taliban agreement, probably to encourage a U.S. troop withdrawal and set favorable conditions for a post-withdrawal Afghanistan.³¹² If DOD’s interpretation is correct, the Taliban’s approach may be working: DOD confirmed that the first phase of the U.S. withdrawal—a reduction to 8,600 troops by July 2020—was complete by July 1.³¹³ DOD also said the Taliban’s escalated violence was possibly an attempt to gain leverage during prisoner release discussions and intra-Afghan negotiations.³¹⁴

Differing Views on Taliban–al-Qaeda Relationship

While the U.S.-Taliban agreement included a number of Taliban commitments to break off support for al-Qaeda,³¹⁵ a UN monitoring team concluded this quarter that the Taliban–al-Qaeda relationship remained “close, based on friendship, a history of shared struggle, ideological sympathy and intermarriage.” The 11th report of the UN’s Analytical Support and Sanctions Monitoring Team, issued May 27, added that the Taliban consulted with al-Qaeda during their negotiations with the United States and offered guarantees that it would honor their historical ties.³¹⁶

Asked about the UN report, Ambassador Khalilzad said on June 1 that a separate U.S. monitoring group had concluded that the Taliban had been making progress in not hosting al-Qaeda or any other terrorist group that could threaten the security of the United States and its allies. When pressed on whether the Taliban had broken from al-Qaeda, Ambassador Khalilzad said, “we have succeeded in getting Taliban, which refused to break with al-Qaeda [after the September 11, 2001, attacks], to say what I have repeatedly referred to.”³¹⁷ DOD appeared more skeptical, writing on July 1 that al-Qaeda’s regional affiliate “routinely supports and works with low-level Taliban members in its efforts to undermine the Afghan Government” and “maintains close ties to the Taliban in Afghanistan.”³¹⁸

U.S. Offers the Benefits of a Peace Dividend

On July 3, Ambassador Khalilzad reported on his calls with President Ghani, High Council for Peace and National Reconciliation Chair Abdullah, and Adam Boehler, chief executive officer of the new U.S. International Development Finance Corporation (formed when the Overseas Private Investment Corporation and the USAID Development Credit Authority



Abdullah Abdullah was named chairman of the High Council for Peace and National Reconciliation. (Afghan government photo)

were combined into a new entity in 2019). The DFC is meant to support U.S. investments in developing countries to drive economic growth, create stability, and improve livelihoods. According to Ambassador Khalilzad, all participants agreed that “economic benefits of peace far outweigh benefits of war.” The four spoke of a number of potential initiatives including “quick-hit” programs, long-term infrastructure programs, power-sector, and health care.³¹⁹ Although the proposed programs bore a striking resemblance to those of the past 15 years, Ambassador Khalilzad called the possible initiatives “forward economic progress.”³²⁰

U.S. Funding for Peace and Reconciliation

State has contributed \$3.7 million to the United Nations Development Programme (UNDP) to support Afghan government and civil society negotiators at the upcoming intra-Afghan negotiations. As of June 18, no expenditures have been made to this program. According to State, this funding comes from monies that were withdrawn in 2019 from State’s support to the Afghan High Peace Council.³²¹ The USAID Office of Transition Initiatives (OTI) told SIGAR that they intend to provide flexible assistance to intra-Afghan negotiations through technical assistance to the Afghan negotiating team and relevant peace structures. As of June 2, no OTI programs have begun due to COVID-19-related travel restrictions.³²²

MUTUAL ACCOUNTABILITY

Future of Afghanistan Compact Uncertain

The future of the Afghanistan Compact—an Afghan-led initiative designed to demonstrate the government’s commitment to reforms³²³—appears uncertain, as it remains suspended this quarter. In October 2019, SIGAR reported that the Afghan government and the U.S. Embassy had suspended their periodic Compact meetings until after the September 2019 presidential election was resolved.³²⁴ Some version of the Compact could be renewed, State said this quarter, if such a move is in the United States’ interests, conditions are appropriate, and there are consultations with the Afghan government. State told SIGAR that it would be speculative to describe the timing, conditions, or scope of a future Compact arrangement with the Afghan government at this time.³²⁵

The U.S. and Afghan governments announced the launch of the Afghanistan Compact in 2017.³²⁶ 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 has said.³²⁷

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

According to the UN Secretary-General this quarter, the UN continued coordinating with the Afghan government and donors to prepare for a 2020 ministerial conference to determine hoped-for donor funding for Afghanistan through 2024. The UN Secretary-General said the Afghan government is preparing a future Mutual Accountability Framework to facilitate discussions with development partners.³²⁸ The UN, along with the Finnish and Afghan governments, will co-host this donor conference in Geneva in November 2020.³²⁹

With regard to the security aid that makes up the vast majority of current U.S.-funded assistance to the Afghan government, participants in the NATO Brussels Summit on July 11, 2018, had previously 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.³³⁰

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 through 2024.³³¹

As shown in Table 3.12, USAID’s active, direct bilateral-assistance programs have a total estimated cost of \$352 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).³³²

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, OUSD-P response to SIGAR vetting, 1/15/2018.

TABLE 3.12

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Bilateral Government-to-Government Projects					
Power Transmission Expansion and Connectivity (PTEC)	Da Afghanistan Breshna Sherkat	1/1/2013	12/31/2023	\$316,713,724	\$262,427,145
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2020	35,000,000	0
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	6/30/2020	\$2,700,000,000	\$2,455,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

*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 \$3,827,677,528.

Source: USAID, response to SIGAR data call, 7/11/2020.

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).³³³ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.³³⁴

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.³³⁵ The AITF coordinates donor assistance for infrastructure projects.³³⁶

As of April 2020, the United States remains the largest cumulative donor to the ARTF (31.1% of contributions); the next-largest donor is the United Kingdom (16.7% of contributions).³³⁷

ARTF Recurrent-Cost Window

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries and operations 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).³³⁸

As of April 2020, 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 \$773 million in ad hoc payments since 2002.³³⁹

The \$400 million 2020 Incentive Program Policy Grant (IP-DPG) is funded with \$160 million in World Bank International Development Association (IDA) funds and \$240 million in ARTF monies.³⁴⁰ IP-DPG consists of 11 tranches with the first tranche worth \$200 million for four "prior actions."³⁴¹ These prior actions call for the Afghan government to (1) launch a human resources management information system,³⁴² (2) implement changes to reduce the time needed to obtain a construction permit in Kabul,³⁴³ (3) mandate electronic filing for all large taxpayers and some medium and small taxpayers,³⁴⁴ and (4) publish on the Ministry of Finance (MOF) website full government expenditure data for the past five years.³⁴⁵ The remaining 10 tranches (summarized in Table 3.13, see page 106) will each be worth \$20 million.³⁴⁶ Once the tranches are complete and the incentive funds are transferred to the Afghan government, these monies become a part of the government's overall budget resources.³⁴⁷

On-Budget Assistance to the ANDSF

Approximately 70% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.³⁴⁸

SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess "the internal controls of multilateral trust funds for Afghanistan reconstruction that receive U.S. contributions, to include any third-party evaluations of the internal controls of the Afghan government ministries receiving assistance from multilateral trust funds, and SIGAR is directed to report to the Committee if access to records is restricted for programs funded with U.S. contributions." SIGAR has initiated this work and anticipates issuing multiple public reports in early 2021, each examining a different trust fund.

DOD provides on-budget assistance 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.³⁴⁹ For the multidonor Law and Order Trust Fund for Afghanistan (LOTFA), DOD described its current funding as a “token amount” so that CSTC-A can participate in donor deliberations on LOTFA.³⁵⁰

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.³⁵¹ The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the MOF, which allots it incrementally to the MOD and MOI.³⁵² UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.³⁵³

CSTC-A said the Afghan government continues to assert this quarter that they have met all of the conditions donors set to transfer police payroll from UNDP to MOI management. However, the LOTFA donors require an independent assessment to determine whether the MOF, MOI, UNDP, and CSTC-A conditions have been met or are unquantifiable.³⁵⁴ If the condition is unquantifiable or cannot be met, an audit firm is expected to propose alternative methods for assessing the condition and conclude whether the modified indicator was met.³⁵⁵

In an April letter to the MOI, LOTFA donors appeared frustrated with the “several months of discussions” they had had with MOF and MOI representatives over the transfer of LOTFA’s non-fiduciary payroll management functions to the Afghan government. Writing “we hope this letter concludes this line of discussion,” the LOTFA donors deferred future consideration until they had time to deliberate on the results of a new independent audit.³⁵⁶

For Afghan fiscal year (FY) 1399 (December 2019–December 2020), CSTC-A plans to provide the Afghan government the equivalent of up to \$725.3 million to support the MOD. Of this amount, approximately \$636.7 million (88%) is for salaries.³⁵⁷ To support the MOI, CSTC-A plans to provide up to \$146.6 million in FY 1399. Of these funds, approximately \$54.0 million (37%) is for salaries, with the remaining funds for purchase of goods, services, or assets.³⁵⁸

As of May 19, CSTC-A had provided the Afghan government the equivalent of \$278.0 million to support the MOD for FY 1399. Almost all of these funds (92%) paid for salaries.³⁵⁹ As of June 12, CSTC-A has provided no funds to support the MOI.³⁶⁰

CSTC-A, facing significant accessibility challenges to inform its assessments, seeks to balance the risks of delegating resources to its Afghan partners with the need to develop their capacity to use those resources. According to CSTC-A, they work with “reliable partners” who “prove through their words and actions their desire to work with Resolute Support to build an institutionally viable MOD and MOI.” (DOD has also referred to

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TABLE 3.13

WORLD BANK'S 2020 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS

Policy Action	Indicator Name	Baseline (as of the end of 2019)	Target (end of 2021)
To simplify tax-payment procedures, the government has integrated systems for e-payments.	Volume of tax and customs dues paid using electronic payments	0%	20%
To strengthen expenditure control and combat corruption, the Independent Administration Reform and Civil Service Committee (IARCSC) has issued a procedure requiring the rollout of a new Human Resource Management Information System (HRMIS) system.	Proportion of civil servants included on the HRMIS	25%	100%
To support implementation of the new civil servants law: (1) the high-level pay committee approves cadre allowances for procurement and customs cadres based on cadre regulations and pay policy; (2) Afghanistan Customs Department advertises 40 positions for competitive hire under new cadre regulations for grades 3–6; (3) IARCSC approves a competency pay framework for teachers in accordance with pay policy specifying methods and instruments for competency verification.	Proportion of customs and procurement staff receiving cadre allowance	0% (Men) 0% (Women)	25% (Men) 25% (Women)
To support private sector development, the Ministry of Finance (MOF) and Ministry of Industry and Commerce (MOIC) will create a link between the revenue department's information technology system and the Afghanistan Central Business Registry (ACBR) database to facilitate the digital issuance of tax clearance certificates and their utilization for business license renewals.	Proportion of business license renewals issued based on ACBR receipt of digital tax clearance certificates	0%	20%
To support private-sector development. Kabul Municipality has approved rules of procedures under the Kabul Urban Design Framework (KUDF) and new Municipalities Law to significantly reduce the time required to obtain a construction permit.	Doing Business score against acquiring construction permits	34.5	40
To improve land administration: (1) Cabinet approves and submits to the National Assembly a new Land Survey Law; (2) the Minister of Urban Development and Land approve new cadaster procedures; (3) the Minister of Urban Development and Land approves specifications for a new land-information system, including requirement for gender-disaggregated data.	Number of municipal districts in which an administrative land system is operating	1	2
	Sex-disaggregated land-registry data available	No	Yes
To support improved institutional arrangements in the hydrocarbons sector: (1) Cabinet approves the Administrative Regulation under Chapters II and III of the 2017 Hydrocarbons Law regarding the roles and responsibilities therein assigned to Ministry of Mines and Petroleum and Afghanistan Oil and Gas Regulatory Authority; (2) Afghanistan Oil and Gas Regulatory Authority is operationalized through the appointment of its CEO.	Number of hydrocarbons sector regulations and contract templates jointly developed by the Ministry of Mines and Petroleum and Afghanistan Oil and Gas Regulatory Authority and approved by cabinet	0	5
To improve the sustainable operations of National Energy Utility of Afghanistan (DABS): (1) the Minister of Finance approves the conversion to equity of DABS outstanding debt to MOF; (2) Cabinet approves new articles of incorporation for DABS to strengthen governance; and (3) DABS board approves revisions to the tariff schedule.	Technical losses as a proportion of network generation	17.3%	15%

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Background and Justification*

Afghanistan has among the lowest rates of financial inclusion in the world, as defined by number of transaction accounts. Most large customs and tax payments are currently cash-based and take place at commercial banks in Kabul and provinces. Commercial bank systems are not interoperable with the central bank, customs, and tax systems, which makes the payment process cumbersome and slow. The inability to pay taxes and customs duties digitally increases opportunities for corruption, constrains women's economic participation (due to cultural constraints to physical travel), and weakens incentives for use of e-money systems, with businesses forced to hold and transact cash.

The public sector faces major issues of corruption and in the retention and progression of skilled staff. Corruption and patronage are widespread within the Afghanistan public service. Hiring and promotion is often politicized and driven by nepotism, including civil servants being hired based on special orders or decrees rather than through competitive processes. The lack of a functional HRMIS constrains strategic prioritization and alignment of resources with policy objectives, and the equitable allocation of human resources. Fragmented and mostly manual payroll verification and management increases vulnerability to misuse of public funds, adding to concerns regarding ghost employees (especially teachers), and continues to obstruct efforts towards establishment of an integrated and automated payroll system.

A new Civil Servants Law passed in 2018 introduced a cadre system for civil service management. The cabinet has approved cadre regulations for customs officer and procurement specialist cadres. These regulations establish a competency framework for cadres, allowing recognition of specialist skills and establishing a career path, addressing attrition, and allowing transfer and rotation within cadre groups. The Afghanistan Customs Department will commence the hiring of staff in accordance with new customs cadre regulations, including requirements for computerized testing, imposition of qualification requirements, and polygraph testing for some key roles.

The complexity and bureaucracy involved in paying taxes is one of the major hurdles for the private sector in Afghanistan. The country ranks 178 out of 190 economies and scores well below the regional average in the World Bank's Doing Business 2020 report. In 2015, the Afghanistan Revenue Department introduced a regulation which set a 21-day limit on the issuance of tax-clearance certificates. However, this procedure remains lengthy and cumbersome in practice. With the recent introduction of e-filing, this process has become somewhat smoother for those taxpayers that use e-filing and are compliant with the requirements of the tax administration. Upon receiving the tax-clearance certificates, however, taxpayers must still submit several paper forms before tax-clearance certificates are recognized and business-license renewals can be processed.

Obtaining construction permits for commercial buildings in Afghanistan is complex, costly, and cumbersome. The cost of obtaining construction permits in Afghanistan is five times higher than the regional average, driven primarily by requirements to construct private water sources and septic tanks due to lack of water infrastructure in the country. Around 60% of the firms are expected to give gifts (bribes) for obtaining construction permits. It takes 96 to 199 days to obtain a construction permit for commercial properties in different provinces, going through 13 to 23 steps. High compliance costs have led to very low levels of compliance, undermining effective enforcement. Consequently, 70% of the buildings in Kabul are built illegally outside the area approved by the city master plan, without observing any construction standards or holding construction permits.

Afghanistan is pursuing its medium-term goal of establishing a modern land-administration system that will secure land-tenure rights for all citizens and the state. To date, land management has been the responsibility of the courts across most of Afghanistan. This has led to negative outcomes, including a lack of unified records, substantial delays and opportunities for corruption when processing land transactions, and weaknesses and ambiguity in land property rights contributing to widespread problems of land-grabbing and land-related contestation and conflict. Formal land registration remains low in Afghanistan, with only 30% of urban properties and 10% of rural properties formally registered.

Hydrocarbons could contribute substantially to Afghanistan's development, playing an important part in its energy transition and in improving energy access. Development of the sector will require an adequate legal and institutional framework. Afghanistan enjoys substantial endowments of natural resources, including extensive hydrocarbon deposits. Energy access is at 31% of the population the lowest in South Asia. To date, investment in the sector has been constrained by an unstable and incomplete regulatory and legal framework and a lack of clarity regarding the roles of respective government agencies in governing the sector.

Under prior on-lending agreements with the MOF, DABS is expected to pay interest and financing charges averaging \$16–17 million per year over the next decade, peaking at \$22 million in 2022. Debt service obligations risk undermining sustainability and squeezing out room for necessary maintenance and investment. The DABS Board currently includes only public sector representatives from shareholding ministries. The Board often lacks necessary financial, management, and business skills to effectively address DABS's current financial challenges. The electricity tariff has not been adjusted since 2015 while unit costs of supply have risen dramatically owing both to the need to access higher-cost sources and the long-term depreciation of the Afghani against currencies in which energy imports are denominated. The current tariff structure is inequitable, unsupported by any cost analysis, and cumbersome with respect to its multiple tariff categories.

Continued on the next page

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TABLE 3.2 (CONTINUED)

WORLD BANK'S 2020 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS			
Policy Action	Indicator Name	Baseline (as of the end of 2019)	Target (end of 2021)
To strengthen resilience to climate-change shocks, new regulations are gazetted, governing utilization of the existing contingency reserve funds, establishing standard operating procedures, clearly defining eligible expenditures, including for weather-related events, and establishing reporting requirements.	Contingency fund allocations as a percentage of limits established under the Public Finance and Expenditure Management (PFEM) law	140%	<100%
	Proportion of contingency reserve eligible for use in responding to natural disasters	3%	50%
To improve public-investment management, new Public Investment Management regulations are gazetted establishing a regulatory framework for project appraisal and approval based on economic, strategic fit, and gender analysis.	Proportion of new projects over \$7.5 million approved for implementation in the discretionary development budget that have undergone economic and gender analysis	75%	100%
To improve tax administration, Afghan Revenue Department (ARD) issues a circular mandating e-filing for all large taxpayers and selected sectors in medium taxpayer office (MTO) and small taxpayer office (STO).	Proportion of LTO, MTO and STO clients that make use of e-filing	"35% (LTO) 0% (MTO) 0% (STO)"	"100% (LTO) 6.5% (MTO) 9.3% (STO)"
To underpin implementation of the new operations and maintenance (O&M) policy, Cabinet approves a 2021 executive budget in accordance with the budget norms and guidelines for three asset categories in at least five ministries.	Budgetary allocations for O&M expenditures included in contingency reserves	100%	50%
To strengthen audit independence, Cabinet approves and submits to the National Assembly a revised Supreme Audit Office (SAO) law in line with international good practice and consistent with relevant provisions of the constitution and the public-finance and expenditure-management law.	Number of the Mexico Declaration Principles with which the Afghanistan SAO legal framework complies	2	6
To improve fiscal transparency and accountability, the Ministry of Finance publishes on its website full data on expenditures over the past five years at the line-item level.	Number of downloads of the public expenditure database	0	100

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

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.

“trusted partners” who “demonstrate a willingness to take action against corruption.”³⁶¹) CSTC-A may later reassess a reliable partner as unreliable. For example, CSTC-A cited the case of an assistant minister of defense for construction and program management who they deemed a reliable partner in 2019. However, a 2020 reassessment of this individual’s reliability resulted in this individual being transferred elsewhere in the Afghan government. CSTC-A reports that this person’s replacement is a reliable partner.³⁶² When SIGAR requested copies of documentation CSTC-A generates to track the reliability of its partners, CSTC-A responded that it uses no formal written criteria or assessment documentation to identify reliable partners.³⁶³

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Background and Justification*

Afghanistan's capacity to respond effectively to natural disasters is constrained by weak management of existing contingency reserves. Afghanistan is highly exposed to natural disasters, especially flooding and drought. Government response to natural disasters has been constrained over recent years by the slow disbursement or non-availability of contingency resources from the national budget. While a substantial contingency reserve is established through the annual budget, only a small proportion of reserves is available to support response to natural disasters. Current budget- and expenditure-management systems do not allow the effective tracking or reporting of expenditures authorized under the contingency reserve, and data regarding the use of contingency reserves is not published.

With expected reductions in grant support, Afghanistan faces difficult fiscal adjustments over coming years. With a shrinking resource envelope, optimizing public expenditure towards the greatest development needs remains a key challenge. Political considerations have historically dominated project selection, undermining both project quality and policy alignment. Lack of thorough project appraisals led to major challenges with budget execution, with projects often encountering delays and avoidable cost overruns. Finally, the selection process for projects was gender-neutral and failed to reflect and address the different and often more-serious constraints to service access and economic empowerment faced by women.

Further automation of tax collection is needed to strengthen domestic revenue collection and improve the business climate. In 2019, the ARD initiated mandatory fast-track tax filing for banking and telecommunication sectors in the large taxpayer office (LTO) and made it available for optional use in the MTO. This was an important step toward improved ease of filing and payment of taxes. In fast-track tax filing, all steps are electronic, except a final printed submission form that also serves as a receipt for the taxpayer. This receipt is submitted when the taxpayer makes a payment at the central bank. While this initial step towards electronic filing for a subset of large taxpayers is an important one, the ultimate aim is to expand this to a significantly larger group.

Over the past two decades, development partners and the Afghan government have invested intensively in public infrastructure. Assets financed by development partners are being progressively transferred to government management, bringing increased requirements for adequate operations- and-maintenance spending. At the same time, resources available for required O&M expenditure are increasingly constrained in the context of declining grant support and expectations that government takes on an increased share of security-sector spending.

Corruption is widespread in Afghanistan, including in the public sector. In this context, it is vital that oversight institutions are able to operate independently and free from interference. The Supreme Audit Office currently faces important limits to its independence when compared against international good practice. The 2018 Afghanistan Public Expenditure and Financial Accountability Assessment gives a score of "D" under SAO independence, citing lack of constitutional provisions relating to external audit of the SAO, SAO's budget being subject to the MOF's review and cuts, and its organizational structure and human resources matters being subject to decisions of the Independent Administrative Reform and Civil Service Commission.

Afghanistan faces important shortfalls in fiscal transparency. Accountability to the public over the utilization of public resources has been associated with increased state legitimacy and improvements in tax compliance. Public accountability requires full transparency over the utilization of public resources. Afghanistan's development partners are increasingly calling for improved efforts to ensure effective and transparent utilization of public resources as they consider future grant financing levels. Afghanistan's fiscal transparency performance is mixed. An important current weakness is that accurate and timely information is not available to the public or development partners on actual government expenditures at the line-item level. Budget documents include only budgeted estimates of previous-year expenditures and at a high level of aggregation, despite evidence that variance between budget and actual expenditures is often considerable.

Source: World Bank, Project Document: 2020 Incentive Program Development Policy Grant Project, 4/8/2020.

As evidence of the effectiveness of its approach, CSTC-A cited how the MOI arrested over 50 people for fraud associated with delegated authorities to use CSTC-A funds. CSTC-A also reduced the delegated authority of 15 provincial chiefs of police after CSTC-A determined they had misused these funds. When CSTC-A removes delegated authorities from a local commander, the authority to use the funds reverts to the ministry level. According to CSTC-A, this ensures that the local level police do not suffer for the corruption of their leaders.³⁶⁴ CSTC-A told SIGAR this quarter that its access to MOI training facilities has been severely constrained this quarter due to COVID-19.³⁶⁵ This constraint might suggest that it is difficult for

CSTC-A to determine whether its approach is having the desired effect at presumably even more inaccessible police posts throughout the country.

NATIONAL GOVERNANCE

Attempted Changes to Ministries and High-Level Appointments Raise Eyebrows

Travel Ban Issued for 68 Senior MOF Officials

After the Afghan government ordered, then reversed, the reorganization of the MOF last quarter,³⁶⁶ on June 12, the National Directorate of Security, acting on President Ghani's verbal order, issued a travel ban on 68 senior MOF officials. This list appears to cover virtually all senior MOF officials involved in revenue, finance, and administration, including three deputy ministers and the minister's chief of staff.³⁶⁷ The civil-society transparency organization Integrity Watch Afghanistan labeled the travel ban "a political and extreme move." President Ghani's spokesman said the travel ban is the government's attempt to address reports of corruption.³⁶⁸

On June 19, Afghan media reported that the MOF employees subject to the travel ban had not yet been referred to the Attorney General's Office for investigation. Further, Ghani's spokesman reportedly said all MOF employees had to receive official permission from the president's office to travel, apparently extending the ban to all ministry staff.³⁶⁹

According to State, while the presidential decree to divide the MOF was not implemented, another decree to restructure the Ministry of Mines and Petroleum into directorates has proceeded, a move critics contend would place revenue-generating parts of the ministry under the influence of the president's office.³⁷⁰

Appointment of Mahmoud Karzai as Acting Minister of Urban Development and Housing

This quarter, President Ghani appointed several high-ranking government officials; one was Mahmoud Karzai, brother of former president Hamid Karzai and a prominent figure in the Kabul Bank scandal, to serve as acting minister of urban development. In a speech, Inspector General John F. Sopko described this particular appointment as "a step backwards, not forwards, in the fight against corruption."³⁷¹ According to State, the following senior officials were recently appointed by President Ghani:³⁷²

- Acting Minister of Finance Abdul Hadi Arghandiwal (appointed in March 2020), previously Minister of Economy and Minister of Finance
- Chief of Staff to the President Shakir Kargar (appointed in March 2020), previously Minister of Power and Water and Minister of Commerce and Industry

- Director General of the Administrative Office of the President Fazel Fazly, (appointed in April 2020), previously Chief Advisor to the President
- Acting Minister of Urban Development and Housing Mahmoud Karzai (appointed June 2020), previously a businessman and shareholder of Kabul Bank
- Acting Minister of Mines and Petroleum Haroon Chakhansuri (appointed in June 2020), previously Acting Minister of Foreign Affairs and Deputy Chief of Staff to the President
- Acting Foreign Minister Hanif Atmar (appointed in April 2020), previously Minister of Education, Minister of Interior, and Chairman of the National Security Council
- Acting Public Health Minister Mohammad Javad Osmani (appointed in May 2020)
- Chief Executive Officer of the electric utility Da Afghanistan Breshna Sherkat (DABS) Daud Noorzai (appointed in May 2020), previously Head of the Administrative Office of the President
- State Minister for Parliamentary Affairs Zia Ul Haq Amarkhail (appointed in May 2020), previously head of the Independent Election Commission's Secretariat and Ghani's Senior Advisor on Public and Political Affairs
- State Minister for Disaster Management Ghulam Bahaudin Jailani (appointed in May 2020)
- Acting Minister of Women's Affairs Hasina Safi (appointed in May 2020), previously Acting Minister of Information and Culture
- Acting Minister of Information and Culture Tahir Zuhair (appointed in April 2020), previously Governor of Bamyan Province
- Acting Minister of Education Rangina Hammed (appointed in June 2020), previously leader of a nongovernmental organization in Kandahar Province promoting women's employment
- National Directorate of Security Director Ahmad Zia Seraj (appointed in April 2020), previously Acting NDS Director

The Executive, Not Legislative Branch, Leads on Lawmaking

According to the UN, presidential decrees, rather than laws passed by parliament, are routinely used to legislate in Afghanistan. Presidential decrees under emergency powers resulted in 17 legislative acts in 2019, compared to only nine laws passed by parliament under normal procedures. Several key pieces of legislation—including the Penal Code, Anticorruption Law, and the Whistle-Blower Protection Law—have uncertain status as they were passed through decree, but have not yet been considered by parliament.³⁷³

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SUBNATIONAL GOVERNANCE

Provincial and Municipal Programs

USAID has two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.14 summarizes total program costs and disbursements to date.

TABLE 3.14

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	3/31/2021	\$73,499,999	\$66,552,546
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	7/30/2020	48,000,000	45,684,374
Citizens' Charter Afghanistan Project (CCAP)*	3/31/2012	6/30/2020	N/A	67,111,625

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

Source: USAID, response to SIGAR data call, 7/11/2020.

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.³⁷⁴ To accomplish this, ISLA tries to enhance the institutional and human capacity of provincial line directorates and provincial development committees to ensure that local priorities are integrated into the national budgets through provincial development plans (PDPs).³⁷⁵

ISLA assisted Afghan officials in seven provinces in reviewing 1,091 project concept notes for inclusion into their province development plans. ISLA reports that all of the proposed concept notes were approved. However, 196 of these concept notes were later disqualified as they did not meet the ISLA-approved standards. In order to be included in the provincial development plan, project concept notes are approved by four types of committees in the province.³⁷⁶

Strong Hubs for Afghan Hope and Resilience

The objective of the \$74 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

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consultation, improved revenue forecasting and generation, and budget formulation and execution.³⁷⁷

SHAHAR sponsored Shir Sultan mobile-theater performances to educate children on the value of clean cities and urban culture. These performances occurred in 15 provinces and had 22,900 audience members.³⁷⁸

Citizens' Charter Afghanistan Project

In October 2018, USAID began explicitly contributing a portion of its ARTF funds to the Citizens' Charter Afghanistan Project (CCAP), which began in 2016. USAID requested that \$34 million of its \$300 million contribution to the World Bank's ARTF be spent on CCAP. According to the Afghan government, CCAP is the centerpiece of the government's national inclusive development strategy for rural and urban areas. 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).³⁷⁹

Both the World Bank and Afghan government have proposed expanding CCAP in the event of peace.³⁸⁰

RULE OF LAW AND ANTICORRUPTION

Summary of rule of law and anticorruption programs

As shown in Table 3.15, the United States supports a number of active rule-of-law and anticorruption programs in Afghanistan.

TABLE 3.15

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$33,984,638
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	8,612,073
Corrections System Support Program (OASIS CSSP) Option Year 2*	6/1/2018	5/31/2022	18,901,615	6,833,924
Justice Sector Support Program OASIS Contract*	8/28/2017	8/27/2022	38,607,100	28,739,911
Continuing Professional Development Support (CPDS)*	2/6/2018	6/30/2020	8,640,922	8,640,922

*Disbursements as of 6/17/2020.

Source: State, INL, response to SIGAR data call, 6/17/2020; USAID, response to SIGAR data call, 7/11/2020.

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.³⁸¹ According to USAID, AMANAT supports select Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.³⁸²

This quarter, AMANAT adapted its Ministry of Public Health (MOPH) anticorruption communications campaign to include COVID-19 messages. MOPH outreach beyond the capital is reportedly very limited. The ministry requested that AMANAT messaging encourage social distancing via radio dramas and mobile-phone messages. Some of these messages seek to improve transparency of the ministry's use of funding to fight COVID-19.³⁸³

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."³⁸⁴ 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.³⁸⁵ 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.³⁸⁶

This quarter, ADALAT reported on the challenge of finding sufficient Huquq personnel to participate in trainings. More than half of the MOJ's 415 Huquq professionals are being replaced. As a result, the MOJ is reluctant to release its remaining staff to participate in trainings as that would further reduce the number of staff available to work. Further, ADALAT described how several other donor-funded programs approach MOJ to ask for personnel to participate in trainings.³⁸⁷ Overall, ADALAT has trained 1,602 judicial personnel and 801 judges.³⁸⁸

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 \$38.6 million. The previous JSSP contract, which began in 2010, cost \$280 million.³⁸⁹

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 interlinked harmony and resolve cases in a transparent and legally sufficient manner.³⁹⁰

JSSP advises various Afghan government offices on how to use its 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.³⁹¹ As of May 15, 2020, the CMS had recorded 521,505 criminal cases and 109,678 civil cases.³⁹²

This quarter, JSSP participated in the MOJ's Criminal Law Reform Working Group (CLRWG) wherein a counter narcotics and intoxicants bill was finalized. The bill aims to prevent the cultivation and transmission of poppies and other narcotic-producing plants; ensure coordination between government and nongovernmental organizations in the fight against drug trafficking and intoxicants; encourage farmers to grow crops other than narcotic-producing plants; and invite nongovernmental organizations to join in Afghanistan's fight against drug trafficking, psychotropic substances, and intoxicants.³⁹³

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.³⁹⁴

As of April 30, 2020, the latest date for which adult prison population data is available, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 28,818 males and 676 females (down from 34,799 males and 844 females as of January 31, 2020). This total does not include detainees held by any Afghan governmental organization other than the GDPDC and JRD. INL does not have access to data for other organizations.³⁹⁵

This quarter, State highlighted how one of their implementers directed their vocational trainers for the Female Prison and Detention Center in Kabul to start producing face masks to protect against COVID-19. These trainers are now producing 30 masks per day for inmates and their children as well as facility staff.³⁹⁶



Afghanistan's Attorney General Farid

Hamidi discusses the UN's fourth annual Afghanistan anticorruption report. Following its publication, the United States and other donors, said they were "deeply concerned about the slowdown in Afghanistan's anticorruption efforts." (UNAMA screen shot)

Anticorruption

In its fourth annual anticorruption report, the UN observed that the disputed Afghan presidential election distracted from the sustained attention needed to advance the anticorruption agenda. For example, the Afghan government's anticorruption strategy expired in December 2019, but no successor document is yet written.³⁹⁷

The UN expressed concern at the government's failure to establish the Anticorruption Commission called for in the 2018 anticorruption strategy, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee's (MEC) loss of staff and funding, the failure to provide a clear legal foundation for the government's ombudsperson's office, the reduced productivity of the High Council for Rule of Law and Anti-Corruption, and the lack of effective police support for the Anti-Corruption and Justice Centre (ACJC).³⁹⁸

The UN welcomed the progress made by the Independent Administrative Reform and Civil Service Commission in improving public administration.³⁹⁹

Other observations include:

- The anticorruption-related Geneva Mutual Accountability Framework indicators became a source of controversy between partners in part because of disputes over the wording of benchmarks.⁴⁰⁰ Therefore, the framework did not catalyze reforms as much as expected.⁴⁰¹
- The Anticorruption Law has had little impact on anti-corruption reforms.⁴⁰²
- More public officials declared their assets but improvements to the verification of these declarations were marginal.⁴⁰³

Following up on the UN report, a group of donors, including the United States, said they were "deeply concerned about the slowdown in Afghanistan's anticorruption efforts." These donors called for an end to "polarization through mutual accusations of corrupt practices." Further, they urged the Afghan government to deliver on President Ghani's assurances that anticorruption will be high on his political agenda. Saying a "strong and positive signal" is needed from the Afghan government, international partners said they would closely follow the Afghan government's progress in responding to corruption.⁴⁰⁴

Domestic actors also criticized the Afghan government's response to corruption. Members of the upper house of parliament complained of the government's handling of corruption allegations against a former acting minister of finance,⁴⁰⁵ the governor of Herat Province claimed more than 5,000 trucks entered Afghanistan without paying customs,⁴⁰⁶ and a transparency-focused civil society group accused the Afghan government of having made insufficient progress in recovering stolen Kabul Bank funds during President Ghani's term with only \$30 million recovered in six years.⁴⁰⁷

The Afghan government made little progress pursuing high-profile corruption cases this quarter, DOJ said, blaming the COVID-19 pandemic.⁴⁰⁸

In a vulnerability-to-corruption assessment of the MOF, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) reported on alleged interference by Afghan government officials and parliamentarians in the operations of the MOF customs and revenue departments. This, the MEC said, resulted in corrupt practices. Bribes as well as coercion against MOF staff resulted in lost state revenue and eroded the rule of law. The MEC found widespread circumvention of approved civil service hiring practice, leading to long-term vacancies and unqualified hires. Further, the MEC observed limited state investment in MOF facilities, equipment, and systems, increasing the risk of corruption.⁴⁰⁹

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 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.⁴¹⁰

According to the UN, the ACJC held more trials in 2019 than in previous years, but the average rank of the accused parties declined.⁴¹¹ The UN observed that the Afghan government has yet to execute outstanding ACJC warrants and summonses that were meant to be executed prior to the November 2018 Geneva Conference. Further, the UN said donors and the Afghan government agreed on a list of 127 outstanding ACJC warrants and summonses as an unambiguous benchmark to measure the steps taken to confront corruption by law enforcement authorities. This list increased to 255 arrest warrants and summonses (later consolidated into warrants).⁴¹²

By March 2020, MOI reported it executed 171 warrants and had 84 outstanding. Of the 171 executed warrants, Afghan authorities immediately released all but four defendants.⁴¹³

CSTC-A Funded Items at Significant Risk

The demand for and ease with which criminals can traffic CSTC-A-funded items creates significant risk, CSTC-A said. The principal corrupt activities CSTC-A has observed are “senior-level” criminals targeting CSTC-A-funded commodities, maintenance, and facilities-support contracts through bribery, extortion, embezzlement, pay for position, bid rigging, abuse of power, and murder.⁴¹⁴ DOD said insufficient progress by the Afghan government to

SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess “the Government of Afghanistan’s implementation, resourcing, and administration of the ‘Afghanistan National Strategy for Combating Corruption,’ including whether such government is making progress toward achieving its anti-corruption objectives, addressing impunity of powerful individuals, and meeting international commitments.” SIGAR has initiated this work and anticipates issuance of a public report in early 2021.

counter corruption in managing U.S.-funded equipment and materiel could trigger a DOD decision to withhold ASFF in the near future.⁴¹⁵

CSTC-A reported that national-level political uncertainty, COVID-19 challenges, and continuing violence have negatively impacted countercorruption efforts. For example, administrative punishments and removals in both the MOD and MOI have been concentrated at the regional (rather than national) level. CSTC-A has received multiple reports of attempted interference by military commanders and elected officials in countercorruption investigations.⁴¹⁶

CSTC-A says its detection of theft and diversion of commodities it funds is uneven as the command lacks the access necessary for independent verification. While CSTC-A is aware of several risks, it cannot, for example, determine whether stolen vehicles have been inappropriately labeled as combat losses or whether foodstuffs have been sold or replaced with cheaper items.⁴¹⁷ CSTC-A says it has helped the Afghan security forces identify corps/regional-level contracting problems; however, the Afghan government has been slow to act on case referrals through the highly centralized government contracting system.⁴¹⁸

Despite these challenges, CSTC-A said its efforts helped MOD remove 40 corrupt actors whose cases stagnated through mandatory retirement or assignment to the active reserve.⁴¹⁹ For example, the deputy minister of interior for personnel and training was removed after a four-year effort. According to CSTC-A, this deputy minister had control over all police training centers; there are active investigations of his subordinate partners.⁴²⁰ CSTC-A has been unable to assess police recruit welfare and the state of training facilities due to COVID-19-related restrictions on site visits.⁴²¹

Among the MOD and MOI elements tasked with combating corruption, CSTC-A provided the following assessments and updates:⁴²²

- Major Crimes Task Force (MCTF) effectiveness is steadily improving. The new director has replaced or fired several section chiefs while implementing changes to the organization's personnel structure. The MCTF has an active corruption investigation into a deputy minister who reportedly participated in forgeries involving 65 construction cases billed to CSTC-A. Also, the former MCTF director for corruption is under investigation by the MCTF for corruption. (Further, the UN Secretary-General observed that the failure to reform the MCTF has left the ACJC without a functioning police component.⁴²³)
- General Directorate for Internal Security (GDIS) arrested approximately 1,025 police and government officials over the past year as part of its countercorruption, counter-insider threat, and counterespionage efforts. GDIS, partnering with the National Directorate of Security for an insider threat assessment in Kandahar, Zabul, Helmand, and Uruzgan Provinces, found that approximately 50% of the police in these provinces used drugs and 50% to 70% of police

positions were “ghost soldiers. CSTC-A and DOD commented that this was a draft MOI-NDS report that cannot be corroborated.”⁴²⁴

- Established in June 2019,⁴²⁵ the MOD CID has not yet reached full operational capability, but has already had a positive impact on reducing corruption, CSTC-A says. MOD CID investigations led to the removal or retirement of “several high profile officers,” CSTC-A reported.

COUNTERNARCOTICS

2020 Opium-Poppy Harvest Largely Uninterrupted by COVID-19

Recent United Nations Office on Drugs and Crime (UNODC) reporting indicates that Afghanistan’s 2020 opium-poppy harvest was largely uninterrupted by COVID-19. The key months for Afghanistan’s opium harvest are March to June.⁴²⁶ Earlier reporting suggested a shortage of opium-poppy lancers (a type of specialized labor) due to border closures with Pakistan could have affected the opium harvest.⁴²⁷ UNODC subsequently confirmed the shortage of poppy-lancers in the western and southern provinces early in the season, but said the void was filled by women in poppy-growing households and by those who had lost their jobs due to the COVID-19 crisis.⁴²⁸

UNODC Releases 2020 World Drug Report

This quarter, the UNODC published its 2020 *World Drug Report* which said the decline in Afghanistan’s 2019 opium-poppy cultivation did not affect Afghanistan’s potential opium production. The UNODC estimated 163,000 hectares (ha; one ha is roughly 2.5 acres) of opium poppy were cultivated in Afghanistan during 2019. This is a 38% decline from 2018 (263,000 ha) and a 50% decline from the high point of cultivation in 2017 (328,000 ha). Overall, opium-poppy cultivation in 2019 was at its lowest point since 2012 (154,000 ha).⁴²⁹ These significant declines in opium-poppy production in Afghanistan, as well as declines in Burma, drove a global reduction in opium-poppy cultivation in both 2018 (17% decline) and 2019 (30% decline).⁴³⁰ Nonetheless, neither disease nor drought affected the quality of opium-poppy in 2019 as it had in previous years. Therefore, UNODC estimated that the potential production of opium from Afghanistan was 6,400 tons for 2019, the same as in 2018.⁴³¹

UNODC also reported global opiate seizures continue to steadily rise. In 2018, Afghanistan reported seizing 27 tons of opium and 18 tons of morphine, a level of seizures second only to Iran (644 tons of opium and 21 tons of morphine seized).⁴³²

Despite a decline in opium-poppy cultivation and a rise in opiate seizures, the latest available figures on global trafficking in opiates continues to indicate that trafficking is dominated by Afghan opiates. These 2018 data indicate that Afghan opiate production accounted for 84% of the global morphine and heroin seized, although only about 1% of the opiates seized in North America can be traced to Southwest Asian opiate production.⁴³³

2019 Afghanistan Opium Survey Not Likely to be Released

INL reported that the 2019 *Afghanistan Opium Survey* that would have been jointly produced by UNODC and the Afghan government is unlikely ever to be released since the Afghanistan National Statistics and Information Authority (NSIA) has not approved UNODC's opium-production figure.⁴³⁴ Only the most significant data from the annual survey, mainly the estimated cultivation area and opium production, were released as part of the 2020 *World Drug Report*.⁴³⁵ Since 2006, State INL has funded UNODC to produce the annual survey in partnership with Afghan government agencies. INL has so far disbursed \$17.7 million to fund this program.⁴³⁶

Afghan opium poppy is harvested in the spring, and UNODC has historically released the cultivation report in the following autumn. During the next spring, UNODC releases a socioeconomic report about the previous year's harvest. For the past two quarters, SIGAR has reported that since Afghanistan's Ministry of Counter Narcotics (MCN) has been dissolved by President Ghani, the annual opium surveys would no longer be produced with the MCN and that UNODC would henceforth partner with NSIA.⁴³⁷

According to INL, a March 14, 2020, presidential decree further strengthened NSIA's role by giving the NSIA all responsibility for poppy-survey-related work.⁴³⁸ Disagreements emerged when NSIA objected to UNODC's measurement of the opium-poppy yield, despite UNODC's use of a long-standing methodology that employs field measurements of mature poppy plants. NSIA specifically objected to the use of opportunistic sampling, which UNODC started to implement in 2012 to improve data quality. INL explained that UNODC's opportunistic sampling method allowed surveyors operating in a small number of highly insecure areas some discretion in selecting sample areas within a district.⁴³⁹

INL further reported that NSIA performed no field sampling, random or otherwise, in 2020. UNODC is now developing a methodology to estimate the 2020 opium-poppy yield using satellite imagery.⁴⁴⁰

CNPA Takes Over Counternarcotics Policymaking

INL reported that the Ministry of Interior's Counternarcotics Police of Afghanistan (CNPA) has taken over responsibility for policymaking, to include updating the 2015–2019 Afghan National Drug Action Plan (NDAP). This responsibility is in addition to its traditional law-enforcement role.⁴⁴¹ According to INL, moving CN policymaking under the CNPA has the

potential for greater efficiency and more effective coordination since all CN functions are now located within a single entity.⁴⁴² The five-year 2015–2019 Afghan National Drug Action Plan (NDAP) has been revised and the document awaits final MOI clearance; INL is currently unaware of when it may be issued.⁴⁴³

Supplementing the NDAP is the “Afghan Counternarcotics Roadmap,” which was approved by acting Minister of Interior Massoud Andarabi in January 2020.⁴⁴⁴ According to INL, the Roadmap outlines challenges in combating the illegal drug trade, but does not include milestones or performance indicators to show how the Afghan government intends to pursue the indicated goals. Further, substantial donor support would be needed to implement most of the Roadmap’s objectives.⁴⁴⁵ While the Roadmap is written at a high level, it does propose interventions in areas such as public awareness, regional cooperation, and research. The Roadmap also proposes a special CNPA detachment to eradicate poppy fields.⁴⁴⁶

INL also noted that despite the CNPA having formal control over CN policy and operations, the CNPA does not have its own budget, and lacks development or programming funding for endeavors such as public-information campaigns or provincial cooperation projects. Instead, the CNPA has traditionally relied on the MOI to conduct financial transactions and procurements relevant to law-enforcement operations. Now, the CNPA must also submit proposals to the MOI for any project outside of routine law-enforcement functions, such as public-information campaigns. According to Afghan contacts that informed INL, this is a very unclear and confusing process.⁴⁴⁷

Further, INL support to increase CNPA’s financial capacity is still in a very early stage. INL is trying to recruit financial advisors to assist the CNPA with the MOI’s bureaucratic funding process. Although the process for recruiting advisors has been delayed by COVID-19, financial advisors would provide the CNPA with expertise to prepare budgets and request funding for projects unrelated to basic law-enforcement operations.⁴⁴⁸

Afghan Counter Narcotics Police Organization and Funding

State INL provides support to specialized units within the CNPA.⁴⁴⁹ The CNPA are located in all 34 provinces and comprise regular police as well as specialized units. The CNPA’s counternarcotics operations include controlling precursor chemicals, airport interdiction, operating the forensic laboratory, crop eradication, and managing mobile detection teams. CNPA also coordinates with Afghan customs to stop drug trafficking.⁴⁵⁰

CNPA specialized units consist of three major components: the U.S.-supported National Interdiction Unit (NIU) and Sensitive Investigative Unit (SIU), and the UK-supported Intelligence and Investigation Unit (IIU).⁴⁵¹ Additionally, the U.S.-supported Technical Investigative Unit (TIU) provides support to the NIU and SIU components.⁴⁵² This quarter, the U.S.

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Drug Enforcement Administration (DEA) reported that the NIU and SIU conducted a combined total of 14 DEA-mentored, partnered, or otherwise supported operations.⁴⁵³

The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from DEA and NATO Special Operations Component Command-Afghanistan (NSOCC-A), including U.S. Special Forces. The NIU typically maintains forward-based personnel in Kandahar, Kunduz, and Herat.⁴⁵⁴

The SIU's mission is to identify significant drug-trafficking organizations operating in Afghanistan and dismantle them through the criminal-justice system. The SIU receives mentoring from the DEA and consists of hand-picked personnel who are thoroughly vetted.⁴⁵⁵ The SIU also has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.⁴⁵⁶

The Technical Investigative Unit (TIU) is a CNPA component consisting of 100 translators who work within the Judicial Wire Intercept Platform (JWIP). The JWIP is a State-funded project to provide technical systems associated with the wiretap program and is executed by DEA through an interagency agreement with State. JWIP supports DEA operations as well as SIU and NIU investigations.⁴⁵⁷

Other Afghan law-enforcement elements such as the special operations General Command of Police Special Units execute high-risk arrests and operations including counterterrorism, counternarcotics, and counter-organized crime.⁴⁵⁸ The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.⁴⁵⁹

The Special Mission Wing (SMW) is a rotary- and fixed-wing aircraft force established in 2012 to support NIU counternarcotics missions, as well as counterterrorism missions conducted by Afghan special security forces. In recent years, however, nearly all its missions have been counterterrorism support, with none of the SMW's 165 unilateral sorties from April 1 through May 27, 2020, supporting CN missions.⁴⁶⁰ The SMW is the only Afghan National Defense and Security Forces organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of assault squadrons in Kabul, Kandahar, and Mazar-e Sharif. There is also an imagery, surveillance, and reconnaissance squadron in Kabul.⁴⁶¹ More information on the SMW is available in the Security section on pp. 81–82.

U.S. Funding for Afghan Counternarcotics Elements

This quarter, INL reported that it continues to work under the 2017 South Asia Strategy, which is the main policy document for U.S. efforts in Afghanistan, including counternarcotics policy.⁴⁶² Both INL and DEA also reported that while there are no formal U.S. interagency working groups focused on Afghan-specific or regional counternarcotics, both entities coordinate with relevant Afghan or regional CN stakeholders as needed. In addition to coordinating with one another, other stakeholders often include DOD's Central Command and UNODC, among others.⁴⁶³

INL estimates that it funds approximately \$21 million per year in operations and maintenance for the NIU, SIU, and other INL programming. Costs directly attributable to NIU and SIU include \$6 million for two years of JWIP (not including other costs DEA may incur), \$9.6 million for two years of other interagency-agreement support, and \$825,000 per year for NIU salary supplements.⁴⁶⁴ Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. A graduated scale of supplements is provided to all NIU officers, from police officers to unit commanders.⁴⁶⁵

COVID-19 Affects U.S. Advising and CNPA Operations

In response to the COVID-19 pandemic, CSTC-A reported that in early March 2020, Resolute Support commander General Austin S. Miller limited face-to-face advising between the Coalition and their Afghan counterparts. Advisors subsequently shifted to remote advising, using video-teleconferences and other forms of communication. Coalition advisors reinforced the need for protective measures to their Afghan counterparts, including the need for social distancing, wearing masks, and using hand sanitizer.⁴⁶⁶

To protect the ANP, the MOI drafted in early April 2020 a "Strategy for Combatting COVID-19." CSTC-A said that Coalition advisors coordinated with the CNPA to use the CNPA facility to house quarantined MOI personnel.⁴⁶⁷

State's Bureau of International Narcotics and Law Enforcement Affairs (INL) also reported that the specialized units of the CNPA, the National Interdiction Unit (NIU) and the Sensitive Investigative Unit (SIU), are operating under a presidential decree to limit MOI staff exposure to COVID-19. According to INL, the tempo of these specialized units has slowed due to COVID-19, although they continue to investigate, plan, and execute interdiction and CN operations when possible.⁴⁶⁸ The DEA also reported uninterrupted contact with specialized units in the pursuit of joint investigations, although Afghan-led CN operations and DEA training has slowed due to COVID-19 mitigation protocols.⁴⁶⁹

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Interdiction Results

Between March 14 and July 1, 2020, DOD reported that U.S.-supported interdiction activities by Afghan security forces included 48 operations resulting in seizures of 1,500 kilograms (kg) (3,307 lbs) of opium, 93 kg (205 lbs) of heroin, and 73 kg of methamphetamines (161 lbs). No one was detained and no precursor chemicals or hashish was seized by Afghan security forces during this period.⁴⁷⁰ Table 3.16 contains interdiction results provided by DOD.

TABLE 3.16

INTERDICTION RESULTS, FISCAL YEARS 2010–2020												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ¹	TOTAL
Number of Operations	263	624	669	518	333	270	196	157	198	152	87	3,467
Detainees	484	862	535	386	442	394	301	152	274	170	70	4,070
Hashish seized (kg)	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	148,604	149,426	1,163,994
Heroin seized (kg)	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	3,507	444	43,919
Morphine seized (kg)	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	11,859	–	183,329
Opium seized (kg)	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	13,751	3,342	401,243
Precursor chemicals seized (kg)	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	81,182	–	834,045
Methamphetamine ² (kg)	–	50	–	11	23	11	14	31	143	1,308	77	1,668
Amphetamine (kg)	–	–	–	–	–	–	17	–	–	2,010	–	2,027

Note: The significant spike in FY 2015 precursor seizures is due to a 12/22/2014 seizure of 135,000 kg of precursor chemicals.

– indicates no data reported.

¹ Results for period 10/1/2019–7/1/2020.

² In crystal or powder form.

Source: DOD(CN), response to SIGAR data call, 7/8/2020.

Despite the improved capabilities of Afghan specialized units over the years, drug seizures and arrests have had minimal impact on the country's opium-poppy cultivation and production. For example, total opium seizures since FY 2008 are equivalent to approximately 8% of the country's 6,400 metric tons of opium production for the single year of 2019, as reported by UNODC.⁴⁷¹

Eradication Update

INL said it still plans no direct financial support for eradication and cannot verify eradication performed under the MOI in 2020. INL said MOI has not been vetted for vulnerabilities that could adversely affect the responsible implementation of U.S. eradication assistance, as required by U.S. law. Funds that were provided prior to 2020 conformed to these requirements because INL said it worked with the MCN on eradication programming and the MCN had been vetted for vulnerabilities. INL is reviewing whether it is feasible to instead assist the CNPA directly as the implementing entity for

U.S.-funded opium-poppy eradication assistance. SIGAR will continue to report on these developments.⁴⁷²

Despite the lack of INL eradication assistance, INL said the CNPA Narcotics Survey and Analysis Directorate (NSAD) reported 536 hectares of opium poppy had been eradicated during the 2020 season. NSAD reported that most eradication occurred in Helmand Province (384 ha), followed by Nangarhar (125 ha), Balkh (12 ha), Nimroz (6 ha), Herat (3 ha), Jowzjan (3 ha), Kunar (2 ha), and Laghman Provinces (1 ha). INL noted that these numbers had not been validated or endorsed by UNODC field verifiers because of disagreements between MOI and UNODC on who would bear the cost of contracting independent verifiers. INL concluded that for these reasons, “the international community will have concerns regarding NSAD reported results.”⁴⁷³ Last quarter, INL reported that crop eradication has been on a long-term downward trend, in part due to opium-poppy cultivation in inaccessible or insecure areas.⁴⁷⁴

Governor-Led Eradication

Prior to the MCN’s dissolution, INL provided direct eradication assistance through the Governor-Led Eradication (GLE) program. According to INL, the MOI now manages this ongoing program with the CNPA implementing independent Afghan eradication and GLE.⁴⁷⁵ When MCN managed the GLE program, which began in 2005, INL reimbursed provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.⁴⁷⁶

This quarter, INL reported that although the program is ongoing, monetary support for the GLE program is currently inoperative due to the need to complete an audit of financial control mechanisms before further support can be provided to the MOI. INL added that previous vetting of the MCN has not been a rapid process and INL did not expect MOI vetting to be rapid. INL is exploring the possibility of vetting only the CNPA element that would be involved in GLE. Until that audit and any needed remediation occurs, INL has no ability to reimburse MOI for verified eradication.⁴⁷⁷

AFGHAN REFUGEES

As of June 20, the United Nations High Commissioner for Refugees (UNHCR) reported that 356 **refugees** have voluntarily returned to Afghanistan in 2020. Almost all (306) of these refugee returns were from Iran.⁴⁷⁸

According to State, UNHCR suspended refugee repatriations from Pakistan on March 17, 2020, following Pakistan’s decision to close its border crossings with Afghanistan in an effort to limit the spread of COVID-19.⁴⁷⁹

Refugees: 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.

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

Undocumented Afghan Migrant Returnees

As of May 30, the International Organization of Migration (IOM) reported that 298,679 undocumented Afghans returned from Iran and 1,833 undocumented Afghan migrants returned from Pakistan in 2020.⁴⁸⁰

According to State, fears of COVID-19 spreading in Iran have led to record numbers of spontaneous returns of Afghan migrant laborers from Iran.⁴⁸¹ For comparison, as of May 25, 2019, 181,933 undocumented Afghan migrants had returned from Iran that year.⁴⁸²

In May, the Iranian and Afghan governments announced a joint investigation into allegations that Iranian border guards killed at least 16 Afghan migrants after torturing them and throwing them into a river.⁴⁸³ Afghan officials later claimed 45 migrants were killed in this way. In another incident in June, Afghan officials accused Iranian police of killing three Afghan migrants by firing on and setting their vehicle on fire.⁴⁸⁴

Conflict-Induced Internal Displacement

Compared to the same period last year, the number of conflict-induced internally displaced persons recorded by the UN Office for the Coordination of Humanitarian Affairs (OCHA) in 2019 is 61% lower. As of June 21, conflicts in 2020 had induced 88,536 Afghans to flee their homes. The office recorded 224,147 displaced persons in the same period last year.⁴⁸⁵

WOMEN'S ADVANCEMENT

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.⁴⁸⁶ Table 3.17 show the current Promote programs.

TABLE 3.17

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Promote: Women in the Economy	7/1/2015	8/31/2020	\$71,571,543	\$68,166,610
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	24,804,105
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	6,882,206
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2020	7,098,717	6,962,858
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272

Source: USAID, response to SIGAR data call, 7/11/2020.

According to USAID, of the 74,903 total Promote beneficiaries, 31,643 have found employment. Of these, 1,892 have been hired by the Afghan government and 18,976 have secured permanent employment in the private sector. There are also 10,775 Promote beneficiaries holding private-sector internships.⁴⁸⁷ (There may be double counting: Promote beneficiaries counted as interns may be counted again when they secure permanent employment.)⁴⁸⁸

To date 19,893 young women graduated from the “Forward Together” scholarship program, which offers job skills courses including kindergarten teaching, communication, finance, and health care courses.⁴⁸⁹

Promote sponsored a two-day conference on the role of mayors in the peace process which was attended by participants from over 22 provinces. According to USAID, mayors who participated expressed concerns about the centralized process of the negotiations and the pressures they face as their communities anticipate jobs once a peace settlement is reached.⁴⁹⁰

HUMAN RIGHTS

On June 27, two members of the Afghanistan Independent Human Rights Commission were assassinated in Kabul when an explosive device attached to their vehicle exploded.⁴⁹¹

State Downgrades Afghanistan’s Human-Trafficking Rating to Lowest Level

State downgraded Afghanistan’s human-trafficking rating to the lowest level since State first rated the country in 2002, saying the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.⁴⁹²

According to State, there is an Afghan government policy or pattern of sexual slavery in government compounds (bacha bazi, or “boy play”) and the recruitment and use of child soldiers. State says the Afghan government has never prosecuted a police officer for bacha bazi nor prosecuted any military or police official for recruitment or use of child soldiers. This continues despite local officials’ widespread acknowledgement that many police, especially commanders at remote checkpoints, recruited boys for bacha bazi. The Afghan security institutions denied that Afghan security forces recruited or used child soldiers, despite multiple cases during the reporting period. According to State, Afghan security forces recruited boys for bacha bazi in every province.⁴⁹³

State observed a decrease in Afghan government law enforcement efforts against both civilian and government official perpetrators of trafficking, concluding officials complicit in recruitment and use of child soldiers and bacha bazi continued to operate with impunity. State said the Afghan government lacks the resources and political will to hold perpetrators accountable. For more information about bacha bazi in schools see page 152.⁴⁹⁴