3 RECONSTRUCTION UPDATE
RECONSTRUCTION UPDATE CONTENTS

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Photo on previous page
UN Development Programme-supported Mobile Citizen Services Centers use loudspeakers and educators to raise public awareness of the COVID-19 threat. (UNDP photo)
POLITICAL IMPASSE RESOLVED
• On May 17, President Ashraf Ghani and presidential-election rival, former Chief Executive Abdullah Abdullah, reached a power-sharing agreement after a nearly three-month impasse over the results of the September 2019 presidential election.

TALIBAN ATTACKS SURGE
• Concurrent Taliban and Afghan government Eid ceasefires in May initially brought hope for a continued reduction in violence. Resolute Support (RS) reported that enemy violence levels stayed well above historic norms for most of this quarter. The Taliban did not attack Coalition forces, but did attack Afghan government forces at several sites in provincial capitals.
• Afghan and Western officials called the level of enemy violence this quarter “totally unacceptable,” and called for its reduction.
• Data provided by RS shows civilian casualties in Afghanistan increased by nearly 60% this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020), and by 18% compared to the same period last year.

U.S. WITHDRAWAL MEETS TARGET
• The United States met its first troop-withdrawal target of 8,600 troops still in-country, as stipulated in the U.S.-Taliban agreement, before its mid-July deadline. Five former American bases were also handed over to the Afghan government.

COVID-19 RAVAGES AFGHANISTAN
• Testing remains limited, but nearly 43% of samples test positive, one of the highest rates in the world.
• To prevent the spread of COVID-19, the Afghan government extended school closures until at least September 2020, threatening to halt fragile gains in Afghanistan’s education outcomes.
• Afghanistan has likely entered a recession; the economy is projected to shrink 3–10% in 2020.
• Poverty is likely to deepen and unemployment to rise, according to the IMF.

STATE DOWNGRADES AFGHANISTAN’S HUMAN TRAFFICKING RATING
• State downgraded Afghanistan’s human-trafficking rating to the lowest level since it first assessed the country in 2002. State said the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.

DONORS EXPRESS CONCERN OVER SLOWDOWN OF ANTICORRUPTION EFFORTS
• Several donors issued a joint statement expressing concern over the slowdown in Afghanistan’s anticorruption efforts, and calling for an end to “polarization through mutual accusations of corrupt practices.”

RECONSTRUCTION FUNDING INCREASES MODERATELY
• Cumulative appropriations for reconstruction and related activities in Afghanistan since FY 2002 increased moderately in the quarter, to approximately $137.86 billion, due in part to the allocation of the FY 2020 appropriation for the global foreign-assistance accounts to specific countries, including Afghanistan, under the Section 653(a) process.
• Of that total, $118.9 billion, or 86%, was appropriated to the nine largest active reconstruction funds.
• Of the amount appropriated to the nine largest active funds since FY 2002, approximately $8.4 billion remained for possible disbursement.
• DOD’s latest Cost of War Report, dated December 31, 2019, said cumulative obligations for Afghanistan including warfighting by U.S. forces had reached $782.7 billion.
STATUS OF FUNDS CONTENTS

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International Reconstruction Funding for Afghanistan 58
In accord with SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of June 30, 2020, the United States had appropriated approximately $137.86 billion for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

- $86.38 billion for security (including $4.60 billion for counternarcotics initiatives)
- $35.85 billion for governance and development ($4.34 billion for counternarcotics initiatives)
- $3.98 billion for humanitarian aid
- $11.64 billion for civilian operations

Figure 3.1 shows the nine largest active U.S. funds that contribute to these efforts. Prior to January 2019, SIGAR reported on seven major funds; the current nine-fund format reflects appropriations that have placed significant amounts in other funds.

**U.S. Appropriations Supporting Afghanistan Reconstruction Efforts ($ Billions)**

<table>
<thead>
<tr>
<th>Department of Defense</th>
<th>USAID &amp; Other Agencies</th>
<th>Department of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASFF $80.95</td>
<td>ESF $21.05</td>
<td>INCLE $5.42</td>
</tr>
<tr>
<td>CERP $3.71</td>
<td>TITLE II $1.10</td>
<td>MRA $1.44</td>
</tr>
<tr>
<td>DICDA $3.29</td>
<td>IDA $1.10</td>
<td>NADR $0.88</td>
</tr>
</tbody>
</table>

**Other Reconstruction Accounts – $7.28 Billion**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.80</td>
<td>$2.73</td>
<td>$1.75</td>
</tr>
</tbody>
</table>

**Civilian Operations – $11.64 Billion**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$2.23</td>
<td>$9.41</td>
</tr>
</tbody>
</table>

**Total Afghanistan Reconstruction – $137.86 Billion**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$90.75</td>
<td>$28.21</td>
<td>$18.90</td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.
The amount provided to the nine largest active U.S. funds represents nearly 86.3% (nearly $118.94 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 90.9% (more than $108.13 billion) has been obligated, and over 87.9% (nearly $104.60 billion) has been disbursed. An estimated $5.89 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF JUNE 30, 2020 ($ BILLIONS)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>Governance/Development</td>
<td>Humanitarian</td>
<td>Civilian Operations</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>97.03</td>
<td>103.87</td>
<td>110.17</td>
<td>115.8</td>
<td>122.22</td>
<td>128.15</td>
<td>133.03</td>
<td>137.86</td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded.

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

U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of June 30, 2020, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately $137.86 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and oversight and operations. Approximately $8.94 billion of these funds support counternarcotics initiatives that crosscut the security ($4.60 billion) and governance and development ($4.34 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

President Donald J. Trump signed the Consolidated Appropriations Act, 2020 (H.R. 1158) and the Further Consolidated Appropriations Act, 2020 (H.R. 1865) into law on December 20, 2019, providing appropriations for the Departments of Defense and State, the U.S. Agency for International Development, the U.S. Agency for Global Media, the U.S. International Development Finance Corporation (formerly known as the Overseas Private Investment Corporation) and SIGAR, among others. This past quarter, the Department of State, the U.S. Congress, and the Office of Management and Budget agreed on the allocation of the
FY 2020 appropriation for the global foreign assistance accounts to specific countries, including Afghanistan, under the Section 653(a) process. This allocation and other actions taken this quarter bring FY 2020 appropriations for Afghanistan reconstruction recorded through June 30, 2020, to $4.83 billion, as shown in Figure 3.3.

Since 2002, the United States has provided more than $16.16 billion in on-budget assistance to the government of Afghanistan. This includes more than $10.51 billion provided to Afghan government ministries and institutions, and more than $5.65 billion to three multilateral trust funds—the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme-managed Law and Order Trust Fund for Afghanistan (LOTFA), and the Asian Development Bank-managed Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

Figure 3.3

### Table 3.1

**U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN SINCE 2002** (**Millions**)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total On-Budget Assistance</strong></td>
<td>$16,163.76</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Government-to-Government</strong></td>
<td>10,512.37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DOD</strong></td>
<td>9,664.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>USAID</strong></td>
<td>762.41</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>85.19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Multilateral Trust Funds</strong></td>
<td>5,651.39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ARTF</strong></td>
<td>3,827.68</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LOTFA</strong></td>
<td>1,670.04</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AITF</strong></td>
<td>153.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded.

U.S. COST OF WAR AND RECONSTRUCTION IN AFGHANISTAN

Reconstruction costs for Afghanistan equal approximately 16% of all funds obligated by the Department of Defense for Afghanistan since 2001. DOD reported in its Cost of War Report as of December 31, 2019, that it had obligated $782.7 billion for Operation Enduring Freedom and Operation Freedom’s Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan.59

The comparable figures for Afghanistan reconstruction, consisting of obligations (appropriated funds committed to particular programs or projects for disbursement) of the DOD, Department of State, USAID, and other agencies was $124.0 billion at that date. As noted, cumulative total appropriations for Afghanistan reconstruction are $137.86 billion, but not all appropriated funds have been obligated.

Note that the DOD contribution to the reconstruction of Afghanistan is contained in both the $782.7 billion DOD Cost of War calculation and in the whole-of-government $124.0 billion Cost of Reconstruction figures. Figure 3.4 presents the annual and cumulative costs for war and reconstruction in Afghanistan.

FIGURE 3.4

AFGHANISTAN COST OF WAR AND RECONSTRUCTION, ANNUAL AND CUMULATIVE OBLIGATIONS FY 2002 TO FY 2020 Q1 ($ BILLIONS)

Note: Numbers have been rounded. Cumulative obligations through December 31, 2019, differ markedly from cumulative appropriations through June 30, 2020, as presented elsewhere in the Status of Funds section, because the former figures do not include unobligated appropriations and DOD Cost of War reporting lags by one quarter.

Source: DOD, Cost of War Monthly Report, Total War-related Obligations by Year Incurred, data as of December 31, 2019. Obligation data shown against year funds obligated. SIGAR analysis of annual obligation of reconstruction accounts as presented in SIGAR, Quarterly Report to the United States Congress, 1/30/2020. Obligation data shown against year funds appropriated.
AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly $137.86 billion for reconstruction and related activities in Afghanistan. Of this amount, nearly $118.94 billion (86.3%) was appropriated to the nine largest active reconstruction accounts, as shown in Table 3.2.

As of June 30, 2020, approximately $8.45 billion of the amount appropriated to the nine largest active reconstruction funds remained for possible disbursement, as shown in Figure 3.5. These funds will be used to train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF); complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

### Table 3.2

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Appropriated</th>
<th>Obligated</th>
<th>Disbursed</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan Security Forces Fund (ASFF)</td>
<td>80.95</td>
<td>73.57</td>
<td>72.77</td>
<td>5.01</td>
</tr>
<tr>
<td>Economic Support Fund (ESF)</td>
<td>21.05</td>
<td>19.60</td>
<td>17.65</td>
<td>2.50</td>
</tr>
<tr>
<td>International Narcotics Control and Law Enforcement (INCLE)</td>
<td>5.42</td>
<td>5.10</td>
<td>4.50</td>
<td>0.71</td>
</tr>
<tr>
<td>Commander’s Emergency Response Program (CERP)</td>
<td>3.71</td>
<td>2.29</td>
<td>2.29</td>
<td>0.00</td>
</tr>
<tr>
<td>Drug Interdiction and Counter-Drug Activities (DICDA)</td>
<td>3.29</td>
<td>3.28</td>
<td>3.26</td>
<td>0.03</td>
</tr>
<tr>
<td>Migration and Refugee Assistance (MRA)</td>
<td>1.44</td>
<td>1.43</td>
<td>1.42</td>
<td>0.01</td>
</tr>
<tr>
<td>Public Law 480 Title II Emergency (Title II)</td>
<td>1.10</td>
<td>1.10</td>
<td>1.10</td>
<td>0.00</td>
</tr>
<tr>
<td>International Disaster Assistance (IDA)</td>
<td>1.10</td>
<td>1.03</td>
<td>0.88</td>
<td>0.19</td>
</tr>
<tr>
<td>Non-Proliferation, Antiterrorism, Demining, and Related (NADR)</td>
<td>0.88</td>
<td>0.74</td>
<td>0.74</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Nine Largest Active Accounts</strong></td>
<td><strong>118.94</strong></td>
<td><strong>108.13</strong></td>
<td><strong>104.60</strong></td>
<td><strong>8.45</strong></td>
</tr>
<tr>
<td>Other Reconstruction Funds</td>
<td>7.28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civilian Operations</td>
<td>11.64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137.86</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded. The amount remaining reflects the total disbursement potential of the nine largest active reconstruction accounts after deducting approximately $5.89 billion that has expired. Expired funds equal the amount appropriated but not obligated after the period of availability for obligation has ended and thereafter includes amounts deobligated and canceled. The amount remaining for potential disbursement for Other Reconstruction Funds equals approximately $50 million; for Civilian Operations the amount can not be determined but likely equals less than one-half of the most recent annual appropriation.

Source: SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, and USAID, 7/18/2020.
STATUS OF FUNDS

AFGHANISTAN SECURITY FORCES FUND

Congress has created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding for salaries, as well as facility and infrastructure repair, renovation, and construction. The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan (CSTC-A). A Financial and Activity Plan (FAP) must be approved by the Afghanistan Resources Oversight Council (AROC), concurred in by the Department of State, and prior notification provided to the U.S. Congress before ASFF funds may be obligated.60

President Donald J. Trump signed into law the Consolidated Appropriations Act, 2020, on December 20, 2019, which under Division A-Department of Defense Appropriations Act, 2020, provided an appropriation of $4.20 billion for ASFF FY 2020 and a rescission of $396.00 million for ASFF FY 2019. This decrease in the funding for ASFF FY 2019 follows a $604.00 million reduction through Reprogramming Action FY 19-02 RA in May 2019, bringing the original ASFF FY 2019 appropriation of $4.92 billion down to an adjusted appropriation of $3.92 billion as shown in Figure 3.6.61

As of June 30, 2020, cumulative appropriations for ASFF stood at $80.95 billion, with $73.57 billion in funding having been obligated, and $72.77 billion having been disbursed, as shown in Figure 3.7. DOD reported that cumulative obligations increased by more than $694.62 million during


the quarter ending June 30, 2020, and that cumulative disbursements increased by more than $885.20 million."62

**ASFF Budget Activities**

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

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

Funds for each BAG are further allocated to four **subactivity groups** (SAGs): Sustainment, Infrastructure, Equipment and Transportation, and Training and Operations. The AROC must approve the requirement and acquisition plan for any service requirements in excess of $50 million annually and for any nonstandard equipment requirement in excess of $100 million. In addition, DOD is required to notify Congress prior to obligating funds for any new projects or the transfer of funds between budget subactivity groups in excess of $20 million.63

As of June 30, 2020, DOD had disbursed nearly $69.42 billion from the ASFF appropriations for FY 2005 through FY 2018. Of this amount, more than $47.56 billion was disbursed for the ANA, and nearly $21.48 billion was disbursed for the ANP.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—more than $23.55 billion—supported ANA troop and equipment sustainment. Of the funds disbursed for the ANP, the largest portion—more than $9.61 billion—also supported sustainment of ANP forces, as shown in Figure 3.9.64

---

**Figure 3.8**

**ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP,**

**FY 2005 TO FY 2018 APPROPRIATIONS**

**THROUGH JUNE 30, 2020 ($ BILLIONS)**

<table>
<thead>
<tr>
<th>Subactivity Group</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$6.00</td>
</tr>
<tr>
<td>Equipment and Transportation</td>
<td>$13.68</td>
</tr>
<tr>
<td>Sustainment</td>
<td>$23.55</td>
</tr>
<tr>
<td>Training and Operations</td>
<td>$4.33</td>
</tr>
</tbody>
</table>

**Total: $47.56 Billion**

**Figure 3.9**

**ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP,**

**FY 2005 TO FY 2018 APPROPRIATIONS**

**THROUGH JUNE 30, 2020 ($ BILLIONS)**

<table>
<thead>
<tr>
<th>Subactivity Group</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$3.17</td>
</tr>
<tr>
<td>Equipment and Transportation</td>
<td>$4.75</td>
</tr>
<tr>
<td>Sustainment</td>
<td>$9.61</td>
</tr>
<tr>
<td>Training and Operations</td>
<td>$3.95</td>
</tr>
</tbody>
</table>

**Total: $21.48 Billion**

Note: Numbers have been rounded. Excludes the ASFF FY 2019 and FY 2020 appropriations, which are presented by four Budget Activity Groups, consisting of the ANA, ANP, AAF, and ASSF.

New ASFF Budget Activity Groups for FY 2019 and FY 2020

DOD revised its budgeting and reporting framework for ASFF beginning with its ASFF budget request for FY 2019, submitted to Congress in February 2018, and with its reporting beginning on October 1, 2018. The new framework restructures the Afghan National Army (ANA) and Afghan National Police (ANP) budget activity groups (BAGs) to better reflect the ANDSF force structure and new budget priorities. In FY 2018 and previous years, all costs associated with the Afghan Air Force (AAF) fell under the ANA BAG and costs for the Afghan Special Security Forces (ASSF) were split between the ANA and ANP BAGs. Beginning with the ASFF FY 2019 appropriation, the ANDSF consists of the ANA, ANP, AAF, and ASSF BAGs, as presented below in Table 3.3.

Table 3.3

<table>
<thead>
<tr>
<th>ASFF FY 2019 AND ASFF FY 2020 BUDGET EXECUTION THROUGH JUNE 30, 2020 ($ MILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Activity Groups</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Afghan National Army</td>
</tr>
<tr>
<td>Afghan National Police</td>
</tr>
<tr>
<td>Afghan Air Force</td>
</tr>
<tr>
<td>Afghan Spec. Sec. Forces</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded. Disbursement totals exclude undistributed disbursements.


Table 3.4 on the opposite page tracks the evolution of the ASFF FY 2019 budget beginning with Financial and Activity Plan 19-1 (FAP 19-1), which aligned the Administration’s ASFF FY 2019 Budget Request of $5.20 billion with the actual FY 2019 appropriation amount of $4.92 billion, through the reprogramming action in May 2019, the rescission enacted in December 2019, and the realignment of budget priorities through FAP 19-2 (June 2019), FAP 19-3 (October 2019), and most recently, FAP 19-4, notified to Congress in January 2020.65

NATO ANA Trust Fund

The NATO ANA Trust Fund (NATF) has contributed more than $1.69 billion to ASFF for specific projects funded by donor nations through June 30, 2020, and ASFF has returned more than $400.18 million of these funds following the cancellation or completion of these projects. DOD has obligated more than $1.04 billion and disbursed nearly $895.77 million of NATF-contributed funds through ASFF through that date.66 These amounts are not reflected in the U.S. government-funded ASFF obligation and disbursement numbers presented in Figures 3.6 and 3.7.
### Table 3.4

<table>
<thead>
<tr>
<th>ASFF FY 2019 Appropriation, Reprogramming Action, Rescission, and Budget Realignments (FAP 19-2, FAP 19-3, and FAP 19-4) ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan National Army, Total</td>
</tr>
<tr>
<td>Sustainment, Total</td>
</tr>
<tr>
<td>Personnel</td>
</tr>
<tr>
<td>Ammunition</td>
</tr>
<tr>
<td>Communications &amp; Intelligence</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
</tr>
<tr>
<td>All Other</td>
</tr>
<tr>
<td>Infrastructure, Total</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
</tr>
<tr>
<td><strong>Afghan National Police, Total</strong></td>
</tr>
<tr>
<td>Sustainment, Total</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
</tr>
<tr>
<td>All Other</td>
</tr>
<tr>
<td>Infrastructure, Total</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
</tr>
<tr>
<td><strong>Afghan Air Force, Total</strong></td>
</tr>
<tr>
<td>Sustainment, Total</td>
</tr>
<tr>
<td>Personnel</td>
</tr>
<tr>
<td>Ammunition</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
</tr>
<tr>
<td>Aircraft Contracted Support</td>
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<tr>
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<tr>
<td>Equipment and Transportation, Total</td>
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<td>Training and Operations, Total</td>
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COMMANDER’S EMERGENCY RESPONSE PROGRAM

The Commander’s Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects estimated to cost less than $500,000, although larger projects costing up to $2 million may be authorized with appropriate Congressional notification.67

The Department of Defense Appropriations Act, 2020, decreased the annual appropriation for CERP from $10.0 million in FY 2019 to $5.0 million in FY 2020, bringing total cumulative funding to nearly $3.71 billion. Notably, CERP annual appropriations had equaled or exceeded $400.00 million per year during the FY 2008 to FY 2012 period, as shown in Figure 3.10, and nearly $1.12 billion in appropriations from this period were realigned to other Operations and Maintenance, Army account requirements, or expired without being disbursed. DOD reported that CERP cumulative appropriations, obligations, and disbursements stood at approximately $3.71 billion, $2.29 billion, and $2.29 billion, respectively, at June 30, 2020, as shown in Figure 3.11.68

FIGURE 3.10
CERP APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

FIGURE 3.11
CERP FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)

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

DRUG INTERDICATION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities (DICDA), Defense appropriation provides funding for efforts intended to stabilize Afghanistan by combating the drug trade and related activities. The DOD Counterdrug group allocates this funding to support the Counternarcotics Police of Afghanistan units (mentored by the DEA and U.S. Army Special Forces) who investigate high-value targets and conduct drug-interdiction operations. Funding is also provided to the Afghanistan Special Mission Wing (SMW) to support their fleet of rotary- and fixed-wing aircraft. The SMW’s aircraft provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.69

The DOD Counterdrug group reprograms appropriated DICDA funds from the Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. The group allocated funding to Afghanistan programs and transferred $132.36 million to the military services in the quarter ending March 31, 2019, but withdrew $122.18 million of these funds in the quarter ending September 30, 2019, resulting in a net transfer of $10.18 million for FY 2019, as shown in Figure 3.12.70 The group has transferred $29.24 million in FY 2020 funds to the military services since that time, resulting in cumulative amounts appropriated and transferred from the CD CTA rising to $3.29 billion at June 30, 2020, as shown in Figure 3.13.71

Note: Numbers have been rounded. DOD reprogrammed $125.13 million out of FY 2015 DICDA and $122.18 million out of FY 2019 DICDA due to requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.

DICDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, and independent legal systems for a more transparent and accountable government.72

The ESF was allocated $200.00 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress, and OMB in the quarter ending June 30, 2020. This represents a 43% reduction from the $350.00 million allocation for FY 2019, which was itself a 30% reduction from the $500.00 million allocation for FY 2018. Cumulative appropriations for the ESF now stand at nearly $21.05 billion, of which more than $19.60 billion had been obligated and nearly $17.65 billion had been disbursed as of June 30, 2020.73 Figure 3.14 below shows ESF appropriations by fiscal year, and Figure 3.15 shows cumulative appropriations, obligations, and disbursements as of March 31 and June 30, 2020.

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

FOOD FOR PEACE: TITLE II AND IDA PROGRAMS

USAID’s Office of Food for Peace (FFP) administers Public Law 480 Title II and International Disaster Assistance (IDA) account resources that are requested and appropriated on a contingency basis to meet humanitarian needs worldwide, with a focus on emergency food and nutrition assistance. Food for Peace Title II resources are authorized by the Food for Peace Act and appropriated under the Agriculture appropriations bill, while IDA resources are authorized by the Foreign Assistance Act and Global Food Security Act and appropriated under the State, Foreign Operations, and Related Programs appropriation. FFP obligates funding for emergency food-assistance projects when there is an identified need and local authorities do not have the capacity to respond.74

FFP reports that it obligated nearly $74.00 million in FY 2018, more than $100.80 million in FY 2019, and $49.50 million in the first three quarters of FY 2020 for food-assistance programs in Afghanistan. All of these activities were undertaken with IDA funds except for the use of more than $4.22 million in Title II Emergency funds in FY 2018. FFP noted that Title II funds must primarily be used for procurement of agricultural commodities in the U.S., while IDA funds can be used more flexibly for local and regional procurement of commodities, food vouchers, and cash transfers. FFP stated that current plans do not require the use of Title II resources for Afghanistan in FY 2020, but these plans may change.75 Figure 3.16 presents annual appropriations of Title II funds, and Figure 3.17 presents cumulative appropriated and transferred funds at March 31 and June 30, 2020.76

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 7/7/2020 and 4/14/2020.

Title II Emergency account resources are requested and appropriated on a contingency basis to address unmet humanitarian needs.

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

Figure 3.16

Figure 3.17
FOREIGN DISASTER ASSISTANCE: IDA PROGRAMS

USAID’s Office of U.S. Foreign Disaster Assistance (OFDA) teams with the Office of Food for Peace (FFP) to administer International Disaster Assistance (IDA) funds. OFDA is responsible for leading and coordinating the U.S. government response to disasters overseas. Its major programs include Relief Commodities & Logistics Support, Shelter & Settlements, Humanitarian Coordination & Information Management, Health, Protection, and WASH (water, sanitation, and hygiene). OFDA works closely with international partners such as the United Nations Children’s Fund (UNICEF), the United Nations World Health Organization (WHO), and others to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.77

USAID reported that nearly $1.10 billion in IDA funds had been allocated to Afghanistan from 2002 through June 30, 2020, with obligations of nearly $1.03 billion and disbursements of more than $880.06 million reported as of that date.78 Separately, OFDA reported that more than $541.37 million in IDA funds had been awarded to its programs in Afghanistan from 2002 through June 30, 2020, with more than $50.88 million obligated in FY 2019 and more than $23.26 million obligated in the first three quarters of FY 2020.79 Figure 3.18 presents annual appropriations of IDA funds to Afghanistan. Figure 3.19 presents cumulative appropriations, obligations, and disbursements.

FIGURE 3.18

IDA APPROPRIATIONS BY FISCAL YEAR

($ MILLIONS)

FIGURE 3.19

IDA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)

Note: Numbers have been rounded. Data may include interagency transfers.
INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing the rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counternarcotics, and rule of law and justice.80

The INCLE account was allocated $88.00 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending June 30, 2020. This amount is consistent with the $87.80 allocation for FY 2019, which itself represented a 45% reduction from the $160.00 million allocation for FY 2018.81 Cumulative funding for INCLE stands at more than $5.42 billion, of which nearly $5.10 billion has been obligated and more than $4.50 billion has been disbursed as of June 30, 2020. Figure 3.20 shows INCLE appropriations by fiscal year, and Figure 3.21 shows cumulative appropriations, obligations, and disbursements as of March 31 and June 30, 2020.82

FIGURE 3.20

INCLE APPROPRIATIONS BY FISCAL YEAR

($) MILLIONS

$800

700

600

500

400

300

200

100

0

02 04 06 08 10 12 14 16 18 20

FIGURE 3.21

INCLE FUNDS, CUMULATIVE COMPARISON

($) BILLIONS

$6

$5

$4

$3

$2

$1

0

As of Mar 31, 2020

As of Jun 30, 2020

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

MIGRATION AND REFUGEE ASSISTANCE

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

The MRA allocation for Afghan refugees, internally displaced persons, and returnees was nearly $77.19 million for FY 2018, nearly $85.40 million for FY 2019, but only slightly more than $13.21 million for FY 2020 through March 31, 2020. Cumulative appropriations since 2002 have totaled nearly $1.44 billion as of March 31, 2020, with cumulative obligations and disbursements reaching more than $1.43 billion and nearly $1.42 billion, respectively, on that date. Figure 3.22 shows MRA appropriations by fiscal year, and Figure 3.23 shows cumulative appropriations, obligations, and disbursements as of March 31, 2020. Account information was not immediately available for June 30, 2020, due to what State said were exceptional circumstances, without elaborating.

FIGURE 3.22
MRA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

FIGURE 3.23
MRA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)

Note: Numbers have been rounded. Data may include interagency transfers.
Source: State, response to SIGAR data call, 7/16/2020 and 4/14/2020.
NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account plays a critical role in improving the Afghan government’s capacity to address terrorist threats, protect its borders, and remove dangerous explosive remnants of war. The majority of NADR funding for Afghanistan is funneled through two subaccounts, Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD), with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF). The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus and offices that obligate and disburse these funds.

The NADR account was allocated $38.50 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending June 30, 2020. This amount is consistent with the allocation of $38.30 million for FY 2019 and the $36.6 million allocation for FY 2018. Figure 3.24 shows annual allocations to the NADR account, and Figure 3.25 shows that the cumulative total of NADR funds appropriated and transferred increased from $842.84 million at March 31, 2020, to $881.34 million at June 30, 2020.

FIGURE 3.24

NADR APPROPRIATIONS BY FISCAL YEAR

FIGURE 3.25

NADR FUNDS, CUMULATIVE COMPARISON

Note: Numbers have been rounded.

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

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

The international community provides significant funding to support Afghanistan relief and reconstruction efforts through multilateral institutions. These institutions include multilateral trust funds; United Nations and nongovernmental humanitarian assistance organizations; two multilateral development finance institutions, the World Bank Group and the Asian Development Bank (ADB); and two special purpose United Nations organizations, the UN Assistance Mission in Afghanistan (UNAMA) and the UN Development Programme (UNDP).

The four main multilateral trust funds are the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the UNDP-managed Law and Order Trust Fund for Afghanistan (LOTFA), the NATO-managed Afghan National Army (ANA) Trust Fund (NATF), and the ADB-managed Afghanistan Infrastructure Trust Fund (AITF).

The UN's Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multi-year humanitarian response plans for Afghanistan, and provides timely reporting of assistance provided by donors to the full range of humanitarian assistance organizations to facilitate funding of targeted needs.

FIGURE 3.26

CUMULATIVE CONTRIBUTIONS BY 10 LARGEST DONORS AND OTHERS TO MULTILATERAL INSTITUTIONS IN AFGHANISTAN (ARTF, UN OCHA-REPORTED PROGRAMS, LOTFA, AND NATO ANA TRUST FUND) SINCE 2002 ($ BILLIONS)

Note: Amounts under $200 million are not labeled. Numbers may not add due to rounding.

The four multilateral trust funds, ARTF, LOTFA, NATF, and AITF; as well as UNAMA and UN OCHA-coordinated humanitarian assistance organizations, all report donor contributions for their Afghanistan programs. Cumulative contributions to these organizations since 2002 have amounted to $34.06 billion, with the United States contributing $8.87 billion of this amount, as shown in Figure 3.26 and in the sections on the AITF and UNAMA that follow. The World Bank Group and the ADB are funded through general member assessments that cannot be readily identified as allocated to Afghanistan. These institutions have collectively made financial commitments of $10.58 billion to Afghanistan since 2002, as discussed in the sections that follow.

**Contributions to the Afghanistan Reconstruction Trust Fund**

The largest share of international contributions to the Afghan government’s operational and development budgets comes through the ARTF. From 2002 to April 19, 2020, the World Bank reported that 34 donors had paid in nearly $12.32 billion. Figure 3.26 shows the four largest donors over this period as the United States, the UK, the European Union, and Germany. Figure 3.27 shows that these four were also the largest donors to the ARTF for Afghan FY 1398 (December 22, 2018–December 21, 2019). The ARTF received contributions of $780.38 million in Afghan FY 1398, marking a 24% decline from the $1.02 billion it received in Afghan FY 1397, when it recorded the second-highest annual amount of contributions received by the fund in its 17-year history.88

Contributions to the ARTF are divided into two funding channels, the Recurrent Cost (RC) Window and the Investment Window.89 As of April 19, 2020, according to the World Bank, nearly $5.06 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as civil servants’ salaries.90 To ensure that the RC Window receives adequate funding, donors to the ARTF may not “preference” (earmark) more than half of their annual contributions.91

The Investment Window supports development programs. As of April 19, 2020, according to the World Bank, more than $5.48 billion had been committed through the Investment Window, and nearly $4.83 billion had been disbursed. The Bank reported 31 active projects with a combined commitment value of nearly $1.92 billion, of which more than $1.26 billion had been disbursed.92

**Contributions to UN OCHA-Coordinated Humanitarian Assistance Programs**

The UN’s Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multi-year humanitarian response plans for Afghanistan, and provides timely reporting of humanitarian assistance provided by donors to facilitate funding of targeted needs. Donors have contributed nearly $9.91 billion to humanitarian assistance organizations.
from 2002 through June 30, 2020, as reported by OCHA. OCHA-led annual humanitarian response plans and emergency appeals for Afghanistan accounted for nearly $6.45 billion, or 65.1%, of these contributions.

The United States, Japan, and the European Union have been the largest contributors to humanitarian assistance organizations in Afghanistan since 2002, as shown in Figure 3.26; while the United States, United Kingdom, and the European Union were the largest contributors in 2019, when the international community contributed $613.73 million to these organizations, as shown in Figure 3.28. The UN World Food Programme (WFP), the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross, the UN Children’s Fund (UNICEF), and the UN Mine Action Service (UNMAS) have been the largest recipients of humanitarian assistance in Afghanistan, as shown in Table 3.5.

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

The UNDP had historically administered the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI). Since 2015, UNDP had divided LOTFA support between two projects: the Support to...
Payroll Management (SPM) project, and the MOI and Police Development (MPD) project.

The SPM project has aimed to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its payroll function for the ANP and Central Prisons Directorate (CPD) staff. Almost 90% of SPM project funding goes toward ANP and CPD staff remuneration.

The MPD project focused on institutional development of the MOI and police professionalization of the ANP. The project concluded on June 30, 2018.

The LOTFA Steering Committee, composed of Afghan ministries, international donors, and the UNDP, approved restructuring the fund and changing its scope of operations on November 25, 2018. The organization has expanded its mission beyond the management of the SPM project to include the entire justice chain (police, courts, and corrections), and thereby cover all security and justice institutions, with an increased focus on anticorruption.

A new multilateral trust fund, the LOTFA Multi-Partner Trust Fund (MPTF), was launched to fund this expanded mission. The MPTF has received donations of more than $207.14 million from 11 donors, led by the United Kingdom, Canada, and the European Union (but without financial participation from the United States).95

Donors have paid in more than $6.01 billion to the two LOTFA funds from 2002 through June 30, 2020. Figure 3.26 shows the funds’ two largest donors on a cumulative basis have been the United States and Japan. Figure 3.29 shows the largest donors to the LOTFA in 2019. The United States has significantly reduced its contributions to LOTFA after donating $114.40 million in 2016, thereafter contributing $26.71 million in 2017, $1.04 million in 2018, $0.95 million in 2019, and no funds in 2020 through June 30, 2020.96

**Contributions to the NATO ANA Trust Fund**

The NATO ANA Trust Fund supports the Afghan National Army and other elements of the Afghan National Defense and Security Forces through procurement by the Afghanistan Security Forces Fund (ASFF) and the NATO Support and Procurement Agency (NSPA).97 The Fund has received contributions from 24 NATO members, including the United States, and from 12 other Coalition partners totaling more than $3.12 billion through May 31, 2020.98 Figure 3.26 shows Germany, Australia, and Italy as the three largest contributors to the fund. The United States made its first contribution in FY 2018 to support two projects under an existing procurement contract.99

**World Bank Group in Afghanistan**

The World Bank’s International Development Association (IDA) has committed over $4.70 billion for development, emergency reconstruction projects, and budget support operations in Afghanistan from 2002 through February 2020. This support consists of over $4.26 billion in grants and nearly $440 million in no-interest loans known as “credits.” The Bank has
11 active IDA-only projects and 15 active projects jointly funded with the ARTF with a combined commitment value of over $1.6 billion from IDA.

In addition, the Bank’s International Finance Corporation (IFC) maintains a committed portfolio valued at nearly $240 million and its Multilateral Investment Guarantee Agency (MIGA) has a gross exposure of nearly $120 million on projects in Afghanistan.\(^{100}\)

The United States is the World Bank Group’s largest shareholder, with ownership stakes ranging between 10% and 25% of the shares in the IDA, IBRD, MIGA, and IFC.\(^{101}\)

**Asian Development Bank in Afghanistan**

The Asian Development Bank (ADB) has committed over $5.88 billion for over 150 development projects and technical assistance programs in Afghanistan from 2002 through December 2019. This support has consisted of $4.92 billion in grants (of which the Asian Development Fund, or ADF, provided $3.97 billion, and the ADB provided $0.95 billion in co-financing), $0.87 billion in concessional loans, and $105 million in technical assistance. ADB has provided $2.17 billion for 20 key road projects, $1.77 billion to support energy infrastructure, and $879 million for irrigation and agricultural infrastructure projects. The United States and Japan are the largest shareholders of the ADB, with each country holding 15.57% of total shares.\(^{102}\)

The ADB administers the Afghanistan Infrastructure Trust Fund (AITF), a multi-donor platform that provides on-budget financing for technical assistance and investment principally in the transport, energy, and water management sectors. The AITF has received contributions of $588.97 million from the NATO ANA Trust Fund, Germany, Japan, the United Kingdom, and the United States and disbursed $297.30 million through December 31, 2019.\(^{103}\)

**United Nations Assistance Mission in Afghanistan**

The United Nations Assistance Mission in Afghanistan (UNAMA) is a political UN mission established at the request of the government of Afghanistan. UNAMA maintains its headquarters in Kabul and an extensive field presence across Afghanistan, and is organized around its development and political affairs pillars. The Department of State has notified the U.S. Congress of its annual plan to fund UNAMA along with other UN political missions based on mission budgets since FY 2008. The U.S. contributions to UNAMA, based on its fixed 22.0% share of UN budgets and funded through the Contributions to International Organizations (CIO) account, has totaled $463.54 million from FY 2008 through FY 2019. Other UN member governments have funded the remainder of UNAMA’s budget of $2.11 billion over this period.\(^{104}\)

**Sources of U.S. Funding for Multilateral Assistance**

The United States provides significant financial support to multilateral institutions active in Afghanistan, and utilizes a wide range of appropriation
authorities to engage with the international community. The Economic Support Fund (ESF) is the primary instrument for funding multilateral development, a number of USAID and State Department-managed accounts are used for multilateral humanitarian assistance, while the Afghanistan Security Forces Fund (ASFF), formerly the primary source of funding for multilateral security assistance, has largely yielded this role to its international partners.

The United States’ annual contributions to the World Bank Group, Asian Development Bank, and the United Nations Assistance Mission in Afghanistan (UNAMA), funded by the Treasury and State Departments, are fixed for the most part by international agreement and, except in the case of UNAMA, are not allocable to Afghanistan. Table 3.6 matches the multilateral assistance programs and organizations active in Afghanistan with their sources of U.S. funding.

**TABLE 3.6**

<table>
<thead>
<tr>
<th>Multilateral Assistance Programs and Organizations</th>
<th>Sources of U.S. Funding</th>
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<tbody>
<tr>
<td>Afghanistan Reconstruction Trust Fund (ARTF)</td>
<td>ESF</td>
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<td>Law and Order Trust Fund for Afghanistan (LOTFA)</td>
<td>ASFF and INCLE</td>
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<td>Afghan National Army (ANA) Trust Fund (NATF)</td>
<td>ASFF</td>
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<td>Afghanistan Infrastructure Trust Fund (AITF)</td>
<td>ESF</td>
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<td>UN OCHA Coordinated Programs</td>
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<td>UN World Food Programme (WFP)</td>
<td>IDA and Title II</td>
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<td>UN High Commissioner for Refugees (UNHCR)</td>
<td>MRA</td>
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<td>UN Children’s Fund (UNICEF)</td>
<td>CSH, IDA, MRA, and Title II</td>
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<tr>
<td>UN Mine Action Service (UNMAS)</td>
<td>ESF and NADR</td>
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<tr>
<td>International Organization for Migration (IOM)</td>
<td>ESF, IDA, and MRA</td>
</tr>
<tr>
<td>UN Food and Agriculture Organization (FAO)</td>
<td>ESF and IDA</td>
</tr>
<tr>
<td>UN OCHA and its Afghan Humanitarian Fund</td>
<td>IDA</td>
</tr>
<tr>
<td>UN World Health Organization (WHO)</td>
<td>CSH, ESF, and IDA</td>
</tr>
<tr>
<td>HALO Trust</td>
<td>NADR</td>
</tr>
<tr>
<td>Save the Children</td>
<td>ESF and IDA</td>
</tr>
<tr>
<td>UN Development Programme (UNDP)</td>
<td>ESF</td>
</tr>
<tr>
<td>UN Assistance Mission in Afghanistan (UNAMA)</td>
<td>State CIO</td>
</tr>
<tr>
<td>World Bank Group (IBRD, IDA, IFC, and MIGA)</td>
<td>Treasury IP</td>
</tr>
<tr>
<td>Asian Development Bank (ADB and ADF)</td>
<td>Treasury IP</td>
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Note: State CIO refers to State’s Contributions to International Organizations account; Treasury IP refers to the Treasury International Programs account.

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The implementation of the U.S.-Taliban agreement, contested presidential election results, regional political tensions between the United States and Iran, prisoner-release discussions, war, and the COVID-19 global health crisis have made this quarter “perhaps the most complex and challenging period in the last two decades” for the Afghan National Defense and Security Forces (ANDSF), according to the Combined Security Transition Command-Afghanistan (CSTC-A). United States Forces-Afghanistan (USFOR-A) told SIGAR in late July that RS and USFOR-A Commander General Austin Scott Miller “sees that political risk has surged and creates additional security risk” and that the risk “is focused on the ANDSF.”

In May, USFOR-A’s spokesman called on the Taliban to reduce the level of violence in the country, particularly in light of the COVID-19 pandemic and the importance of fostering a permissive environment for intra-Afghan negotiations. Instead, RS said, “[Enemy] violence levels stayed well above historic norms for the majority of the reporting period with reduced violence occurring during the three-day Eid cease fire (May 24–26, 2020) … There were no Taliban attacks against Coalition forces, though there were several attacks against ANDSF sites in provincial capitals.” Afghanistan’s National Security Council (NSC) said Taliban attacks increased June 14–21, with 422 attacks in 32 provinces killing 291 ANDSF personnel and wounding 550 others, making it the “deadliest [week] of the past 19 years.”

According to NATO Resolute Support (RS), enemy violence levels stayed well above historic norms for most of this quarter. The Taliban conducted no attacks against Coalition forces, but attacked Afghan government forces at several sites in provincial capitals.

Data provided by RS shows civilian casualties in Afghanistan increased by nearly 60% this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020), and by 18% compared to the same period last year.

The United States met its first troop-withdrawal target of 8,600 troops in country, as stipulated in the U.S.-Taliban agreement, before its mid-July deadline. Five former American bases were also handed over to the Afghan government.
In late June, the Afghan NSC spokesman said, “The Taliban’s commitment to reduce violence is meaningless, and their actions inconsistent with their rhetoric on peace,” while the NATO Senior Civilian Representative in Afghanistan, Stefano Pontecorvo, called the level of Taliban violence “totally unacceptable.” Meanwhile, Afghanistan’s acting ministers of the Ministry of Defense (MOD) and the Ministry of Interior (MOI) and the director of intelligence were summoned to parliament on June 22 for questioning on the rise of security incidents and crime.

With regard to whether continued Taliban attacks on the ANDSF violate their commitments in the U.S.-Taliban agreement, DOD said “The assessment of Taliban compliance with the agreement is still under interagency review.” On July 15, General Kenneth McKenzie, commander of U.S. Central Command (CENTCOM), told Voice of America, “I would not say that [the Taliban] have yet [kept up their commitments] … we expected to see a reduction in violence. And … the violence against the Afghans is higher than it’s been in quite a while. It’s one of the highest, most violent periods of the war that we see to date. Average lethality is down just a little bit. But the number of enemy-initiated attacks is, in fact, very worrisome.”

CSTC-A nonetheless reported that the ANDSF continued to be effective this quarter, although COVID-19 has and will impact the ministries’ command and control, planning, recruiting, and execution capabilities. CSTC-A said that the ANDSF and the MOD and MOI managed to “remain structurally stable and hold a defensive posture.” Though there was reporting that the ANDSF was ordered to move to an offensive posture in response to several high-profile attacks in May, USFOR-A and DOD said on July 19 that the current orders issued to the ANDSF are to maintain an “active defense posture”—allowing them to preemptively strike to prevent an enemy attack—and the majority of ANDSF forces remain in defensive positions.

On June 18, General McKenzie said the number of U.S. troops in Afghanistan has been reduced to “the mid-8,000 range,” the first troop-withdrawal target the United States committed to in the U.S.-Taliban agreement. A DOD report confirmed in early July that the first phase of the troop withdrawal to 8,600 troops is complete. The full withdrawal of U.S. forces from Afghanistan is “conditions-based” on the Taliban meeting their commitments in the agreement.

In other major news impacting U.S. troops this quarter, the New York Times, citing unnamed sources, reported in January 2020 that U.S. intelligence officers and Special Operations Forces in Afghanistan had alerted their superiors to a suspected Russian scheme to pay bounties to the Taliban to kill American forces in Afghanistan. These unnamed officers were quoted as saying at least one U.S. soldier may have been killed as part of the arrangement. Several high-ranking U.S. officials, including President Trump, said at that time they had not been briefed on this intelligence assessment. USFOR-A said that there is still disagreement within the
intelligence community specifically regarding the direct tie to bounties and killing of U.S. personnel. Additionally, DOD stated, “The Department of Defense continues to evaluate intelligence that Russian [intelligence] operatives were engaged in malign activity against United States and Coalition forces in Afghanistan. To date, DOD has no corroborating evidence to validate the recent allegations found in open-source reports.”

**ANDSF Data Classified or Not Publicly Releasable**

USFOR-A continued to classify or otherwise restrict from public release the following types of data due to Afghan government classification guidelines or other restrictions (mostly since October 2017):

- enemy-initiated attacks (EIA) and effective enemy-initiated attacks (EEIA)
- ANDSF casualties, by force element and total
- unit-level Afghan National Army (ANA) and Afghan National Police (ANP) authorized and assigned strength
- detailed ANDSF performance assessments
- some Special Mission Wing (SMW) information, including the number of pilots and aircrew, aircraft inventory, the operational readiness (and associated benchmarks) of SMW airframes, and the cost of the SMW’s aircraft maintenance being paid by the United States or other countries

Because public-health measures imposed to combat the COVID-19 pandemic inhibit the use of secure facilities necessary for accessing classified information, SIGAR will not issue a classified annex to this quarterly report.

**U.S. Reconstruction Funding for Security**

As of June 30, 2020, the U.S. Congress had appropriated more than $86.30 billion to help the Afghan government provide security in Afghanistan. This accounts for 63% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002. Of the nearly $4.20 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2020, nearly $543.70 million had been obligated and nearly $357.99 million disbursed, as of June 30, 2020.

Congress established the ASFF in 2005 to build, equip, train, and sustain the ANDSF, which comprises all forces under the MOD and MOI. A significant portion of ASFF money is used for Afghan Air Force (AAF) aircraft maintenance, and for ANA, AAF, ASSF, and Afghan Local Police (ALP) salaries. The ALP falls under the authority of the MOI, but is not included in the authorized ANDSF force level that donor nations have agreed to fund; only the United States and Afghanistan fund the ALP. U.S. funding for the ALP will expire at the end of FY 2020. The rest of ASFF is used for fuel, ammunition, vehicle, facility and equipment maintenance, and various
Despite Setbacks, IS-K Continues to Threaten Security

According to DOD, capabilities of the terrorist group Islamic State–Khorasan (IS-K) have been degraded from sustained pressure by the ANDSF, Coalition forces, and the Taliban that has killed their fighters, induced surrenders, and forced IS-K to relinquish territorial control in southern Nangarhar and Kunar Provinces. However, as recent events show, IS-K maintains the ability to conduct mass-casualty attacks. DOD says that since the group was dislodged from the territory it controlled, IS-K may be moving to smaller groups in urban areas that make them more difficult to locate and identify.


Active defense posture: According to USFOR-A, the ANDSF have been ordered by their national command authority to maintain an “active defense posture” across Afghanistan. In the support of a reduction in violence in Afghanistan, the ANDSF operating guidance is defensive in nature and limits actions to impairing a hostile attack while the enemy is in the process of forming for, assembling for, or executing an attack on Afghan government elements. DOD’s definition for active defense is “The employment of limited offensive action and counterattacks to deny a contested area or position to the enemy.”


communications and intelligence infrastructure. Detailed ASFF budget breakdowns are presented in tables on pages 48 and 49.123

ASFF monies are obligated by either CSTC-A or the Defense Security Cooperation Agency. Funds that CSTC-A provides to the Afghan government to manage (on-budget) are provided directly to the Ministry of Finance. The Ministry of Finance then transfers those funds to the MOD and MOI based on submitted funding requests.124 While the United States funds most ANA salaries, most ANP personnel costs are paid by international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA). The United States is no longer the largest contributor to LOTFA for the last several years, having given just $0.95 million in 2019 and no funds in 2020 through June 30, 2020.125 A discussion of on-budget (Afghan-managed) and off-budget (U.S.-managed) expenditures of ASFF is found on pages 104–110.

Violence Levels “Totally Unacceptable” after U.S.-Taliban Deal

This quarter began with the USFOR-A spokesman calling on the Taliban on May 2 to reduce the level of violence in Afghanistan, not only to help foster a permissive environment for intra-Afghan negotiations, but also to counter the COVID-19 pandemic.126 While the State Department told SIGAR last quarter that the U.S.-Taliban agreement does not prohibit all Taliban attacks against Afghan security forces, a DOD report this quarter states clearly that the agreement “included commitments to seek to continue reducing violence.”127

However, violence continued at what the NATO Senior Civilian Representative in Afghanistan, Stefano Pontecorvo, called “totally unacceptable” levels.128 Though RS continued to restrict from public release enemy-initiated and effective enemy-initiated attack data this quarter, it provided this unclassified characterization of enemy violence over the reporting period:

The security situation in Afghanistan remains unchanged from the trend observed at the end of last quarter. [Enemy] violence levels stayed well above historic norms for the majority of the reporting period with reduced violence occurring during the three-day Eid cease fire (May 24–26, 2020). During the holiday, violence was at a similar level of the February [reduction in violence] once again demonstrating the Taliban’s ability to exert command and control of their fighters. There were no Taliban attacks against Coalition forces, though there were several attacks against ANDSF sites in provincial capitals.129

A particularly heinous attack occurred on May 12, when gunmen targeting a maternity ward in Kabul run by Doctors Without Borders killed 24 people, including newborns, mothers, and health-care workers. Although the Taliban denied responsibility and condemned the attack, President
Ghani said the Taliban had ignored calls to reduce violence and agree to a cease fire; he reportedly ordered the ANDSF to go on the offensive that same day. However, USFOR-A and DOD said on July 19 that the ANDSF are in an “active defense posture,” which allows them to preemptively strike to prevent an enemy attack, and the majority of ANDSF forces remain in defensive positions.

U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad said on May 15 that the Islamic State-Khorasan (IS-K)—the Islamic State affiliate in Afghanistan—carried out the attack as “an enemy of the peace process [that] wants the peace process to fail.” Ambassador Khalilzad also expressed concern with the level of Taliban-initiated violence, saying that the number of attacks against the ANDSF violated “the spirit if not the letter” of the U.S.-Taliban agreement. See Figure 3.30 for descriptions of this quarter’s major violent incidents and high-profile attacks.

A brief de-escalation of violence occurred in late May, as both the Taliban and Afghan government announced cease-fires in observance of the May 24–26 Eid holiday. However, on June 5, USFOR-A announced it had conducted two air strikes (its first since the Eid cease-fire) to defend against Taliban attacks on ANDSF checkpoints. Later in the month, Afghanistan’s NSC said Taliban attacks June 14–21 had increased to 422 attacks in 32 provinces, killing 291 ANDSF personnel and wounding 550 others, making it the “deadliest [week] of the past 19 years.”

DOD’s latest unclassified assessment of the violence level since the signing of the U.S.-Taliban agreement (February 29) through June 1 said, “The Taliban is calibrating its use of violence to harass and undermine the ANDSF and [the Afghan government], but remain at a level it perceives is within the bounds of the agreement, probably to encourage a U.S. troop withdrawal and set favorable conditions for a post-withdrawal Afghanistan.” DOD reported that the U.S. government continues to closely monitor violence levels in Afghanistan, to assess whether the Taliban “is sufficiently complying with its commitments under the U.S.-Taliban Agreement,” and to assert that the withdrawal of U.S. troops below the 8,600 level is contingent on Taliban compliance with the agreement. On July 15, CENTCOM Commander General McKenzie said “I would not say that [the Taliban] have yet [kept up their commitments],” due to their high level of violence, not yet beginning inter-Afghan negotiations, and not yet adequately assuring the United States of severing ties with terrorist groups. He added, “They still may yet do it. Time is not out ... we’re coming up on a pretty important time with this process.”

Civilian Casualties

SIGAR analyzes Afghan civilian-casualty data from two different sources, the United Nations Assistance Mission in Afghanistan (UNAMA) and RS.

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**FIGURE 3.30**

High-Casualty Security Incidents

<table>
<thead>
<tr>
<th>Number of Fatalities</th>
<th>PROGOVERNMENT FORCES</th>
<th>UNDETERMINED FORCES</th>
<th>ANTIGOVERNMENT FORCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 May 16: ANDSF ground operations and air strikes kill Taliban militants in Paktika Province</td>
<td><strong>May 16:</strong></td>
<td><strong>May 12:</strong></td>
<td><strong>May 11:</strong></td>
</tr>
<tr>
<td>24–50 May 18: ANDSF repel Taliban attack in Kunduz City</td>
<td><strong>May 18:</strong></td>
<td><strong>May 12:</strong></td>
<td><strong>May 11:</strong></td>
</tr>
<tr>
<td>36 May 22: ANDSF commandos kill Taliban militants during operations in Ghazni Province</td>
<td><strong>May 22:</strong></td>
<td><strong>May 12:</strong></td>
<td><strong>May 11:</strong></td>
</tr>
<tr>
<td>25 Jun 24: AAF air strike kills Taliban militants in Balkh Province</td>
<td><strong>Jun 24:</strong></td>
<td><strong>Jun 29:</strong></td>
<td><strong>Jun 13:</strong></td>
</tr>
<tr>
<td>32–35 Jun 29: ANDSF repel Taliban attack in Jowzjan Province</td>
<td><strong>Jun 29:</strong></td>
<td><strong>Jun 13:</strong></td>
<td><strong>May 28:</strong></td>
</tr>
</tbody>
</table>

Note: Fatalities are estimates and only include the number of the opposing party (or civilians when indicated) killed.

These organizations use different definitions for which individuals can be considered civilians versus combatants, and different methodologies to collect and assess civilian-casualty data, with RS consistently reporting fewer civilian casualties than UNAMA.139

**UNAMA vs. RS Collection Methodology and Definition of Civilians**

UNAMA and RS civilian casualty data diverge due to different collection methodologies and definitions for civilians versus combatants. UNAMA's collection method uses “direct site visits, physical examination of items and evidence gathered at the scene of incidents, visits to hospital and medical facilities, still and video images,” reports by UN entities, and primary, secondary, and third-party accounts. Information is obtained directly from primary accounts where possible. Civilians whose noncombatant status is in “significant doubt,” based on international humanitarian law, are not included in the figures. UNAMA's methodology has remained largely unchanged since 2008.

RS Civilian Casualty Management Team collects civilian casualty data by relying primarily upon operational reporting from RS's Train, Advise, and Assist Commands (TAACs), other Coalition force headquarters, and ANDSF reports from the Afghan Presidential Information Command Centre to collect civilian-casualty data. DOD says that RS’s civilian-casualty data collection differs from UNAMA’s in that it has “access to ... full-motion video, operational summaries, aircraft mission reports, intelligence reports, and digital and other imagery, which are generally not available to external entities.” Also considered in its assessments are open-source media, social media, and other sources that can be a basis for assertions made by external entities.

DOD reports that U.S. forces and some entities like UNAMA use different interpretations about who receives protections as civilians under the law of war (to include the law of armed conflict or international humanitarian law). When assessing reports of civilian casualties, USFOR-A considers whether any members of the civilian population were wounded or killed as a direct result of U.S. military operations. For the purposes of such assessments, USFOR-A does not include persons who have forfeited the protections of civilian status by engaging in hostilities, including by being part of a non-state armed group like the Taliban or ISIS.

UNAMA’s interpretation of these laws is that individuals affiliated with groups like the Taliban or ISIS, but without a “continuous combat function” should be immune from attack except for when they participate directly in hostilities. It is DOD’s opinion that this position supports “revolving door” protections for members of the Taliban and ISIS that are contrary to longstanding U.S. interpretations of the law of war.


**RS Reports Increase in Civilian Casualties This Quarter**

In line with the continued increase in violence following the U.S.-Taliban agreement, RS reported 59% more civilian casualties in Afghanistan this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020) and an 18% increase compared to last year (April 1–June 30, 2019).
Figure 3.31 shows that the 2,085 civilian casualties this quarter were 776 more than last quarter and 321 more than the same period last year.\textsuperscript{140} RS attributed 84\% of this quarter’s civilian casualties to antigovernment forces, which include unknown insurgents (39\%), the Taliban (36\%), IS-K (9\%), and the Haqqani Network (0\%). Another 4\% were attributed to progovernment forces (4\% to ANDSF and no incidents attributed to Coalition forces), and 12\% to other or unknown forces. These RS-provided percentages were similar to last quarter. However, in contrast to last quarter when direct fire caused the most civilian casualties, this quarter it was improvised-explosive devices (41\%), followed by direct fire (30\%), and indirect fire (9\%).\textsuperscript{141}

Figure 3.32 on the following page shows that civilian casualties increased or remained the same in most provinces (25 of 34) compared to last quarter. Last quarter, Kabul, Kunduz, and Helmand Provinces experienced the highest number of civilian casualties (an average of 126 each). Of these provinces, only Kunduz experienced a decline (22\%) in civilian casualties this quarter. Nangarhar, Kabul, and Ghazni Provinces experienced the highest number of civilian casualties this quarter (average of 204 each). Nangarhar Province suffered the most civilian casualties (259), and had one of the most substantial increases (236\%) over last quarter.\textsuperscript{142}
UNAMA: Attacks on Health Care Facilities During the COVID-19 Pandemic

This quarter, UNAMA released a special report detailing combatants’ attacks on health-care services in Afghanistan during the COVID-19 pandemic. In total, UNAMA documented 12 incidents from March 11 (start of Afghanistan’s pandemic) through May 23 (the start of the Eid-al Fitr cease fire) in which combatants carried out deliberate violence or other interference with health care workers or facilities, and disturbing critical health care provision during the COVID-19 pandemic. UNAMA attributed eight incidents to the Taliban (abducting health workers and attacking a pharmacy) and three incidents to the ANDSF (an air strike on a health care facility, intimidation of health workers, and looting medical supplies).

Most striking of these incidents was the May 12 attack on the Kabul hospital maternity ward. Moving systematically from room to room, gunmen killed 24 people, including 19 women and three children. The attackers injured an additional 23 people. According to UNAMA, this “most horrendous attack” highlights how parties to the conflict have interfered with necessary health care services during the particularly difficult conditions caused by the pandemic.
UNITED STATES FORCES-AFGHANISTAN

United States Reaches First Troop-Withdrawal Target Ahead of Schedule

On June 18, CENTCOM Commander, General McKenzie, said the number of U.S. troops in Afghanistan has been reduced to “the mid-8,000 range,” one of the United States’ commitments in the U.S.-Taliban agreement signed February 29, 2020. Under the agreement, the United States committed to drawing down the number of U.S. troops in Afghanistan to 8,600 within 135 days of the agreement’s signing (by mid-July) and withdraw all troops within 14 months, if the Taliban meet the conditions outlined in the agreement.146 A DOD report confirmed in early July that the first phase of the troop withdrawal to 8,600 troops is complete.147

Defense Secretary Mark Esper said in March that once U.S. troops have reached the 8,600 level, “we’re going to stop, and we’ll assess the situation, not just tactically on the ground but also are all the parties living up to their obligations, their commitments? Are they acting in good faith and showing good effort?”148 DOD told SIGAR this quarter, “The assessment of Taliban compliance with the [U.S.-Taliban] agreement is still under interagency review.”149

On July 15, General McKenzie said, before there could be a greatly reduced U.S. presence in Afghanistan, inter-Afghan negotiations needed to begin and the United States would need to be confident that the Taliban would not host terrorist groups, potentially allowing them to carry out attacks on the United States and allies. He assessed that “Right now, it is simply unclear to me that the Taliban has taken any positive steps in … those areas.”150

NATO also reported a reduction in the number of Coalition troops in Afghanistan this quarter. NATO’s latest figure for the Coalition-support RS train, advise, and assist (TAA) mission is 15,937 Coalition military personnel as of June 2020, a 614-person decrease from the figure reported in February 2020. The decrease was entirely made up of non-U.S. personnel. The current force level includes 8,000 U.S. personnel (unchanged from February) and 7,937 military personnel from NATO and non-NATO partner nations.151 The remaining U.S. troops in Afghanistan serve Operation Freedom’s Sentinel mission in supporting roles, training Afghan special forces, or conducting air and counterterror operations.152

The reduction of the Coalition-nation forces was expected, but has yet to reach the level NATO announced earlier this year. In early April, NATO Secretary General Jens Stoltenberg said “to support the peace efforts, we are reducing our presence to around 12,000 by the summer,” but “no decision for a further reduction has been taken and all of our steps will be conditions-based.”153
U.S. and Coalition Forces Casualties and Insider Attacks

According to DOD, from October 2001, the beginning of U.S. operations in Afghanistan, through April 30, 2020, 1,909 U.S. military personnel were killed in action (KIA), and 20,719 were wounded in action (WIA). From November 1, 2019, through April 30, 2020, there were five U.S. personnel KIA and 75 WIA. From April 30 through July 15, DOD reported three more U.S. military deaths in Afghanistan, two non-combat related incidents and one a “vehicle rollover accident.” Each of these incidents is under investigation.

From November 1, 2019, through April 30, 2020, DOD reported one insider attack that killed two U.S. personnel and one Afghan. DOD said U.S. forces and the Afghan government are continuing their efforts to reduce the number of insider attacks (also known as “green-on-blue” attacks), including the increased use of enhanced screening techniques for existing ANDSF personnel and new recruits.

U.S. and Coalition Forces’ Advising Efforts

Train, Advise, and Assist Efforts during the COVID-19 Pandemic

According to CSTC-A, this quarter COVID-19 impacted ANDSF progress in many strategic areas including logistics, oversight of construction projects, and delays in integrating the ALP into other parts of the security forces. The ANDSF continues to test personnel for COVID-19 and implement protective measures such as practicing social distancing, wearing masks, and using hand sanitizers. CSTC-A reported that many senior leaders across Afghanistan, including the acting Minister of Interior Massoud, have contracted the virus or have seen impacts of the virus on their workforces.

As of early July, Minister Andarabi had recovered and resumed his duties.

On March 14, RS Commander General Scott Miller directed that, due to the danger of coronavirus infection, Coalition personnel would conduct only limited face-to-face advising with their Afghan counterparts. Advisory efforts would shift towards video-teleconferences and other forms of remote communication, such as email. RS reported some successful examples of remote advising during the quarter, including a meeting between RS senior leaders from the United States, the United Kingdom, Australia, and Germany providing train, advise, and assist (TAA) support to their ANDSF counterparts via videoconference on June 15, and a June 18 videoconference between Polish, Portuguese, Belgian, American, and British advisors, and their MOD counterparts to discuss security and improving logistics. Additionally, under proper social distancing protocols, advisors and key members of the ministries were conducting mission-essential meetings this quarter.

To provide prompt assistance to the ANDSF in fighting the pandemic, CSTC-A used funding lines for medical supplies already notified to Congress via the Justification Book and Financial Activity Plans (FAPs) to provide COVID-19 support to the ANDSF. This included $2.12 million of ASFF
that was provided directly to the MOD and MOI to fund unit-level procurements and about $13.7 million for procurement using DOD contracts of medical supplies for ANDSF personnel (such as masks, gloves, and sanitation equipment). \(^{162}\)

**AFGHAN NATIONAL DEFENSE AND SECURITY FORCES**

Reported ANDSF Force Strength Highest in a Year

This quarter, the ANDSF saw its highest reported strength since began using the Afghan Personnel and Pay System (APPS) in July 2019, which leverages biometric enrollment and Afghan self-reporting for more accurate accounting, from the previous system that relied only on self-reporting. \(^{163}\)

As of April 30, 2020, CSTC-A reported 288,418 ANDSF personnel (182,747 MOD and 105,671 MOI) biometrically enrolled and eligible for pay in APPS. There are an additional 7,604 civilians (3,328 MOD and 4,276 MOI) and 18,382 Afghan Local Police (ALP). Figure 3.33 shows this is an increase of 6,870 personnel (2%) since last quarter’s APPS-reported strength from January 2020, mainly driven by 6,296 more personnel reported in the MOI

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**FIGURE 3.33**

**REPORTED ANDSF ASSIGNED STRENGTH FROM APPS**

Note: This quarter’s data is as of April 30, 2020. The “as of” date of the data each quarter is between the 25th and 31st of the indicated month. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in the strength numbers.


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RS advisors from the United States, Poland, Portugal, Belgium, and the United Kingdom remotely advise their MOD counterparts. (RS photo)
elements. CSTC-A attributes the increase to overseeing MOI improvements in reconciling personnel-record disparities and inputting and reviewing new APPS personnel data entries for accuracy.

Figure 3.34 shows that while reported ANDSF strength has rebounded over the last year, it remains lower than in previous years, when strength figures were self-reported using a paper-based system. As discussed in Section 1 of this report, SIGAR is continuing to examine the implications of the difference between the newer and older reported strength numbers on U.S. taxpayer expenditures for salary and incentive payments, as well as some types of equipment for the ANDSF.

Advisors Make Progress Transitioning Personnel Accountability System to ANDSF

Despite the significant challenges facing the ANDSF this quarter, CSTC-A reported that it made progress in its phased effort to transition APPS to MOD and MOI. According to CSTC-A, the ministries have now taken full
ownership of the APPS ID card management and distribution process. The ID cards are a way of physically accounting for personnel because they are issued after biometric enrollment (iris, face, and fingerprint scans) and have chips that link to biometric record numbers. The cards are valid for three years, at which point they can be reissued in-person. In addition, each ministry has taken control of its “Tier One Help Desk,” which is the front-line support resource for ANDSF APPS users across Afghanistan. CSTC-A said these are “significant steps” in their effort to transition control of the APPS system to the Afghan government. CSTC-A is encouraged by MOD and MOI’s willingness to transition to the APPS system and that with CSTC-A’s policy, programmatic, and technical advisors, the ministries “continue to demonstrate significant progress in adopting APPS as a system of record.”

The three ongoing efforts to improve the accuracy of the personnel data in APPS used by MOI, MOD, and CSTC-A include: (1) “slotting” or matching ANDSF personnel to authorized positions in the system, (2) “data cleaning” or correcting and completing key personnel data or deactivating entries for inactive personnel, and (3) physically accounting for personnel through site visits called personnel asset inventories (PAIs) and personnel asset audits (PAAs).

CSTC-A reported that MOD processed more personnel actions in APPS than last quarter. From January 27, 2020, to April 30, 2020, MOD elements, including the Afghan National Army (ANA), Afghan Air Force (AAF), and ANA Special Operations Corps (ANASOC), processed 48,214 personnel actions in APPS (1,304 promotions, 28,172 reassignments, 8,954 initial assignments, and 9,784 separations), an increase of 16,451 compared to last quarter (November 1, 2019, to January 26, 2020). Separately, the ANP and ALP processed 8,144 personnel actions this quarter (1,007 promotions, 6,860 reassignments, 3,039 initial assignments, and 61 separations) a decrease of 2,823 compared to last quarter. CSTC-A said MOD’s personnel actions likely increased this quarter due to greater use of APPS by MOD with the implementation of a new tashkil (force authorization document) and the necessary reassignments of personnel to positions in the new tashkil in APPS. For MOI, the decrease was likely due to COVID-19 preventive measures, part of which involved reduced working hours at the ministry.

These personnel actions resulted in net increases in personnel for both MOD and MOI force elements (see previous section). However, CSTC-A reported again this quarter that COVID-19-related operational limitations did not allow them or the ANDSF to conduct PAIs or PAAs to physically verify the accuracy of the ANDSF personnel data. CSTC-A said no decisions had been made yet on a resumption date. PAI and PAA verification is a particularly important issue in light of a joint MOI-NDS assessment of police in Kandahar, Zabul, Helmand, and Uruzgan Provinces this quarter, which found that 50–70% of police positions in those provinces were not active, valid personnel, but ghost soldiers. CSTC-A and DOD commented on a resumption date. PAI and PAA verification is a particularly important issue in light of a joint MOI-NDS assessment of police in Kandahar, Zabul, Helmand, and Uruzgan Provinces this quarter, which found that 50–70% of police positions in those provinces were not active, valid personnel, but ghost soldiers. CSTC-A and DOD commented
that this was a draft MOI-NDS report that cannot be corroborated. CSTC-A said it was most likely those records existed prior to APPS, but that they continue to cleanse data in APPS, including previous data, to remove potentially fabricated personnel records. SIGAR continued to ask CSTC-A if there are any remaining exceptions to CSTC-A’s policy of paying only ANDSF personnel who are enrolled and meet the criteria to be eligible for pay in APPS. They responded that as of April 20, 2020, CSTC-A funded salaries and incentive payments for 6,416 MOD trainees and cadets outside of the APPS-generated payroll numbers. As reported last quarter, there is still a technical issue in APPS that has prevented these trainees and students from being slotted. While CSTC-A initially said this would be resolved by late June, CSTC-A now expects it to be resolved by the end of September.

CSTC-A said it has deactivated 70,580 MOD and 9,678 MOI personnel records in APPS from July 1, 2018, through April 30, 2020. These are the ANDSF personnel who have been moved to inactive status in APPS for not meeting the criteria to be active and slotted in APPS. There are several reasons why ANDSF personnel records are retained in APPS after an individual is deactivated. First, it is very common for soldiers and police to return after long breaks in service, so retaining all personnel records within APPS makes it easier to reintegrate returning personnel. Second, if an individual is released for misconduct and tries to rejoin or to join another service, the system can flag it. Third, as in the U.S. and other militaries around the world, retaining personnel records in the system allows future verification of an individual’s service if needed.

**ANDSF Attrition – Some Data Classified**

USFOR-A continued to classify detailed ANDSF attrition information this quarter because the Afghan government classifies it. SIGAR’s questions about ANDSF attrition can be found in Appendix E. Due to public-health measures to combat the COVID-19 pandemic, SIGAR will not issue a classified annex to this report. A detailed analysis of attrition by ANDSF force element will be provided in a future classified annex once these public-health measures are lifted.

According to DOD, attrition remains problematic within the ANA and ANP with the most significant cause continuing to be the number of personnel dropped from rolls (DFR) for being absent without leave (AWOL) for more than 30 days. According to DOD, DFRs accounted for 66% and 73% of ANA and ANP attrition respectively, from November 1, 2019, through April 30, 2020.

CSTC-A reported that the MOD no longer provides monthly manually reported strength numbers from which attrition had been previously derived. As a consequence, CSTC-A moved to using APPS-reported end
strength and present-for-duty rates as a measure of force stability, which they define as “a stable force is one that is able to retain its structure across time.” According to CSTC-A, from the period of February through April 2020, the ANA “maintained consistent levels of end strength and present-for-duty.”

CSTC-A said APPS has provided a better understanding of ANDSF personnel movements, particularly in showing a significant number of returnees from AWOL and DFR that keeps the force at a relatively constant level of manning. While this causes a great deal of personnel churn in the force, the structure remains relatively static in terms of assigned strength and number of personnel present for duty. About 150,000 personnel are present for duty on an average day and about 6,500 are not present, CSTC-A said, indicating “a stable force but one that is not as combat ready as a more professional force that is able to maintain consistent manning levels with personnel on duty as planned.”

**ANDSF Casualties**

USFOR-A classified all ANDSF casualty information this quarter because the Afghan government classifies it. SIGAR’s questions about ANDSF casualties can be found in Appendix E. SIGAR will provide a detailed analysis of ANDSF casualties in a future classified annex once public-health measures related to the COVID-19 pandemic are lifted.

DOD included a brief unclassified statement about ANDSF casualty trends from November 1, 2019, to April 30, 2020, in its latest report:

> The number of ANDSF casualties, including those that occurred on local patrols, checkpoint operations, and offensive operations, decreased significantly during this reporting period compared to the same period in 2019, but still remained high, largely due to Taliban attacks at static ANDSF checkpoints. Direct fire attacks at checkpoints continue to cause the majority of casualties, followed by IED attacks and mine strikes.

**ANDSF Insider Attacks**

According to DOD, there were 40 ANDSF insider attacks from November 1, 2019, through April 30, 2020. DOD said this reflects an increase in insider attacks against the ANDSF compared to the same period last year, but a decrease compared to the previous reporting period. This reporting period saw higher total deaths caused by insider attacks, but fewer total wounded compared to both the same period last year and the previous reporting period. KIA rates from insider attacks have risen from about two personnel killed per attack last year and last reporting period to about three personnel killed per attack during this reporting period.
Afghan Special Security Forces
The Afghan Special Security Forces (ASSF) are the ANDSF’s primary offensive forces. The ASSF include a number of elements, such as the ANA Special Operations Corps (ANASOC), the General Command Police Special Units (GCPSU), and the Special Mission Wing (SMW). SIGAR tracks ASSF operations data because DOD has said the ASSF’s growing size and capabilities are important both for the ANDSF’s overall performance and for the United States to increase the effectiveness and efficiency of its small-footprint military campaign in Afghanistan. DOD reported in June 2020 that ASSF elements have nearly doubled in size since 2017, when it was laid out as a reform goal in President Ashraf Ghani’s four-year ANDSF Road Map for developing the force.

ASSF Operations
NSOCC-A reported that the overall number of ground operations conducted by the ASSF, the ANDSF’s primary offensive forces, this quarter continued to be lower than seasonal norms. NSOCC-A attributed this to the decline in U.S.- and Coalition-partnered and -enabled ASSF operations due to COVID-19 and U.S. commitments in the U.S.-Taliban agreement to conduct only defensive air strikes against the Taliban. The 597 ASSF ground operations conducted this quarter (April 1–June 30, 2020) were only about half as many the ASSF conducted during the same period last year (1,168), but are a 14% increase compared to last quarter (January 1–March 31, 2020). June saw the lowest number of operations (148) during the quarter compared to April (229) and May (220).

However, as shown in Figure 3.35, the number of operations the ASSF conducted independently were similar to the same period last year (537 this quarter compared to 594 last year). NSOCC-A said ASSF did not have a larger increase in independent operations this quarter due more to the “active defense” posture the Afghan government ordered for most of this quarter, than due to misuse of the force. Though the ASSF are in an active defense posture with respect to the Taliban, they are still conducting normal operations against other insurgents within Afghanistan.

ASSF Misuse Persists with Some Improvements
NSOCC-A, the Coalition element that advises the ANASOC, reported this quarter that misuse of ASSF elements continues “despite attempts to address the issue,” and is the main impediment to the ASSF’s ability to successfully carry out their missions. It occurs when MOD or MOI orders ASSF to conduct operations that are more appropriate for the conventional forces or assigns them other tasks that are not within their mission set as outlined in each force’s concept of employment document. Examples include using special forces to man checkpoints, hold terrain, or provide personal security for politicians or ANDSF leaders.
NSOCC-A said this quarter the most common misuse issue—employing ANASOC forces on long-duration, usually static, missions (such as manning checkpoints)—has resulted in forces’ enduring austere conditions for which their sustainment systems (food, fuel, vehicle maintenance, etc.) are not designed.193

NSOCC-A, told SIGAR this quarter that there are nearly 1,900 (10%) of roughly 19,000 ANASOC commandos currently manning checkpoints or assigned to other inappropriate missions. This misuse impacts ANASOC readiness because it can delay force-generation cycles.194 USFOR-A said that “at times, MOD and MOI choose to use ANASOC units because they are better trained and more proficient at the regional task. Even though this is the primary impediment, NSOCC-A emphasized that USFOR-A and NSOCC-A are “aggressively advising and mentoring MOD and MOI from the ministerial level to the tactical level on the proper use of ASSF.” NSOCC-A said they have seen improvements as the leadership understands the issue and tries to use the ASSF appropriately.195

Similarly, NSOCC-A continues to report problems with the misuse of the Special Mission Wing (SMW), the special-operations aviation unit that supports counterterror and counternarcotics ASSF missions. The SMW is designed and trained with more specialized skills than the AAF. Frequently Afghan leaders assign the SMW with general support missions that would be more appropriately conducted by the AAF. The extent of the problem is apparent in the breakdown of mission sorties provided by NSOCC-A this quarter. From April 1 through May 27, 2020, the SMW conducted 165 sorties,
nearly a third of which (54 sorties) were general support missions for ASSF and non-ASSF units outside the SMW’s mission set. This is an improvement, though, from last quarter’s 48% of missions being general support/misuse missions.196

NSOCC-A said the GCPSU experienced the biggest improvement related to misuse. Currently, 10 of the 33 units are reporting misuse of its sub-units, a decrease from the 46% of units reporting misuse last quarter. The remaining instances of misuse are more common in Afghanistan’s remote provinces. NSOCC-A said these cases are also being addressed through advising at the ministerial and tactical level.197

Women in the ANDSF

According to CSTC-A, 5,251 female personnel, including 434 civilians, were enrolled in APPS as of April 30, 2020. This reported strength figure is roughly the same as last quarter. The majority of ANDSF women continue to serve in the MOI (3,619 personnel), with the other 1,632 in the MOD. CSTC-A also reported that in addition to the number of females reported in APPS, there are currently 30 female cadets enrolled at the National Military Academy and 16 students at Kabul Medical University.198

CSTC-A said the Gender Internship Program, which hires female employees to work at MOD and MOI, is succeeding this quarter. There are currently 52 female interns—18 at MOI and 34 at MOD—with another 10 interns in the hiring process.199

Ministry Performance Assessments – Most Data Classified

USFOR-A continued to classify most information about MOD and MOI performance because it is classified by the Afghan government.200 SIGAR’s questions about the ministries’ performance can be found in Appendix E of this report. SIGAR will report on the MOI and MOD performance assessments in a future classified annex once public health measures related to the COVID-19 pandemic have been lifted.

This quarter, CSTC-A said the ministries faced unprecedented complexities in their operating environment due to major events during the reporting period such as the implementation of the U.S.-Taliban agreement, contested presidential election results, regional political tensions between the United States and Iran, prisoner release discussions, war, and a global health crisis. CSTC-A said this created “perhaps the most complex and challenging period in the last two decades for Afghanistan,” yet MOD and MOI managed to “remain structurally stable and hold a defensive posture.”201

CSTC-A said that COVID-19 will continue to impact the ministries’ command and control, planning, and execution capabilities, but that throughout, leadership remained central to all efforts to sustain an institutionally viable and effective ANDSF.202 CSTC-A reported that the Afghan government removed over 100 individuals from MOI and MOD this quarter for
corruption, ranging from fraud involving CSTC-A-provided funds, to checkpoint bribes, to large-scale commodity and contract fraud. CSTC-A said this represents a positive trend for creating reliable leaders within ministries.\(^{201}\)

Despite restricted movements caused by COVID-19, CSTC-A, in coordination with MOD and MOI leaders, transferred 3,214 pallets of supplies to the ANA (1,672) and ANP (1,542).\(^{204}\) However, the pandemic stalled recruiting and initial training at both ministries. Overall, CSTC-A said both ministries increased their level of independent policy development and operations, such as the recent creation of Public Service Centers and improvements to promotion and appointment procedures in APPS, but they continue to rely heavily on the Coalition for identifying key issues that need planning and coordination, such as transitioning the Afghan Local Police to other parts of the ANDSF and further developing the ANP’s structure to meet the needs of Afghanistan’s citizens.\(^{205}\)

CSTC-A reported some highlights of MOI performance this quarter. While touring Baghlan, Samangan, and Balkh Provinces in early May, the MOI’s deputy minister of security said the ANP had “shocking[ly] high morale and were in good spirits whilst [the] majority of the checkpoints were under high threat from the enemy.” Additionally, due to recent progress made by MOI’s deputy minister for support on food contracts, the deputy security minister was “happy to see in the last few weeks, food issues have been rectified as all the checkpoints were receiving their proper allocation of meat, fresh eggs, and fruits and vegetables.”\(^{206}\)

Separately, Acting Minister of Interior Massoud Andarabi rolled out the installation of CSTC-A-funded Afghan National Tracking Systems (ANTS) devices in MOI vehicles, a program that began in 2018, which document actual mileage driven to provide CSTC-A a more accurate accounting of fuel consumption. CSTC-A said this MOI initiative enabled CSTC-A to reduce MOI’s fuel allocation by over 15 million liters, saving the U.S. government over $8.5 million in cumulative savings from November 2019 to June 2020.\(^{207}\) Nonetheless, CSTC-A’s anticorruption team expressed concerns this quarter with ongoing corruption associated with CSTC-A-funded commodities. For more information about this, see page 117–119.

CSTC-A said its MOI advisors are “constantly reviewing fuel consumption reports, fuel calculators, tank capacity and sites, and cross checking the MOI’s National Police Coordination Centre’s mission reporting, to validate fuel orders.” Advisors are working in partnership with the MOI Deputy Minister to move from an allocation expectation to a requirements determination, where MOI plans and reports the fuel needed based on mission requirements. CSTC-A expects to see additional cost savings from these efforts.\(^{208}\)

For MOD, CSTC-A worked with MOD senior leaders to coordinate a first-time aerial delivery of fuel by an Afghan contractor through a partnership with KamAir, to areas where ground fuel resupply was virtually
impossible due to Taliban activity. The delivery destinations included Tarin Kot, Uruzgan Province, with five missions and 42,864 liters of fuel flown in, and Farah City, Farah Province, with one mission (8,333 liters). CSTC-A attributed these successful missions to the coordination of all parties—CSTC-A advising oversight, AAF, and contractors. Increased operations in Uruzgan had raised ANA daily fuel consumption six-fold, making resupply critical. Mission details were quickly planned and executed, allowing the ANA to perform their duties and preventing the Taliban from expanding their footprint.209

AFGHAN NATIONAL ARMY

As of June 30, 2020, the United States had obligated more than $47.61 billion and disbursed more than $47.56 billion of ASFF appropriated from FY 2005 through FY 2018 to build, train, equip, and sustain the ANA, AAF, and parts of the Afghan Special Security Forces (ASSF). These force elements constituted the ANA budget activity group (BAG) for reporting purposes through the FY 2018 appropriation.210

ANA Sustainment Funding

As of June 30, 2020, the United States had obligated $23.66 billion and disbursed $23.55 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF sustainment. These costs include salary and incentive pay, fuel, transportation services, and equipment maintenance costs, including aircraft, and other expenses.211 For more details and the amount U.S. funds appropriated for ANA sustainment in FY 2019 and FY 2020, see pages 48–49 of this report.

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.212 As of May 19, CSTC-A had provided the Afghan government the equivalent of $278 million to support the MOD for FY 1399. Almost all of these funds (92%) paid for salaries.213

ANA Equipment and Transportation

As of June 30, 2020, the United States had obligated and disbursed approximately $13.68 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF equipment and transportation costs.214 Although CSTC-A has moved away from procuring major equipment and systems (such as HMMWVs), items procured in the past are still being delivered to the ANA.215 Table 3.7, lists the highest-cost items of equipment provided to the ANA this quarter (February 1 through April 30, 2020),
which included 161 HMMWVs (valued at $38.4 million) and four refurbished UH-60A+ helicopters (valued at $18.5 million). CSTC-A reported that these items were purchased in 2017 and 2018, respectively, and more deliveries are pending.\(^{216}\)

Considering CSTC-A’s continued provision of large amounts of ammunition to the ANDSF, SIGAR asked CSTC-A if they track whether ANDSF replenishment requests are consistent with the observed or reported tempo and duration of ANA training and operations. CSTC-A said it “manages ammunition holistically” in that it tracks all aspects of inventory levels, projections and consumption, and tracking for in-transit and lead times for replenishing stock levels. CSTC-A uses the information in the ANDSF’s electronic equipment inventory system of record, CoreIMS, as well as information from its regional advising commands to monitor consumption rates used to request replenishment of ANA and ANP ammunition stocks. CSTC-A then uses the average consumption rate for each ministry and records of previous issues from national stocks to gauge ANA and ANP projections for accuracy and to procure the amount of ammunition to keep the ANDSF supplied.\(^{217}\)

### ANA Infrastructure

The United States had obligated and disbursed $6 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, and some ASSF infrastructure projects as of June 30, 2020.\(^{218}\)

### ONGOING SIGAR AUDIT

From FY 2002 through FY 2017—the most recent year for which there is publicly available data—the U.S. government provided more than $28 billion in defense articles (such as HMMWVs, aircraft, and other types of equipment) to Afghanistan. An ongoing SIGAR audit is focused on the extent to which DOD, since the beginning of FY 2017, (1) conducted required routine and enhanced post-delivery end-use monitoring of defense articles provided to the ANDSF, and (2) reported and investigated potential end-use violations in Afghanistan and took steps to ensure corrective actions occurred, when applicable.
SECURITY

CSTC-A reported that it canceled 20 planned ANA infrastructure projects and terminated four active infrastructure contracts this quarter, mostly for “execution change,” which it described as “adjust[ing] to focus on maintaining existing infrastructure and … on projects with tangible benefits,” not on new construction.\textsuperscript{219} Seven of these projects were among the 10 projects with the highest estimated contract or construction cost and included several projects for Parwan Prison.\textsuperscript{220} CSTC-A said the construction projects at Parwan Prison were terminated when President Ghani issued a decree changing the Parwan Prison from an MOD entity to one controlled by the Bureau of Prisons, thereby rendering those projects no longer eligible for ASFF support.\textsuperscript{221}

As of April 30, 2020, the United States completed a total of 484 ANA, AAF, and ANASOC infrastructure projects in Afghanistan, costing roughly $5.5 billion.\textsuperscript{222} There were fewer awarded, active, and completed projects this quarter compared to previous quarters over last year, which CSTC-A attributes to COVID-19-related limitations as well as the recent execution change.\textsuperscript{223} CSTC-A completed one project this quarter, a $3.8 million support-structure project at Kandahar Airfield.\textsuperscript{224} Another 26 projects totaling $154.4 million were ongoing and no new projects were awarded this quarter. The highest-cost ongoing projects include a joint NATO ANA Trust Fund (NATF)-ASFF funded operations and life-support area for the AAF in Mazar-e Sharif ($28.5 million), a NATF-funded rehabilitation center at the ANAs Kabul National Military Hospital

![ANA commandos](image)
($14.1 million), and an electrical grid connection for the ANA and ANP in Kunduz ($12 million). CSTC-A reported that the estimated annual facilities-sustainment costs funded by the United States for all ANA facility sustainment requirements continues to be $108.8 million. Of this, $74.7 million is provided directly to the Afghan government and $34.1 million is spent by CSTC-A for the Afghan government.

ANA Training and Operations
As of June 30, 2020, the United States had obligated and disbursed approximately $4.3 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, some ASSF, and MOD training and operations.

Conditions at the Kabul Military Training Center Improve
Last quarter, CSTC-A and DOD reported that conditions were deteriorating at the Kabul National Military Training Center (KMTC), the main ANA training center, due to corruption by MOD senior leaders in command there. This quarter, CSTC-A said conditions at KMTC, now known as the Combined Arms Training Center (CAT-C), have improved since the last reporting period as MOD has removed the leadership from key positions and pursued investigations into corruption. CSTC-A believes the newly installed CAT-C leadership is performing well: they have executed a training regimen resulting in 5,000 recruits in training or having completed training since January 2020. Beginning in March, the effects of COVID-19 slowed the output of the training courses, as expected. CSTC-A’s TAA efforts are focused on how the new CAT-C leadership can best care for their soldiers and prepare them for the battlefield.

AFGHAN AIR FORCE

U.S. Funding
As of May 25, 2020, the United States had appropriated approximately $8.5 billion of ASFF to support and develop the AAF (including the SMW) from FY 2010 to FY 2020, unchanged since last quarter. The amount of money authorized for the AAF for FY 2020 (roughly $1.3 billion) also remains unchanged since last quarter. The FY 2020 amount brings the funding authorization level for the AAF back to the level of 2017 and 2018.

As in most previous years, sustainment remains the most costly funding category for the AAF (65% of FY 2020 authorized funds). AAF sustainment costs primarily include contractor-provided maintenance, major and minor repairs, and procurement of parts and supplies for the AAF’s in-country
The audit found that the ANA’s capability to independently operate and maintain the $174 million ScanEagle Unmanned Aerial System program has encountered delays and other challenges due to (1) inadequate training of ANA soldiers, (2) insufficient manning of ANA ScanEagle operations, (3) insufficient fielding of operational ANA ScanEagle sites, and (4) the ANA’s inability to act on intelligence obtained through the program. For more information, see Section 2 of this report.

inventory of seven air platforms: UH-60, MD-530, and Mi-17 helicopters; A-29, C-208, and AC-208 fixed-wing aircraft; and C-130 transport aircraft.231

The United States has obligated $5.6 billion of ASFF for the AAF (including about $1.7 billion for the SMW)232 from FY 2010 to FY 2020, as of May 25, 2020. U.S. funds can be obligated for up to two years, and roughly $684.1 million in FY 2019 funds have been obligated (of the 986.8 million authorized) and roughly $34.5 million in FY 2020 funds have been obligated (of the $1.3 billion authorized).233

**Aircraft Inventory and Status**

Seen in Table 3.8, as of June 30, 2020, the AAF currently has 150 available aircraft and 174 aircraft in its inventory, four fewer available aircraft and three fewer total aircraft than reported last quarter. TAAC-Air said the change in total aircraft this quarter was due to AAF aircraft being transferred to SMW. The table also shows the number of each aircraft type currently authorized for the AAF as well as the number of authorized and assigned pilots and other aircrew.234

**AAF Operations and Readiness**

This quarter, the AAF’s flight hours increased by about 20% compared to last quarter, in line with seasonal norms. Only three of seven AAF airframes increased their readiness this quarter (April–June 2020) compared to last quarter.235

**TABLE 3.8**

<table>
<thead>
<tr>
<th>AIRCRAFT</th>
<th>Total Inventory</th>
<th>Usable / In-Country</th>
<th>Authorized Pilots</th>
<th>Assigned Pilots</th>
<th>Authorized Other Aircrew</th>
<th>Assigned Other Aircrew</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Wing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-29</td>
<td>25</td>
<td>15</td>
<td>16</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AC-208</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C-130</td>
<td>4</td>
<td>2</td>
<td>14</td>
<td>13</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>C-208</td>
<td>23</td>
<td>23</td>
<td>40</td>
<td>37</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>174</td>
<td>150</td>
<td>283</td>
<td>257</td>
<td>163</td>
<td>178</td>
</tr>
</tbody>
</table>

Note: These figures do not include the aircraft for the Special Mission Wing, which are classified. Ten A-29s remain at Moody Air Force Base in the United States for AAF A-29 training. The AAF is phasing out its Russian-made Mi-17s. FY 2022 is the last year DOD will seek sustainment funding for the Mi-17s. Some will remain in the fleet to provide operational capability until the UH-60 capability matures and the transition to CH-47s is completed.

to last quarter (January–March 2020). However, all but one of the AAF’s airframes (C-208) met their readiness benchmarks this quarter, an improvement from last quarter, when two airframes (C-208 and MD-530) failed to meet readiness benchmarks. TAAC-Air said that COVID-19 conditions, including personnel travel restrictions and quarantine requirements, continued to slow parts resupply and scheduled maintenance for the C-208s.

In addition, according to the latest data from TAAC-Air, the AAF is beginning to show improvements in its ability to conduct more of its own aircraft maintenance, one of the long-term goals of the United States for the AAF. Table 3.9 shows that while the AAF is still wholly reliant on U.S.-funded contractor logistics support (CLS) to maintain its UH-60s and C-130s, over the last year the AAF has made progress in performing independent maintenance on a few of its airframes.

### AFGHAN NATIONAL POLICE

As of June 30, 2020, the United States had obligated nearly $21.7 billion and disbursed nearly $21.5 billion of ASFF funds from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANP and the GCPSU. These force elements constituted the ANP budget activity group (BAG) for reporting purposes through FY 2018 appropriation. For more information about what these costs include and the amount of U.S. funds appropriated for ANP sustainment in FY 2019, see pages 48–49 of this report.

### ANP Sustainment Funding

Unlike the ANA, most ANP personnel costs (including ANP salaries) are paid by international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA).

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. As of June 12, CSTC-A has provided no funds to support MOI sustainment because the MOI is using available funds previously disbursed to their Ministry of Finance account for prior-year requirements that were not fully executed. Once these funds have been exhausted, CSTC-A will begin distributing FY 1399 funding to MOI.

### ANP Equipment and Transportation

As of June 30, 2020, the United States had obligated approximately $4.8 billion and disbursed approximately $4.7 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP equipment and transportation costs.

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**TABLE 3.9**

<table>
<thead>
<tr>
<th>MAINTENANCE CONDUCTED BY THE AAF VS. CONTRACTORS</th>
<th>3Q 2019</th>
<th>3Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Wing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C-130</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C-208</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>AC-208</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>A-29</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>Rotary Wing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mi-17</td>
<td>85</td>
<td>95</td>
</tr>
<tr>
<td>MD-530</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>UH-60</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: AAF = Afghan Air Force; CLS = contractor logistics support. The Mi-17 data does not include heavy repair or overhauls because the AAF does not have the organic capability required.

Although CSTC-A has moved away from new procurements of major equipment and systems, items procured in the past are still being delivered to the ANP. Table 3.10 lists the highest-cost items of equipment provided to the ANP this quarter (February 1, 2020, through April 30, 2020). Of these items, the costliest was the delivery of 5,980 vehicle tires ($2.7 million).

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Equipment Description</th>
<th>Units Issued in Quarter</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parts</td>
<td>Tire, Pneumatic, Vehicular</td>
<td>5,980</td>
<td>$453</td>
<td>$2,709,478</td>
</tr>
<tr>
<td>Parts</td>
<td>Wheel, Pneumatic Tire</td>
<td>1,328</td>
<td>1,654</td>
<td>2,196,512</td>
</tr>
<tr>
<td>Weapon</td>
<td>Machine Gun, .50 Caliber</td>
<td>128</td>
<td>12,886</td>
<td>1,649,408</td>
</tr>
<tr>
<td>Uniform</td>
<td>Shirt, Cold Weather, Medium</td>
<td>29,276</td>
<td>39</td>
<td>1,154,645</td>
</tr>
<tr>
<td>Ammunition</td>
<td>Cartridge, .50 Caliber, 4 Ball-1 Tracer, Linked</td>
<td>347,200</td>
<td>3</td>
<td>1,111,040</td>
</tr>
<tr>
<td>Uniform</td>
<td>Coat, Cold Weather</td>
<td>7,753</td>
<td>127</td>
<td>987,577</td>
</tr>
<tr>
<td>Parts</td>
<td>Control Assembly, Train</td>
<td>1,296</td>
<td>573</td>
<td>743,152</td>
</tr>
<tr>
<td>Parts</td>
<td>Brake Shoe Set</td>
<td>3,150</td>
<td>184</td>
<td>579,065</td>
</tr>
<tr>
<td>Parts</td>
<td>Battery, Storage</td>
<td>2,646</td>
<td>192</td>
<td>508,058</td>
</tr>
<tr>
<td>Parts</td>
<td>Caliper Disc Brake</td>
<td>1,219</td>
<td>368</td>
<td>448,385</td>
</tr>
<tr>
<td><strong>Total Cost of Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$12,087,320</strong></td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded. The above list reflects only the 10 highest-value equipment provided to the ANP this quarter. The “unit costs” listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. Source: CSTC-A, response to SIGAR data call, 6/17/2020.

**ANP Infrastructure**

The United States had obligated and disbursed approximately $3.2 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some GCPSU infrastructure projects as of June 30, 2020.

As of June 12, 2020, the United States had completed 785 ANP infrastructure projects in Afghanistan valued at roughly $3 billion. CSTC-A reported that two projects were completed this quarter, costing $257,522. Another four projects (valued at $84 million) were ongoing and no projects were awarded. Additionally, eight projects were cancelled or terminated (valued at $74 million).

The four ongoing ANP infrastructure projects include a joint NATF- and ASSF-funded CCTV surveillance system in Kabul ($33 million), two NATF-funded housing projects for ANP families in Kabul ($27.4 million and $21.1 million), and an ASSF-funded GCPSU project at the Kabul Garrison Command ($2.5 million).

CSTC-A continued to report this quarter that the estimated annual facilities-sustainment costs funded by the United States for all ANP facility and electrical-generator requirements will be $68.8 million. Of this, $42.4 million...
will be provided directly to the Afghan government and $26.4 million will be spent by CSTC-A for the Afghan government.249

**ANP Training and Operations**

As of June 30, 2020, the United States had obligated $4.1 billion and disbursed $3.9 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some GCPSU training and operations.250

According to DOD, the MOI continued to focus on the future role of the ANP in a stabilized security environment. This includes an evidence-based assessment intended to understand how the ANP should be structured and equipped in a stable environment. This is part of a continuing plan to transition the ANP away from its current organization as a paramilitary security force and toward a more traditional police force focusing on “community policing” and the rule of law. Efforts in this direction include reducing the numbers of the most dangerous checkpoints and re-evaluating the training pipeline and training curriculum for police personnel. Specifically, MOI reviewed the curriculum of initial entry police training for better alignment with a civil law-enforcement mission. Nonetheless, MOI continues to lack institutional training that reinforces civil law enforcement. Furthermore, beyond early training, the ANP also lacks an institutionalized leadership-development program at the district and local-level.251

**REMOVING UNEXPLODED ORDNANCE**

Afghanistan is riddled with landmines and explosive remnants of war (ERW) such as live shells and bombs, according to the United Nations (UN).252 Although contamination includes legacy mines laid before 2001, most casualties today are caused by mines and other ERW following the arrival of international forces.253 In recent years, casualties have been reported from ordnance exploding in areas formerly used as firing ranges by Coalition forces. UNAMA also has documented a direct correlation between civilian casualties and ERW in areas following heavy fighting.254 According to UN reporting from March 2020, approximately 2.5 million Afghans live within one kilometer of areas contaminated with explosive hazards that are in need of immediate clearance.255

State’s Bureau of Political-Military Affairs’ Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan. Since FY 2002, State has allocated $408.4 million in weapons-­destruction and humanitarian mine-action assistance to Afghanistan (an additional $11.6 million was obligated between 1997 and 2001 before the start of the U.S. reconstruction effort). As of March 31, 2019, PM/WRA has allocated $8.4 million in FY 2019 funds.256

State directly funds five Afghan nongovernmental organizations (NGOs), four international NGOs, and one Afghan government organization to help
clear areas in Afghanistan contaminated by ERW and conventional weapons (e.g., unexploded mortar rounds), which insurgents can use to construct roadside bombs and other improvised explosive devices (IEDs).

From 1997 through March 31, 2020, State-funded implementing partners have cleared more than 286.8 million square meters of land (111 square miles) and removed or destroyed over eight million landmines and other ERW such as unexploded ordnance (UXO), abandoned ordnance (AO), stockpiled munitions, and homemade explosives. Table 3.11 shows conventional-weapons destruction figures, FY 2010–2019.

The estimated total area of contaminated land continues to fluctuate: clearance activities reduce the extent of hazardous areas, but ongoing surveys find new contaminated land. On March 31, 2019, there were 619.3 square kilometers (239.1 square miles) of contaminated minefields and battlefields. As of March 31, 2020, the total known contaminated area was 665.6 square kilometers (257 square miles) in 3,991 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines; a contaminated area can include both landmines and other ERW.

In 2012, the Afghan government was granted an extension until 2023 to fulfill its obligations under the Ottawa Treaty to achieve mine-free status. Given the magnitude of the problem and inadequate financial support, the country is not expected to achieve this objective. According to State, the drawdown of Coalition forces in 2014 coincided with a reduction in international donor funds to the Mine Action Programme for Afghanistan (MAPA).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Minefields Cleared (m²)</th>
<th>AT/AP Destroyed</th>
<th>UXO Destroyed</th>
<th>SAA Destroyed</th>
<th>Estimated Contaminated Area Remaining (m²)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>39,337,557</td>
<td>13,879</td>
<td>663,162</td>
<td>1,602,267</td>
<td>650,662,000</td>
</tr>
<tr>
<td>2011</td>
<td>31,644,360</td>
<td>10,504</td>
<td>345,029</td>
<td>2,393,725</td>
<td>602,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>46,783,527</td>
<td>11,830</td>
<td>344,363</td>
<td>1,058,760</td>
<td>550,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>25,059,918</td>
<td>6,431</td>
<td>203,024</td>
<td>275,697</td>
<td>521,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>22,071,212</td>
<td>12,397</td>
<td>287,331</td>
<td>346,484</td>
<td>511,600,000</td>
</tr>
<tr>
<td>2015</td>
<td>12,101,386</td>
<td>2,134</td>
<td>33,078</td>
<td>88,798</td>
<td>570,800,000</td>
</tr>
<tr>
<td>2016</td>
<td>27,856,346</td>
<td>6,493</td>
<td>6,289</td>
<td>91,563</td>
<td>607,600,000</td>
</tr>
<tr>
<td>2017</td>
<td>31,897,313</td>
<td>6,666</td>
<td>37,632</td>
<td>88,261</td>
<td>547,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>25,233,844</td>
<td>5,299</td>
<td>30,924</td>
<td>158,850</td>
<td>558,700,000</td>
</tr>
<tr>
<td>2019</td>
<td>13,104,094</td>
<td>3,102</td>
<td>26,791</td>
<td>162,727</td>
<td>657,693,033</td>
</tr>
<tr>
<td>2020</td>
<td>11,692,039</td>
<td>1,332</td>
<td>6,719</td>
<td>37,816</td>
<td>665,612,664</td>
</tr>
<tr>
<td>Total</td>
<td>286,781,596</td>
<td>80,047</td>
<td>1,984,342</td>
<td>6,304,948</td>
<td></td>
</tr>
</tbody>
</table>

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

* Total area of contaminated land fluctuates as clearance activities reduce hazardous areas while ongoing survey work identifies and adds new contaminated land in the Information Management System for Mine Action (IMSMA) database. FY 2020 data covers October 1, 2019, through March 31, 2020.

From a peak of $113 million in 2010, MAPA’s budget decreased to $51 million in 2018. The Afghan government is expected to request another 10-year extension to meet its treaty obligations. However, according to the State Department, the extension request cannot be initiated or acknowledged sooner than 18 months before April 2023—the end date of the current extension.261

CONFlict Mitigation Assistance for Civilians

USAID’s Conflict Mitigation Assistance for Civilians (COMAC) is a $40 million, five-year, nationwide program that began in March 2018. It supports Afghan civilians and their families who have suffered losses from military operations against the Taliban or from insurgent attacks. COMAC provides assistance to Afghan civilians and their dependent family members who have experienced loss due to:262

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

COMAC provides in-kind goods sufficient to support families affected by conflict for 60 days. Additional assistance includes referrals for health care and livelihood service providers, and economic reintegration for families impacted by loss or injury.263 From January 1 through March 31, 2020, COMAC provided 2,741 immediate assistance packages, 203 tailored assistance packages, and 163 medical assistance packages, for a total program expense of $530,701. As seen in Figure 3.36, the provinces receiving the most assistance included Nangarhar ($53,432), Faryab ($50,843), and Kunduz ($40,984) while the provinces receiving the least assistance included Badghis ($3,802), Badakhshan ($1,703) and Samangan ($753).264

As of March 31, 2020, USAID has disbursed $12.4 million for this program.265

Note: Total dollars vary slightly since some packages were still pending payment at the time the financial report was generated. Total assistance rounded to the nearest dollar. “Total Assistance” includes immediate assistance, tailored assistance, and medical assistance.

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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). 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. 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.) The agreement called for a delegation of six political elders to monitor implementation and mediate disputes between the parties. Some observers noted that neither women nor international participants were present at the political agreement’s signing ceremony.

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.”

**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. 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.

On May 24, Secretary Pompeo declared this political crisis “resolved.”

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.”

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.” According to the senators, neither the Afghan government nor NATO allies was given advance notice of the funding cut.

On July 1, DOD reported that “the $1 billion reduction had not been implemented as of June 2020.” On July 17, DOD told SIGAR that the
Secretary of Defense has been actively engaged in reviewing recommendations for implementing a reduction in ASFF support.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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, etc. (Afghan government photo)

\begin{figure}[ht]
\centering
\includegraphics[width=\textwidth]{t.png}
\caption{These Taliban prisoners were among the 4,019 the Afghan government said it has released since March. (Afghan government photo)}
\end{figure}

**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.
stoning of women, and assassinations. The Afghan government suggested the Taliban submit 502 alternative candidates for release, or the Afghan government “might take matters in our own hands.”

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. 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.”

**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. Similarly, NATO said that the “unacceptably high” levels of violence, particularly Taliban attacks on Afghan security forces, undermine confidence in the peace process. 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.”

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. 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
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violence in Afghanistan until a permanent and comprehensive ceasefire is reached. 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.” 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.”

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. Although the Taliban denied responsibility and condemned the maternity-ward attack, 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.” 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.”

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. The Taliban, he said, upheld their agreement to not attack Coalition forces nor carry out attacks in 34 major cities. 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
odds.” Ambassador Khalilzad concluded that the Islamic State-Khorasanzan carried out the attack, declaring the group “an enemy of the peace process [that] wants the peace process to fail.”

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.” 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.”

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. (Ghani clarified on June 11 that if there is an agreement, the government would seek the people’s approval through a Loya Jirga.)

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. 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 checkpoints. 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.”

Overall, though, the UN Secretary-General on June 17 said that following the February 29 agreement between the United States and the Taliban, violence returned to “established trends.” 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. 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.”
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.”

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. 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. DOD also said the Taliban’s escalated violence was possibly an attempt to gain leverage during prisoner release discussions and intra-Afghan negotiations.

**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, 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 inter-marriage.” 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.

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.” 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.”

**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
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. Although the proposed programs bore a striking resemblance to those of the past 15 years, Ambassador Khalilzad called the possible initiatives “forward economic progress.”

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. 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.

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 reforms—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. 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.

The U.S. and Afghan governments announced the launch of the Afghanistan Compact in 2017. 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.
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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. The UN, along with the Finnish and Afghan governments, will co-host this donor conference in Geneva in November 2020.

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.

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.

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).

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.


TABLE 3.12
USAID ON-BUDGET PROGRAMS

<table>
<thead>
<tr>
<th>Project/Trust Fund Title</th>
<th>Afghan Government On-Budget Partner</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 7/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textbook Printing and Distribution</td>
<td>Ministry of Education</td>
<td>9/15/2017</td>
<td>12/31/2020</td>
<td>35,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Multi-Donor Trust Funds</td>
<td>Multiple</td>
<td>3/31/2012</td>
<td>6/30/2020</td>
<td>$2,700,000,000</td>
<td>$2,455,686,333</td>
</tr>
</tbody>
</table>

*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.

Civilian On-Budget Assistance

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

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. The ARTF coordinates donor assistance for infrastructure projects.

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).

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).

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.

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. IP-DPG consists of 11 tranches with the first tranche worth $200 million for four “prior actions.” These prior actions call for the Afghan government to (1) launch a human resources management information system, (2) implement changes to reduce the time needed to obtain a construction permit in Kabul, (3) mandate electronic filing for all large taxpayers and some medium and small taxpayers, and (4) publish on the Ministry of Finance (MOF) website full government expenditure data for the past five years.

The remaining 10 tranches (summarized in Table 3.13, see page 106) will each be worth $20 million. 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.

On-Budget Assistance to the ANDSF

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

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

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. 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.

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.

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. 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.

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. As of June 12, CSTC-A has provided no funds to support the MOI.

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
**GOVERNANCE**

TABLE 3.13

<table>
<thead>
<tr>
<th>Policy Action</th>
<th>Indicator Name</th>
<th>Baseline (as of the end of 2019)</th>
<th>Target (end of 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To simplify tax-payment procedures, the government has integrated systems for e-payments.</td>
<td>Volume of tax and customs dues paid using electronic payments</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>To strengthen expenditure control and combat corruption, the Independent Administration Reform and Civil Service Committee (IARSCC) has issued a procedure requiring the rollout of a new Human Resource Management Information System (HRMIS) system.</td>
<td>Proportion of civil servants included on the HRMIS</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td>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) IARSCC approves a competency pay framework for teachers in accordance with pay policy specifying methods and instruments for competency verification.</td>
<td>Proportion of customs and procurement staff receiving cadre allowance</td>
<td>0% (Men)</td>
<td>25% (Men)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0% (Women)</td>
<td>25% (Women)</td>
</tr>
<tr>
<td>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.</td>
<td>Proportion of business license renewals issued based on ACBR receipt of digital tax clearance certificates</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>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.</td>
<td>Doing Business score against acquiring construction permits</td>
<td>34.5</td>
<td>40</td>
</tr>
<tr>
<td>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.</td>
<td>Number of municipal districts in which an administrative land system is operating</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Sex-disaggregated land-registry data available</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>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.</td>
<td>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</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>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.</td>
<td>Technical losses as a proportion of network generation</td>
<td>17.3%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Background and Justification*

Afghanistan has among the lowest rates of financial inclusion in the world, as defined by number of transaction accounts. Most large customes 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 toward 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.

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.
TABLE 3.2 (CONTINUED)

<table>
<thead>
<tr>
<th>WORLD BANK’S 2020 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy Action</strong></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>To underpin implementation of the new operations and maintenance (O&amp;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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>


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.” 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. 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.
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.

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.664 CSTC-A told SIGAR this quarter that its access to MOI training facilities has been severely constrained this quarter due to COVID-19.665 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, 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. 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.

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.

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.

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.” According to State, the following senior officials were recently appointed by President Ghani:

- 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
GOVERNANCE

- 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 Bamiyan 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>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 7/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong Hubs for Afghan Hope and Resilience (SHAHAR)</td>
<td>11/30/2014</td>
<td>3/31/2021</td>
<td>$73,499,999</td>
<td>$66,552,546</td>
</tr>
<tr>
<td>Initiative to Strengthen Local Administrations (ISLA)</td>
<td>2/1/2015</td>
<td>7/30/2020</td>
<td>48,000,000</td>
<td>45,684,374</td>
</tr>
<tr>
<td>Citizens’ Charter Afghanistan Project (CCAP)*</td>
<td>3/31/2012</td>
<td>6/30/2020</td>
<td>N/A</td>
<td>67,111,625</td>
</tr>
</tbody>
</table>

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


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

*Disbursements as of 6/17/2020.

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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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{391} As of May 15, 2020, the CMS had recorded 521,505 criminal cases and 109,678 civil cases.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{396}
GOVERNANCE

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.\footnote{400}

**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.\footnote{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.\footnote{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).\footnote{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.\footnote{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.\footnote{414} DOD said insufficient progress by the Afghan government to
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 counter-corruption 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 counter-corruption 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 inaccurately 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 counter-corruption, 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.”

- Established in June 2019, 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. 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. 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.

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). 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). 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.

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).
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. 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.

Supplementing the NDAP is the “Afghan Counternarcotics Roadmap,” which was approved by acting Minister of Interior Massoud Andarabi in January 2020. 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. 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.

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.

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.

Afghan Counter Narcotics Police Organization and Funding
State INL provides support to specialized units within the CNPA. 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.

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). Additionally, the U.S.-supported Technical Investigative Unit (TIU) provides support to the NIU and SIU components. This quarter, the U.S.
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.
GOVERNANCE

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.\(^{469}\)
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.

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

TABLE 3.16

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</thead>
<tbody>
<tr>
<td>Number of Operations</td>
<td>263</td>
<td>624</td>
<td>669</td>
<td>518</td>
<td>333</td>
<td>270</td>
<td>196</td>
<td>157</td>
<td>198</td>
<td>152</td>
<td>87</td>
<td>3,467</td>
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<tr>
<td>Detainees</td>
<td>484</td>
<td>862</td>
<td>535</td>
<td>386</td>
<td>442</td>
<td>394</td>
<td>301</td>
<td>152</td>
<td>170</td>
<td>70</td>
<td>144</td>
<td>4,070</td>
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<tr>
<td>Hashish seized (kg)</td>
<td>25,044</td>
<td>182,213</td>
<td>183,776</td>
<td>37,826</td>
<td>19,088</td>
<td>24,785</td>
<td>123,063</td>
<td>227,327</td>
<td>42,842</td>
<td>148,604</td>
<td>149,426</td>
<td>1,163,994</td>
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<tr>
<td>Heroin seized (kg)</td>
<td>8,392</td>
<td>10,982</td>
<td>3,441</td>
<td>2,489</td>
<td>3,056</td>
<td>2,859</td>
<td>3,532</td>
<td>1,975</td>
<td>3,242</td>
<td>3,507</td>
<td>444</td>
<td>43,919</td>
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<tr>
<td>Morphine seized (kg)</td>
<td>2,279</td>
<td>18,040</td>
<td>10,042</td>
<td>11,067</td>
<td>5,925</td>
<td>505</td>
<td>13,041</td>
<td>106,369</td>
<td>10,127</td>
<td>11,859</td>
<td>–</td>
<td>183,329</td>
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<tr>
<td>Opium seized (kg)</td>
<td>49,750</td>
<td>98,327</td>
<td>70,814</td>
<td>41,350</td>
<td>38,379</td>
<td>27,600</td>
<td>10,487</td>
<td>24,263</td>
<td>23,180</td>
<td>13,751</td>
<td>3,342</td>
<td>401,243</td>
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<tr>
<td>Precursor chemicals seized (kg)</td>
<td>20,397</td>
<td>122,150</td>
<td>130,846</td>
<td>36,250</td>
<td>53,184</td>
<td>234,981</td>
<td>42,314</td>
<td>89,878</td>
<td>22,863</td>
<td>81,182</td>
<td>–</td>
<td>834,045</td>
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<tr>
<td>Methamphetamine¹ (kg)</td>
<td>–</td>
<td>50</td>
<td>–</td>
<td>11</td>
<td>23</td>
<td>11</td>
<td>14</td>
<td>31</td>
<td>143</td>
<td>1,308</td>
<td>77</td>
<td>1,668</td>
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<tr>
<td>Amphetamine (kg)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>17</td>
<td>–</td>
<td>–</td>
<td>2,010</td>
<td>–</td>
<td>–</td>
<td>2,027</td>
</tr>
</tbody>
</table>

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

¹ indicates no data reported.

¹ Results for period 10/1/2019–7/1/2020.
² In crystal or powder form.

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. 478

Goverance

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 shows the current Promote programs.


Table 3.17
USAID Gender Programs

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 7/9/2020</th>
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<tbody>
<tr>
<td>Promote: Women in the Economy</td>
<td>7/1/2015</td>
<td>8/31/2020</td>
<td>$71,571,543</td>
<td>$68,166,610</td>
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<tr>
<td>Promote: Rolling Baseline and End-line Survey</td>
<td>2/21/2017</td>
<td>10/20/2020</td>
<td>7,577,638</td>
<td>6,882,206</td>
</tr>
<tr>
<td>Combating Human Trafficking in Afghanistan</td>
<td>1/11/2016</td>
<td>8/31/2020</td>
<td>7,098,717</td>
<td>6,962,858</td>
</tr>
<tr>
<td>Gender Based Violence (GBV)</td>
<td>7/9/2015</td>
<td>7/8/2020</td>
<td>6,667,272</td>
<td>6,667,272</td>
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Migrants: persons who change his or her country of usual residence, irrespective of the reason for migration or legal status. According to the UN, there is no formal legal definition of an international migrant.
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
# ECONOMIC CONTENTS

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COVID-19 continued to ravage Afghanistan this quarter, overwhelming the country’s rudimentary health-care system and, as UNAMA head Deborah Lyons put it, casting “a huge shadow” over Afghan daily life. As of July 15, 2020, the number of reported deaths remained low at just 1,094, but this figure may vastly undercount the true toll of the virus: testing capacity remained limited and many Afghans do not have access to medical facilities. Afghans tell foreigners that the illness is already widespread. The Asia Foundation’s country director wrote at the end of June, “I have been unable to keep track of the growing number of deaths among my own acquaintances, relatives, and friends’ families.” At a press conference in June 2020, the governor of Kabul Province, Mohammad Yaqub Haidari, said the capital’s ambulance service had reported an average of approximately 33 deaths per day. Commenting on the lack of an accurate death count, the head of a Kabul-based hospital dedicated to treating COVID-19 patients estimated that roughly 75% of those who died at the hospital had not been tested.

Available COVID-19 data point to rapid spread with undetected infection. As of early June, Afghanistan’s Ministry of Public Health could test only 2,000 of the 10,000–20,000 samples received daily, according to the...
International Rescue Committee (IRC), a humanitarian-oriented nongovernmental organization. Consequently, up to 90% of potential cases are not being tested. Afghanistan’s positivity rate—or the proportion of tests that return a positive result divided by the total number of tests conducted—was nearly 43%, as of July 15, 2020. This was one of the highest positivity rates in the world, based on data collected by Johns Hopkins University (JHU) and, separately, by the IRC. While JHU did not calculate the rate for all countries and although Afghanistan was apparently excluded from the JHU rankings, Brazil (at nearly 37%) was listed as having the highest positivity rate globally. Overall, the IRC said, Afghanistan faced a “humanitarian disaster.”

The potential for disaster is heightened by the probability that the pandemic will have secondary effects on broader health outcomes. State pointed to research from JHU suggesting a possible 18% increase in child mortality and a 14% increase in maternal mortality in Afghanistan as indirect consequences of the virus’ spread. Complicating matters, public-health workers in some provinces, like Nangarhar and Herat, only recently received their salaries after a hiatus of several months, State added. Perhaps reflecting widespread desperation among many Afghans, thousands of people swarmed an herbal clinic in Kabul hoping to receive a dose of a solution falsely marketed as a COVID-19 vaccine. Local residents initially resisted Afghan government efforts to shut down the clinic, burning tires and blocking roads. The government eventually forced the clinic’s proprietor, an herbalist named Hakeem Alokozai, out of Kabul after tests revealed that the solution Alokozai had represented as a vaccine was merely an amalgamation of several types of narcotics. As of mid-June, Alokozai’s brother—Alokozai himself is reportedly in hiding, with a warrant out for his arrest—was still distributing drops of the concoction to several thousand Afghans in Kandahar City every day, according to the New York Times.

Beyond social effects, COVID-19 began disrupting the Afghan economy this quarter, and estimates of the magnitude of economic disruption varied widely. The IMF said that Afghanistan had likely entered a recession, forecasting that Afghanistan’s GDP would contract by 3% in 2020. Projected economic contraction by other experts ranged from 3% to 10%. Describing the outlook as “dire,” the World Bank said South Asia would likely experience its worst economic performance in the last four decades and predicted that Afghanistan would be the worst regional performer in 2020, other than the Maldives. “The pandemic is inflicting severe economic and social damage, with its depth and duration subject to great uncertainty,” the IMF said.

Driven in part by COVID-19, the Afghan government’s sustainable domestic revenues contracted by 23.4%, year-on-year, over the first six months.
of 2020, SIGAR analysis of Afghan government accounting data showed. In the first quarter of the year, prior to the pandemic, revenues already were falling as a result of deep political uncertainty that followed the contested September 2019 Afghan presidential election, only resolved in May 2020.\textsuperscript{518} The impact of COVID-19 and government actions to halt its spread exacerbated this decline. With the Afghan government so heavily reliant upon customs duties and taxes—comprising approximately one-fifth of all revenues—the ongoing border closures due to COVID-19 were a major contributor to this contraction. In the first six months of 2020, customs duties and taxes dropped 31.6\% from the same period last year. With the pandemic driving increases in both unemployment and prices for essential goods, sales-tax revenue—another major source of income for the Afghan government—also decreased substantially from the previous year.\textsuperscript{519}

As revenues declined, expenditures increased at the outset of the lockdown beginning in late March, rising by 5\% over the next two months compared to the same period in the prior year. Nevertheless, a significant drop in expenditures in Month 6 (May 21–June 20, 2020) meant that cumulative, year-on-year expenditures through the first half of 2020 decreased by 1.6\%, in part due to restricted government activity during the lockdown, according to the MOF. In Month 6 of FY 1399 (December 22, 2019–December 21, 2020), expenditures were 31\% lower than the previous year.\textsuperscript{520}

\textbf{COVID-19 Has Prompted Generosity Among Some Afghans}

Amidst a growing public health and economic crisis in Afghanistan, some Afghans are reportedly responding to the pandemic with generosity, according to the \textit{New York Times}. In many areas, landlords have waived rent—some until the crisis passes. For example, in Taloqan, the capital of Takhar Province in the country’s north, the owner of a 40-shop business center informed his tenants that rent would be forgiven temporarily, and possibly until the end of 2020 if the pandemic persists.

COVID-19 INTENSIFIES IN AFGHANISTAN

The COVID-19 epidemic in Afghanistan has intensified since the first case was confirmed in Herat Province on February 24, 2020. As of July 15, 2020, the country has reached 34,994 confirmed cases with 1,094 deaths attributed to the disease, according to the Afghan Ministry of Public Health (MOPH). Confirmed cases have been largely concentrated in urban centers, with the highest number in Kabul. However, Afghan public-health officials have warned that actual cases are likely much higher given the government’s low testing capacity. With limited resources to deal with the spreading disease and high poverty levels inhibiting compliance with government-mandated lockdowns, experts have warned that Afghanistan is headed for a humanitarian disaster.

Millions Going Hungry
The economic shock of the pandemic—including increased unemployment, food-supply disruptions due to border closures, and rising food prices—has exacerbated Afghans’ food insecurity, already impacted by the ongoing conflict and high poverty levels. In May 2020, the Integrated Food Security Phase Classification (IPC), a common global scale for classifying the severity and magnitude of food insecurity and malnutrition, warned that about one-third of Afghanistan’s estimated 32.2 million people remain in either a crisis or emergency state of food insecurity and require urgent action. Further, Save the Children assessed that 7.3 million Afghan children will face food shortages due to the pandemic.
Due to supply shortages and panic buying, prices of essential food items have steadily risen. When comparing World Food Programme (WFP) price data from March 14 to May 28, wheat flour has increased by as much as 17%, wheat by 9%, cooking oil by 24%, pulse by 11%, and sugar by 10%. At the same time, the purchasing power of casual labor has dropped significantly by 13%. Amid reports of food-price inflation of 16.7%, the Afghan government initiated a bread-distribution program in early May to help Afghan families. Soon thereafter, seven protesters reportedly died after demonstrations broke out in Ghor Province over perceived unfair food distribution.

**Donors Commit Economic Aid Despite Concerns of Corruption and Mismanagement**

Various international donors have committed economic aid for Afghanistan to mitigate the COVID-19 crisis. The Asian Development Bank (ADB) provided a $40 million emergency-assistance grant to help Afghanistan construct and rehabilitate hospitals, procure medical supplies, and train health workers. The World Bank approved a $400 million grant, comprising $160 million from the International Development Association (IDA)—the World Bank Group’s fund for the poorest countries—and $240 million from the Afghanistan Reconstruction Trust Fund (ARTF). The European Union provided an additional EUR 50 million to help strengthen Afghanistan’s health system. However, Integrity Watch Afghanistan, an Afghan-based NGO, raised concerns about the Afghan government’s ability to properly manage and monitor funds allocated for the COVID-19 response.

Other reports suggest public-health resources are being mismanaged. More than 200 doctors and medical staff took part in protests in Herat on May 19, 2020, saying they had not been paid for three months while risking their lives to treat COVID-19 patients. Furthermore, 13 doctors resigned from a Herat hospital dedicated to treat COVID-19 patients, citing a lack of equipment, unpaid salaries, and increased workload. Amid this and other health-related crises, Minister of Public Health Ferozuddin Feroz announced on May 31 that he was stepping down. President Ghani appointed Mohammad Javad Osmani as the new acting Minister of Public Health.

**Challenges to Limiting Spread of COVID-19**

The Afghan government has launched several information campaigns in urban and rural areas to promote public-health recommendations for containing the spread of the disease, such as frequent hand washing, use of masks in public spaces, social distancing, and staying at home as much as possible. Many impoverished families have ignored government recommendations to stay at home because they will not be able to afford to feed their families if they do not work. Despite the rising number of cases and government warnings, Afghans are increasingly moving about in Kabul. The government food-distribution plan has drawn many vulnerable families outside, putting them in severe risk of contracting COVID-19.

Public-health conditions in areas under Taliban control remain unclear. The group has released messages and videos as part of a public relations campaign highlighting its COVID-19 response, including enforcing quarantine. Yet, as aid officials have argued, it has been difficult to assess the effectiveness of the Taliban’s actions. Reports have said Taliban messaging is mere propaganda, with no preventive public-health measures occurring in local communities. Others portrayed Taliban officials as attempting to help mitigate the crisis by holding the Afghan
government accountable for delivering necessary supplies.539

Lack of Testing and Medical Equipment
Afghanistan has carried out 81,934 tests in a population estimated at more than 30 million people, as of July 15, 2020. The UN Office for the Coordination of Humanitarian Affairs reports that Afghanistan has a test-positivity rate (positive tests as a percentage of total tests) of nearly 43%, of which more than 10% are healthcare staff, one of the highest rates in the world.540 Confirmed cases rose by 684% in May 2020, as the MOPH struggled to scale up testing. As of June 1, 2020, the MOPH had the capacity to test only 2,000 of the 10,000–20,000 samples it receives daily.541

Afghanistan also lacks the medical equipment necessary to treat patients diagnosed with COVID-19. While the Afghan government approved the purchase of 500 ventilators in April, the country’s hospitals currently have only 300 ventilators to help patients.542 Furthermore, Kabul hospitals have also reported a severe lack of oxygen, resulting in relatives bringing makeshift oxygen balloons to help suffering patients.543

Slowdown in Economic Activity
Largely as a result of border closures and the resulting loss in customs revenues, Afghanistan’s sustainable domestic revenues contracted by 23.4% in the first two quarters of 2020, as compared to the same period in the previous year.544 The World Bank’s latest Global Economic Prospects report predicts Afghanistan will experience an economic contraction of 5.5% of real GDP.545 Further, a panel of experts at a May 14, 2020, event titled “Economic Implications of COVID-19 for South Asia” hosted by the Wilson Center in Washington, DC, also predicted that the Afghan economy could contract 3–10% due to the pandemic.546 Experts predict that an additional 8 million people will fall into poverty, pushing the poverty rate from 55% to 80%.547

The shutdown of trade routes by neighboring countries has damaged Afghanistan’s economy. Members of the Afghan Chamber of Commerce and Investment (ACCI) claim that millions of dollars’ worth of economic activity will be lost due to the pandemic.548 The IMF projected an $857 million balance of payments deficit for Afghanistan in 2020.549 By early July 2020, five border crossings with Pakistan (Angor Adda, Kharlachi, Torkham, Chaman, and Ghulam Khan) were open for trade. However, traders have complained of lost revenues as trucks face slow clearance processes, especially as severe delays put perishable cargo at high risk of rotting.550
U.S. SUPPORT FOR ECONOMIC AND SOCIAL DEVELOPMENT: THEORY, OBJECTIVES, AND PROSPECTS

Since the outset of the intervention, the United States has sought to advance economic and social conditions in Afghanistan in the service of U.S. national security interests. While the intensity and emphasis of policies and programs have changed over the years, the core U.S. belief and theory of change that expansive programming across a wide array of disparate sectors could contribute to stability and security has remained constant.

The U.S. sees such programming as contributing positively to security through several channels. Economic growth raises living standards and can provide gainful employment to the young, unemployed men who may be most likely to join the insurgency. Improved Afghan government delivery of key services like health and education, meanwhile, are believed to increase the government’s legitimacy, thereby fostering greater stability as Afghan citizens’ confidence in the Afghan state rises.

However, the causal processes by which countries become more stable and prosperous are not well understood. Additionally, scholars have found the evidence that development can reduce violence in conflict zones is, at best, mixed.

Nevertheless, these theories continue to inform current U.S. economic and social development programming in Afghanistan. The U.S. government’s current Integrated Country Strategy (ICS) states that economic prosperity in Afghanistan depends upon the United States’ ability to advance private-sector-led export growth and job creation, and to bolster gains in health, education, and women’s empowerment.

USAID’s Country Development Cooperation Strategy (CDCS) for Afghanistan is nested within the ICS. The objectives of the CDCS are to:

- accelerate private-sector-driven, export-led economic growth
- advance social gains in health, education, and gender equality
- increase the Afghan government’s accountability to its citizens

Making progress toward these goals faces numerous obstacles. After growing by 2.9% in 2019, Afghanistan’s economy faces major headwinds as COVID-19 continues to spread across the country. A panel of experts convened by the Wilson Center in May predicted that Afghanistan’s GDP would contract sharply in 2020, perhaps by as much as 10%. Economic and social conditions in Afghanistan faced significant challenges even before the pandemic. Since 2014—the year in which U.S. and Coalition forces completed a phased drawdown—annual GDP growth has not surpassed 3%, poverty has increased, some social-development indicators have stagnated, and the proportion of Afghans who perceive corruption as a problem in daily life has remained roughly unchanged.
As of June 30, 2020, the U.S. government has provided approximately $35.85 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly $21.05 billion—were appropriated to USAID’s Economic Support Fund (ESF). Of this amount, more than $19.60 billion has been obligated and nearly $17.65 billion has been disbursed. Figure 3.37 shows USAID assistance by sector.

**ECONOMIC PROFILE**

The overall economic goal of the current U.S. strategy is to transition Afghanistan from an assistance recipient to an enduring economic partner. This transition will be difficult, as Afghanistan remains poor, aid-dependent, and conflict-affected. Donor grants totaling $8.5 billion per year (combined security and civilian assistance) currently finance more than half the Afghan government’s budget and 75% of total public expenditures (including funds not channeled through government ministries).

Approximately 55% of Afghans live below the poverty line, according to the most recent household survey data—up from 34% in 2008. Although increased service provision and an economy fueled by donor funds rapidly improved many development outcomes through the 2014 drawdown of most international troops, licit GDP growth of just under 10% dropped to low-single-digit levels as the Afghan government assumed responsibility for the fight against the Taliban insurgency.

Poverty likely worsened in 2019 and “remains at unacceptably high levels,” according to the World Bank. The IMF said the COVID-19 pandemic is likely to push more Afghans below the poverty line—approximately $1 per day—in 2020, as remittances from Afghans working in
adjacent countries decline, household budgets are stretched by a spike in food prices, and lockdowns and border closures dampen domestic economic activity.570

Short-term prospects for the Afghan economy are not bright. Weak domestic demand and trade disruption due to border closures intended to contain the virus’ spread are weighing on Afghan businesses, according to the IMF.571 The IMF added that Afghanistan had likely entered a recession and projected that GDP would contract by at least 3%.572 Some experts expected a drop of as much as 10%.573 Raising Afghanistan’s licit exports in accordance with current U.S. development strategy will be very difficult.574 Exports are expected to decline in 2020 as key regional economies—primarily India and Pakistan—slow.575 Declining exports and slowing remittance inflows that could eventually fall by as much as 50% have reportedly opened up a more than $850 million deficit in Afghanistan’s balance of payments—the net value of financial transactions between Afghanistan and the rest of the world.576

Overall, while much uncertainty remains regarding the full impact of the pandemic, the IMF assessed that “risks to the outlook are high and to the downside,” with additional uncertainty surrounding prospects for a political settlement between the Afghan government and the Taliban.577

Afghanistan’s True GDP Growth Remains Highly Sensitive to the Narcotics Trade

More than any other domestic factor, the success or failure of the opium trade has the greatest effect on Afghanistan’s gross domestic product (GDP) when illicit activity is taken into account. The country’s statistical authority (NSIA) includes the opium economy in one version of its annual GDP calculation. The NSIA reported that when estimated opium production dropped by nearly 30% in 2018 due to drought and a supply surplus left over from the previous year, the Afghan economy contracted by 0.2%. By comparison, the NSIA estimated that licit growth in the same year was 2.7%.

By contrast, when opium production increased by nearly 90% in 2017, GDP growth including the opium economy in 2017 was 7.2%. Afghanistan’s licit GDP growth rate in 2017 was 2.7%, according to the Bank and IMF.

Unlike the NSIA, neither the IMF nor the World Bank consider the narcotics economy in their GDP growth estimates. However, there appears to be increasing interest from the Bank on this issue. In a March 2020 paper described by its authors as “the first . . . to consider impacts [of conflict] across formal, informal, and illicit activities simultaneously,” the Bank found that while violence in Afghanistan negatively impacted licit economic activity, it did not materially affect aggregate economic activity because of the high prevalence of opium-poppy cultivation.

Revenues continued to decline in the second quarter of 2020...

... while expenditures initially increased amidst the COVID-19 pandemic.

Source: SIGAR analysis of MOF-provided AFMIS data exported 7/13/2020; SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020.
Fiscal Update: Revenues Contract Substantially, Driven by Decline in Customs

Afghanistan’s sustainable domestic revenues contracted by 23.4% in the first two quarters of 2020 as compared to the same period in the previous year, reflecting further fallout from the pandemic.578 According to State, the Afghan government expects tax revenue to contract by $715 million to $1.99 billion in 2020, 26% shy of the $2.7 billion in revenues that were projected before the emergence of COVID-19.579 Beginning in March 2020, customs revenues dropped “to close to zero for several months,” State said.580

Among revenue categories, customs revenues—on which the Afghan government relies for approximately one-fifth of its domestically generated income—are uniquely vulnerable to border closures. Pakistan, one of Afghanistan’s key trading partners, closed the Chaman-Spin Boldak and Torkham border crossings with Afghanistan in March 2020 in an attempt to contain the spread of COVID-19.581 As a result, customs revenues dropped by 54.2% from Month 3 (February 20–March 19, 2020) to Month 4 (March 20–April 19, 2020) of the Afghan fiscal year, according to publicly available data from the Afghanistan Revenue Department. Although customs revenues rebounded in Month 5 (April 20–May 20, 2020), the cumulative gap compared to prior-year revenues continued to widen. At Month 6 (May 21–June 20, 2020), the aggregate year-on-year decline was 31.6%.582

As of May 15, 2020, Pakistan increased the numbers of days the border was open to commercial traffic to six days a week, according to State.583 More recently, the Pakistani and Afghan governments had coordinated to allow five border crossings to reopen to commercial traffic on a regular schedule, as of July 12, 2020.584 Consequently, it is possible that customs revenues may recover somewhat over the second half of the year (though much uncertainty remains especially with traders reporting corruption and delays at the border).585 Figure 3.38 shows cumulative sustainable revenue gains through Month 6 of FY 1399. Expenditures over the first six months of 2020 (also presented in Figure 3.38), meanwhile, decreased overall by 1.6%, in part due to restricted government activity during the lockdown, according to the MOF.586

ECONOMIC GROWTH

Through its current strategy, USAID is seeking to accelerate export-led growth by providing support to Afghanistan’s private sector.587 Specifically, the strategy aims to:588

• strengthen trade connections between Afghanistan and neighboring countries
• increase the competitiveness of Afghan private industry by supporting export-ready firms
• create jobs via that firm-level support and by improving the enabling environment for businesses

ECONOMIC AND SOCIAL DEVELOPMENT
However, given current obstacles, tightening trade connections, increasing Afghanistan’s licit exports, and creating jobs may not be possible within the timeframe set by USAID’s strategy (which covers development support through 2023).\(^{589}\) Afghanistan’s economy is likely to face a significant contraction this year.\(^{586}\) Even before the pandemic took hold, licit economic growth was too low vis-à-vis Afghanistan’s population growth to reduce poverty and improve living standards for most Afghans.\(^{591}\) Moreover, licit export levels stagnated in 2019, even though the Afghan government covers a majority of transit costs for exports via air freight in subsidized air corridors to incentivize trade within the region.\(^{592}\) Although the full effects of COVID-19 have not yet been felt, the IMF projected that unemployment and poverty would rise in 2020.\(^{593}\)

USAID’s active economic-growth programs—which have included technical assistance to the mining and financial sectors, recent developments within which are discussed in this section—have a total estimated cost of $331 million and can be found in Table 3.18.

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**Treasury Provides USAID with Final Report on Financial-Sector Technical Assistance**

Last quarter, SIGAR reported that Treasury had not yet provided a final project-performance report required by an interagency agreement with USAID through which Treasury provided technical assistance to Afghanistan’s financial sector. This quarter, Treasury informed SIGAR it had provided the report to USAID on April 13, 2020. Treasury also provided SIGAR with a copy of the report.

The final project report described Treasury’s efforts to increase the Afghan government’s public financial-management capacity through training on how to better project future expenditures. It also described Treasury’s technical assistance to Afghanistan’s central bank (DAB) for improving DAB’s ability to supervise and oversee Afghanistan’s financial sector.

SIGAR was particularly interested to understand what metrics Treasury had used to assess progress in building up Afghan government capacity in these areas. According to USAID, the metrics against which USAID and Treasury tracked progress were the “number of meetings and number of trainings with Treasury’s [Afghan] counterparts.”

In the final project report, Treasury indicated that “timely workshops” and “opinions valued by [the Ministry of Finance]” were metrics used to assess progress against objectives. While Treasury said it used additional measures—such as actual Afghan government “adoption and implementation” of improved budgeting techniques—SIGAR could not verify, judging by the report, whether such progress had actually been achieved and, if so, the extent to which Treasury’s technical assistance played a role.


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An Afghan man sells cameras at Kabul bazaar. (SIGAR photo by Adam Bonfanti)
Mahmoud Karzai Appointed Minister Despite Alleged Involvement in Kabul Bank Crisis

On June 1, 2020, President Ghani appointed Mahmoud Karzai—the brother of former Afghan President Hamid Karzai—as the new Acting Minister of Urban Development and Land. Karzai is a former investor in the now-defunct, but still infamous, Kabul Bank, which nearly collapsed in 2010 after almost $1 billion was stolen by a group of politically connected executives and shareholders. Orchestrated by Kabul Bank chairman Sherkhan Farnood and head of security turned chief executive officer Khalilullah Ferozi, the scheme involved money laundering and fraudulent lending. Funds flowed to shareholders, such as Karzai, through the loans or via inflated or falsified asset purchases. The crimes stressed the still incipient formal Afghan financial system, resulting in a $500 million run on Kabul Bank.

In a list of new Afghan government appointments provided to SIGAR this quarter, State explicitly referred to Acting Minister of Urban Development and Housing Mahmoud Karzai as a “shareholder of Kabul Bank.”

Karzai, who for a time was reportedly allowed to live in one of Farnood’s Dubai villas, maintains his innocence. He claimed he was offered a 7.5% share in Kabul Bank in 2007, purchased the shares with a $6 million loan from Farnood, but had no knowledge of the fraud and embezzlement. The same year, Karzai founded a cement business using additional loans from the bank. In November 2019, investigative reporting from the London-based Bureau of Investigative Journalism based on leaked property data revealed that Karzai owned luxury property in Dubai (not an indication of wrongdoing in itself). Records from the Kabul Bank Receivership, established to manage the bank’s bad assets, show that Karzai had paid back all but $585,537 of $13.0 million owed, as of December 2019. The remaining balance has been in dispute.

Overall, $587.5 million—59.5% of the $987.0 million total amount of stolen funds—remains unrecovered by the Afghan government. Hope rose that the government would compel additional payments after President Ghani first took office in September 2014. A presidential decree issued two days after he was sworn in purported to address all remaining aspects of the case, although, little progress has been made since.

**Mining Equipment of Guernsey-Based Firm Could be in Taliban Hands**

The mining equipment of CENTAR Ltd., a Guernsey-based company whose contracts for large-scale gold and copper concessions were recently canceled by the Afghan government, may be in the hands of the Taliban, according to the *Financial Times*. “The Taliban have established their own ministry of mining in Qatar, with their own people on the ground collecting revenues and operating mines nationally, which has led to a profitable mining industry of which our mine in Badakhshan [Province] is a great success,” CENTAR founder and former UK Special Air Services officer Ian Hannam said in a colorful letter to CENTAR shareholders quoted in the *Financial Times*.

The contracts for the Badakhshan gold and Balkhab copper concessions were signed at a ceremony at the Afghan Embassy in Washington, DC, in the fall of 2018. At the time, some claimed the contracts resulted from pressure applied to the Afghan government by the Trump administration. According to the *Financial Times*, CENTAR did initiate a lobbying campaign targeting both the U.S. and Afghan governments. However, according to the Afghanistan Compact—a reform-tracking device containing economic benchmarks (among others) mutually agreed upon by the U.S. and Afghanistan—the Afghan government had committed merely to “approve, reject, [or] retender the then-stalled contracts.”
ECONOMIC AND SOCIAL DEVELOPMENT

The signed contracts—finally moving after a seven-year delay—seemed to revive long-held hopes that Afghanistan’s extractives sector could be leveraged for the country’s economic development. But controversy soon followed. Civil society organizations, concerned about corruption in Afghanistan’s mining sector, contended the contracts had been awarded illegally, due to the involvement of former Minister of Housing and Urban Development Sadat Naderi, whose firm held the mining license.

Documented Western interest in Afghan minerals extends back more than 200 years. As early as 1808, surveyors from Britain’s armed, quasigovernmental East India Company “scrambled through Afghanistan attempting to exploit its riches ahead of their Russian competitors.” In 2010, the U.S. government estimated the value of the country’s extractives sector at more than $1 trillion. Yet, as in other areas of reconstruction, efforts to develop extractives have been hindered by unrealistic implementation timelines and inflated expectations, sometimes shaped by overestimation of the Afghan government’s ability to provide critical enabling support.

AGRICULTURE

Licit agriculture remains the base of Afghanistan’s formal economy. The sector directly employs approximately 40% of Afghanistan’s labor force and directly or indirectly supports an estimated 80% of the total population. While the agricultural industry’s importance has diminished somewhat since the outset of reconstruction due to the rise of the country’s service sector, it remains an important driver of GDP growth.

Because of its economic significance, developing Afghanistan’s agricultural sector has long been a priority for donors. In a strategic document published in 2002, USAID said agriculture was a “cornerstone of recovery and a pillar of reconstruction for a sustainable future.” Even today, the agency’s strategy says, “Agriculture, the biggest driver of the Afghan economy, presents major opportunities for job creation, poverty reduction, and economic growth.”

While donors continue to support the development of licit Afghan agriculture, illicit opium-poppy cultivation thrives. According to the Afghanistan Research and Evaluation Unit, a Kabul-based think tank, as many as 507,000 Afghans worked in the opium economy in 2018, including indirect employment, making the drug trade one of Afghanistan’s largest employers.

Since 2002, USAID has disbursed over $2.3 billion to improve licit agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production. USAID’s active agriculture programs have a total estimated cost of $390 million and can be found in Table 3.19. Total disbursements for State’s active alternative-livelihood projects (Table 3.20)—which aim to transition opium-poppy farmers into licit agriculture—were $79 million, as of June 17, 2020.
Major Activities of USAID’s SWIM Project Continue Despite Pandemic

USAID’s five-year, $57 million Strengthening Watershed and Irrigation Management (SWIM) project saw some training and meetings delayed as a result of COVID-19, implementer DT Global said in its latest quarterly report (January through March 2020). However, canal-rehabilitation efforts were “ongoing and for the most part on schedule,” DT Global added. Operating in six provinces in northern Afghanistan, SWIM has several components.

### TABLE 3.19

<table>
<thead>
<tr>
<th>USAID ACTIVE AGRICULTURE PROGRAMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Strengthening Watershed and Irrigation Management (SWIM)</td>
</tr>
<tr>
<td>Commercial Horticulture and Agriculture Marketing Program (CHAMP)</td>
</tr>
<tr>
<td>Afghanistan Value Chains—High-Value Crops</td>
</tr>
<tr>
<td>Agricultural Marketing Program (AMP)</td>
</tr>
<tr>
<td>Regional Agriculture Development Program-East (RADP East)</td>
</tr>
<tr>
<td>Grain Research and Innovation (GRAIN)</td>
</tr>
<tr>
<td>Promoting Value Chain—West</td>
</tr>
<tr>
<td>Catalyzing Afghan Agricultural Innovation</td>
</tr>
<tr>
<td>SERVIR</td>
</tr>
<tr>
<td>USDA PAPA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Note: CHAMP is the only project USAID continues to code as an alternative-development intervention in its financial data. All other projects are coded as agricultural interventions.

Source: USAID, response to SIGAR data call, 7/12/2020.

### TABLE 3.20

<table>
<thead>
<tr>
<th>STATE-INL ACTIVE ALTERNATIVE-DEVELOPMENT PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Community-Based Agriculture and Alternative Development-West (CBARD-West)</td>
</tr>
<tr>
<td>Community-Based Agriculture and Alternative Development-East (CBARD-East)</td>
</tr>
<tr>
<td>Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)</td>
</tr>
<tr>
<td>Community-Based Agriculture and Alternative Development-Access to International Markets (CBARD-AIM)</td>
</tr>
<tr>
<td>Monitoring and Impact Assessment of High-Value Agricultural Based Interventions</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

The project aims to increase the sustainability and production of agricultural water use: rehabbing irrigation canals and watersheds; strengthening Afghanistan’s regulatory framework for water use; and building the capacity of local entities to better manage water resources.630

Specifically, among other effects of COVID-19, DT Global was forced to postpone water evaluation and planning training that was intended to serve as a platform for reviewing catchment data (that is, information about areas from which rainfall flows into rivers) for different locations of the Kunduz river basin.631 However, irrigation-rehabilitation delays reported by DT Global did not appear to be related to the pandemic. For example, cold weather and severe rain delayed work on canals in the Choghai and Joy Zendam areas of Samangan Province for 54 days and 50 days, respectively.632 Nevertheless, rehabilitation progress on the canals sped up after subcontractors marshalled additional labor and arranged for longer working hours.633

INFRASTRUCTURE AND ESSENTIAL SERVICES

A major goal of the U.S.-led reconstruction effort has been to provide Afghanistan with a physical infrastructure base. Since 2002, the U.S. has built electricity infrastructure, bridges and roads, and education and health facilities.634 USAID alone has disbursed more than $4.4 billion for infrastructure projects.635

In more recent years, however, the U.S. reconstruction focus has shifted away from large capital projects like road construction. Several high-dollar-value projects are still being implemented, but there are presently no plans to bilaterally underwrite any new major infrastructure, according to State.636 Below, SIGAR provides an update on remaining U.S.-funded power-infrastructure projects.

U.S. Efforts to Expand Afghanistan’s Power Grid

A top U.S. development priority has been to build out and improve Afghanistan’s two major power grids, which are currently “islanded,” or unconnected. Specifically, DOD and USAID have been working to connect the country’s Northeast Power System (NEPS) with its southeastern counterpart, the Southeast Power System (SEPS).637 A 470-kilometer transmission line constructed by USAID will eventually link them.638 The fragmented nature of Afghanistan’s power sector presents a number of technical challenges to establishing this link, such as synchronization. Islanded power grids rely on different supply sources, including imported power, and therefore generate electricity at different speeds and frequencies. Da Afghanistan Breshna Sherkat (DABS)—Afghanistan’s national power utility—is responsible for working with neighboring countries to match (or synchronize) imported power with domestically generated power.

before electricity can safely flow from NEPS to SEPS once the connection is established.639

During the high-water mark of the Afghanistan intervention (roughly 2010–2012), DOD and State justified the development of Afghanistan’s power sector based on the U.S. government’s counterinsurgency (COIN) strategy. Applying COIN doctrine meant trying to contain the Taliban insurgency by addressing its presumed root causes. Confidence in the Afghan government would grow as the government demonstrated it could provide essential services (such as electricity), the thinking went. Popular confidence would translate into support for the Afghan government—and thereby, under a zero-sum paradigm, reduce support to the insurgency.640

The proportion of Afghans with access to grid-based electricity rose from less than 6% in 2002 to over 30% in early 2019, according to USAID.641 However, it is unclear whether this improvement contributed to COIN outcomes: A 2017 SIGAR audit that examined a subset of infrastructure projects funded by Fiscal Year (FY) 2011 monies found that U.S. agencies had not assessed whether the projects had achieved their COIN objectives.642 Although USAID plans to conduct an assessment to better understand how electricity access and socioeconomic conditions improved as a result of its investment in power-infrastructure, it will not examine COIN-related outcomes.643

Currently, agencies claim their remaining efforts to bolster Afghanistan’s power sector will contribute to Afghanistan’s economic development.644 Still, USAID links the projects to stability when it says that all development objectives articulated in its current strategy “address the security and development challenges that have made Afghanistan a safe haven for terrorists and violent extremist organizations and have driven the conflict with the Taliban.”645

Some Remaining USAID Power-Infrastructure Projects

Face Delays

USAID has five ongoing power-infrastructure projects; DOD’s projects are complete. Current USAID projects include the construction of:646

- a transmission line between Ghazni and Kandahar Provinces (21.7% complete, with an expected completion date of December 31, 2020)
- substations along the transmission line from Ghazni to Kandahar (expected completion date of July 30, 2023, but still in the design phase)
- transmission lines and substations in SEPS (expected completion date of July 30, 2023, but still in the design phase, which was delayed this quarter due to COVID-19 lockdowns in India, USAID said)
- a wind farm in Herat Province (no completion date established, but at least two years away)

SIGAR OVERSIGHT OF AFGHANISTAN’S ENERGY SECTOR

Given the U.S. government’s significant investment in Afghanistan’s energy sector and the importance of available, reliable power to support the overall success of the reconstruction effort, SIGAR has focused a considerable portion of its oversight portfolio on projects and programs in the sector. SIGAR is currently performing an audit to examine the entirety of the U.S. investment in the Afghan energy sector, including efforts to improve generation, transmission, and distribution. Additionally, SIGAR has a number of ongoing inspections of key energy infrastructure projects to examine whether construction was completed in accordance with requirements and whether the constructed infrastructure is being used as intended and maintained.
• a floating solar power plant to be constructed on the Naghlu Dam Reservoir in Kabul Province (no completion date established, but at least one-and-a-half years away)

Three of USAID’s five active projects are delayed. The transmission line and substations between Ghazni and Kandahar were originally supposed to be complete by the end of 2016—putting them more than three-and-a-half years behind schedule. USAID’s work on SEPS evolved from a separate contract that was originally supposed to be complete by November 2013—now more than six-and-a-half years behind schedule. This quarter, USAID finally completed the Salang substation, located near a strategic pass between Baghlan and Parwan Provinces. Only contract-closeout activities remain. Like the Ghazi-to-Kandahar transmission lines and substations, the Salang substation was more than three years behind schedule.

Cumulatively, USAID has disbursed more than $1.9 billion since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector. USAID’s active power-infrastructure projects have a total estimated cost of $828 million and are presented in Table 3.21.

TABLE 3.21

<table>
<thead>
<tr>
<th>USAID ACTIVE ENERGY PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title</td>
</tr>
<tr>
<td>Power Transmission Expansion and Connectivity (PTEC)</td>
</tr>
<tr>
<td>SEPS Completion and NEPS-SEPS Connector Substations</td>
</tr>
<tr>
<td>Contribution to AITF (Afghanistan Infrastructure Trust Fund)</td>
</tr>
<tr>
<td>Engineering Support Program</td>
</tr>
<tr>
<td>25 MW Wind Farm in Herat Province</td>
</tr>
<tr>
<td>Design and Acquisition of SEPS Completion and NEPS-SEPS Connector</td>
</tr>
<tr>
<td>20 MW Floating Solar Installation-Naghlu</td>
</tr>
<tr>
<td>Kandahar Solar Project (10MW solar photovoltaic plant in Kandahar City)</td>
</tr>
<tr>
<td>Spare Parts for Tarakhil Power Plant</td>
</tr>
<tr>
<td>Energy Loss Management Visualization Platform Activity</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: USAID, response to SIGAR data call, 7/12/2020.
Involving Private Sector in Afghan Energy is a Bet on Continued Donor Funding

Donors have presented their efforts to attract private investment in Afghanistan’s energy sector as a push towards sustainability. But even if they succeed in finding some private investors, these projects may continue to rely indirectly on international largesse.

In their efforts to develop Afghanistan’s power sector, USAID and other donors are attempting to pivot away from large capital projects—like transmission-line construction—and towards incentivizing private-sector involvement. For example, USAID is subsidizing the upfront costs of independent power producers (IPPs) who wish to construct power plants, thereby making such investments more attractive for the private sector. Similarly, the Asian Development Bank (ADB) announced this quarter that it had signed a $10 million loan with a private firm—the Afghan Power Plant Company Limited (APPC)—to construct and subsequently operate a 58.6 megawatt (MW) gas-fired power plant near the city of Mazar-e Sharif in northern Afghanistan.

Such projects are introduced with great fanfare. In announcing the $10 million loan—a virtually immaterial amount compared to ADB’s overall $2.2 billion energy-sector portfolio in Afghanistan—an ADB official said the apparently inevitable success of the power plant “will send an important signal to the market that Afghanistan’s power industry is now ready to attract more private sector investment and financing.” Likewise, a USAID press release describing the groundbreaking ceremony for a 10 MW solar-power plant that received a $10 million construction subsidy from USAID called the plant a “landmark infrastructure project.”

Beneath this rhetoric, though, the pivot to encouraging more private investment in Afghanistan’s power sector involves numerous challenges. First, it will be a long time before such a pivot is fully actualized. As explained earlier in this section, USAID is still struggling to complete several large capital projects involving the construction of transmission lines and substations—legacy projects underpinned by the assumption that the best way to expand electricity access in Afghanistan was to build a nationwide power grid. Likewise, ADB is still funding, or has pledged to fund, extremely ambitious transnational power-infrastructure projects. ADB’s initiatives, for example, include the Turkmenistan, Uzbekistan, Tajikistan, Afghanistan, and Pakistan (TUTAP) project, which aims to leverage Afghanistan’s geographical location between Central Asia and Pakistan to export excess electricity from the former to the latter.

An additional and more vexing challenge is that the commercial viability of these projects is ultimately contingent on power-purchase agreements struck between the IPPs and DABS. A typical agreement involves a commitment from DABS to purchase electricity from an IPP at a set rate schedule for a number of years. The IPPs make money as they sell electricity to...
DABS. Profit from electricity sales allows the IPPs to recover their share of upfront construction costs as well as steady-state operations and maintenance expenditures.

Thus, whether the projects will ultimately be profitable for the private sector and successful for Afghanistan in the long run depends on DABS’ ability to purchase electricity. That in turn hinges on DABS’ financial sustainability and, because DABS is nationalized, the financial sustainability of the Afghan government. As the World Bank said about the aforementioned gas-fired power plant project co-financed by ADB’s $10 million loan, “The cost of gas is the responsibility of the electricity off-taker (DABS) and by extension the [Government of Afghanistan].”

This is where things get tricky. The Afghan government continues to face “substantial constraints to fiscal sustainability,” according to the World Bank. Donors currently finance more than half the Afghan government budget and 75% of total public expenditures. The result is that donors pay for at least half of a government that in turn owns the national electricity utility purchasing the power from the IPPs. Ultimately, therefore, unless the Afghan government is able to mobilize sustainable sources of domestic revenue, including more effective DABS billing for its electricity sales, donor efforts in Afghanistan’s energy sector that are overtly bets on the private sector are in reality a collective bet on donors themselves.

EDUCATION

Progress in Afghanistan’s education sector has been held up as a significant achievement since the U.S.-led intervention of 2001. Millions more Afghan children are in school today compared to the number under the Taliban, which generally banned girls from attending. But poor data quality makes it difficult to determine fully the extent of success. Figures for the number of children and youth in school vary widely. Additionally, Afghanistan’s Ministry of Education (MOE) counts students who have been absent for up to three years as still enrolled, in the belief that they may reenter school. While this may be a reasonable policy given the desire to mitigate barriers for children who wish to return to school, it means that enrollment data cannot be used as a close proxy for attendance.

Currently, USAID aims to increase access to, and improve the quality of, basic education for children while also building management capacity at the MOE. USAID’s strategy advances the theory that advancing the education sector will spur greater confidence in the Afghan government, ultimately making the country more stable. However, the Taliban has reportedly co-opted Afghan government-run education services in areas under their control.

An additional justification for USAID’s current education projects is to increase Afghanistan’s self-reliance. A better-educated workforce could
Moreover, increasing access to education in Afghanistan may be a worthy goal unto itself, as a commonly held view is that education is a fundamental human right.676 Nevertheless, there are concerns with the sustainability of a nation-wide education system established and supported through donor funds, given the many challenges the Afghan government currently faces to becoming a self-financing state.679 Complicating matters, according to the World Bank, population growth of approximately 2.3% per year could necessitate increases in public-expenditures to maintain service delivery,680 with investments in education potentially taking years to contribute to positive economic growth.

Setting aside the end-goals of USAID’s investments in Afghanistan’s education sector, the country has struggled to improve its education outcomes in recent years. Attendance rates of primary-school age children did not improve between two comprehensive surveys conducted by Afghanistan’s statistical authority (NSIA) in 2011–2012 and 2016–2017. “This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country,” the NSIA commented.681 Moreover, given continuing violence that often makes it difficult for children to physically travel to school—and wariness on the part of parents who may not want to send them in areas where the risk of harm is high—stagnation (and possibly deterioration) of education-sector indicators may have been even greater, but for continued donor funding.682 Thus, while donors may have been unable to bolster education outcomes from 2011–2012 and 2016–2017, continued commitment to Afghanistan’s education sector may have at least held them constant.683

Afghan students participate in community schooling, which helps Afghan youth with limited access to formal schools receive an education. (USAID photo)
Since 2002, USAID has disbursed more than $1.1 billion for education programs in Afghanistan, as of July 9, 2020. The agency’s active education programs have a total estimated cost of $370 million and can be found in Table 3.22.

### School Closures Present Challenges for Education Outcomes

On March 14, 2020, the Afghan government announced it would close all schools for an initial one-month period to help stem the spread of COVID-19. Although, at the time, the government tentatively planned to reopen the education system by April 18, this quarter the closure was extended into at least September.

In Afghanistan, where widespread online education is not possible because of limited internet access and where traditional gender roles already limit girls’ relative access to education, school closures run the risk of exacerbating existing challenges even if they help address the first-order health crisis caused by the pandemic. In mid-June, Human Rights Watch (HRW), a nongovernmental organization that focuses on girls’ education, among other issues, in Afghanistan said that although Afghan schools faced a “crisis” before the pandemic, “now things are even worse.” Prior to the spread of COVID-19, nearly 2.6 million girls were out of school, SIGAR analysis of NSIA data shows.

Specifically, HRW raised concerns that because girls generally have less internet access, more social isolation, and greater housework burdens than boys, they may be less likely to return to school when the education system opens again. HRW underscored that physical abuse at home and

### Table 3.22

**USAID Active Education Programs**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 7/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support to the American University of Afghanistan (AUAF)</td>
<td>8/1/2013</td>
<td>8/31/2020</td>
<td>$90,681,844</td>
<td>$80,254,987</td>
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<tr>
<td>Strengthening Education in Afghanistan (SEA II)</td>
<td>5/19/2014</td>
<td>9/30/2020</td>
<td>$44,835,920</td>
<td>39,392,473</td>
</tr>
<tr>
<td>Textbook Printing and Distribution II</td>
<td>9/15/2017</td>
<td>12/31/2020</td>
<td>$35,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Let Girls Learn Initiative and Girls’ Education Challenge Programme (GEC)</td>
<td>6/29/2016</td>
<td>6/28/2021</td>
<td>$25,000,000</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Capacity-Building Activity at the Ministry of Education</td>
<td>2/1/2017</td>
<td>1/31/2022</td>
<td>$23,212,618</td>
<td>17,413,626</td>
</tr>
<tr>
<td>Financial and Business Management Activity</td>
<td>7/5/2017</td>
<td>10/31/2020</td>
<td>$4,384,058</td>
<td>3,735,749</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$370,064,707</strong></td>
<td><strong>$291,369,079</strong></td>
</tr>
</tbody>
</table>

Source: USAID, response to SIGAR data call, 7/12/2020.
ECONOMIC AND SOCIAL DEVELOPMENT

SIGAR EVALUATION REPORT

The practice of *bacha bazi*, or “boy play,” in which authority figures sexually abuse young boys, is widespread in Afghanistan. A SIGAR report released in January 2018 found that DOD was providing security-related training and support to certain Afghan security-force units credibly accused of being involved in child sexual assault.

the prevalence of early marriages were additional risks disproportionately faced by out-of-school girls during the pandemic.691

At the same time, school closures and other socially restrictive policies appear to significantly curtail the spread of COVID-19.692 In a study published on June 8, 2020, that analyzed emergency health measures in six major countries—including Afghanistan’s neighbor Iran—UC Berkeley researchers found that restrictive policies, including school closures, may have averted approximately 530 million infections.693 While the full impact of COVID-19 on Afghanistan remains uncertain, the issue of school closures underscores the difficulties inherent in balancing public health outcomes with other fundamental areas of social development.

Two Convictions, Ten Arrests in AGO’s Investigation of Logar Sexual Abuse Scandal

The Afghanistan Attorney General’s Office’s (AGO’s) investigation into allegations that at least 165 boys were sexually abused in Logar Province continued this quarter, resulting in two convictions and one additional arrest, according to State.694 The AGO made nine arrests last quarter.695

The allegations were made public by the Logar Youth, Social, and Civil Institution, which said it had discovered more than 100 videos of abuse on a Facebook page.696 According to State, civil-society activists identified 59 suspected perpetrators—20 of whom have now been identified by the AGO’s investigation.697 It is not clear whether these suspected perpetrators were part of a single criminal ring, State told SIGAR this quarter.698

Two activists were subsequently detained by Afghanistan’s intelligence agency, the National Directorate of Security (NDS), and coerced into confessing that their accusations were untrue.699 Then-U.S. Ambassador to Afghanistan John Bass decried NDS tactics as “Soviet-style” and “appalling.” For safety reasons, both activists left the country with their families after their release.700

Perhaps because they feared for their safety, the activists neither shared their report with the MOE nor met with ministry officials, according to an MOE statement provided to donors.701 To assess the truth of the allegations, a team of MOE officials visited the schools where the abuse was said to have occurred and distributed confidential questionnaires to students and teachers.702 According to the MOE’s analysis of data collected, “some respondents reported [the] possibility of individuals who could have [an] inclination towards child abuse; however, no child abuse was reported.”703 According to the MOE, ministry officials then requested that the AGO investigate.704
HEALTH

Increasing caseloads resulting from the COVID-19 pandemic are significantly stretching the capacity of Afghanistan’s already limited healthcare system, State reported this quarter.705 The strain comes despite efforts by health officials to increase the number of hospital beds available in provincial and district centers.706 Underscoring the toll the outbreak is taking on Afghanistan’s health infrastructure, approximately 10% of Afghans who have tested positive for the virus work in the healthcare sector, according to the United Nations (UN).707 Complicating matters, in some provinces such as Herat and Nangarhar, public health workers only recently received their salaries after a hiatus of several months.708

State added that the pandemic was likely to impact substantially a range of health outcomes not overtly related to COVID-19.709 For example, researchers at Johns Hopkins University estimated a potential 18% increase in child mortality and a 14% increase in maternal mortality in the country as a secondary result of the virus’ prevalence.710

USAID asserts in its current strategy that advancing gains in Afghanistan’s health sector will help the country become more stable and self-reliant.711 As the agency told SIGAR as it was developing the strategy in December 2017, “healthy people and health[y] communities are the bedrock of a peaceful and stable nation.”712 However, there is reason to question the independent influence of public-health improvements on stability due to confounding factors and data failing to support a causal link. In fact, insecurity has risen even as health outcomes have improved. And even severely insecure areas have demonstrated progress in health service coverage, according to the World Bank.713 Moreover, as the Bank summarized in a 2018 policy brief, “In the period between 2011 and 2015, there was no detectable difference in unadjusted improvements in health systems performance between facilities located in areas of low, medium, and high insecurity.”714 Adjusting the analysis for potentially confounding variables did not alter “evidence of resilience to conflict,” the Bank added.715 In other words, it appears that, at least in Afghanistan, better health care coexists with ongoing instability.

Additionally, some reports (unverified by SIGAR) indicate that healthcare delivery in areas controlled by the insurgency may actively work against stability by reinforcing insurgent governance. Such research suggests that the Taliban co-opt Afghan government health services delivered in areas under their control, thereby bolstering their own legitimacy and authority rather than the Afghan government’s.716

U.S. on- and off-budget assistance to Afghanistan’s health sector totaled more than $1.3 billion as of July 9, 2020.717 USAID’s active health programs have a total estimated cost of $283 million, and are listed in Table 3.23 on the following page.

Kabul Maternity Ward Attacked

On May 12, 2020, three men of undetermined affiliation attacked a Kabul maternity ward. Dressed in ANDSF uniforms and armed with AK-47s and hand grenades, the attackers killed 24 people, including 19 women and three children. An additional 23 people were injured, including two children and one newborn. No group claimed responsibility for the incident.

The maternity ward was operated by Médecins Sans Frontiers (MSF, also known as Doctors Without Borders), which in a statement described the attack as a “deliberate assault” on its operations “with the purpose of killing mothers in cold blood.” Concerned about the possibility of further attacks, MSF announced on June 15, 2020, that it would close the maternity ward.

UN Expresses Concern Regarding Attacks on Health Facilities During Pandemic

In a special report, the UN voiced “grave concern” regarding the extent of deliberate attacks against healthcare facilities and workers in Afghanistan even as the country faced the health crisis of the pandemic.\(^7\) According to the UN, “both Anti-Government Elements and Pro-Government Forces were responsible for incidents that significantly undermined healthcare delivery."\(^8\)

The UN monitored attacks against health facilities and health-care workers in Afghanistan during the approximately two-and-a-half month period from March 11, 2020, (when the World Health Organization officially declared the pandemic) to May 23, 2020 (which marked the end of Ramadan and the commencement of a three-day ceasefire).\(^9\) In that period, 15 incidents were documented, 12 of which were categorized as deliberate attacks and three of which were “incidental” in that parties were fighting in the vicinity of healthcare provision.\(^10\) The UN attributed two-thirds (10) of the documented attacks to the Taliban.\(^11\)
USAID’s IHSAN Projects Faces Significant Disruption due to COVID-19

In a sign that the pandemic is beginning to disrupt some U.S. development programming, USAID’s $57.6 million Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) project “cancelled all planned workshops, training sessions, monitoring programs and supportive supervision visits” due to the government-imposed lockdown in Kabul, implementer Family Health International (FHI 360) said in a semiannual report finalized this quarter.\(^{723}\) IHSAN aims to assist the Afghan government, civil society organizations, and the private sector to implement and scale hygiene and nutrition interventions in order to improve the health of women and young children.\(^{724}\)

Prior to the pandemic, USAID had already decided to move up IHSAN’s project end date by eight months from May 11, 2021, to September 11, 2020, and reduce its budget from $75.5 million to $57.6 million as part of a transition to the new National Health Technical Assistance Program and Urban Health Initiative.\(^{725}\) When the pandemic struck, COVID-19 forced IHSAN to cancel “train-the-trainer” sessions intended to promote and support breastfeeding at hospitals across 24 provinces.\(^{726}\) At the same time, IHSAN adjusted some of its programming to directly address the pandemic. For example, project implementers provided a COVID-19 “orientation session” for Afghan government public health officials.\(^{727}\) Overall, the pandemic had a “major impact” on IHSAN operations across Afghanistan, FHI 360 wrote in its semiannual project report.\(^{728}\) The pandemic’s effects on IHSAN are emblematic of broader ramifications for USAID health programs in Afghanistan as they have been adjusted to address COVID-19 directly, mitigate the secondary impact of the virus, and protect project staff, according to USAID.\(^{729}\)