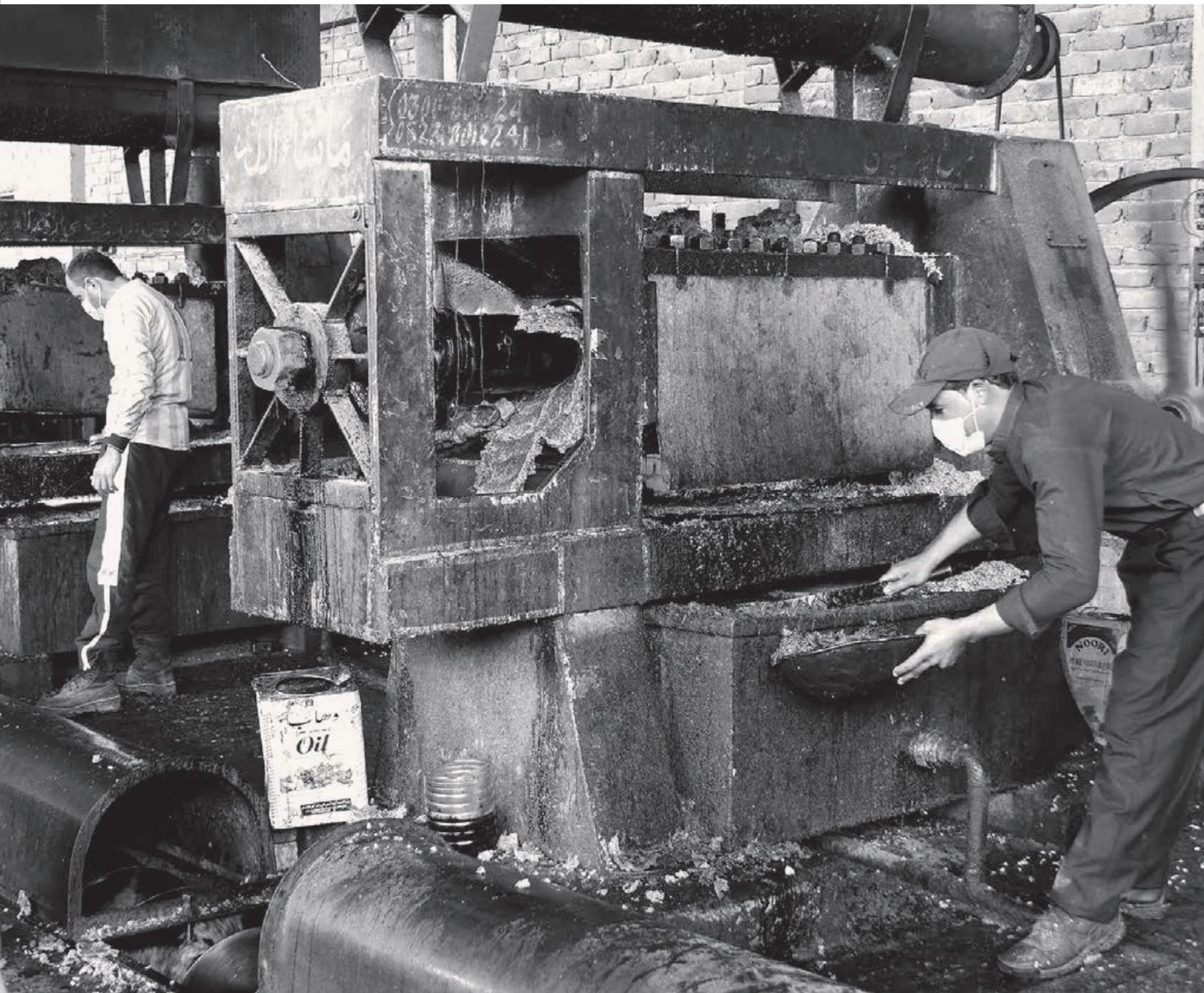


3 RECONSTRUCTION UPDATE



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Photo on previous page

A factory in Jalalabad produces more than 36 metric tons of essential animal feed a day, locally known as *konjara*, especially for cows used in dairy production. (UNAMA Photo by Shafiqullah Waak)



RECONSTRUCTION IN BRIEF

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

AFGHANISTAN PEACE NEGOTIATIONS BEGIN

- On September 12, historic peace talks on the future of Afghanistan and a permanent cease-fire between the Islamic Republic and Taliban began in Doha, Qatar.
- As of October 27, these talks faced gridlock over procedural issues, with the United States warning “the window to achieve a political settlement will not stay open forever.”

VIOLENCE AND CASUALTIES INCREASE AMID PEACE TALKS

- According to United States Forces-Afghanistan (USFOR-A), average daily enemy-initiated attacks this quarter were 50% higher compared to last quarter. Overall enemy-initiated attacks were also “above seasonal norms.”
- On October 12, NATO Resolute Support (RS) and USFOR-A commander General Austin Scott Miller said the high level of Taliban violence around the country “is not consistent with the U.S.-Taliban agreement and undermines the ongoing Afghan peace talks.”
- USFOR-A and RS reported that Afghan casualties among both civilians and security forces this quarter increased compared to last quarter.

U.S. COMMENCES ANOTHER TROOP REDUCTION

- The United States is executing a troop reduction to a level of 4,000–5,000 by the end of November while U.S. officials cite the lack of Taliban progress on meeting certain commitments in, or related to, the U.S.-Taliban agreement.

COVID-19 CONTINUES TO PLAGUE AFGHAN ECONOMY AND PUBLIC HEALTH

- COVID-19 continued to devastate Afghanistan this quarter, with health officials estimating that approximately one-third of Afghans have contracted the disease.

- Afghanistan has experienced modest economic improvements, yet its GDP is projected to shrink 5.0–7.4% in 2020 due to the effects of the pandemic.
- While government revenues began to recover from the impact of COVID-19 this quarter, the Afghan government’s sustainable domestic revenues declined by 17.2%, year-on-year, over the first nine months of 2020.
- Many U.S. economic and social-development programs have been limited by the Afghan government’s lockdown or have been redirected to mitigate COVID-19.

AFGHAN AUTHORITIES FINALLY ARREST FUGITIVE MAJOR GENERAL ZEMARAI PAIKAN

- In August, the Afghan government’s National Directorate of Security arrested Major General Zemarai Paikan, a former commander of the Afghan National Civil Order Police, who had been convicted by the Anti-Corruption Justice Center in December 2017.

U.S. RECONSTRUCTION FUNDING AS OF SEPTEMBER 30, 2020

- Cumulative appropriations for reconstruction and related activities in Afghanistan since FY 2002 reached \$141.24 billion at the end of FY 2020, partly due to a large, one-time adjustment for agency operations.
- Of the \$118.03 billion (84% of total) appropriated to the eight largest active reconstruction funds, about \$7.2 billion remained for possible disbursement.
- DOD’s latest *Cost of War Report*, dated June 30, 2020, said its cumulative obligations for Afghanistan, including U.S. warfighting and reconstruction, had reached \$805.8 billion. Cumulative Afghanistan reconstruction obligations reported by State, USAID, and other agencies reached \$44.7 billion during that period.

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STATUS OF FUNDS

STATUS OF FUNDS

In accord with SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of September 30, 2020, the United States had appropriated approximately \$141.24 billion for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

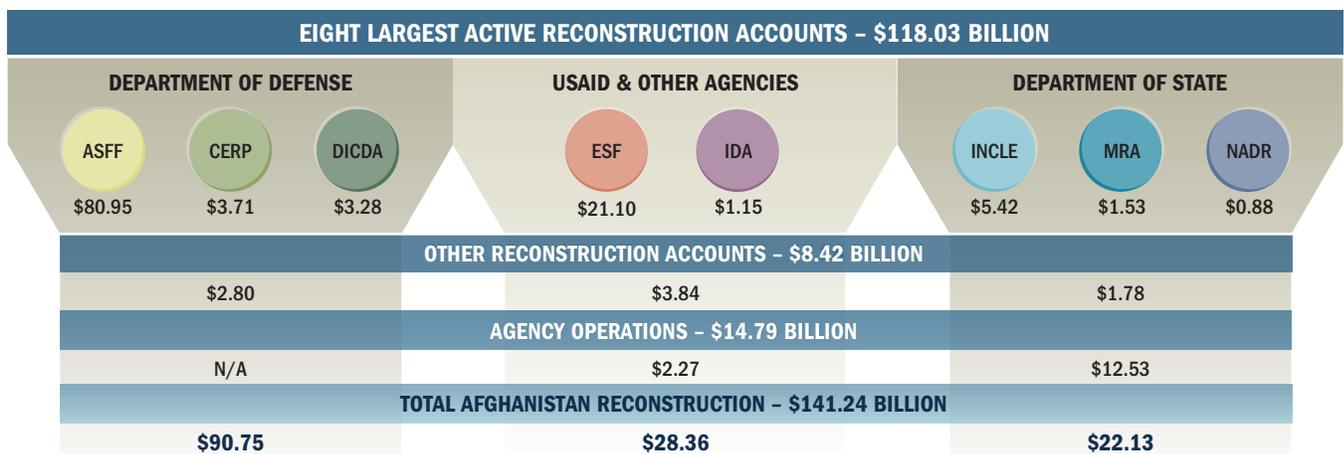
- \$86.38 billion for security (including \$4.60 billion for counternarcotics initiatives)
- \$35.95 billion for governance and development (including \$4.40 billion for counternarcotics initiatives)
- \$4.13 billion for humanitarian aid
- \$14.79 billion for agency operations

Figure 3.1 shows the eight largest active U.S. funds that contribute to these efforts. SIGAR previously reported on the nine largest active funds, but one of them, the Public Law 480 Title II account, is no longer used to provide food aid to Afghanistan, so has been removed from this presentation.

- ASFF:** Afghanistan Security Forces Fund
- CERP:** Commander’s Emergency Response Program
- DICDA:** Drug Interdiction and Counter-Drug Activities
- ESF:** Economic Support Fund
- IDA:** International Disaster Assistance
- INCLE:** International Narcotics Control and Law Enforcement
- MRA:** Migration and Refugee Assistance
- NADR:** Non-Proliferation, Antiterrorism, Demining, and Related Programs

FIGURE 3.1

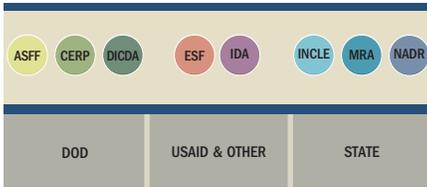
U.S. APPROPRIATIONS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS (\$ BILLIONS)



Note: Numbers have been rounded.

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

STATUS OF FUNDS



U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

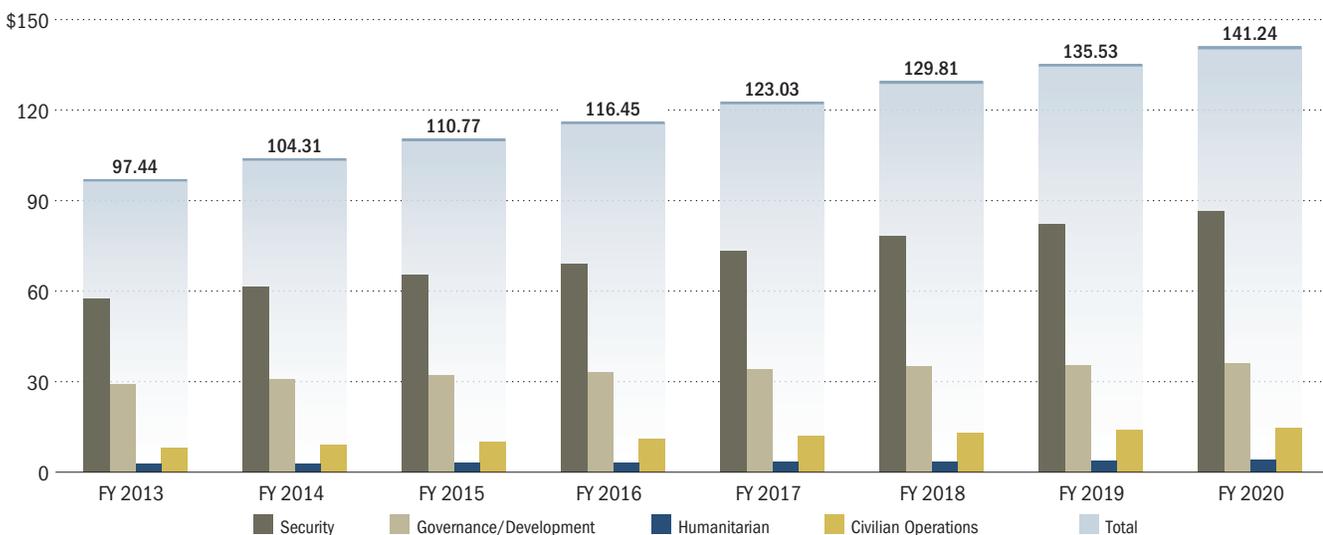
As of September 30, 2020, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately \$141.24 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and agency operations. Approximately \$8.99 billion of these funds support counternarcotics initiatives that crosscut the security (\$4.60 billion) and governance and development (\$4.40 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

The amount provided to the eight largest active U.S. funds represents nearly 83.6% (nearly \$118.03 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 91.6% (nearly \$108.13 billion) has been obligated, and over 88.5% (more than \$104.47 billion) has been disbursed. An estimated \$6.31 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

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. 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

FIGURE 3.2

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



Note: Numbers have been rounded.

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

STATUS OF FUNDS

Afghanistan, under the Section 653(a) process that concluded in the quarter ending June 30, 2020. These actions were the principal measures that brought total appropriations for Afghanistan reconstruction for the fiscal year ending September 30, 2020, to \$5.71 billion, as shown in Figure 3.3.

Since 2002, the United States has provided more than \$16.42 billion in on-budget assistance to the government of Afghanistan. This includes more than \$10.66 billion provided to Afghan government ministries and institutions, and nearly \$5.76 billion to three multinational 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.

TABLE 3.1

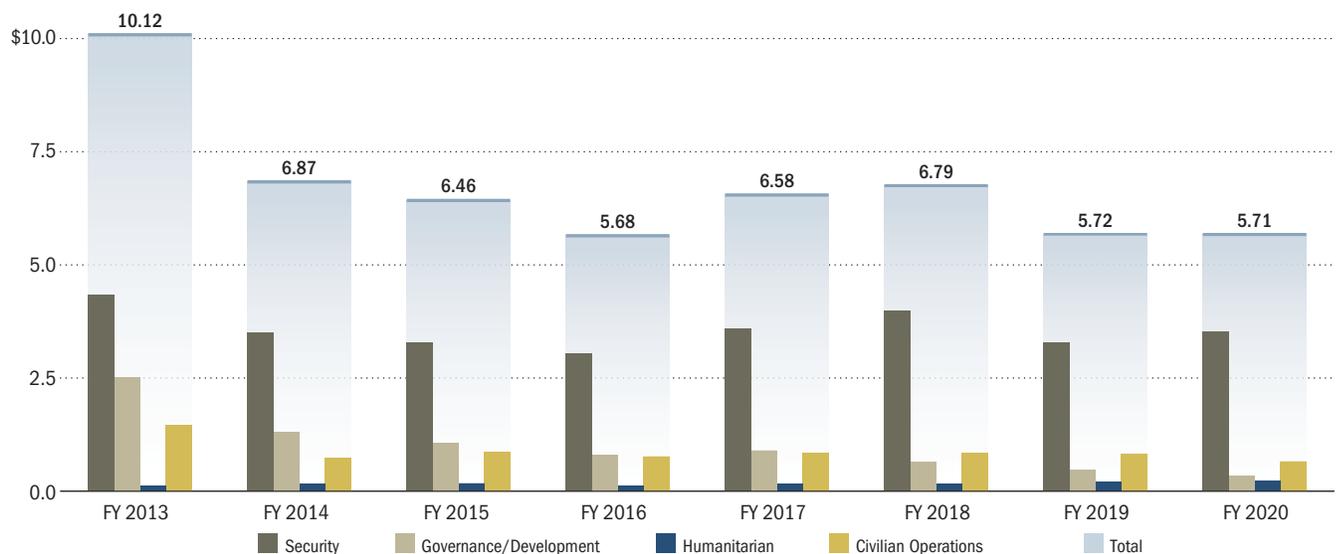
U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN SINCE 2002 (\$ MILLIONS)	
	Disbursements
Total On-Budget Assistance	\$16,421.11
Government-to-Government	10,664.18
DOD	9,812.20
USAID	766.79
State	85.19
Multilateral Trust Funds	5,756.93
ARTF	3,927.68
LOTFA	1,675.58
AITF	153.67

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 10/12/2020; State, response to SIGAR data call, 10/18/2018; DOD, response to SIGAR data call, 10/15/2020; World Bank, ARTF: Administrator's Report on Financial Status as of July 21, 2020 (end of 7th month of FY 1399), accessed 10/9/2020; UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated 9/12/2020, in response to SIGAR data call, 10/8/2020.

FIGURE 3.3

ANNUAL APPROPRIATIONS BY FUNDING CATEGORY (\$ BILLIONS)



Note: Numbers have been rounded.

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

STATUS OF FUNDS

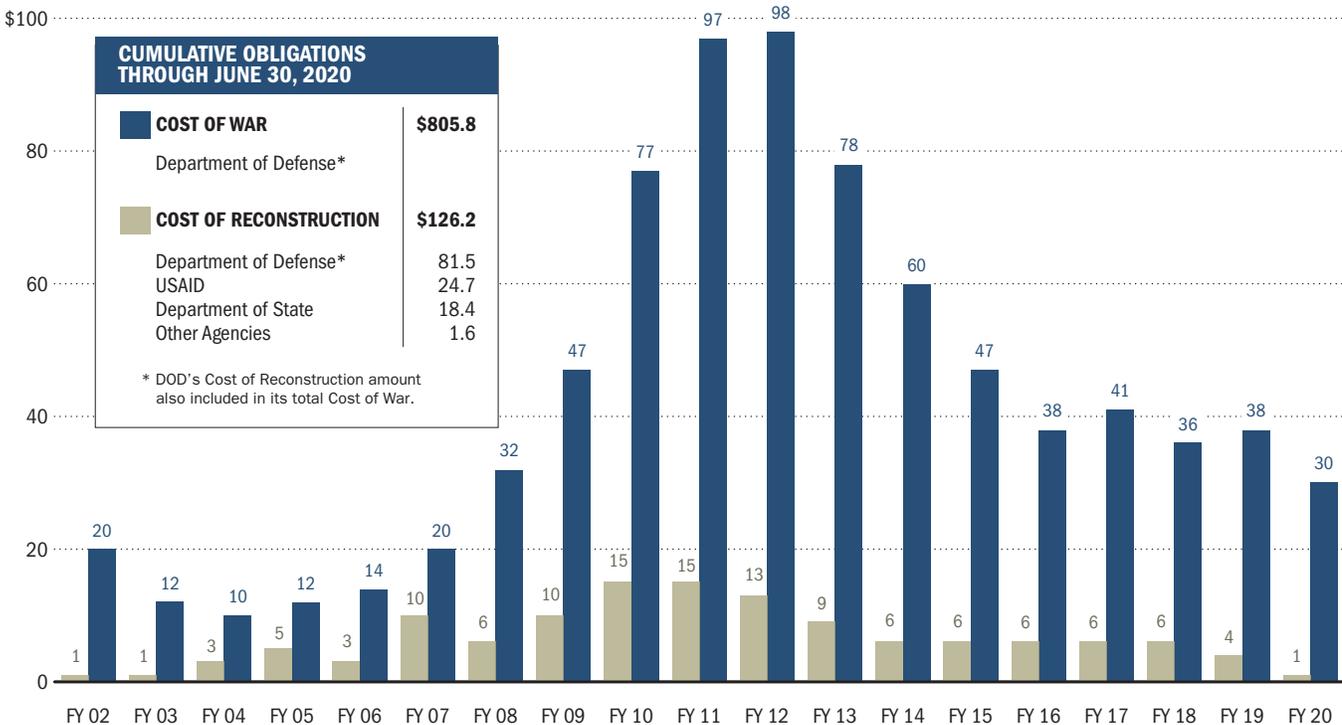
U.S. COST OF WAR AND RECONSTRUCTION IN AFGHANISTAN

Reconstruction costs for Afghanistan equal approximately 16% of all funds obligated by the Department of Defense for Afghanistan since 2001. DOD reported in its *Cost of War Report* as of June 30, 2020, that it had obligated \$805.8 billion for Operation Enduring Freedom and Operation Freedom’s Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan.¹⁴

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 \$126.2 billion at that date. Note that the DOD contribution to the reconstruction of Afghanistan is contained in both the \$805.8 billion Cost of War and \$126.2 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 Q3 (\$ BILLIONS)



Note: Numbers have been rounded. Cumulative obligations through June 30, 2020, differ markedly from cumulative appropriations through September 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 June 30, 2020. 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, 7/30/2020. Obligation data shown against year funds appropriated.

STATUS OF FUNDS

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly \$141.24 billion for reconstruction and related activities in Afghanistan. Of this amount, nearly \$118.03 billion (83.6%) was appropriated to the eight largest active reconstruction accounts, as shown in Table 3.2.

As of September 30, 2020, approximately \$7.24 billion of the amount appropriated to the eight 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 ongoing, 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

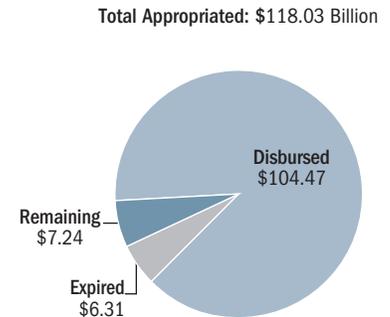
CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, DISBURSED, AND REMAINING FY 2002 TO SEPTEMBER 30, 2020 (\$ BILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	\$80.95	\$73.97	\$73.35	\$4.01
Economic Support Fund (ESF)	21.10	20.03	17.87	2.34
International Narcotics Control and Law Enforcement (INCLE)	5.42	5.17	4.56	0.65
Commander's Emergency Response Program (CERP)	3.71	2.29	2.29	0.00
Drug Interdiction and Counter-Drug Activities (DICDA)	3.28	3.28	3.26	0.02
Migration and Refugee Assistance (MRA)	1.53	1.52	1.49	0.03
International Disaster Assistance (IDA)	1.15	1.12	0.93	0.20
Non-Proliferation, Antiterrorism, Demining, and Related (NADR)	0.88	0.74	0.74	0.00
Total Eight Largest Active Accounts	118.03	108.13	104.47	7.24
Other Reconstruction Funds	8.42			
Agency Operations	14.79			
Total	\$141.24			

Note: Numbers have been rounded. The amount remaining reflects the total disbursement potential of the eight largest active reconstruction accounts after deducting approximately \$6.31 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 is less than \$50 million; for Agency Operations the amount cannot be determined but likely equals less than one-half of the most recent annual appropriation.

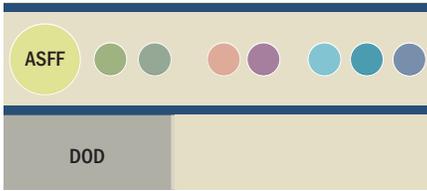
Source: SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, and USAID, 10/19/2020.

FIGURE 3.5

STATUS OF APPROPRIATED FUNDS, EIGHT LARGEST ACTIVE ACCOUNTS AS OF SEPTEMBER 30, 2020 (\$ BILLIONS)



STATUS OF FUNDS



ASFF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Financial and Activity Plan: DOD notification to Congress of its plan for obligating the ASFF appropriation, as well as updates to that plan involving any proposed new projects or transfer of funds between budget subactivity groups in excess of \$20 million, as required by the annual DOD appropriation act.

Rescission: Legislation enacted by Congress that cancels the availability of budget authority previously enacted before the authority would otherwise expire.

Reprogramming: Shifting funds within an appropriation or fund to use them for purposes other than those contemplated at the time of appropriation.

Source: GAO, Glossary of Terms Used in the Federal Budget Process, 9/2005; DOD, response to SIGAR data call, 1/23/2020.

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.¹⁵

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 followed 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 below in Figure 3.6.¹⁶

As of September 30, 2020, cumulative appropriations for ASFF stood at \$80.95 billion, with \$73.97 billion in funding having been obligated, and \$73.35 billion having been disbursed, as shown in Figure 3.7. DOD reported that cumulative obligations increased by more than \$399.07 million during

FIGURE 3.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR (\$ BILLIONS)

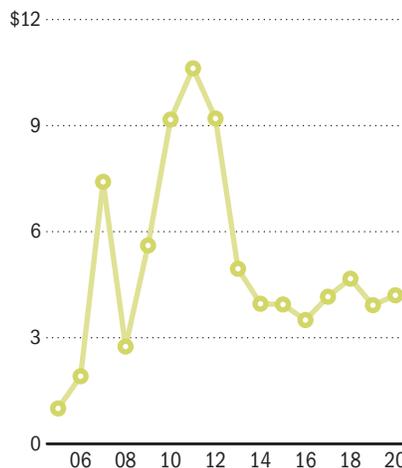
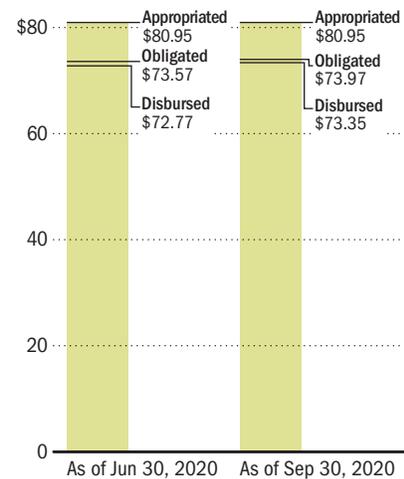


FIGURE 3.7

ASFF FUNDS, CUMULATIVE COMPARISON (\$ BILLIONS)



Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, \$178 million from FY 2013 ASFF, and \$604 million from FY 2019 ASFF to fund other DOD requirements. DOD reprogrammed \$230 million into FY 2015 ASFF. ASFF data reflect the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, \$400 million from FY 2015 in Pub. L. No. 114-113, \$150 million from FY 2016 in Pub. L. No. 115-31, and \$396 million from FY 2019 in Pub. L. No. 116-93.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2020," 10/17/2020; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020," 7/15/2020; Pub. L. Nos. 116-93, 115-141, 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

STATUS OF FUNDS

the quarter ending September 30, 2020, and that cumulative disbursements increased by nearly \$580.69 million.¹⁷

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.¹⁸

As of September 30, 2020, DOD had disbursed more than \$69.34 billion from the ASFF appropriations for FY 2005 through FY 2018. Of this amount, nearly \$47.46 billion was disbursed for the ANA, and more than \$21.49 billion was disbursed for the ANP.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—more than \$23.53 billion—supported ANA troop and equipment sustainment. Of the funds disbursed for the ANP, the largest portion—nearly \$9.62 billion—also supported sustainment of ANP forces, as shown in Figure 3.9.¹⁹

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

Subactivity Groups: Accounting groups that break down the command's disbursements into functional areas.

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

FIGURE 3.8

ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH SEPTEMBER 30, 2020 (\$ BILLIONS)

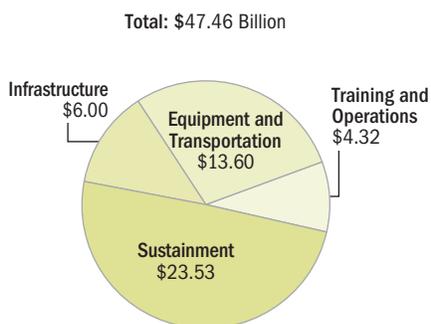
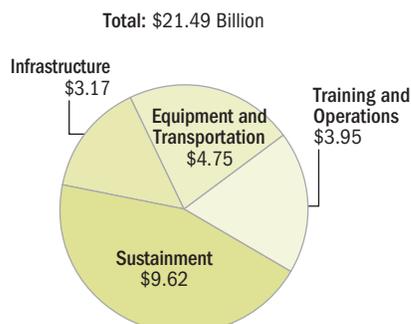


FIGURE 3.9

ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH SEPTEMBER 30, 2020 (\$ BILLIONS)



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.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2020," 10/17/2020.

STATUS OF FUNDS

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

ASFF FY 2019 AND ASFF FY 2020 BUDGET EXECUTION THROUGH SEPTEMBER 30, 2020 (\$ MILLIONS)						
Budget Activity Groups	ASFF FY 2019			ASFF FY 2020		
	Budget (FAP 19-5)	Obligations	Disbursements	Budget (FAP 20-2)	Obligations	Disbursements
Afghan National Army	\$1,528.99	\$1,483.21	\$1,302.02	\$1,222.37	\$124.43	\$68.23
Afghan National Police	665.00	571.73	469.30	540.20	124.51	92.10
Afghan Air Force	995.95	918.71	864.45	1,086.42	453.68	388.58
Afghan Spec. Sec. Forces	730.06	711.01	608.62	1,350.99	107.48	107.44
Total	\$3,920.00	\$3,684.66	\$3,244.40	\$4,199.98	\$810.10	\$656.35

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

Source: DOD, Afghanistan Security Forces Fund (ASFF), Financial and Activity Plan, Fiscal Year 2019, 19-5, July 2020, 10/13/2020; Afghanistan Security Forces Fund (ASFF), Financial and Activity Plan, Fiscal Year 2020, 20-2, August 2020, 10/13/2020; AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2020, 10/17/2020.

Table 3.4 on the opposite page compares the ASFF FY 2019 budget, revised by Financial and Activity Plan 19-5 (FAP 19-5) that was notified to Congress in July 2020; the ASFF FY 2020 budget, revised by Financial and Activity Plan 20-2 (FAP 20-2) that was notified to Congress in August 2020; and the ASFF FY 2021 President's budget request that was submitted to Congress in February 2020.²⁰

NATO ANA Trust Fund

The NATO-managed Afghan National Army Trust Fund (NATF) has contributed more than \$1.69 billion to ASFF for specific projects funded by donor nations through September 30, 2020; ASFF has returned more than \$400.18 million of these funds following cancellation or completion of projects. DOD has obligated nearly \$1.05 billion and disbursed more than \$913.79 million of NATF-contributed funds through ASFF through that date.²¹ These amounts are not reflected in the U.S. government-funded ASFF obligation and disbursement numbers presented in Figures 3.6 and 3.7.

STATUS OF FUNDS

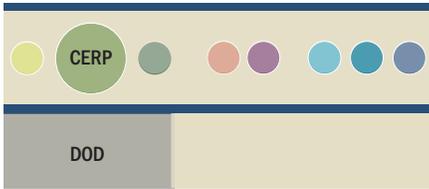
TABLE 3.4

ASFF FY 2019 BUDGET, FY 2020 BUDGET, AND FY 2021 PRESIDENT'S BUDGET REQUEST (\$ MILLIONS)			
	FY 2019 Budget (FAP 19-5, July 2020)	FY 2020 Budget* (FAP 20-2, Aug. 2020)	FY 2021 Budget Request (Feb. 2020)
Afghanistan Security Forces Fund, Total	\$3,920.00	\$4,199.98	\$4,015.61
Afghan National Army, Total	1,528.99	1,222.37	1,235.07
Sustainment, Total	1,358.52	1,079.14	1,065.93
Personnel	553.51	366.78	559.33
Ammunition	87.55	93.93	46.62
Communications & Intelligence	112.90	98.89	102.87
Petroleum, Oil, and Lubricants	275.96	170.90	76.59
All Other	328.61	348.63	280.53
Infrastructure, Total	34.69	37.15	64.50
Equipment and Transportation, Total	33.55	37.95	47.85
Training and Operations, Total	102.24	68.13	56.78
Afghan National Police, Total	665.00	540.20	602.17
Sustainment, Total	538.23	398.44	434.50
Petroleum, Oil, and Lubricants	152.67	88.77	76.07
All Other	385.56	309.67	358.43
Infrastructure, Total	0.59	2.36	0.45
Equipment and Transportation, Total	14.84	61.08	108.23
Training and Operations, Total	111.34	78.32	58.99
Afghan Air Force, Total	995.95	1,086.42	835.92
Sustainment, Total	694.13	602.90	534.10
Personnel	15.08	31.45	31.38
Ammunition	96.88	95.81	68.82
Petroleum, Oil, and Lubricants	56.86	26.54	40.89
Aircraft Contracted Support	511.26	425.98	370.00
All Other	14.06	23.13	23.02
Infrastructure, Total	1.66	8.61	9.53
Equipment and Transportation, Total	63.97	132.65	58.43
Aircraft	63.73	127.05	52.40
Other Equipment and Tools	0.24	5.60	6.03
Training and Operations, Total	236.19	342.26	233.80
Afghan Special Security Forces, Total	730.06	1,350.99	1,342.45
Sustainment, Total	371.29	426.53	680.02
Aircraft Sustainment	148.38	192.24	250.85
Personnel	113.14	115.56	142.94
All Other	109.77	118.73	286.23
Infrastructure, Total	18.83	21.13	2.53
Equipment and Transportation, Total	113.44	787.28	486.81
Training and Operations, Total	226.50	116.05	173.09

Note: *The House Appropriations Committee-Defense (HAC-D) disapproved the CH-47 procurement and associated costs in FAP 20-2. HAC-D did not object to the non-CH-47 changes included in FAP 20-2, and DOD released that funding to CSTC-A and DSCA.

Source: DOD, ASFF FAP 19-5 and ASFF FAP 20-2, response to SIGAR data call, 10/13/2020; and DOD, Justification for FY 2021 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund, at <https://comptroller.defense.gov/Budget-Materials/Budget2021>, accessed on 10/13/2020.

STATUS OF FUNDS



CERP FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent, 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.²²

The Department of Defense Appropriations Act, 2020, decreased the annual appropriation for CERP from \$10.00 million in FY 2019 to \$5.00 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 September 30, 2020, as shown in Figure 3.11.²³

FIGURE 3.10

CERP APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

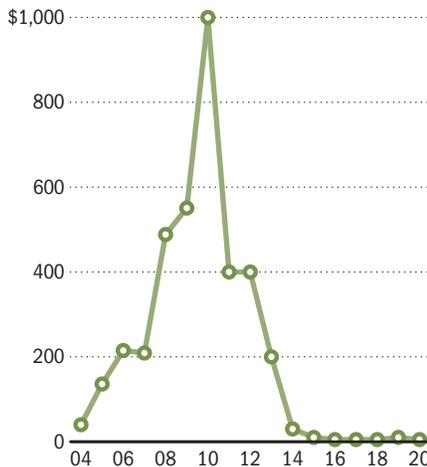
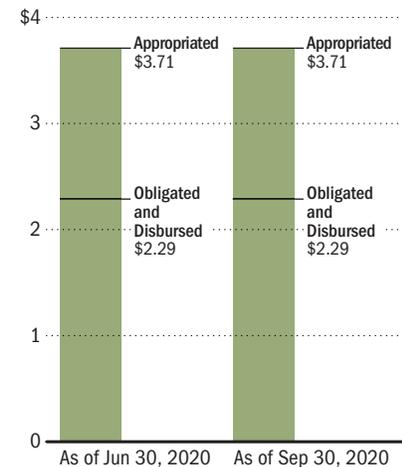


FIGURE 3.11

CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



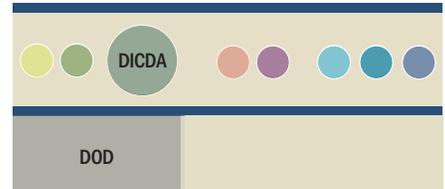
Note: Numbers have been rounded. Data may include interagency transfers. Analysis includes data from a draft DOD financial report because the final version had not been completed when this report went to press.

Source: DOD, response to SIGAR data call, 10/19/2020 and 7/17/2020; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities (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.²⁴

The DOD Counterdrug group reprograms appropriated DICDA funds from the Central Transfer Account (CTA) to the U.S. Army and U.S. Air Force, 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 3.12.²⁵ The group has transferred \$24.30 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 September 30, 2020, as shown in Figure 3.13.²⁶



DICDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.12

DICDA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

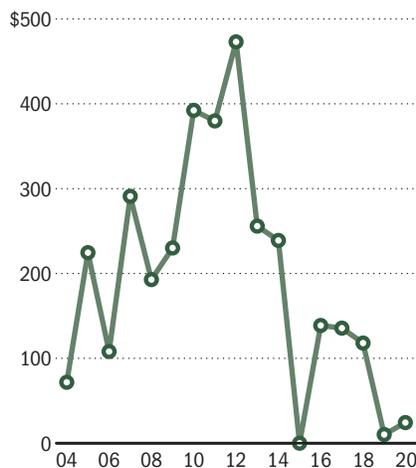
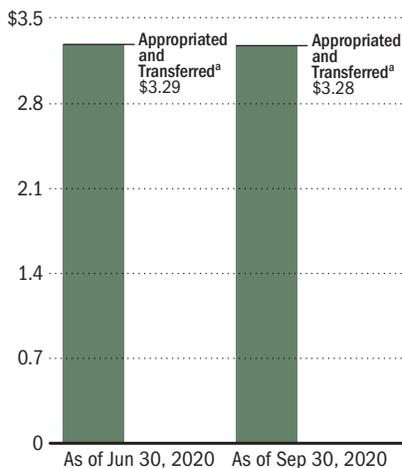


FIGURE 3.13

DICDA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)

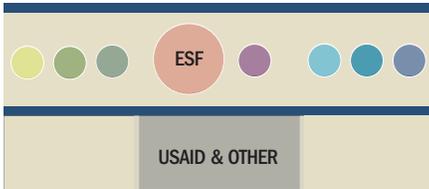


Note: Numbers have been rounded. DOD reprogrammed \$125.13 million out of FY 2015 DICDA and \$122.18 million out of FY 2019 DICDA due to requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.

^a DOD reprograms all DICDA funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 10/15/2020 and 7/10/2020; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.

STATUS OF FUNDS



ESF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, and independent legal systems for a more transparent and accountable government.²⁷

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 quarter, \$93.00 million in FY 2015 ESF-OCO funds was reprogrammed to Afghanistan, and obligated for Afghanistan programs. These two allocations, together amounting to \$293.00 million in resources, represent a 16% reduction from the Section 653(a) allocation to Afghanistan of \$350.00 million for FY 2019. Cumulative appropriations for the ESF now stand at more than \$21.10 billion, of which more than \$20.03 billion had been obligated and nearly \$17.87 billion had been disbursed as of September 30, 2020.²⁸ Figure 3.14 below shows ESF appropriations by fiscal year, and Figure 3.15 shows cumulative appropriations, obligations, and disbursements as of June 30 and September 30, 2020.

FIGURE 3.14

ESF APPROPRIATIONS BY FISCAL YEAR
(\$ BILLIONS)

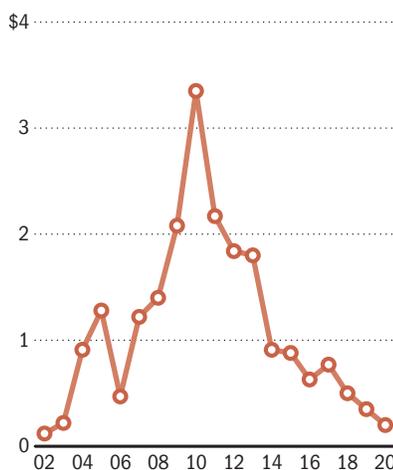
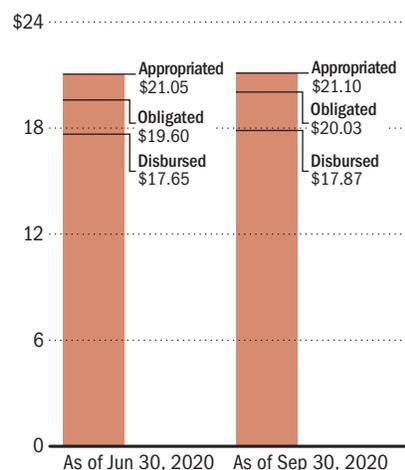


FIGURE 3.15

ESF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



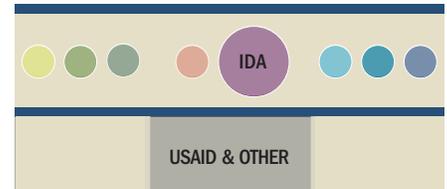
Note: Numbers have been rounded. Data reflects the following transfers from AIF to the ESF: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014. FY 2016 ESF for Afghanistan was reduced by \$179 million and put toward the U.S. commitment to the Green Climate Fund.

Source: USAID, response to SIGAR data call, 10/12/2020 and 7/11/2020; State, response to SIGAR data call, 7/13/2020, 1/3/2020, 10/5/2018, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

INTERNATIONAL DISASTER ASSISTANCE

USAID's Bureau of Humanitarian Assistance (BHA), created through the combination of its Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP) in June 2020, administers International Disaster Assistance (IDA) funds. BHA is responsible for leading and coordinating the U.S. government response to disasters overseas, and obligates funding for emergency food-assistance projects when there is an identified need and local authorities do not have the capacity to respond. BHA works closely with international partners such as the United Nations Children's Fund (UNICEF), the UN's World Food Programme (WFP), the UN's World Health Organization (WHO), and Save the Children to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.²⁹

USAID reported more than \$1.15 billion in IDA funds had been allocated to Afghanistan from 2002 through September 30, 2020, with obligations of more than \$1.12 billion and disbursements of nearly \$0.93 billion reported as of that date. USAID obligated more than \$178.61 million in IDA funds in FY 2020, the highest level of obligations that it has recorded in Afghanistan.³⁰ Figure 3.16 presents annual appropriations of IDA funds to Afghanistan. Figure 3.17 presents cumulative appropriations, obligations, and disbursements.



IDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.16

IDA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

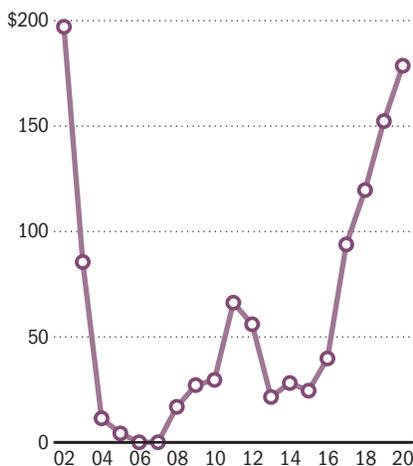
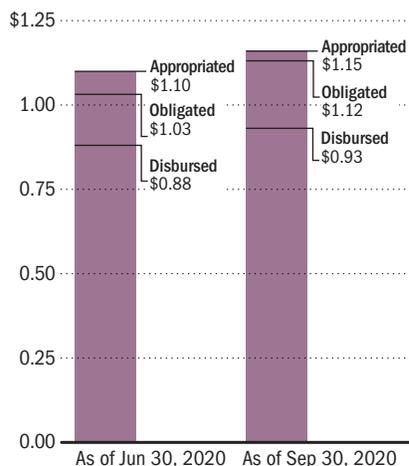


FIGURE 3.17

IDA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.
Source: USAID, response to SIGAR data call, 10/12/2020 and 7/11/2020.

STATUS OF FUNDS



INCLE FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

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.³¹

The INCLE account was allocated \$88.00 million for Afghanistan for FY 2020 through the Section 653(a) consultation process concluded among State, 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 2018.³² Cumulative funding for INCLE stands at more than \$5.42 billion, of which more than \$5.17 billion has been obligated and nearly \$4.56 billion has been disbursed as of September 30, 2020. Figure 3.18 shows INCLE appropriations by fiscal year, and Figure 3.19 shows cumulative appropriations, obligations, and disbursements as of June 30 and September 30, 2020.³³

FIGURE 3.18

INCLE APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

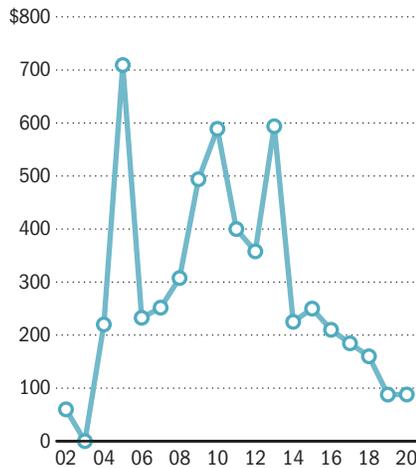
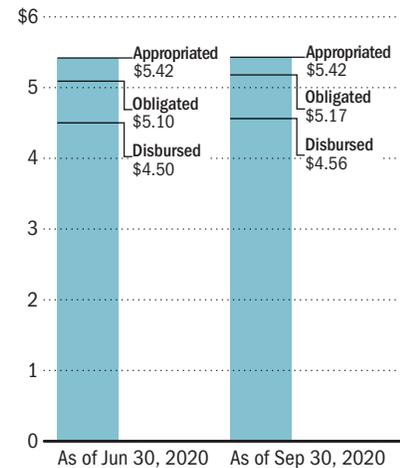


FIGURE 3.19

INCLE FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



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

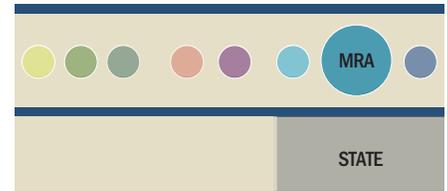
Source: State, response to SIGAR data call, 10/15/2020 and 7/13/2020.

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 non-governmental organizations (NGOs) in Afghanistan to support Afghan refugees throughout the region and upon their return to Afghanistan.³⁴

The MRA allocation for Afghan refugees, internally displaced persons, and returnees has increased for the past two years, rising from nearly \$77.19 million in FY 2018 to more than \$86.69 million in FY 2019 and nearly \$100.53 million in FY 2020. Cumulative appropriations since 2002 have totaled nearly \$1.53 billion through September 30, 2020, with cumulative obligations and disbursements reaching more than \$1.52 billion and nearly \$1.49 billion, respectively, on that date. Figure 3.20 shows MRA appropriations by fiscal year, and Figure 3.21 shows cumulative appropriations, obligations, and disbursements as of September 30, 2020.³⁵



MRA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.20

MRA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.21

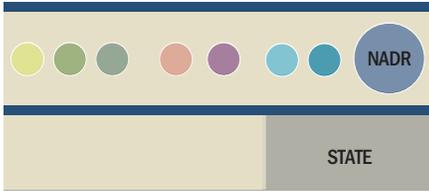
MRA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers. Cumulative comparison is made between MRA data as of 3/31/2020 and 9/30/2020 because State was unable to timely provide data as of 6/30/2020 due to circumstances it described as exceptional.

Source: State, response to SIGAR data call, 10/15/2020 and 4/14/2020.

STATUS OF FUNDS



NADR FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

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.³⁶ 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.³⁷

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, 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 3.22 shows annual allocations to the NADR account, and Figure 3.23 shows that the cumulative total of NADR funds appropriated and transferred remained unchanged between June 30 and September 30, 2020, at \$881.34 million.³⁸

FIGURE 3.22

NADR APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

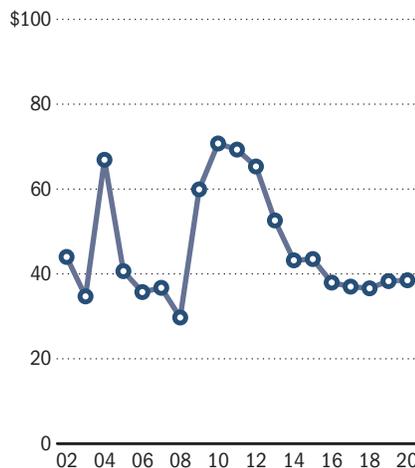
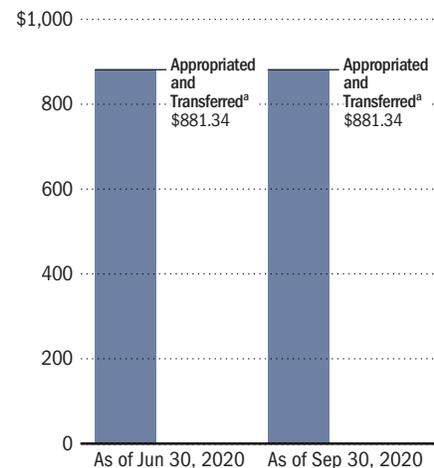


FIGURE 3.23

NADR FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded.

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

Source: State, response to SIGAR data call, 7/13/2020, 1/3/2020, and 10/5/2018.

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

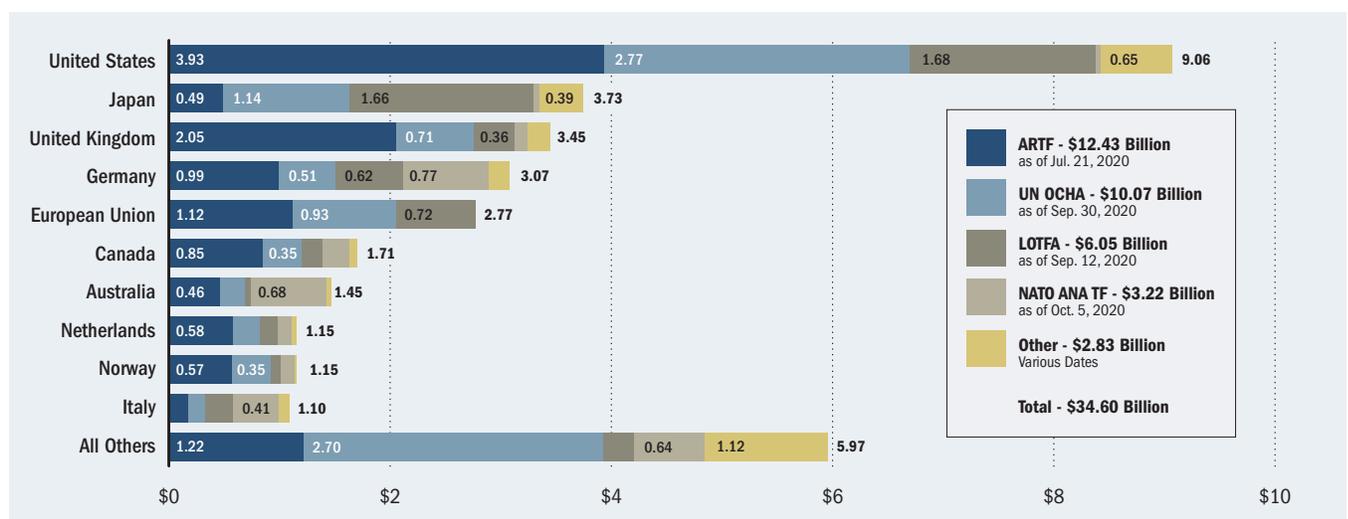
The international community provides significant funding to support Afghanistan relief and reconstruction efforts through multilateral institutions. These institutions include multilateral trust funds; United Nations and nongovernmental humanitarian-assistance organizations; two multilateral development-finance 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 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 3.24

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



Note: Amounts under \$350 million are not labeled. Numbers may not add due to rounding. "Other" consists of UNAMA contributions of \$2.24 billion for 2007–2019 calendar year assessments, and AITF contributions of \$0.59 billion at 3/31/2020.

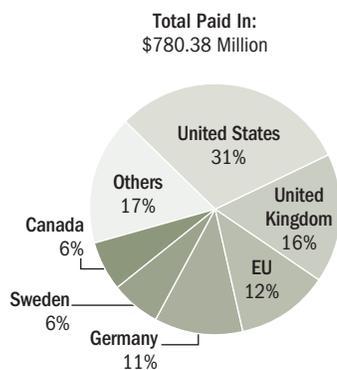
Source: World Bank, ARTF: Administrator's Report on Financial Status as of July 21, 2020 (end of 7th month of FY 1399) at www.artf.af, accessed 10/9/2020; UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 9/30/2020; UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated through 9/12/2020, in response to SIGAR data call, 10/8/2020; NATO, Afghan National Army (ANA) Trust Fund, Status of Contributions Made as of 5 October 2020, in response to SIGAR data call, 10/16/2020; ADB, AITF Quarterly Report Jan–Mar 2020, p. 10, in response to SIGAR data call, 10/12/2020; State, UNAMA approved budgets and notified funding plans, in response to SIGAR data calls, 7/13/2020 and 10/8/2020; UN, Country Assessments, at www.un.org/en/ga/contributions/scale, accessed 10/9/2020.

STATUS OF FUNDS

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 six organizations since 2002 have amounted to \$34.60 billion, with the United States contributing \$9.06 billion of this amount, as shown in Figure 3.26. 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 \$11.50 billion to Afghanistan since 2002, as discussed in the sections that follow.

FIGURE 3.25

ARTF CONTRIBUTIONS BY DONOR, AFGHAN FY 1398 (PERCENT)



Note: Percentages may not add to 100% due to rounding. "Others" includes 11 donors.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of July 21, 2020 (end of 7th month of FY 1399) at www.artf.af, accessed 10/9/2020.

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 July 21, 2020, the World Bank reported that 34 donors had paid in nearly \$12.43 billion. Figure 3.24 shows the four largest donors over this period were the United States, the UK, the European Union, and Germany. Figure 3.25 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.³⁹

Contributions to the ARTF are divided into two funding channels, the Recurrent Cost (RC) Window and the Investment Window. As of July 21, 2020, according to the World Bank, more than \$5.07 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.⁴⁰ To ensure that the RC Window receives adequate funding, donors to the ARTF may not "preference" (earmark) more than half of their annual contributions.⁴¹

The Investment Window supports development programs. As of July 21, 2020, according to the World Bank, nearly \$5.72 billion had been committed through the Investment Window, and more than \$4.94 billion had been disbursed. The Bank reported 24 active projects with a combined commitment value of nearly \$2.04 billion, of which more than \$1.27 billion had been disbursed.⁴²

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

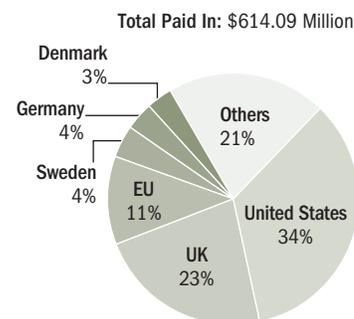
STATUS OF FUNDS

provided by donors to facilitate funding of targeted needs. Donors have contributed more than \$10.07 billion to humanitarian assistance organizations from 2002 through September 30, 2020, as reported by OCHA. OCHA-led annual humanitarian response plans and emergency appeals for Afghanistan accounted for more than \$6.58 billion, or 65.4%, 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 3.24; while the United States, United Kingdom, and the European Union were the largest contributors in 2019, when the international community contributed \$614.09 million to these organizations, as shown in Figure 3.26. 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 3.5.⁴³

FIGURE 3.26

UN OCHA-COORDINATED CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Percentages may not add to 100% due to rounding. "Others" includes 21 national governments and 13 other entities. Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 9/30/2020.

TABLE 3.5

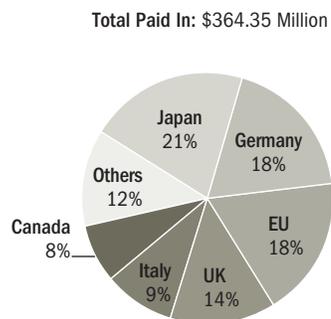
LARGEST RECIPIENTS OF HUMANITARIAN ASSISTANCE FOR AFGHANISTAN UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA) CUMULATIVE RECEIPTS, 2002 TO SEPTEMBER 30, 2020 (\$ MILLIONS)	
Largest Recipients	Receipts
United Nations Organizations	
World Food Programme (WFP)	\$3,097.75
United Nations High Commissioner for Refugees (UNHCR)	1,241.30
United Nations Children’s Fund (UNICEF)	537.04
United Nations Mine Action Service (UNMAS)	331.04
International Organization for Migration (IOM)	277.70
Food and Agricultural Organization (FAO)	216.19
Office for the Coordination of Humanitarian Affairs (UN OCHA)	144.29
World Health Organization (WHO)	124.53
Nongovernmental Organizations	
International Committee of the Red Cross	752.78
Norwegian Refugee Council	187.97
HALO Trust	117.18
Save the Children	109.26
All Other and Unallocated	2,937.35
Total Humanitarian Assistance Reported by OCHA	\$10,074.38

Note: Numbers have been rounded.

Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 9/30/2020.

FIGURE 3.27

LOTFA CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Numbers may not add due to rounding. "Others" includes the United States, nine other countries and the UNDP that made contributions to the two LOTFA funds.

Source: UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated 9/12/2020, in response to SIGAR data call, 10/8/2020.

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).⁴⁴ 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 99% 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. Donations of more than \$209.75 million have been received from 12 donors, led by the United Kingdom, Canada, and the European Union. The United States does not participate in the MPTF.⁴⁵

Donors have paid in nearly \$6.05 billion to the two LOTFA funds from 2002 through September 12, 2020. Figure 3.24 shows the fund's two largest donors on a cumulative basis have been the United States and Japan. Figure 3.27 shows the largest donors to the LOTFA in 2019. The United States had significantly reduced its support to LOTFA in recent years, contributing \$1.04 million in 2018, \$0.95 million in 2019, and \$5.54 million in 2020 through September 12, 2020.⁴⁶

Contributions to the NATO ANA Trust Fund

The NATO-managed Afghan National Army Trust Fund (NATF) 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).⁴⁷ The Fund has received contributions from 24 NATO members, including the United States, and from 12 other Coalition partners totaling nearly \$3.22 billion through October 5, 2020.⁴⁸ Figure 3.24 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.⁴⁹

World Bank Group in Afghanistan

The World Bank's International Development Association (IDA) has committed nearly \$5.11 billion for development, emergency reconstruction projects, and eight budget support operations in Afghanistan from 2002 through August 2020. This support consists of over \$4.67 billion in grants and \$434 million in no-interest loans known as "credits." The Bank, as of August 2020, has 11 active IDA-only projects and 18 active projects jointly funded with the ARTF and other global trust funds with a combined commitment value of over \$2.24 billion from IDA.

In addition, the International Finance Corporation (IFC) has made commitments valued at nearly \$300 million and the Multilateral Investment Guarantee Agency (MIGA) has a gross exposure of nearly \$114 million on projects in Afghanistan through August 2020.⁵⁰

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.⁵¹

Asian Development Bank in Afghanistan

The Asian Development Bank (ADB) has committed over \$5.98 billion for 154 development projects and technical assistance programs in Afghanistan from 2002 through September 2020. This support has consisted of \$5.00 billion in grants (of which the Asian Development Fund, or ADF, provided \$4.01 billion, and the ADB provided \$0.99 billion in co-financing), \$0.87 billion in concessional loans, and \$105.9 million in technical assistance. ADB has provided \$2.66 billion for 20 key road projects, \$1.85 billion to support energy infrastructure, and \$1.06 billion for irrigation and agricultural infrastructure projects. The United States and Japan are the largest shareholders of the ADB; each holds 15.57% of total shares.⁵²

The ADB manages the Afghanistan Infrastructure Trust Fund (AITF), a multidonor 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 \$301.15 million through March 31, 2020.⁵³

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 Congress of its annual plan to fund UNAMA along with other UN political missions, based on mission budgets, since FY 2008. The U.S. contribution to UNAMA, based on its fixed 22.0% share of UN budgets and funded through the Contribution to International Organizations (CIO) account, has totaled \$493.81 million from FY 2008 through FY 2020. Other UN member governments have funded the remainder of UNAMA's budget of \$2.24 billion over this period.⁵⁴

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.

Annual U.S. contributions to the World Bank Group, Asian Development Bank, and the United Nations Assistance Mission in Afghanistan (UNAMA) are funded by the Treasury and State Departments. The contributions are mostly fixed by international agreement and, except for 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.

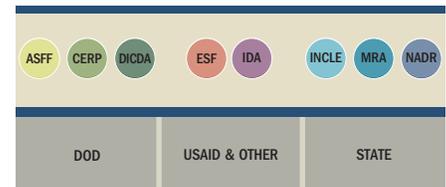
STATUS OF FUNDS

TABLE 3.6

SOURCES OF U.S. FUNDING FOR MULTILATERAL ASSISTANCE PROGRAMS AND ORGANIZATIONS IN AFGHANISTAN	
Multilateral Assistance Programs and Organizations	Sources of U.S. Funding
Afghanistan Reconstruction Trust Fund (ARTF)	ESF
Law and Order Trust Fund for Afghanistan (LOTFA)	ASFF and INCLE
Afghan National Army (ANA) Trust Fund (NATF)	ASFF
Afghanistan Infrastructure Trust Fund (AITF)	ESF
UN OCHA Coordinated Programs	
UN World Food Programme (WFP)	IDA and Title II
UN High Commissioner for Refugees (UNHCR)	MRA
UN Children's Fund (UNICEF)	CSH, IDA, MRA, and Title II
UN Mine Action Service (UNMAS)	ESF and NADR
International Organization for Migration (IOM)	ESF, IDA, and MRA
UN Food and Agriculture Organization (FAO)	ESF and IDA
UN OCHA and its Afghanistan Humanitarian Fund	IDA
UN World Health Organization (WHO)	CSH, ESF, and IDA
HALO Trust	NADR
Save the Children	ESF and IDA
The Asia Foundation (TAF)	SFOPS TAF and ESF
UN Development Programme (UNDP)	ESF
UN Assistance Mission in Afghanistan (UNAMA)	CIO
World Bank Group (IBRD, IDA, IFC, and MIGA)	Treasury IP
Asian Development Bank (ADB and ADF)	Treasury IP

Note: SFOPS TAF refers to The Asia Foundation account in the Department of State, Foreign Operations, and Related Programs (SFOPS) appropriation; Treasury IP refers to the International Programs account in the Department of the Treasury appropriation.

Source: DOD, response to SIGAR data call, 1/18/2019; State, responses to SIGAR data call, 4/17/2020, 4/9/2020, and 8/21/2019; Treasury, response to SIGAR data call, 4/20/2020; UNDP, response to SIGAR data call, 4/5/2020; USAID, response to SIGAR data calls, 4/3/2020 and 1/13/2020; and USAID, Afghanistan-Complex Emergency Fact Sheet #4 FY 2017 at www.usaid.gov, accessed 4/9/2020.



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SECURITY

KEY ISSUES & EVENTS

According to United States Forces-Afghanistan (USFOR-A), average daily enemy-initiated attacks this quarter were 50% higher compared to last quarter. Overall enemy-initiated attacks were also “above seasonal norms.”

On October 12, NATO Resolute Support (RS) and USFOR-A commander General Austin Scott Miller said the high level of Taliban violence around the country “is not consistent with the U.S.-Taliban agreement and undermines the ongoing Afghan peace talks.”

USFOR-A and RS reported that Afghan casualties among both civilians and security forces increased this quarter compared to last quarter.

The United States is executing a troop reduction to a level of 4,000–5,000 by the end of November while U.S. officials cite the lack of Taliban progress on meeting certain commitments in, or related to, the U.S.-Taliban agreement.

Peace negotiations between the Afghan government and the Taliban began on September 12 amid continued high levels of violence in Afghanistan. U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad called the initiation of negotiations “a truly historic moment” and said the parties to the talks “have the opportunity to bring an end to more than 40 years of war in their country.”⁵⁵ The Taliban’s participation in the negotiations fulfills a commitment made in its agreement with the United States signed on February 29. The talks also provide a vehicle for the Taliban to fulfill another commitment, to discuss the date and modalities of a permanent and comprehensive cease-fire and come to an agreement over the political future of Afghanistan.⁵⁶

However, U.S. officials have recently indicated that the Taliban is not fully meeting other commitments stipulated in or broadly part of the U.S.-Taliban agreement—in particular those regarding counterterrorism guarantees and reduced Taliban violence—whose importance U.S. officials have stressed repeatedly.⁵⁷

According to the Department of Defense (DOD), the Taliban lowering violence levels “is a component of the Taliban’s broader commitments in

the [U.S.-Taliban] agreement,” although it does not appear in the published text.⁵⁸ Following increased attacks during a Taliban offensive against the provincial capital of Helmand Province in October, RS commander General Austin Scott Miller said the high level of Taliban violence around the country “is not consistent with the U.S.-Taliban agreement and undermines the ongoing Afghan peace talks.”⁵⁹ The attacks and Taliban accusations that the United States violated the agreement (which U.S. officials denied) led General Miller and Ambassador Khalilzad to meet with Taliban representatives in Doha in mid-October.⁶⁰ After these meetings, Ambassador Khalilzad announced that “all sides agreed to decrease attacks and strikes and reduce violence and casualties,” and also “agreed to re-set actions by strictly adhering to implementation of all elements of the U.S.-Taliban agreement and all commitments made.”⁶¹

The key Taliban commitment in the U.S.-Taliban agreement stipulates that the group will take specific actions relating to counterterrorism to “prevent any group or individual, including al Qaeda, from using the soil of Afghanistan to threaten the security of the United States and its allies.”⁶² Testifying to Congress on September 22, David Helvey, Performing the Duties of Assistant Secretary of Defense for Indo-Pacific Security Affairs, said “We are looking to make sure that the Taliban lives up to its obligations and its commitments to us with respect to counterterrorism. And so far, they are not fully compliant.”⁶³

Part of the Taliban’s commitment not to threaten the security of the United States and its allies includes a prohibition on attacking U.S. and Coalition personnel in Afghanistan.⁶⁴ The *New York Times* quoted unnamed U.S. military officials saying the Taliban conducted two attacks on U.S. military installations this quarter, but reportedly neither caused casualties. RS declined to comment on the *New York Times* report.⁶⁵ SIGAR also asked USFOR-A whether there have been any confirmed or suspected Taliban attacks on U.S. personnel or facilities since the beginning of the Afghan peace negotiations, and whether any attacks were in violation of the agreement. The question drew a classified response.⁶⁶ DOD did confirm that as of October 11, no U.S. service members have been killed by hostile action in Afghanistan since the signing of the agreement.⁶⁷

American officials have consistently said U.S. troop reductions in Afghanistan are conditions-based on whether the Taliban meet their commitments in the U.S.-Taliban deal. If the Taliban fails to do so, it could impact whether the United States executes the planned full withdrawal of U.S. forces by May 2021, and how the United States determines the size and scope of U.S. financial assistance to a future Afghan government if it includes the Taliban.⁶⁸

Meanwhile, troop reductions are ongoing. On August 8, Secretary of Defense Mark Esper announced in an interview that he would execute a reduction to below 5,000 troops by the end of November, a troop-level

benchmark not specified in the agreement.⁶⁹ Helvey said on September 22 that in August President Donald J. Trump “made a determination that the conditions in Afghanistan were sufficient” to reduce the U.S. force presence to this lower level.⁷⁰ On October 6, President Trump announced on Twitter, “We should have the small remaining number of our BRAVE Men and Women serving in Afghanistan home by Christmas!”⁷¹ Following the tweet, Chairman of the Joint Chiefs of Staff General Mark Milley said, “That was the decision of the President on a conditions-based withdrawal. ... We, the military, are giving our best military advice on those conditions so that the president can make an informed, deliberate, responsible decision.”⁷²

DOD’s Office of the Under Secretary of Defense for Policy (OUSD-P) told SIGAR on October 18 that “DOD does not have orders to change our current drawdown plan, which directs a reduction in forces to between 4,000 and 5,000 by the end of November 2020.”⁷³

DOD said in June that Afghanistan remains vital for protecting American national-security interests, but also said the Afghan National Defense and Security Forces (ANDSF) are unlikely to gain self-sufficiency by 2024 “even if levels of violence and, with it, the ANDSF force structure, reduce significantly.”⁷⁴ OUSD-P told SIGAR this quarter:

On July 15, upon completion of the drawdown to 8,600 U.S. military personnel in accordance with the U.S.-Taliban agreement, [OUSD-P] began planning for continuing to provide support to the ANDSF, including continued efforts to build institutional viability and manage and oversee security assistance funding, should there be a full withdrawal of troops in accordance with a potential peace agreement. [OUSD-P] notes that supporting the ANDSF will remain critical to ensuring the viability of the Afghan government, even in a post-peace environment.⁷⁵

Further troop reductions in the current security environment, when the timeline for a concluded peace settlement is also unknown, could impact continued U.S. support to and development of Afghanistan’s security institutions. Particularly important will be how DOD continues to provide adequate oversight of the billions of dollars per year it executes to pay, equip, train, and sustain the ANDSF in the years ahead, and whether it can continue contract oversight and an effective level of train, advise, and assist support for the force.⁷⁶

Data Classified or Not Publicly Releasable

This quarter, USFOR-A newly classified or restricted from public release the following data:

- Some Afghan civilian casualty data
- A description of the Combined Security Transition Command-Afghanistan’s (CSTC-A) method for determining the reliability of its Afghan partners as part of its conditionality approach

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):⁷⁷

- enemy-initiated attacks and effective enemy-initiated attacks
- 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 and processing classified information, SIGAR will not issue a classified annex to this quarterly report.

U.S. Reconstruction Funding for Security

As of September 30, 2020, the U.S. Congress had appropriated nearly \$86.4 billion to help the Afghan government provide security in Afghanistan. This accounts for about 61% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002. Of the nearly \$4.2 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2020, only about \$0.8 billion had been obligated and nearly \$0.7 billion disbursed, as of September 30, 2020.⁷⁸

Congress established the ASFF in 2005 to build, equip, train, and sustain the ANDSF, which comprises all forces under the Ministry of Defense (MOD) and Ministry of Interior (MOI). A significant portion of ASFF money is used for Afghan Air Force (AAF) aircraft maintenance, and for ANA, AAF, Afghan Special Security Forces (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 expired September 30, 2020.⁷⁹ The rest of ASFF is used for fuel, ammunition, vehicle, facility and equipment maintenance, and various communications and intelligence infrastructure. Detailed ASFF budget breakdowns are presented in tables on pages 52–53.⁸⁰

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.⁸¹ While the United States funds most ANA salaries, a significant share of ANP personnel costs is paid by



A meeting at the Arg, the presidential palace in Kabul, features from left, RS and USFOR-A Commander Austin Scott Miller, Chairman of the Joint Chiefs of Staff Mark Milley, Chairman Abdullah Abdullah, and President Ashraf Ghani. (Joint Chiefs of Staff photo)

international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA). According to DOD, the United States stopped donating to LOTFA in 2017 and since then has provided about \$1 million annually as a “subscription fee” to participate in LOTFA deliberations.⁸² A discussion of on-budget (Afghan-managed) and off-budget (U.S.-managed) expenditures of ASFF is found on pages 114–115.

U.S. Officials: Taliban’s High Violence Levels Inconsistent with U.S.-Taliban Agreement

On October 12, USFOR-A and RS Commander General Austin Scott Miller said “The Taliban need to immediately ... reduce their violence around the country. It is not consistent with the U.S.-Taliban agreement and undermines the ongoing Afghan peace talks.”⁸³ The sentiment was echoed by U.S. Chargé d’Affaires to Afghanistan Ross Wilson the next day.⁸⁴ These statements followed a Taliban offensive against Helmand Province’s capital city, Lashkar Gah. USFOR-A announced on October 12 that the offensive led it to conduct in the preceding two days “several targeted strikes in Helmand to defend ANDSF forces under attack by Taliban fighters, consistent with the U.S.-Taliban [agreement].”⁸⁵

The Taliban attacks, and Taliban accusations that U.S. air strikes had violated the agreement (claims U.S. officials said were unfounded), led General Miller and Ambassador Khalilzad to meet with Taliban representatives in Doha in mid-October.⁸⁶ USFOR-A reported in early October that U.S. air strikes increased this quarter compared to last quarter to help defend Afghan security forces, which is permitted under the agreement.⁸⁷ Additionally, NATO Special Operations Component Command-Afghanistan (NSOCC-A) reported that the Afghan Special Security Forces (ASSF), the

ANDSF's primary offensive forces, conducted the highest number of ground operations this quarter (July–September 2020) than it has in over a year (since April–June 2019).⁸⁸

Ambassador Khalilzad said on October 18 that the recent meetings with the Taliban resulted in “all sides agree[ing] to decrease attacks and strikes and reduce violence and casualties,” and “to re-set actions by strictly adhering to implementation of all elements of the U.S.-Taliban Agreement and all commitments made.”⁸⁹ He also said “Although violence in Helmand has decreased, violence overall in the country remains high,” and warned that “continued high levels of violence can threaten the peace process and the agreement and the core understanding that there is no military solution” to the Afghan conflict.⁹⁰

The uptick in Taliban violence in October continued the high enemy-violence trends seen this quarter. According to USFOR-A, average daily enemy-initiated attacks were 50% higher this quarter (July–September) than last quarter (April–June). Overall enemy-initiated attacks this quarter were also characterized as “above seasonal norms.”⁹¹ Several American officials including Secretary of State Michael Pompeo, Secretary of Defense Mark Esper, and Ambassador Zalmay Khalilzad have said over the last few months that the level of Taliban violence was “too high,” contrary with the Taliban’s broader commitments in the [U.S.-Taliban] agreement to reduce violence.⁹²

The one exception was the Taliban and Afghan government observance of a mutual, three-day cease-fire during Eid al-Adha holiday July 28–30. This was the second such cease-fire since the signing of the U.S.-Taliban agreement on February 29, when violence fell to low levels similar to the first cease-fire in May.⁹³ RS has said the Taliban’s ability to reduce violence during temporary cease-fires “demonstrat[es] the Taliban’s ability to exert command and control of their fighters.”⁹⁴

According to DOD, the Taliban lowering violence levels “is a component of the Taliban’s broader commitments in the [U.S.-Taliban] agreement.”⁹⁵ Secretary Pompeo said on August 6 that the Taliban had “committed to significantly reduce violence and casualties during the [Afghan peace] talks” and that “The United States intends to hold the Taliban to these commitments.”⁹⁶ However, Taliban attacks since Afghan peace talks began in Doha on September 12 have only continued at high levels causing increased Afghan security forces and civilian casualties, from mid- to late-September.⁹⁷

Afghan officials have spoken out. On October 14, Nader Nadery, a member of the Afghan government’s negotiating team, said “It is unacceptable for our people to be suffering the way they have suffered these past three weeks with increased violence,” and questioned whether “the path of talking and fighting would work or not.”⁹⁸ At the UN General Assembly on September 22, Afghan President Ashraf Ghani called for a permanent cease-fire, saying it is the “clear and urgent priority” of the Afghan people.

President Ghani also said a cease-fire would give the Afghan government and Taliban peace negotiators “a chance to progress” in Doha.⁹⁹

Ambassador Khalilzad said in an interview on September 25 that “The Talibs will not accept a cease-fire, comprehensive and permanent, until there’s a political settlement. And that’s not unprecedented in similar conflicts elsewhere.”¹⁰⁰ According to DOD, “The Taliban is calibrating its use of violence to harass and undermine the ANDSF and [the Afghan government], but [to] 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.”¹⁰¹

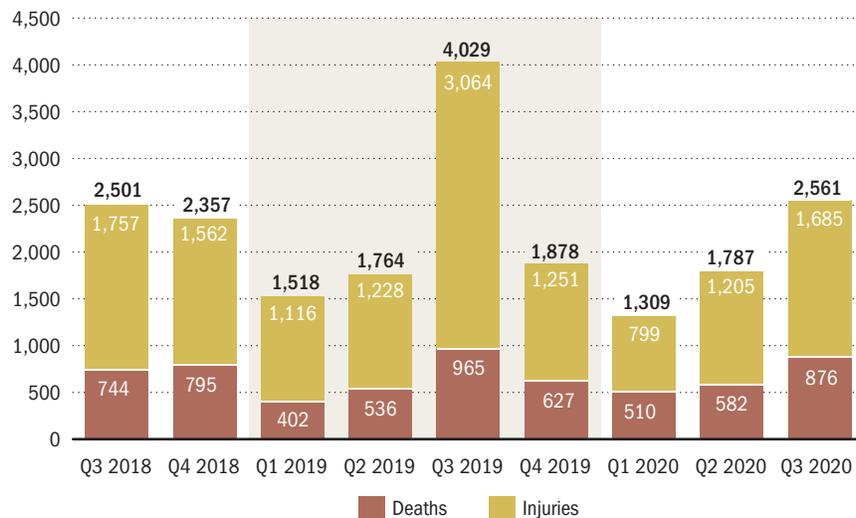
DOD reports that the U.S. government continues to closely monitor violence levels in Afghanistan to assess whether the Taliban “is sufficiently complying with its commitments under the U.S.-Taliban Agreement.”¹⁰² DOD also told SIGAR on October 13 that if Taliban violence continues at its “unacceptably high” rate, “it could undermine the agreement.”¹⁰³

Civilian Casualties

RS reported 2,561 civilian casualties this quarter (July 1–September 30, 2020), which included 876 deaths and 1,685 injuries. In line with the continued rise in violence, this quarter’s casualties increased by 43% compared to last quarter (April 1–June 30, 2020).¹⁰⁴ Though casualties are typically

FIGURE 3.28

RS-REPORTED CIVILIAN CASUALTIES BY QUARTER

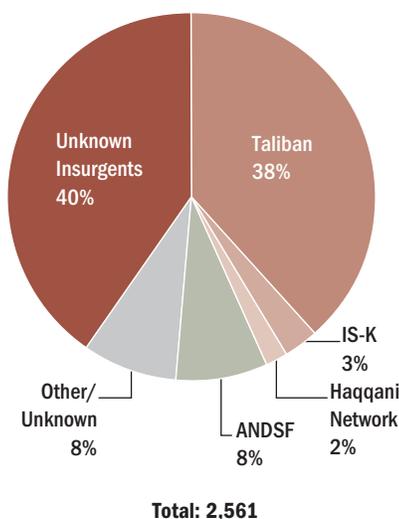


Note: This quarter’s data covers the period from July 1–September 30, 2020. Figures for last quarter were updated by RS this quarter.

Source: RS, response to SIGAR data call 10/21/2020, 1/7/2020, and 10/7/2019; SIGAR, analysis of RS-provided data, 10/2020.

FIGURE 3.29

RS-REPORTED CIVILIAN CASUALTIES BY PARTY ATTRIBUTION



Note: The data covers the period from July 1–September 30, 2020. Casualties include dead and wounded. “Other/unknown” for RS data civilian casualties caused by undetermined elements, local militia, and the Pakistani military. Percentages may not add to 100% due to rounding.

Source: RS, response to SIGAR data call, 10/21/2020; SIGAR, analysis of RS-provided data, 10/2020.

UNAMA issued its civilian casualty report covering July–September 2020 too late to be included in this report.

high in the third quarter of any year, this quarter’s high figures are notable because they occurred during an ongoing peace process and despite Taliban commitments to reduce violence.¹⁰⁵ Figure 3.28 on the previous page shows that while this quarter’s casualties are 36% lower than the especially high casualties seen during the same period last year, they are about the same level as the third quarter of 2018.¹⁰⁶

Seen in Figure 3.29, RS attributed about 83% of this quarter’s civilian casualties to antigovernment forces (40% to unknown insurgents, 38% to the Taliban, 3% to Islamic State-Khorasan, and 2% to the Haqqani Network), roughly the same as last quarter’s breakdown. Another 8% were attributed to progovernment forces (8% to ANDSF and no incidents attributed to Coalition forces), and about 8% to other or unknown forces.¹⁰⁷

Therefore, most of the increase in civilian casualties compared to last quarter was attributed to unknown insurgent- (55% increase) and Taliban-caused casualties (42% increase). However, casualties attributed to the ANDSF also more than doubled compared to last quarter (to 212 casualties).¹⁰⁸

Improvised-explosive device incidents continued to account for the majority of civilian casualties (41%), followed by direct fire (29%), and indirect fire (12%). While the 117 civilian casualties from AAF air strikes accounted for only 5% of the total number of casualties this quarter, it reflects a 457% increase compared to last quarter. The AAF had a high operational tempo this quarter. For more information, see page 98. U.S. and Coalition forces reported increased air strikes this quarter in support of Afghan forces, but zero casualties from their strikes.¹⁰⁹

The data here includes most, but not all, of the civilian casualties recorded this quarter. RS noted that these figures omit classified civilian casualty reports that were provided by non-U.S. sources or were incidents enclosed in otherwise classified reports.¹¹⁰

UNITED STATES FORCES-AFGHANISTAN

U.S. Forces Commence Another Troop Reduction

Following the United States meeting its commitment in the U.S.-Taliban agreement to reduce its force level to 8,600 ahead of schedule in June, Secretary Esper announced on August 8 that he would order an additional force reduction to below 5,000 troops by the end of November 2020.¹¹¹ The U.S.-Taliban agreement lays out only two U.S. force-reduction benchmarks to be conducted if the Taliban meet their commitments in the agreement. The first benchmark is to draw down to 8,600 troops within 135 days of the agreement’s signing (i.e., by mid-July 2020), and the second is the withdrawal of all troops within 14 months (by May 2021).¹¹²



U.S. and Coalition personnel stand outside Resolute Support Headquarters in Kabul. (Resolute Support photo)

David Helvey, Performing the Duties of Assistant Secretary of Defense for Indo-Pacific Security Affairs, testified to Congress on September 22 that President Trump decided in August to reduce the U.S. force presence in Afghanistan to 4,000–5,000 troops by the end of November after he “made a determination that the conditions in Afghanistan were sufficient” for the move.¹¹³

U.S. Force Reduction Impact on Capabilities and the Train, Advise, and Assist Mission

Helvey also told Congress that at the 4,000–5,000 force level, the United States can maintain the “core aspects” of its train, advise, and assist mission, as well as its counterterrorism mission, while ensuring the protection of U.S. forces on the ground.¹¹⁴

According to DOD and USFOR-A, U.S. forces remaining in Afghanistan will have the capabilities to: (1) provide support to other NATO countries; (2) train, advise, and assist the ANDSF, with COVID mitigation, at echelon and when required at the tactical points of need; and (3) protect the U.S. force. USFOR-A explained that the remaining U.S. force is a fighting formation with necessary authorities, mobility, fires, logistics, and medical capability, and continues to administer security assistance with the appropriate oversight. “Most” of the personnel being withdrawn, DOD said, are serving in “support and staff functions ... [that are] being consolidated as bases consolidate,” and “General Miller assesses he can provide required advising and assistance at the ‘point of need’ while ... ensur[ing] required enabler support is provided.”¹¹⁵

However, the reduction of forces introduces challenges for capabilities and the TAA mission. CSTC-A reported this quarter that the decrease in their strength “has made it more difficult to assess, monitor, and evaluate

the ANDSF.”¹¹⁶ The command is still providing TAA, but “with a smaller military force, individual advisors are responsible for a broader spectrum of TAA. Verification of data and monitoring below the [ANA] Corps and [ANP Provincial Chief of Police] level is a challenge. Previously, advisors were assigned to provide TAA coverage at lower echelons of the ANDSF and were able to gather information first-hand. Now, advisors must depend on ANDSF self-reporting to assess, monitor, and evaluate.”¹¹⁷

Asked whether the United States can achieve its primary goal of ensuring terror cells threatening the homeland cannot operate in Afghanistan without American troops on the ground, Helvey said the United States can do this by “build[ing] up the capabilities of the [ANDSF] ... so that Afghans themselves are able to pursue shared counterterrorism objectives.”¹¹⁸

DOD said this quarter that some units of the Afghan Special Security Forces (ASSF), the primary ANDSF components charged with counterterrorism missions “have proven highly capable of conducting independent operations.”¹¹⁹ However, because targeting potential terrorist threats in Afghanistan’s remote areas is difficult, DOD said the forces “would benefit from continued partnership with U.S. and Coalition forces” and that “they rely on ASFF funding as well as contracted logistics support for their aircraft and ground vehicles, [U.S.] procurement of supplies such as weapons, [ammunition], and [communications equipment], and [U.S.] contracted training to generate commandos.”¹²⁰

As this indicates, U.S. military missions in Afghanistan involve more than developing the ANDSF and the security ministries’ capabilities. U.S. forces also execute and/or oversee costly and necessary taxpayer-funded contracts to train and sustain the ANDSF, and to provide them hundreds of millions of dollars’ worth of equipment and direct-assistance funds, as detailed later in this report.

U.S. and Coalition Forces’ Advising Efforts

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

RS commander General Austin Scott Miller directed on March 14 that, due to the danger of the COVID-19 pandemic, Coalition personnel would conduct only limited, mission-essential, face-to-face advising with their Afghan counterparts. This order remains in effect.¹²¹ CSTC-A said this quarter that COVID-19 continued to impact their train, advise, and assist (TAA) efforts by reducing the number of face-to-face interactions between advisors and Afghan partners, and forcing both the MOD and MOI Ministry Advisory Groups (MAG-D and MAG-I) to use DASNET (a videoconferencing system), e-mail, telephone, WhatsApp messaging application, and other remote methods to carry out their mission. One particular challenge CSTC-A identified was the need for newly arrived personnel to establish relationships with their Afghan counterparts using remote communication.¹²²



German Brigadier General Ansgar Meyer (right), commander of TAAC-North, oversees a training exercise at the ANA's Regional Military Training Center in Mazar-e Sharif. (Resolute Support photo)

CSTC-A assessed that these alternative ways of providing TAA have been “effective,” but not as effective as conducting in-person engagements. Regular video and phone conferences with ANDSF and ministry partners on the Afghan Personnel and Pay System, the CoreIMS inventory-management system, recruiting, training, and other areas important for Afghan security institutional viability, continue to increase ANDSF proficiency in these areas.¹²³ While CSTC-A said the ANDSF’s COVID-19 mitigation strategies have stressed the ANDSF’s other capabilities and reduced advisor contact, they have also required MOD and MOI to operate more independently.¹²⁴

In contrast, NATO Special Operations Component Command-Afghanistan (NSOCC-A), charged with advising the ASSF, said the pandemic in the short term “has not had a substantial impact on ANDSF counterterrorism operational output” from lost experience or disruption to the continuity of long-term ASSF TAA efforts. NSOCC-A reported this quarter that the Afghan National Army Special Operations Corps (ANASOC) and the General Command of Police Special Units performed “independent, coherent, and well-coordinated operations” with the Special Mission Wing’s support. Limited direct TAA engagement fostered more independent Special Mission Wing-conducted operations, with the exception of aircraft maintenance, according to NSOCC-A.¹²⁵ For more information about the ASSF’s operations and performance, see pages 83–86.

To continue providing prompt assistance to the ANDSF in fighting the pandemic, CSTC-A approved 13 COVID-19 funding packages totaling \$272,603 this quarter for the MOI Office of the Surgeon General, ANP provincial headquarters, the General Command Police Special Units (GCPSU),

the MOI Director of Logistics, Training General Command, and the Counter Narcotics department. Items provided included oxygen, medical gases, and medical personal protective equipment. Also during the quarter, MAG-D ordered 2,000 personal protective equipment kits, 1,370 N95 masks, 105,300 surgical masks, 119,450 gloves, 300 gowns, 3,784 hand-sanitizer units, and 67,862 units of Dettol antibacterial soap for the ANA (a contribution valued at roughly \$2.5 million).¹²⁶

CSTC-A reported that the impact of the pandemic on its contract oversight varied depending on accessibility issues. When contractors were collocated with RS personnel, such as at RS Headquarters with MAG-D, CSTC-A was able to monitor their performance directly. For other contracts, such as aircraft training or linguistic support, CSTC-A sought to mitigate accessibility issues through increased use of remote communication methods. According to CSTC-A, these mitigations allowed them to ensure proper contract oversight despite the limitations on face-to-face interactions.¹²⁷

U.S. and Coalition Forces Casualties and Insider Attacks

From October 7, 2001, through October 16, 2020, 1,909 U.S. military personnel were killed in action, a toll unchanged since last quarter. Another 533 personnel died as a result of non-hostile causes. A total of 20,772 military personnel have been wounded in action, an increase of 53 since last quarter.¹²⁸

USFOR-A reported no insider attacks, nor casualties resulting from insider attacks, among U.S. and Coalition forces this quarter. There has only been one insider attack so far in 2020, on February 8. In 2019, six insider attacks had occurred by the end of the third quarter.¹²⁹

AFGHAN NATIONAL DEFENSE AND SECURITY FORCES

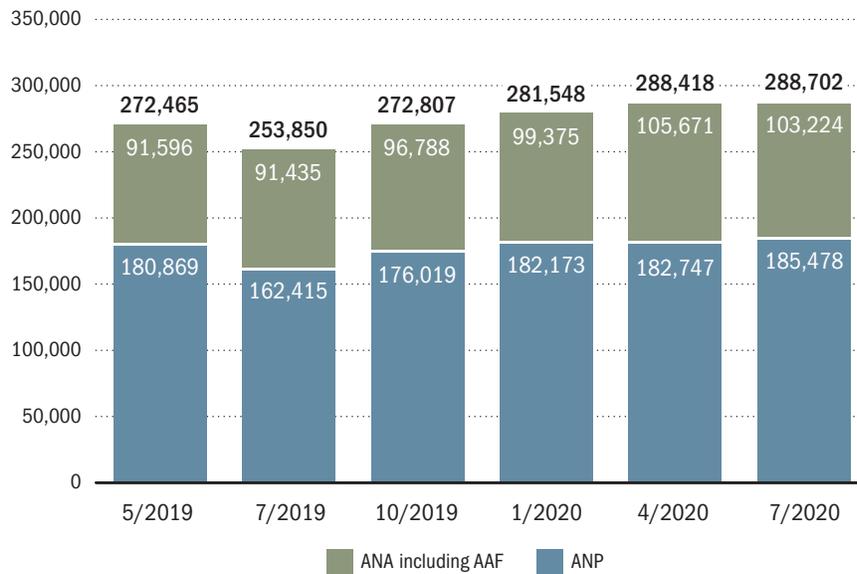
ANDSF Strength

This quarter, the ANDSF continued to report its highest strength since it began using the Afghan Personnel and Pay System (APPS) in July 2019, which leverages biometric enrollment and Afghan self-reporting for more accurate accounting compared to the prior system that relied only on self-reporting.¹³⁰

As of July 25, 2020, CSTC-A reported 288,702 ANDSF personnel (185,478 MOD and 103,224 MOI) biometrically enrolled and eligible for pay in APPS. There were an additional 10,741 civilians (6,576 MOD and 4,165 MOI) and 18,266 Afghan Local Police (ALP). Figures 3.30 and 3.31 show changes in ANDSF by quarter and over the last several years. This quarter's total strength reflects an increase of 284 personnel since last quarter (data as of April). Although total force strength did not change significantly since last quarter, the MOI lost 2,447 personnel since last quarter and MOD gained

FIGURE 3.30

REPORTED ANDSF ASSIGNED STRENGTH FROM APPS

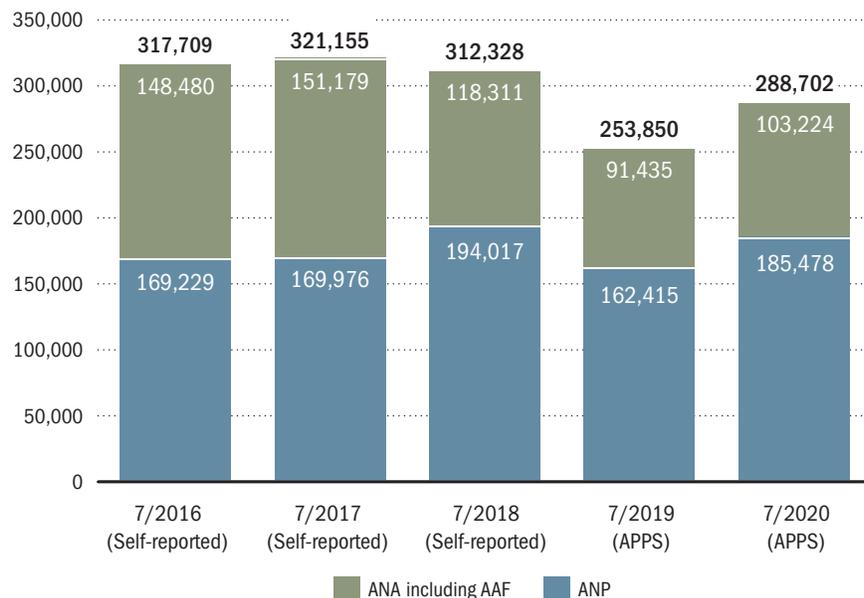


Note: This quarter's data is as of July 25, 2020. The "as of" date of the data each quarter is between the 25th and 31st of the indicated month. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included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

Source: CSTC-A response to SIGAR data call, 9/22/2020, 6/18/2020, 3/17/2020, 12/19/2019, and 9/18/2019; SIGAR, analysis of CSTC-A-provided data, 9/2020.

FIGURE 3.31

REPORTED ANDSF ASSIGNED STRENGTH SINCE 2016



Note: This quarter's data is as of July 25, 2020. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in strength numbers. ANA strength numbers include the AAF and trainees, transfers, holdees, and student personnel. ANP strength numbers do not include "standby" personnel, generally reservists, or personnel not in service while completing training. The change in strength numbers from 2018 to 2019/2020 is due to the transition of strength reporting from ANDSF-reported figures to reporting from the Afghan Personnel and Pay System (APPS). The strength numbers reported here should not be viewed as exact: CSTC-A and SIGAR have long noted many data-consistency issues with ANDSF strength numbers.

Source: CSTC-A response to SIGAR data call, 9/22/2020; SIGAR, Quarterly Report to the United States Congress, 10/30/2016, 10/30/2017, 10/30/2018, 10/30/2019; SIGAR, analysis of CSTC-A-provided data, 9/2020.

2,731.¹³¹ CSTC-A reported that these MOI losses were due to reduced operations at recruiting and training centers as part of the pandemic response measures. MOD's increase was because travel restrictions in place last quarter were lifted, allowing personnel who would have joined the ANDSF during those months to enlist, and because the ANA corps were granted authorization to conduct local recruitment.¹³²

The authorized strength of the ANDSF, the force level that the international community is willing to fund, remains at 352,000 MOD and MOI personnel. This puts the ANDSF's current assigned strength at 82%, or 63,298 personnel short, of its authorized strength.¹³³

Afghan Personnel and Pay System

CSTC-A reported this quarter that it continues its efforts to transition the full ownership and management of the Afghan Personnel and Pay System (APPS), which accounts for ANDSF personnel and manages payroll for the force, to the Afghan government. As of October 2020, the United States has spent \$35.8 million to build and sustain this system since it was created in 2016, about \$10 million of which having been spent since December 2018.¹³⁴

CSTC-A has spent years developing and overseeing APPS and helping the ANDSF implement the system. This quarter SIGAR asked CSTC-A for a timeline and the goals associated with transitioning APPS sustainment and management to the Afghan government. CSTC-A said because the transition is contingent on several factors, a specific timeline for achieving it has not been established. So far, factors for transition include:¹³⁵

- establishment of an Afghan APPS Program Management Office (PMO), which will first require the ministries to establish and approve authorized positions in APPS for personnel assigned to the office
- an Afghan government budget for an APPS sustainment contract using Afghan funds (it is expected APPS sustainment will cost roughly \$9.6 million per year)
- full MOI implementation of APPS to inform pay, as the MOD currently does
- advancement in APPS proficiency, with training provided to each of the ministries in the areas of user functions, help desk, and “train the trainers”

Last quarter, the ministries took full ownership of the APPS ID-card management and distribution process and of their “Tier One Help Desk,” the front-line support resource for ANDSF APPS users across Afghanistan. This quarter, CSTC-A said MOI is waiting for approval to create 25 new civilian positions to establish its APPS PMO. MOD recently established a five-person APPS PMO and continues the hiring process to staff the office. MOD is working closely with CSTC-A to learn roles and responsibilities associated with running an APPS PMO. Both MOD and MOI have made no progress on creating a budget for an APPS sustainment contract.¹³⁶

CSTC-A says until MOD and MOI accomplish these goals, U.S.-provided ASFF funds will continue to pay for APPS, and CSTC-A's APPS PMO will maintain oversight of the system. The current APPS sustainment contract ends April 30, 2021, but a follow-on ASFF-funded contract is pending solicitation and award, and could run up to five more years. Meanwhile, the U.S. government will maintain **configuration control** of APPS, as it has since APPS was established, to maintain transparency until the system is fully transitioned.¹³⁷

ANDSF Attrition – Some Data Classified

USFOR-A continued to classify detailed ANDSF attrition information this quarter because the Afghan government classifies it.¹³⁸ SIGAR's questions about ANDSF attrition can be found in Appendix E.

ANDSF Casualties

USFOR-A classified all ANDSF casualty information this quarter because the Afghan government classifies it.¹³⁹ SIGAR's questions about ANDSF casualties can be found in Appendix E.

SIGAR asked USFOR-A to provide an unclassified description of the data's trends. USFOR-A said "ANDSF casualties have increased this quarter compared to last and are slightly higher than the same period in 2019."¹⁴⁰

In an August 14 op-ed in the *Washington Post*, President Ashraf Ghani wrote that 12,279 Afghan security forces and civilians had been killed or wounded in the preceding five months since the U.S.-Taliban agreement was signed, according to Afghan government figures.¹⁴¹

ANDSF Insider Attacks

USFOR-A reported 35 insider attacks targeting ANDSF personnel this quarter. MOD had 10 such attacks with 30 personnel killed and seven wounded; MOI had 25 attacks with 114 killed and 28 wounded. These attacks reflect a 6% increase for the ANDSF since last quarter and a 46% increase compared to the same period last year. The killed-in-action rate for this quarter's attacks is 4.1 killed per attack, about the same as last quarter, but an increase from the 2.9 killed per attack reported during the same quarter last year.¹⁴²

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

Configuration control: applying technical and administrative direction and surveillance to: (1) identify and document the functional and physical characteristics of the software; (2) control changes to those characteristics; and (3) record and report changes to processing and implementation status

Source: CSTC-A, response to SIGAR vetting, 10/11/2020.



ANASOC commandos stand in formation. (U.S. Army Reserve photo)

small-footprint military campaign in Afghanistan.¹⁴³ DOD reported in June 2020 that ASSF elements have nearly doubled in size since that reform goal was laid out in President Ashraf Ghani's 2017 four-year ANDSF Road Map for developing the force.¹⁴⁴

ASSF Operations Increasingly Independent

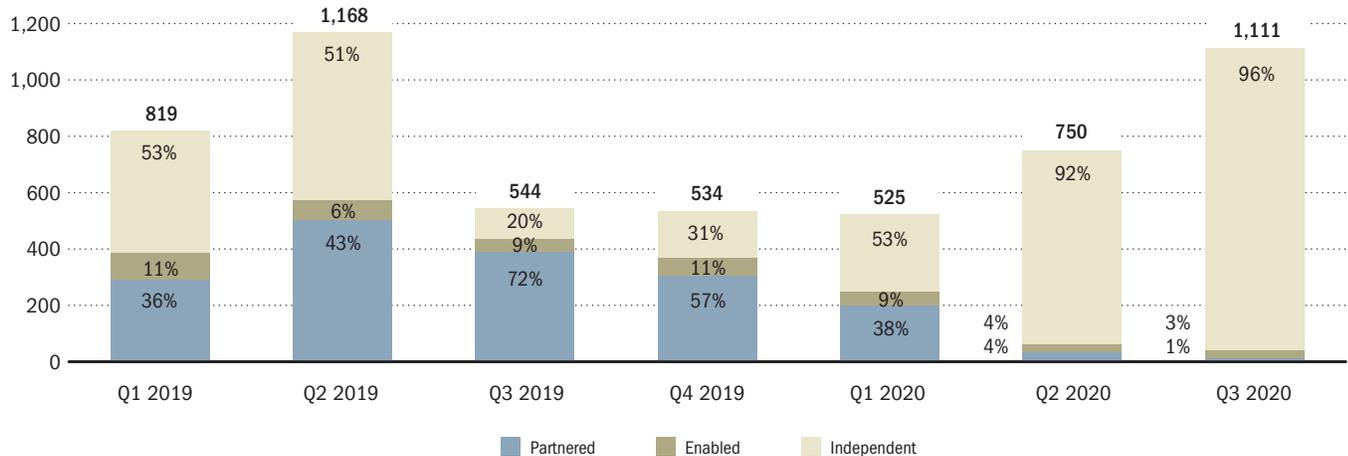
NSOCC-A reported that the ASSF conducted the highest number of ground operations this quarter (July–September 2020) than it has in over a year (since April–June 2019). NSOCC-A attributed this to more ASSF operational responsibility due to the decline in U.S.- and Coalition-partnered and -enabled ASSF operations because of COVID-19, and U.S. commitments in the U.S.-Taliban agreement to conduct only defensive strikes against the Taliban.¹⁴⁵

The 1,111 ASSF ground operations conducted this quarter were more than double the number the ASSF conducted during the same period last year (544), and reflect a 48% increase compared to last quarter (April–June 2020). July saw the highest number of operations (441) during the quarter compared to August (363) and September (307). As seen in Figure 3.32, the number of operations the ASSF conducted independently this quarter is the highest since January 2019 when SIGAR first began obtaining complete records.¹⁴⁶

Coalition advisors reported this quarter that while the pandemic environment posed challenges to TAA efforts, it also provided an opportunity to increase ASSF independence. Except for aircraft maintenance, daily operations are conducted independent of advisors, as in-person TAA restrictions have remained in place.¹⁴⁷

FIGURE 3.32

ASSF GROUND OPERATIONS BY QUARTER



Note: Partnered = operations conducted by ASSF in which U.S. or Coalition forces accompany ASSF to the target; Enabled = operations planned and executed by ASSF in which U.S./Coalition forces supply intelligence, surveillance, and reconnaissance, or other support but do not accompany ASSF to the target; Independent = operations planned and executed by ASSF without any U.S./Coalition assistance. Percentages may sum to more than 100% due to rounding.

Source: NSOCC-A, response to SIGAR data call, 10/19/2020 and 7/8/2020; NSOCC-A, response to SIGAR vetting, 7/17/2020; SIGAR, analysis of NSOCC-A-provided data, 10/2020.

GCPSU forces continued to operate at a high tempo and independently during the quarter, despite the pandemic. NSOCC-A reported nearly two-times more independent operations than last quarter.¹⁴⁸

Although ANASOC had TAA and force-generation issues due to the pandemic, they conducted 98% of their offensive operations completely independent of U.S. or Coalition forces’ enablers or advisors. NSOCC-A reported that ANASOC demonstrated strong coordination with the ANA this quarter on route-clearance operations that involved disarming improvised explosive devices. These missions, NSOCC-A said, successfully integrated SMW intelligence, surveillance, and reconnaissance support, as well as AAF strike capabilities.¹⁴⁹

ASSF Misuse Persists

According to NSOCC-A, 10% of ANASOC’s available force remains committed to operations outside of their core mission (misuse), the same as last quarter. ANASOC misuse continues to occur when the Afghan government deploys some ANASOC commandos to static positions or commits commandos to support other elements’ missions for extended periods. NSOCC-A said “advisors continue to monitor the issue closely in an effort to avoid needless employment of commandos in such roles.”¹⁵⁰

Misuse of GCPSU forces also has not improved this quarter, with 10 of 33 provincial special units reporting misuse. NSOCC-A said provincial chiefs of police predominantly misuse provincial special units (PSUs) for

personal-protection details or static defense of district centers. PSUs are the preferred option because they are seen as more competent, reliable, and capable compared to other provincial-level units. Advisors at the operational and strategic levels are seeking to change the command relationship between the provincial chiefs of police and PSUs to afford PSUs more autonomy, and to minimize future levels of misuse.¹⁵¹

Similarly, the SMW still conducts a number of missions that fall outside of their core mission. NSOCC-A said Afghan government leaders seek out SMW assets and crews to support non-special operations units when conditions are suboptimal, risk is high, or AAF units do not have, or are perceived not to have, the capacity to execute a certain mission. The reduced volume of offensive operations following the reduction in violence (RIV) period in late February has made SMW more susceptible to be tasked on general support missions. This trend has decreased slightly compared to last quarter, with approximately 28% of SMW missions falling into the general support or misuse categories (down from 33% last quarter).¹⁵²

Afghan Local Police

On June 16, 2020, President Ghani issued a decree directing the dissolution of the ALP. The decree stipulated that all eligible ALP members should be provided the opportunity to transition into other ANDSF elements, primarily the ANP or the Afghan National Army-Territorial Force (ANA-TF). The stated purpose of this decree was to ensure the local security of Afghanistan was maintained, to provide employment opportunities for eligible ALP members, and to prevent them from joining the Taliban.¹⁵³

This quarter, the MOI developed an ALP transition plan in coordination with the MOD. The plan identified 11,600 ALP for transition to ANP and 10,900 ALP for transition to the ANA-TF. Both MOI and MOD have published orders directing the key tasks associated with the ALP transition. CSTC-A said MOI training to support the transition began in October. The MOI screened all current ALP members for age, drug use, corruption, gross violations of human rights, and MOI criminal records during the planning phase. As a result, 7,500 members were deemed ineligible to join other elements of the ANDSF. Both ministries will do additional screening during the training phase of the transition to identify other ALP ineligible for transition.¹⁵⁴

The MOD initiated the recruitment of over 10,000 eligible former ALP officers on September 12.¹⁵⁵ As of October 7, 2,799 personnel were separated from service due to ineligibility to transition to either the ANP or the ANA Territorial Force (ANA-TF); 10,052 personnel were in districts designated to transition to the ANP; and 10,388 were in districts designated to transition to the ANA-TF (see next section for more information about the transition to the ANA-TF).¹⁵⁶

As with the other ANDSF elements paid with ASFF (primarily the ANA), only those ALP personnel enrolled in APPS could, by law, be paid with

ASFF through September 30, 2020, after which they must be transitioned into other positions in APPS to continue receiving pay. There were 20,239 ALP were enrolled in APPS, as of September 21, 2020. CSTC-A advisors informed the MOI that only ALP enrolled in APPS were eligible for transition.¹⁵⁷ CSTC-A said thus far, reslotting ALP personnel into ANA-TF and ANP positions in APPS has not caused any problems in the system.¹⁵⁸

The dissolution decree also states that the MOI must refer those ALP who are not qualified for transition to other security elements to the Ministries of Rural Rehabilitation and Development, Agriculture, Irrigation and Livestock, National Administration of Water Management Affairs, and other organizations for placement. The Afghan government has not made progress in transitioning some ALP to non-ANDSF employment because many ALP are unwilling to leave their home districts or villages.¹⁵⁹

To mitigate the potential of ALP members joining the Taliban, CSTC-A stressed to the Afghan government the importance of communication and recommended an Afghan government leadership presence in certain high-risk districts and provinces. As of October 19, CSTC-A said they have not received reports of ALP joining the Taliban during the transition.¹⁶⁰

ANA Territorial Force

The Afghan National Army Territorial Force (ANA-TF) is the newest ANDSF force element. It is responsible for holding terrain in permissive (less violent) security environments. Falling directly under the command of the regular ANA corps, the ANA-TF is designed to be a lightly armed local security force that is more accountable to the central government than local forces like the ALP. DOD says that some of the ANA-TF companies may replace conventional ANA companies, where authorized positions exist, in areas where conditions are appropriate for the units to thrive. Following a final Afghan peace deal, DOD assesses that the ANA-TF or a similar force may serve as a vehicle to reintegrate insurgent fighters.¹⁶¹

The locations of the ANA-TF's operational and planned *tolays* (companies, with a strength of up to 121 soldiers) are intended to deny the Taliban freedom of maneuver, and keep the Taliban away from urban areas and key lines of communication and transportation.¹⁶² These tolays are currently providing local security in their areas of responsibility, so that the regular ANA forces are free to conduct other operations.¹⁶³

This quarter USFOR-A reported continued progress on recruiting and establishing the ANA-TF. As of September 18, there were 100 operational ANA-TF tolays, with four more in training. This is an increase of 17 operational tolays since February 25. One additional tolay is currently being planned. The ANA-TF's expansion has been rapid: in July 2019, the ANA had only 26 operational companies across Afghanistan.¹⁶⁴

According to CSTC-A, recruiting efforts continued for the ANA-TF to reach its current goal of 105 authorized tolays. However, in preparation for the ALP transition in autumn and winter of 2020, CTSC-A recently endorsed

SIGAR RELEASES AUDIT ON USE OF ANDSF WOMEN'S INFRASTRUCTURE PROJECTS

From July 2015 through December 2017, CSTC-A funded the construction or renovation of 29 facilities and compounds, costing \$44.6 million, including barracks, administration buildings, and childcare and fitness centers. During the course of its audit, SIGAR selected 17 of 29 projects for site visits and found that only three projects were mostly being used as intended. Of the remaining 14 projects, six were completely unused, five were mostly unused, and three were not used as intended. Men in the ANDSF, rather than women, were using the facilities for the three projects that were not being used as intended. For more information about this audit, SIGAR's recommendations, and CSTC-A and DOD's responses, see Section 2 of this report.

the authorization of an additional 81 ANA-TF tolays for a total of 186. The increase enables up to 10,851 ALP members to transition to the ANA-TF.¹⁶⁵

CSTC-A also reported this quarter that there have been indications of ANA-TF progress, which included close cooperation with parent ANA corps in executing ANA-TF tolays' local security mission. The 201st, 205th, and 209th ANA Corps each supported ANA-TF tolays through quick-reaction-force support, regular ANA augmentation, and enabling capabilities such as artillery. With this support, ANA-TF tolays continued to execute their local security mission and suffered few casualties. The ANA-TF continues to experience shortcomings in some of the same areas as the ANA corps such as managing pay, food, and facilities for soldiers, all of which remain advisory focal points.¹⁶⁶

Women in the ANDSF

According to CSTC-A, 5,859 female personnel, including 434 civilians, were enrolled in APPS as of July 25, 2020. This reported strength figure reflects an increase of 608 (nearly 12%) since April 30. The majority of ANDSF women continue to serve in the MOI (4,070 personnel), with the other 1,789 in the MOD. CSTC-A also reported that in addition to the number of females reported in APPS, there are 32 female cadets enrolled at the National Military Academy (up two since last quarter) and 15 students at Kabul Medical University (one less than last quarter).¹⁶⁷

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.¹⁶⁸ SIGAR's questions about the ministries' performance can be found in Appendix E of this report.

This quarter, CSTC-A said MOD and MOI capacities continue to improve, but both ministries require ongoing assistance in developing the leadership and the organizational processes necessary to remain institutionally viable. Despite several challenges this quarter, including the current contentious environment, political maneuvering, Taliban violence, a global pandemic, and the start of Afghan peace negotiations, CSTC-A said the ministries' leadership remained stable this quarter. Even though COVID-19 has reduced in-person U.S. and Coalition TAA, CSTC-A said it has enabled MOI and MOD to operate more independently.¹⁶⁹

CSTC-A reported that it was noteworthy that the ministries were able to cooperate successfully in preparing and executing a *loya jirga*, or grand assembly, in August. The event brought together thousands of Afghan citizens to develop a consensus about the government's release of Taliban prisoners ahead of peace talks. While minimal violence did occur, CSTC-A said the ministries' efforts prevented any possible mass-casualty incident and "resulted in a secure and successful national event."¹⁷⁰



Female police officers receive training at a Bamyan police facility in September. (Afghan Ministry of Interior photo)

On MOI performance, CSTC-A highlighted that since early August the MOI has improved in processing procurement packages, executing contracts, and paying invoices, after a few months of struggling to adapt to circumstances changed by the COVID-19 pandemic. MOI is also working to increase fuel accountability and management by emphasizing the need for accurate requirements determination and consumption reporting. These reform efforts are being led by the Deputy Minister for Support and accomplished through effective leadership, and continuous communication with ANP provincial headquarters. CSTC-A said these changes have resulted in improved transparency and cost savings of approximately \$4.8 million over the last nine months.¹⁷¹

CoreIMS Implementation

In 2008, CSTC-A began limited use of the Core Inventory Management System (CoreIMS), then a laptop-based, off-the-shelf software package, at a CSTC-A-managed warehouse to manually track inventory. Since then, it has evolved into as a network-accessible system of record to manage and track DOD-provided equipment, weapons, and vehicles to the Afghan government.¹⁷²

After years of developing and implementing CoreIMS, the ANDSF is still far from fully implementing and utilizing it in all planned locations across Afghanistan. According to DOD, although CoreIMS is being used as a logistics automation system, the ANDSF has not yet been able to fully implement CoreIMS across the force. For example, the ANDSF are able to use CoreIMS at all national warehouses and regional depots, but not at all local sites.¹⁷³ DOD told SIGAR this quarter that “CoreIMS is intended to manage ANDSF materiel inventory at the warehouse level and enhance asset visibility and tracking at the national level. Once warehouses issue stocks, [such as] weapons and vehicles to the lower echelons, then these

activities ensure the accountability of the item using established manual ANA and ANP accountability policies.”¹⁷⁴

According to CSTC-A, the ANDSF also has persistent internet-connectivity issues that hinder the system’s function, and will need long-term training and technical support before it can take full responsibility for operating and sustaining the system.¹⁷⁵

CSTC-A said advisors look at several “measures of effectiveness” for MOD and MOI use of CoreIMS:¹⁷⁶

- completion of equipment inventories (10% monthly and 100% annual)
- inventory accuracy
- number of sites actively using CoreIMS
- number of sites actively using the Property Book Management (PBM) and Military Maintenance Management (M3) modules. (PBM allows for a much closer tracking of assets below the kandak level, even to individuals. M3 allows the visibility and oversight of repairable assets.)

According to CSTC-A, as of September 18, 109 of 191 possible ANDSF sites are active in CoreIMS: 71 ANA sites and 38 ANP sites. In June, DOD reported CoreIMS being used at only 78 of 191 possible sites. MOI and MOD are implementing CoreIMS at the Provincial Headquarters (PHQ) and Brigades with separate plans to implement and begin training at all sites by December 2020. MOI is training at 19 of the 34 provincial police headquarters, and MOD is training at 10 of its 29 brigades.¹⁷⁷

CSTC-A said inventories for the PBM module have been uploaded at seven ANA corps, 10 brigades, 12 battalions and six special forces units. PBM is currently not used at any national sites for the ANA and not utilized at the national, regional, or local sites for ANP. Currently, no ANDSF sites use M3, as PBM requires fielding to support M3 usage.¹⁷⁸

CSTC-A acknowledges that the ANDSF is far from ready for full independent use of CoreIMS. The ANDSF is not scheduled to achieve this until 2024. The ANDSF will continue to contract out the technical maintenance of the system, which the United States is expected to fund through FY 2026.¹⁷⁹

Checkpoint Reduction

Coalition TAA this quarter assisted the ANDSF in reducing the number of **checkpoints** it mans, which RS has long identified as a priority for improving performance. Dispersing troops among scattered, static checkpoints reduces overall combat power and offers targets for insurgent attacks. The goal is to reduce or eliminate the most vulnerable checkpoints (minimally manned or unsupportable checkpoints) as well as to consolidate personnel into **patrol bases** (the new standard fighting structures for the ANA).¹⁸⁰ CSTC-A estimates that the ANDSF have over 10,000 checkpoints nationwide, with an average of 10–20 personnel at each.¹⁸¹ CSTC-A reported

Checkpoints: nonpermanent positions manned by or housing 10–20 soldiers or police without logistics support or officer leadership.

Patrol bases: a fortified platoon or company position with towers, concertina wire, and other reinforcements, with a limited logistical capability for the care and feeding of soldiers assigned to the position. The construction of patrol bases is now ordered by MOD to be the standard field fortification for the ANA.

Source: CSTC-A, response to DOD OIG data call, 4/7/2020.

that USFOR-A efforts this quarter helped the ANA develop its Checkpoint Reduction and Base Development Plan (CPRBD) for this year.¹⁸² The ANA nonetheless had a net increase of nine checkpoints this quarter.¹⁸³

According to CSTC-A, the ANA is implementing checkpoint reduction through the CPRBD plan that covers efforts from June 21, 2020, through March 20, 2021. The goal is to eliminate 9% of the approximately 2,000 reported ANA checkpoints. From June 21 through August 21, 2020, the ANA eliminated 29 checkpoints, but constructed 38 new checkpoints.¹⁸⁴ Similarly, the ANP have identified 1,054 checkpoints to eliminate or consolidate from more than 5,000 ANP checkpoints that currently exist.¹⁸⁵ Since the beginning of this year, the MOI has eliminated 94 and reinforced an additional 196 checkpoints, without any new checkpoints reported for this quarter.¹⁸⁶ In total, the ANDSF still had approximately 95,000 personnel (29,000 ANA and 66,000 ANP personnel) manning checkpoints as of August 21, 2020.¹⁸⁷

CSTC-A reported that ongoing challenges to checkpoint reduction include ANDSF coordination amongst different security institutions and the proper use of enemy threat assessments to identify critical checkpoints. Further, ANA checkpoint reduction and reinforcement remains decentralized, with decisions made at the provincial level or below, rather than at MOD. According to CSTC-A, provincial governors in particular strongly believe that checkpoints are the best way to protect the population. To improve coordination, leaders from MOD, MOI, and the National Directorate of Security (NDS), among others, are planning meetings during the coming months to discuss checkpoint reductions.¹⁸⁸

CSTC-A noted that much effort is still required to reduce checkpoints across the country.¹⁸⁹

Ground-Vehicle Maintenance

DOD contractors provide maintenance services for ANDSF ground vehicles and train ANDSF technicians under the 2018 National Maintenance Strategy-Ground Vehicle Support (NMS-GVS) contract. The contractors also develop ANA and ANP maintenance capacity through a workshare plan intended to have the ANA and ANP performing 90% and 65%, respectively, of their maintenance by the end of the five-year contract in 2023.¹⁹⁰ As of October 2020, the United States has obligated \$787.5 million for ANA and ANP training, mentoring, and contract logistics-support services through the NMS-GVS contract.¹⁹¹

CSTC-A reported this quarter that the pandemic significantly impacted the ANDSF's ability to achieve their maintenance workshare benchmarks. According to CSTC-A, the ANA filled on average slightly more than 21% of maintenance work orders from July through September 2020, far below its 80% benchmark for the period. Similarly, the ANP filled on average slightly more than 11% of maintenance work orders during this same time period, also well below its 35% benchmark.¹⁹² CSTC-A said the final objective of the



ANA 215th Corps soldiers graduate from their training program in Helmand Province in October. (Afghan Ministry of Defense photo)

NMS-GVS workshare is to ensure sufficient ANDSF maintenance capacity. Nonetheless, the uncertainty of the security environment, the ongoing COVID-19 pandemic, and the Coalition withdrawal timeline affect CSTC-A's ability to measure ANDSF workshare progress.¹⁹³

AFGHAN NATIONAL ARMY

As of September 30, 2020, the United States had obligated and disbursed roughly \$47.5 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.¹⁹⁴

ANA Sustainment Funding

As of September 30, 2020, the United States had obligated \$23.6 billion and disbursed \$23.5 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.¹⁹⁵ For more details and the amount U.S. funds appropriated for ANA sustainment in FY 2019 and FY 2020, see page 53 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 slated for salaries.¹⁹⁶

TABLE 3.7

MAJOR EQUIPMENT ITEMS PROVIDED TO THE ANA				
Equipment Type	Equipment Description	Units Issued in Quarter	Unit Cost	Total Cost
Vehicle	Mobile Strike Force Vehicle	31	\$1,172,739	\$36,354,909
Vehicle	M1151 HMMWV (Utility Truck)	46	199,487	9,176,402
Ammunition	40 mm Grenade	191,360	16	2,990,957
Ammunition	81 mm High-Explosive Mortar Rounds	2,991	600	1,793,763
Parts	Harris Radio Headset	7	232,500	1,627,500
Ammunition	7.62 mm Cartridge	1,792,000	1	1,128,960
Weapon	M9 9 mm Pistol	1,000	636	636,000
Parts	Fast Tune Automatic Antenna Coupler	4	139,537	558,148
Parts	Harris Falcon III Radio Spares	30	17,510	525,315
Parts	Electric Panel Control	79	5,789	457,325
Total				\$55,249,279

Note: The above list reflects only the 10 highest-value equipment provided to the ANA this quarter (May 1–July 31, 2020). The “unit costs” listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. Costs are rounded to the nearest dollar.

Source: CSTC-A, response to SIGAR data call, 9/22/2020.

As of August 20, 2020, CSTC-A had provided the Afghan government the equivalent of \$414.1 million to support the MOD for FY 1399. Almost all of these funds (98%) paid for salaries.¹⁹⁷

ANA Equipment and Transportation

As of September 30, 2020, the United States had obligated and disbursed approximately \$13.6 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF equipment and transportation costs.¹⁹⁸

Although CSTC-A has moved away from procuring major equipment and systems like High Mobility Multipurpose Wheeled Vehicles (HMMWVs, commonly known as “Humvees”), items already procured are still being delivered to the ANA.¹⁹⁹ Table 3.7, lists the highest-cost items of equipment provided to the ANA this quarter (May 1 through July 31, 2020). CSTC-A reported that these items were purchased in 2017 and 2018, respectively, and more deliveries are pending. These included 31 Mobile Strike Force Vehicles (valued at \$36.4 million), 46 refurbished, excess U.S. Army HMMWVs (valued at \$9.2 million), and nearly 200,000 40 mm grenades (valued at about \$3 million, for use in grenade launchers, as distinct from hand grenades). DOD says they realized a cost avoidance by not procuring new HMMWVs (which cost around \$80,000 more per vehicle).²⁰⁰

Last quarter, when asked 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,” tracking all aspects of inventory levels, projections and consumption, and tracking for in-transit and lead times for replenishing stock levels.

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, conducted required routine and enhanced post-delivery end-use monitoring of defense articles provided to the ANDSF, and reported and investigated potential end-use violations in Afghanistan and took steps to ensure corrective actions occurred, when applicable.

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 procure the amount of ammunition to keep the ANDSF supplied.²⁰¹ For more information about the implementation and efficacy of CoreIMS, as well as the ANDSF's challenges with independently managing the system, see page 90.

ANA Equipment Operational Readiness – Data Classified

This quarter, USFOR-A continued to classify data on ANA equipment readiness because the Afghan government classifies it. DOD notes that the U.S. military classifies similar data on equipment fielded to its formations.²⁰² SIGAR's questions about ANA equipment readiness can be found in Appendix E of this report.

ANA Infrastructure

The United States had obligated and disbursed roughly \$6 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, and some ASSF infrastructure projects as of September 30, 2020.²⁰³

As of September 18, 2020, CSTC-A was managing 14 ongoing, DOD-funded ANA infrastructure projects costing roughly \$53.9 million in total. CSTC-A also awarded two new projects, projected to cost around \$10.3 million.²⁰⁴ Of the ongoing projects, the costliest include an electrical-grid connection project for the ANA and ANP in Kunduz (\$10.7 million), a new School of Excellence for the ANASOC's Camp Commando (\$6.9 million), and a new forward operating base for the ANASOC's 8th Special Operations Kandak in Logar. The projects CSTC-A awarded this quarter were an electrical-grid connection project for the ANA in Pul-e Khumri (\$9.5 million) and a forward operating base at Marshal Fahim National Defense University in Kabul (\$755,000).²⁰⁵ Four of these projects are slated for completion on or after April 2021, shortly after which U.S. forces, depending on conditions, may leave Afghanistan.²⁰⁶

Responding to SIGAR's question about how CSTC-A could continue to oversee construction projects after a potential U.S. withdrawal, CSTC-A said:

We are keenly aware of the need to provide proper oversight of projects and protect taxpayer dollars; therefore, USFOR-A is conducting prudent planning for future force levels under several different scenarios. Final policy guidance for future force levels will be forthcoming, and will be determined by conditions on the ground. These prudent planning efforts are aligned with NATO planning guidance.²⁰⁷

CSTC-A completed two projects this quarter: the second phase of construction for the ANASOC Mobility School of Excellence at Pul-e Charkhi, costing nearly \$4 million; and a road improvement project for Camp Pratt in Mazar-e Sharif, costing around \$70,000.²⁰⁸

CSTC-A terminated two projects this quarter. One was a \$5.9 million project making enhancements to Kandahar Airfield (KAF). CSTC-A said that pending the transition of similar facilities from Coalition forces to the Afghan government, there was no longer a need to construct the facilities. They also said \$1 million has already been returned from the KAF AAF Aviation Enhancement project. USACE is currently working to close out the contract and negotiating with the contractor to determine how much they will receive, a process that will take several months to conclude. The other terminated project was a \$1.9 million entry-control point and combined situational awareness room project for the Joint Special Operations Coordination Center, which was canceled because changes to the mission made the project no longer necessary. CSTC-A said no funds were executed for this project and all \$1.9 million was returned.²⁰⁹

CSTC-A said the significant difference in the number of reported projects this quarter compared to last is due to SIGAR's request that it report only infrastructure funded by DOD. Previously, NATO ANA Trust Fund projects not funded by the United States had been included in the count.²¹⁰

SIGAR asked CSTC-A this quarter if projects completed since the beginning of this calendar year were being used for their intended purposes. CSTC-A said "Once projects are completed and handed over to the host nation, then they are the responsibility of the host nation; however, CSTC-A is unaware of any completed projects since the beginning of the calendar year that are not being used as intended." CSTC-A gave the example of completed electrical-grid projects being used for their intended purpose of providing electricity to Camp Shaheen and Kabul Military Training Center.²¹¹ SIGAR issued an audit this quarter that found 14 of 29 infrastructure projects for ANDSF women that CSTC-A funded from July 2015 through December 2017 were not being used as intended (either they were not used at all, used very little, or used by men). See Section 2 for more information.

CSTC-A reported that the estimated annual facilities-sustainment cost 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.²¹² CSTC-A said it is reducing the budgeted amount for on-budget ASFF funds programmed for FY 2021 by 10%.²¹³

COVID-19 Impact on Oversight of ANDSF Facility Construction

According to U.S. Army Corps of Engineers (USACE) this quarter, COVID-19 has both directly impacted construction progress and indirectly impacted some of USACE Afghanistan District's standard construction-oversight processes. Primarily, COVID-19 lockdowns and restrictions have prevented many of the Afghanistan District Construction Division's contractors from performing aspects of construction, either by outright preventing all or significant portions of the contractor workforce from accessing installations, limiting the available local workforce to a degree that reduces performance efficiency, or stopping or slowing delivery of critical materials.

Thus far, 10 contracts have had their expected completion dates formally extended by a total of 478 days due to COVID-19, USACE said. In terms of impacts to internal processes, the Afghanistan District's Construction Division had to deviate from certain standard construction-oversight processes, such as USACE construction employees making site visits or hosting in-person contractor meetings. According to CSTC-A, negative effects from these limitations have been largely mitigated thanks to help from the Local National Quality Assurance Program, a USACE-managed team of local engineers and subject-matter experts who can do some of this work independently, and increased usage of teleconferences to host the various meetings necessary to ensure construction progress.

Source: USACE, response to SIGAR data call, 9/22/2020; CSTC-A, response to SIGAR vetting, 10/11/2020.

ANA Training and Operations

As of September 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.²¹⁴

This quarter, CTSC-A provided SIGAR an update on current U.S.-funded ANA, AAF, and ANASOC training contracts. According to CSTC-A, ASFF funds currently pay for a number of high-cost, mission-critical training programs for these force elements. The costliest is a \$113.1 million program run outside of the United States and Afghanistan that provides initial-entry rotary-wing training, initial-entry fixed-wing training, and aircraft qualification training for AAF pilots flying UH-60 and MD-530 aircraft. Another is an \$83.8 million broad training program for the ASSF, supporting the NSOCC-A-partnered units as they further develop critical operational and institutionalized special operations training and build sufficient capacity within the ASSF. There is also a \$70.6 million contract to train AAF aircraft maintainers.²¹⁵

Table 3.8 shows that the United States could spend up to \$468.2 million on just the top-10 most costly U.S.-funded contracts to train ANA, AAF, and ANASOC personnel. Four of these contracts, including the two most expensive, are scheduled to run into the late summer or early fall of 2021.²¹⁶ This raises questions about how CSTC-A intends to continue contract oversight should U.S. forces execute their planned withdrawal on or before May 2021. CSTC-A said this is being considered as USFOR-A is conducting its prudent planning for future force levels under several different scenarios, and that final policy guidance for future force levels will be forthcoming, determined by conditions on the ground, and aligned with NATO planning guidance.²¹⁷

TABLE 3.8

TRAINING CONTRACTS FOR MOD ELEMENTS	
Contract	Total Case/Contract Value
OCONUS AAF Pilot Training	\$113,069,928
ASSF Training Program	83,829,343
AAF Aviation Maintenance Development Center	70,585,184
Contractor Logistics Support	59,000,000
ASSF Training Support Services	50,720,932
National Maintenance Strategy-Ground Vehicle Services (ANA/AAF/ASSF)	45,123,209
A-29 Pilot & Maintainer Training (AAF)	15,305,250
AAF English Language Training	11,478,932
Army Institutional Advisor Team for ANA	10,741,876
Operational Support Services Mentors (AAF)	8,346,146

Note: The above list reflects only the 10 highest-value training contracts supporting MOD force elements. OCONUS = Outside the Continental United States, ASSF = Afghan Special Security Forces, AAF = Afghan Air Force, ANA = Afghan National Army. According to DOD, some of the contracts' periods of performance go beyond May 2021. CSTC-A said this is being considered as part of its prudent planning for future force levels under several different scenarios.

Source: CSTC-A, response to SIGAR data call, 9/22/2020 and response to SIGAR vetting, 10/11/2020; OUSD-P, response to SIGAR vetting, 10/27/2020 and 10/28/2020.



Four A-29 Super Tucanos were delivered to the AAF from the United States this quarter. (NATO photo)

AFGHAN AIR FORCE

U.S. Funding

As of August 21, 2020, the United States had appropriated approximately \$8.5 billion for ASFF to build and develop the AAF and fund its combat operations from FY 2010 to FY 2020, unchanged since last quarter.²¹⁸ The amount of money authorized for the AAF for FY 2020 (roughly \$1.3 billion) also remains unchanged since last quarter. Though FY 2020 funding increased by just over \$300 million compared to FY 2019, it is similar to funding levels from FY 2017 and FY 2018.²¹⁹

As in most previous years, sustainment remains the costliest 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 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.²²⁰

The United States has obligated \$5.9 billion of ASFF for the AAF (including about \$1.7 billion for the SMW) from FY 2010 to FY 2020, as of August 21, 2020.²²¹ U.S. funds can be obligated for up to two years, and roughly \$806.3 million in FY 2019 funds have been obligated (of the 986.8 million authorized) and roughly \$119.6 million in FY 2020 funds have been obligated (of the \$1.3 billion authorized).²²²

SIGAR ISSUES CLASSIFIED AUDIT ON AFGHAN AIR FORCE AND SPECIAL MISSION WING VETTING FOR CORRUPTION

Preventing and rooting out corruption in critical ANDSF units, such as the air forces, is important to protect the multibillion dollar U.S. investment in those units from waste, fraud, and abuse, and to ensure the forces are operationally effective and sustainable. This classified audit examined the extent to which the MOD vets AAF and SMW recruits for corruption, and identified areas for improvement. For more information, see Section 2 of this report.

AAF Inventory and Status

Seen in Table 3.9, as of September 30, 2020, the AAF currently has 159 available aircraft and 179 aircraft in its inventory, four more available aircraft and eight more total aircraft than reported last quarter. However, two Mi-17 helicopters were lost in an October crash that killed their nine ANDSF occupants.²²³

AAF Operations and Readiness

This quarter, the AAF's flight hours increased by about 35% compared to last quarter, and 10% compared to the same period last year. Train, Advise, and Assist Command-Air (TAAC-Air) said this was due to the AAF increasing its number of trained aircrews and the growing necessity to fly because of reduced Coalition support due to the troop drawdown: "The AAF have a greater operational need but also a greater capability."²²⁴ The readiness of five of seven AAF airframes increased this quarter (July–September 2020), one fewer than last quarter (April–June 2020).²²⁵ Additionally, all but one of the airframes (the MD-530) met their readiness benchmarks this quarter, the same as last quarter.²²⁶ TAAC Air said this was because COVID-19 restrictions have reduced the number of contractors available to maintain the MD-530s: only 65 of the 175 contractors authorized are performing maintenance in-country.²²⁷

TABLE 3.9

AAF AVIATION SUMMARY AS OF OCTOBER 1, 2020					
AIRCRAFT	Authorized	Total Inventory	Usable / In-Country	Authorized Aircrews	Assigned Aircrews
Fixed Wing					
A-29	28	28	18	38	24
AC-208	10	10	10	15	13
C-208	23	23	23	28	31
C-130	4	4	2	5	3
Rotary Wing					
Mi-17	0	19	15	–	–
MD-530	53	53	49	58	33
UH-60	42	42	42	49	39
Total	160	179	159	193	143

Note: These figures do not include the aircraft for the Special Mission Wing, which are classified. Some of the 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. TAAC-Air did not provide data for Mi-17 aircrews because it does not provide train, advise, and assist support for the AAF's Mi-17s.

Source: TAAC-Air, response to SIGAR data call, 10/7/2020 and response to SIGAR vetting, 10/19/2020; SIGAR, analysis of TAAC-Air-provided data, 10/2020.

AFGHAN NATIONAL POLICE

As of September 30, 2020, the United States had obligated nearly \$21.6 billion and disbursed more than \$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.²²⁸ For more information about what these costs include and the amount of U.S. funds appropriated for ANP sustainment in FY 2020, see pages 52–53 of this report.

ANP Sustainment Funding

As of September 30, 2020, the United States had obligated \$9.7 billion and disbursed \$9.6 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP sustainment costs.²²⁹ Unlike the ANA, a significant share of ANP personnel costs (including ANP salaries) is paid by international donors through the United Nations Development Programme’s (UNDP) multidonor Law and Order Trust Fund for Afghanistan (LOTFA).²³⁰

To support the MOI, CSTC-A plans to provide up to \$146.6 million in FY 1399. Of these funds, approximately \$54 million (37%) is for salaries, with the remaining funds for purchase of goods, services, or assets.²³¹ As of August 19, CSTC-A has disbursed \$20.2 million to the Ministry of Interior and an additional \$1.04 million distributed to the UNDP for LOTFA.²³²

ANP Equipment and Transportation

As of September 30, 2020, the United States had obligated and disbursed approximately \$4.8 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP equipment and transportation costs.²³³

Although CSTC-A has moved away from new procurements of major equipment and systems, items already procured are still being delivered to the ANP.²³⁴ Table 3.10 on the next page lists the highest-cost items of equipment provided to the ANP this quarter (May 1, 2020, through July 31, 2020). Of these items, the costliest was the delivery of 112 Humvee utility trucks (\$22.3 million).²³⁵

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 September 30, 2020.²³⁶

As of September 18, 2020, CSTC-A was managing two ongoing, DOD-funded ANP infrastructure projects. These projects are the joint NATF- and ASFF-funded CCTV (closed-circuit television) surveillance system in Kabul (\$34 million total, \$19 million funded by ASFF) and the ASFF-funded GCPSU project at Kabul Garrison Command (\$2.5 million).²³⁷ CSTC-A

TABLE 3.10

MAJOR EQUIPMENT PROVIDED TO THE ANP				
Equipment Type	Equipment Description	Units Issued in Quarter	Unit Cost	Total Cost
Vehicle	M1151 HMMWV (utility truck)	112	\$199,487	\$22,342,544
Ammunition	7.62 mm x 39 mm cartridge	2,492,189	1	2,143,283
Vehicle	CCM motorcycle	179	8,762	1,568,437
Ammunition	82 mm mortar rounds	14,000	96	1,340,500
Weapon	Pistol, M9 9 mm	900	636	572,400
Parts	Rifle extension, lower receiver	4,047	38	154,879
Parts	Solar power system, access nose	3	46,167	138,501
Uniform	Cap, synthetic fleece	18,600	6	102,486
Uniform	Shirt, men, medium	3,000	32	95,940
Uniform	Shirt, men, large	3,000	32	95,940
Total Cost of Equipment				\$28,554,910

Note: The above list reflects only the 10 highest-value equipment provided to the ANP this quarter (May 1–July 31, 2020). The “unit costs” listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. Costs are rounded to the nearest dollar.

Source: CSTC-A, response to SIGAR data call, 9/22/2020.

reported that no projects were completed, cancelled, or terminated this quarter, and no new projects were awarded.²³⁸

CSTC-A said the significant difference in the number of reported projects this quarter compared to last is due to SIGAR specifying that it report only infrastructure funded by DOD. Previously, NATO ANA Trust Fund projects the United States was not funding had been included in the count.²³⁹

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.²⁴⁰

ANP Training and Operations

As of September 30, 2020, the United States had obligated \$4 billion and disbursed \$3.9 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some GCPSU training and operations.²⁴¹

This quarter, CTSC-A provided SIGAR an update on current U.S.-funded ANP training contracts. According to CSTC-A, ASFF funds currently pay for two training contracts for the ANP. One is an \$18.5 million contract to train the ANP to maintain its ground vehicles, which will continue until August 31, 2021, with the option to continue services beyond that date if CSTC-A desires.²⁴² The other is a contract to support training MOI women in occupational skills as part of the Gender Occupational Opportunity Development Program costing roughly \$1 million that runs until May 1, 2021.²⁴³



Afghan police officers train at a Bamyan police facility in September. (Afghan Ministry of Interior photo)

According to DOD, the MOI continued to focus on the ANP’s future role 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.²⁴⁴

Efforts in that 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 to better align 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 levels.²⁴⁵

REMOVING UNEXPLODED ORDNANCE

Afghanistan is riddled with land mines and explosive remnants of war (ERW) such as live shells and bombs, according to the United Nations (UN).²⁴⁶ Although contamination includes legacy mines laid before 2001, most casualties today are caused by mines and other ERW that have accumulated since 2002.²⁴⁷ In recent years, casualties have been reported from ordnance exploding in areas formerly used as firing ranges by Coalition forces. The UN Assistance Mission in Afghanistan (UNAMA) also has documented a direct correlation between civilian casualties and ERW in areas following heavy fighting.²⁴⁸ According to UN reporting from March 2020, approximately 2.5 million Afghans live within one kilometer of areas contaminated with explosive hazards that need immediate clearance.²⁴⁹

SECURITY

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 \$419.9 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 August 31, 2020, PM/WRA had released \$19.9 million in FY 2019 funds.²⁵⁰

State directly funds seven 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).²⁵¹

From 1997 through June 30, 2020, State-funded implementing partners have cleared approximately 292 million square meters of land (113 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 2010–2020.²⁵²

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 April 1, 2020, there were 665.6 square kilometers (257 square miles) of contaminated minefields and battlefields. As of June 30, 2020, the total known contaminated area was 701 square kilometers (271 square miles) in 4,004 hazard areas. PM/WRA defines a

TABLE 3.11

DEMINEING PROGRAM PERFORMANCE METRICS, FISCAL YEARS 2010–2020					
Fiscal Year	Minefields Cleared (m ²)	AT/AP Destroyed	UXO Destroyed	SAA Destroyed	Estimated Contaminated Area Remaining (m ²) ^a
2010	39,337,557	13,879	663,162	1,602,267	650,662,000
2011	31,644,360	10,504	345,029	2,393,725	602,000,000
2012	46,783,527	11,830	344,363	1,058,760	550,000,000
2013	25,059,918	6,431	203,024	275,697	521,000,000
2014	22,071,212	12,397	287,331	346,484	511,600,000
2015	12,101,386	2,134	33,078	88,798	570,800,000
2016	27,856,346	6,493	6,289	91,563	607,600,000
2017	31,897,313	6,646	37,632	88,261	547,000,000
2018	25,233,844	5,299	30,924	158,850	558,700,000
2019	13,104,094	3,102	26,791	162,727	657,693,033
2020	16,886,630	2,073	6,913	58,359	701,040,407
Total	291,976,187	80,788	1,984,536	6,325,491	

Note: AT/AP = antitank/antipersonnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition. There are about 4,047 square meters (m²) to an acre.

^a 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 June 30, 2020.

Source: PM/WRA, response to SIGAR data call, 9/21/2020.

minefield as the area contaminated by landmines; a contaminated area can include both landmines and other ERW.²⁵³

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).²⁵⁴

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.²⁵⁵

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:²⁵⁶

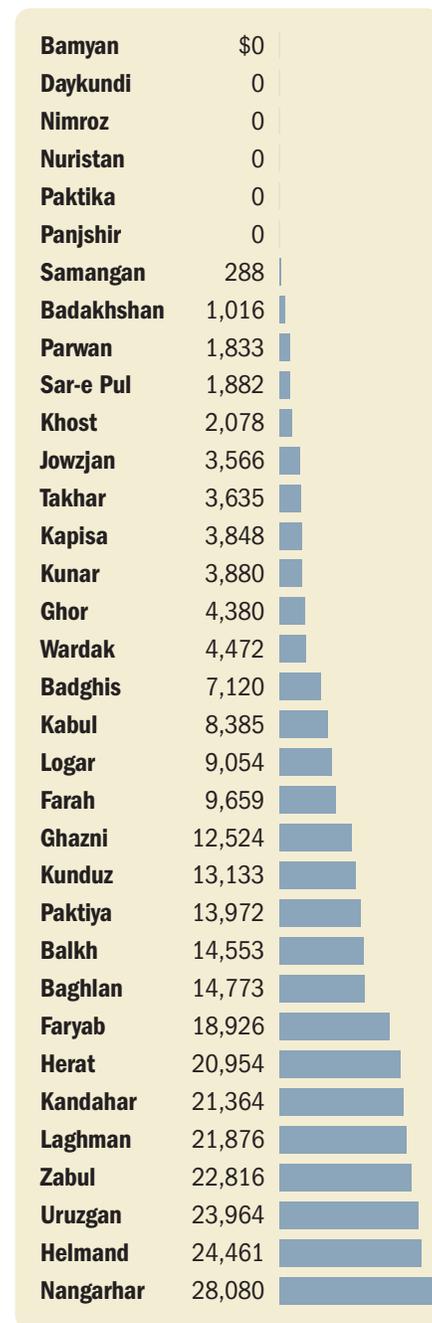
- military operations involving the U.S., Coalition, or ANDSF against insurgents, criminals, terrorists, or illegal armed groups
- landmines, improvised explosive devices (IED), unexploded ordnance, suicide attacks, public mass shootings, or other insurgent or terrorist actions
- cross-border shelling 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.²⁵⁷ From April 1 through June 30, 2020, COMAC provided 1,410 immediate assistance packages, 206 tailored assistance packages, and 87 medical assistance packages, for a total program expense of \$316,492. Figure 3.33 shows the provinces receiving the most assistance included Nangarhar (\$28,080), Helmand (\$24,461), and Uruzgan (\$23,964) while the provinces receiving the least assistance included Parwan (\$1,833), Badakhshan, (\$1,016) and Samangan (\$288). Six provinces did not receive any assistance.²⁵⁸

As of June 30, 2020, USAID has disbursed \$26.3 million for this program.²⁵⁹

FIGURE 3.33

USAID'S CONFLICT-MITIGATION ASSISTANCE FOR CIVILIANS BY PROVINCE, APRIL 1–JUNE 30, 2020 (\$ USD)



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.

Source: USAID, response to SIGAR data call, 9/21/2020.

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GOVERNANCE



KEY ISSUES & EVENTS

On September 12, historic peace talks on the future of Afghanistan and a permanent cease-fire between the Islamic Republic and Taliban began in Doha, Qatar.

As of October 27, these talks faced gridlock over procedural issues, with the United States warning “the window to achieve a political settlement will not stay open forever.”

In August, the Afghan government’s National Directorate of Security arrested Major General Zemarai Paikan, a former commander of the Afghan National Civil Order Police (ANCOP), who had been convicted by the Anti-Corruption Justice Center in December 2017.

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of September 30, 2020, the United States had provided nearly \$35.9 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$21.1 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).²⁶⁰

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

Prisoner Release Leads to Afghanistan Peace Negotiations

Afghanistan peace negotiations between representatives from the Islamic Republic and the Taliban began on September 12, 2020, after long-running disputes on prisoner exchanges were finally resolved.²⁶¹ The Afghan government was holding more than an estimated 13,000 Taliban prisoners when the U.S.-Taliban agreement was signed on February 29, 2020, according to U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad.²⁶² The agreement committed the United States 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 held by the government and 1,000 government prisoners held by the Taliban by March 10, 2020, the hoped-for start date of intra-Afghan negotiations. The goal would be for the Taliban and the Afghan government then to release remaining prisoners over the next three months.²⁶³ (While the date was not specified in the agreement, this would have been approximately June 10, 2020, if the original timeline for talks held.)

Two days after the Taliban announced a three-day cease-fire for the Eid al-Adha holiday on July 28,²⁶⁴ the group claimed it had fulfilled its prisoner-related obligations under the U.S.-Taliban agreement by releasing 1,005 government prisoners.²⁶⁵

In response to the Taliban-declared cease-fire, President Ashraf Ghani, on July 31, ordered the release of 500 government-held Taliban prisoners who were not on a Taliban list provided to the government. (At the time of this order, Afghanistan had already released 4,600 Taliban prisoners.)²⁶⁶ The Afghan government said the remaining 400 Taliban prisoners from a list of 5,000 the Taliban provided to the government in February included those who had been convicted of killing “two to 40 people, drug trafficking, those sentenced to death and involved in major crimes, including kidnapping.”²⁶⁷

President Ghani Calls a Loya Jirga to Authorize the Release of the Remaining Taliban Prisoners

President Ghani said he did not have the authority to release the additional 400 specific prisoners the Taliban demanded due to the seriousness of their crimes. Instead, he would call a consultative *loya jirga* (grand assembly).²⁶⁸ Secretary of State Michael R. Pompeo described the issue of releasing the 400 prisoners as “the last obstacle to the start of intra-Afghan negotiations,” acknowledging that it would be an “unpopular” action.²⁶⁹

With four days’ preparation, the Afghan government held the Consultative Peace Loya Jirga in Kabul between August 7 and 9.²⁷⁰ The Afghan government posed two questions to the 3,400 delegates:²⁷¹

[Question 1] Option one: the prisoners [should] be released and in return for it, based on national and international guarantees, direct negotiations should start, a permanent cease-fire established, and the way for lasting peace be paved.

Option two: if the prisoners are not released, fighting, violence and the current situation will continue.

[Question 2] With the finalization of the consultation on the first question, given that direct negotiations [will] begin, what is the Loya Jirga members’ advice to the negotiation team of the Islamic Republic of Afghanistan, and what are your expectations from the results of the negotiations?



President Ghani, at lectern, speaks to at the Consultative Peace Loya Jirga. (Afghan government photo)

According to the Afghanistan Analysts Network, the Afghan government never provided the delegates with detailed information on the 400 controversial Taliban prisoners.²⁷²

On August 9, the delegates approved the release of the 400 Taliban prisoners and called for an “immediate and permanent cease-fire.”²⁷³ The delegates also said that Afghanistan’s republican system as well as the fundamental rights of the citizens of the country should not be compromised during the peace negotiations.²⁷⁴ Ambassador Khalilzad called the jirga’s decision and President Ghani’s subsequent decision to free the remaining prisoners “bold steps” and said the United States seeks “a sovereign, unified, and democratic Afghanistan.”²⁷⁵

There were still delays in releasing the final 400 prisoners even with the Loya Jirga’s approval. The Afghan government reported that it had released 80 of the 400 remaining Taliban prisoners on August 12.²⁷⁶ However, the French and Australian governments expressed their unhappiness with the release of certain individuals who had killed their citizens, asking the Afghan government not to free them.²⁷⁷ After the initial 80 prisoners were released, the Afghan government conditioned the release of the remaining 320 prisoners on the Taliban freeing an unspecified number of Afghan special operations forces (commandos).²⁷⁸ Despite this development, President Ghani declared on August 20 that the Afghan government had removed “all barriers and excuses” preventing peace talks.²⁷⁹

On September 2, the Afghan government said it had restarted prisoner releases.²⁸⁰ On September 5, a spokesperson for Afghanistan’s reconciliation council declared the process of releasing the prisoners to be “over.” That same day, a Taliban spokesperson said that all members of their negotiating team had arrived in Doha, Qatar and were ready to begin talks, pending resolution of “some small technical issues.”²⁸¹

SIGAR AUDIT

On September 26, 2019, the Senate Appropriations Committee issued S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020. The report 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.



Secretary of State Michael R. Pompeo speaks at the opening of Afghanistan Peace Negotiations in Doha, Qatar. (State Department photo)

President Ghani Names Members of the High Council for National Reconciliation

On August 29, President Ghani issued a decree naming 46 members to the High Council for National Reconciliation. This body, with Ghani’s former electoral rival Abdullah Abdullah as its chair, was established under the May 2020 political agreement between Ghani and Abdullah. According to that agreement, the council would lead on the peace process and issue final and binding decisions following a majority vote.²⁸²

The decree triggered controversy. Former President Hamid Karzai rejected his membership on the council, saying he would not be part of any government structure.²⁸³ The Hizb-e-Islami party led by Gulbuddin Hekmatyar (another announced member of the council) declared the body merely symbolic. Former minister of foreign affairs Salahuddin Rabbani also rejected his membership in the council, saying he was not consulted about his inclusion.²⁸⁴ Most significantly, Abdullah objected to Ghani’s decree, saying their political agreement gave Abdullah, not Ghani, the authority to select members of the council.²⁸⁵

Afghanistan Peace Negotiations Begin, but Negotiating Teams’ Views on Afghanistan’s Future “Worlds Apart”

On September 12, representatives from the Islamic Republic and the Taliban participated in a ceremony in Doha, Qatar, to begin peace talks at what Ambassador Khalilzad described as a “historic moment.”²⁸⁶ For this new diplomatic phase for peace in Afghanistan, Ambassador Khalilzad confirmed that there would be no mediators or facilitators to help guide the talks unless requested by both parties.²⁸⁷

Secretary Pompeo, speaking at the start of negotiations, said the United States hoped the talks would result in “a sovereign, unified, and representative Afghanistan that is at peace with itself and with its neighbors.” He called for Afghanistan to be free from outside influence and “self-reliant, liberated from the shackles of dependence on others.”²⁸⁸ Abdullah Abdullah, in his opening remarks, called for a humanitarian cease-fire to facilitate the delivery of humanitarian and development assistance. Meanwhile, Mullah Abdul Ghani Baradar, the Taliban’s political chief, said the Taliban want “Afghanistan to be a free, independent, united and developed country, and to have an Islamic system in which all tribes and ethnicities of the country find themselves without any discrimination and live their lives in love and brotherhood.”²⁸⁹

Reflecting on the start of talks, Secretary Pompeo said the “meetings went as could be expected at the first gathering” and predicted that the “central challenge” moving forward would be the question of how to share power among the various parties.²⁹⁰

While the Afghan government has said it is open to finding a political accommodation with the Taliban, it is unclear whether this is a shared



Special Representative for Afghanistan Reconciliation Zalmay Khalilzad listening to female members of the Islamic Republic's negotiating team. (State Department photo)

goal. Before the start of talks, President Ghani wrote in an August 14 opinion piece in the *Washington Post*, “we acknowledge the Taliban as part of our reality, and we are solidly committed to reaching a political deal that accommodates this reality.”²⁹¹ Shortly after the start of talks, however, CBS News quoted unnamed senior Taliban negotiators declaring the current Afghan system “totally corrupt and incapable” and dismissing the thought of forming a coalition with the current Ghani government, describing this government as a “sinking ship” that could “drown the Taliban as well.”²⁹² Moreover, State observed that while Ghani has publicly acknowledged the need to accommodate the Taliban, many analysts suggest that he will accept such an accommodation only on his terms (an acceptance by the Taliban of the 2004 Constitution and Ghani’s presidency) with the movement being subsumed under the umbrella of the Republic.²⁹³

After 10 days of talks, Abdullah described the atmosphere as “healthy” while acknowledging that the Islamic Republic and Taliban negotiating teams were “worlds apart” on their visions of Afghanistan’s future.²⁹⁴ Ambassador Khalilzad noted, “There is a big gap in between the two sides.”²⁹⁵

As of October 27, the Islamic Republic and Taliban negotiating teams were still discussing the code of conduct for the talks.²⁹⁶ Ambassador Khalilzad, speaking to Afghan media on October 6, 2020, said he expected the peace process to last months, not years.²⁹⁷ (The U.S.-Taliban talks took 18 months of “intense diplomacy” to reach the February 29, 2020, agreement that helped make these negotiations possible.²⁹⁸) As these talks faced gridlock, State called on the parties to “move past procedure and into substantive negotiations” as Ambassador Khalilzad warned “the window to achieve a political settlement will not stay open forever.”²⁹⁹

Post-Peace Foreign Assistance: Potential Leverage and Challenges

Senior U.S. government officials have increasingly referenced using future U.S. foreign assistance as leverage for influencing Afghanistan's post-peace political and human rights landscape. Secretary of State Pompeo, in remarks at the opening of intra-Afghan negotiations, told the negotiating teams that their choices on a future political system for Afghanistan—including women's participation in political life—will affect “both the size and scope of United States future assistance.”³⁰⁰ The European Union's Special Envoy for Afghanistan, Roland Kobia, supported Secretary Pompeo's statements, writing that the EU and U.S. governments were fully aligned on donor conditionality based on sustaining the values, rights, and “republican” efforts in Afghanistan.³⁰¹

Ambassador Khalilzad, when discussing avenues for U.S. influence on the future of Afghanistan and women's rights, told Congress “we will have the leverage of future relations and assistance.”³⁰² He drew a distinction between countering threats to U.S. national security that could warrant the use of military force, and advancing U.S. values on human rights, for which economic and diplomatic leverage were the appropriate tools for shaping behavior.³⁰³

Ambassador Khalilzad said that current U.S. policy prohibits providing assistance to the Taliban. If the Taliban become part of a future government, he added, the U.S. Congress and Executive Branch would need to make legal and policy changes to allow for continued foreign assistance.³⁰⁴

The Taliban, in late July, called on all private companies and aid organizations to register their activities with the group. A Taliban spokesman claimed this was to ensure these agencies would not work against the interests of Afghanistan and Islam.³⁰⁵ A number of studies have found that the Taliban already registers and regulates aid service providers in districts they controlled (see SIGAR's July 2019 *Quarterly Report to the United States Congress*, pages 122–124, for a discussion of these studies).

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 intra-Afghan negotiations. According to State, this funding comes from support provided in 2018 for UNDP peace and reconciliation programming, which previously involved the Afghan High Peace Council.³⁰⁶ As of June 18, no expenditures had been made under this UNDP program, and State said it provided no further financial support to peace and reconciliation activities this quarter.³⁰⁷

In July, USAID/Afghanistan made \$2.5 million available for the Office of Transition Initiatives (OTI) for its Peace Stabilization Initiative (PSI). According to USAID, this short-term effort will help ensure key

stakeholders can participate in the intra-Afghan negotiations, build awareness and support for the peace process among Afghans, and equip USAID and others with the tools and information to successfully reinforce peace at a local level. These could include logistical or technical support to intra-Afghan negotiations participants, communications activities with government, media, or civil society, and research initiatives.³⁰⁸

MUTUAL ACCOUNTABILITY

Afghanistan Compact Appears Defunct

The Afghanistan Compact—an Afghan-led initiative designed to demonstrate the government’s commitment to reforms³⁰⁹—appears defunct, as it remains suspended this quarter and State suggested that SIGAR stop asking about its status.³¹⁰ 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 Afghan presidential election was resolved.³¹¹ Since that time, State said a mechanism similar to the Compact could be established when “when conditions are appropriate.” Any such mechanism would be dependent upon consultations with the sitting Afghan government, but State refrained from speculating on the timing, conditions, or scope of such a future arrangement.³¹² This quarter, State confirmed the Compact remains suspended despite Secretary of State Pompeo’s declaring on May 24, 2020, that the political crisis stemming from the presidential elections was “resolved.”³¹³

Despite the suspension, the Afghan government made progress on one long-delayed Compact benchmark this quarter: the arrest of Major General Zemarai Paikan. He was convicted and sentenced in absentia to an eight-and-a-half-year sentence in December 2017. In July 2018, the Compact included a benchmark calling for Paikan’s arrest.³¹⁴ For more information on this case, see page 125 of this report.

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

Preparations continued this quarter for the quadrennial ministerial-level pledging 2020 Afghanistan Conference scheduled for November 23–24 in Geneva, Switzerland. The aim of the conference is to renew international and Afghan commitments to Afghanistan’s development and stability, to agree to joint development goals for 2021–2024, and to coordinate financial support for Afghanistan.³¹⁵ The Afghan and Finnish governments are preparing a Mutual Accountability Framework to facilitate discussions with

GOVERNANCE

SIGAR AUDIT

On September 26, 2019, the Senate Appropriations Committee issued S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020. The report directed SIGAR to assess “the internal controls of multilateral trust funds for Afghanistan reconstruction that receive U.S. contributions, to include any third-party evaluations of the internal controls of the Afghan government ministries receiving assistance from multilateral trust funds, and SIGAR is directed to report to the Committee if access to records is restricted for programs funded with U.S. contributions.” SIGAR has initiated this work and anticipates issuing multiple public reports in early 2021, each examining a different trust fund.

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

development partners.³¹⁶ The UN, along with the Finnish and Afghan governments, will co-host this donor conference.³¹⁷

President Ghani, in an October 6 speech to donors, described the upcoming Geneva conference as “an opportunity to signal to the Afghan people the international community’s continued partnership with Afghanistan.” He called for continued financial support of trust funds and for agreement regarding on-budget support and alignment of donor funding with Afghan government priorities.³¹⁸

Security aid 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 from that meeting did not specify an amount of money or targets for the on-budget share of security assistance.³¹⁹

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 2024.³²⁰

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 \$700 million to the Afghanistan Reconstruction Trust Fund (ARTF) from 2020 through 2025 in addition to \$3.9 billion disbursed under the previous grant agreements between USAID and the World Bank (2002–2020). (USAID’s new ARTF grant of \$133 million per year is less than half the estimated total equivalent of \$300 million per year in the previous grant.) USAID has disbursed \$154 million to the Afghanistan Infrastructure Trust Fund (AITF).³²¹

TABLE 3.12

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Bilateral Government-to-Government Projects					
Power Transmission Expansion and Connectivity (PTEC)	Da Afghanistan Breshna Sherkat	1/1/2013	12/31/2023	\$316,713,724	\$266,806,323
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2020	35,000,000	0
Multidonor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	9/29/2020	12/31/2025	\$700,000,000	0
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	\$153,670,184

Note: *USAID had two previous awards to the ARTF. One that concluded in March 2012 with \$1,371,991,195 in total disbursements, and a second that ended in September 2020 with \$2,555,686,333 in total disbursements. Cumulative disbursements from all ARTF awards are \$3,927,677,528.

Source: USAID, response to SIGAR data call, 10/12/2020.

Civilian On-Budget Assistance

USAID provides on-budget civilian assistance in two ways: bilaterally to Afghan government entities; and through contributions to two multidonor trust funds, the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF).³²² According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.³²³

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.³²⁴ The AITF coordinates donor assistance for infrastructure projects.³²⁵

As of July 2020, the United States remains the largest cumulative donor to the ARTF (31.6% of contributions); the next-largest donor is the United Kingdom (16.5% of contributions).³²⁶

COVID-19 has forced some changes to the ARTF third-party monitoring approach. According to the World Bank, the ARTF third-party monitoring agent (TPMA) has been able to sustain its monitoring activities. Prior to COVID-19, TPMA field monitoring teams generally included between three and five staff members for site visits, enabling a range of data-collection activities and face-to-face interviews. Under COVID-19 contingency operations, field-monitoring teams have been reduced in size to two (one field engineer who will review project work and one field researcher).³²⁷

Rather than conducting the full range of community interviews normally covered in a field visit, the researchers are conducting brief interviews with Community Development Council (CDC) heads, soliciting phone numbers of relevant CDC members, community members, or other stakeholders, and photographing key documents. These data are then returned to Kabul, where TPMA staff have established a call center to interview community members remotely. According to the World Bank, the process is working reasonably well, although with some difficulties in areas with limited telecommunications coverage. Further, it is sometimes not possible to request women's telephone numbers. (In these areas, researchers will request the telephone number of a male family member.)³²⁸

Since January 2020, TPMA teams have visited 2,450 infrastructure sites in 214 districts and interviewed 14,553 individuals. COVID-19-related lockdowns and school closures, however, have led the TPMA to suspend physical verification of civil servants.³²⁹

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

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.

reform-based incentive funds, such as the Incentive Program Development Policy Grant (IP DPG).³³⁰

As of July 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 2002.³³¹

On-Budget Assistance to the ANDSF

Approximately 70% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.³³²

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.³³³ For the multidonor Law and Order Trust Fund for Afghanistan (LOTFA), DOD described its current funding of about \$1 million as a “token amount” so that CSTC-A can participate in donor deliberations on LOTFA.³³⁴ UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.³³⁵

According to DOD, most of the ASFF appropriation is not on-budget because it flows through DOD contracts to buy equipment, supplies, and services for the Afghan security forces.³³⁶ The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the MOI, which allots it incrementally to the MOD and MOI.³³⁷

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.³³⁸ 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.³³⁹

As of August 20, CSTC-A provided the Afghan government the equivalent of \$414.1 million to support the MOD for FY 1399. Almost all of these funds (98%) paid for salaries.³⁴⁰ As of August 19, CSTC-A directly provided the Afghan government the equivalent of \$20.2 million to support the MOI and \$1.04 million to UNDP for LOTFA-administered support of the MOI.³⁴¹

CSTC-A’s Approach to Conditionality Relies on “Positive Reinforcement”

CSTC-A’s current approach to conditionality depends on identifying and collaborating with Afghan partners in the MOD and MOI that it considers reliable. In contrast to the previous CSTC-A practice of levying penalties (which CSTC-A has described as “detrimental and unrealistic”), CSTC-A

says it now uses positive reinforcement. A key CSTC-A objective is replacing corrupt actors with reliable partners who demonstrate their desire to work toward building viable security institutions.³⁴²

CSTC-A believes its approach to conditionality has proven effective. CSTC-A attributes improved MOD personnel attendance record keeping to conditions it imposed in October 2019.³⁴³ CSTC-A's withholding of delegated funds led to the MOD in one case to pay outstanding invoices and in another launch to an investigation into a procurement chief who, in return for kickbacks, directed contracts to friends and relatives.³⁴⁴

Fuel accountability is another area of improvement after the MOI instituted a policy of no longer providing fuel to units that fail to report fuel consumption and of decreasing the amount of fuel provided to units that are late in their reporting.³⁴⁵ When the MOI considered appointing a corrupt former provincial chief of police (who was himself involved in significant narcotics trafficking) to a key counternarcotics role with access to all narcotics intelligence, CSTC-A said they and other international partners threatened to withdraw their intelligence support and funding.³⁴⁶

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 3.13 summarizes total program costs and disbursements to date.

Initiative to Strengthen Local Administrations

The \$53 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.

TABLE 3.13

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	3/31/2021	\$73,499,999	\$69,233,467
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	3/31/2021	52,500,000	47,296,631
Citizens' Charter Afghanistan Project (CCAP)*	3/31/2012	9/30/2020	N/A	85,614,589

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

Source: USAID, response to SIGAR data call, 10/12/2020.

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.³⁴⁷ 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).³⁴⁸

This quarter, ISLA-supported provinces completed their province development planning for Afghan fiscal year (FY) 1400 (December 2020–December 2021). The resulting PDPs have been sent to the Ministry of Economy (MOEC) for review and approval. The provinces reviewed 8,294 proposed project concept notes, of which 2,247 were approved and integrated into the FY 1400 PDPs. Of the approved project concept notes, 1,070 came from communities.³⁴⁹ The largest project category for approved project concepts were agriculture and rural development-related (37%). Less than 1% of the proposed projects were security-related. According to ISLA, PDP projects are mainly proposed by local communities, which show low interest in security-sector project proposals (such as construction of Afghan security institution facilities).³⁵⁰

According to ISLA, over the past three completed Afghan fiscal years (1396, 1397, 1398), the 16 ISLA-supported provinces were able to spend an average of only 51% of the budgets allocated for PDP-proposed projects. Further, an average of 48% of these projects have been completed. These low spending and project completion rates reflect inefficiencies such as late disbursement of funds to the provinces, which happens often, causing provinces to run out of time to spend budget allocations within the Afghan fiscal year, ISLA said. Further, unplanned additional costs and complex Afghan government procurement procedures also affect budget execution.³⁵¹

ISLA observed that very few of the province-proposed projects were ultimately reflected in Afghanistan's national budget for the past three completed Afghan fiscal years. For the ISLA-supported provinces for which there is data, in Afghan fiscal year 1396, only 7.5% of PDP-proposed projects were included in the national budget, in 1397 only 9.2% were included, and in 1398, only 13.1% were included.³⁵²

At the request of provincial governors, provinces can access COVID-19 response funds from the Ministry of Finance (MOF). As of June 30, 15 ISLA-supported provinces collectively received \$13.7 million in COVID-19 funds, spending approximately half of those funds.³⁵³

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.³⁵⁴

This quarter, SHAHAR completed the construction for a new waiting hall and parking lot for the Kabul municipality citizen service center. The citizen service center is a one-stop shop for a range of services, such as business licenses, marriage certificates, visas, and passports. The waiting hall will have separate areas for men and women and can accommodate 50 visitors at a time. By consolidating all approvals in one location, these service centers reportedly reduce opportunities for corruption.³⁵⁵

SHAHAR assisted Maidan Shahr municipality in Wardak Province to assign addresses and house numbers in one of the city's districts. A total of 2,176 doorway plates and 424 street signposts were installed. According to SHAHAR, this effort identified new properties for municipal taxes and business licensing fees. Further, the city's emergency services can now respond more quickly due to a better navigation system. The municipality plans to use its own resources to expand this project to other districts/neighborhoods in the city.³⁵⁶

As of July 21, 2020, total revenue collection in the SHAHAR-supported municipalities decreased by 11% compared to the same period in the previous Afghan fiscal year. Expenditures for these municipalities during this period were up 3%.³⁵⁷

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 (CDCs) to implement community projects. CCAP defines a suite of minimum basic services for each community covering health, education, and their choice of an infrastructure investment (such as road access, electricity, or small-scale irrigation for rural communities).³⁵⁸

Both the World Bank and Afghan government have proposed expanding CCAP in the event of peace.³⁵⁹

In response to the COVID-19 crisis, the World Bank approved the \$280 million COVID-19 Relief Effort for Afghan Communities and Households (REACH) project in August. This project aims to provide relief to Afghan households through grants to CDCs to purchase food and sanitation packages for households in their communities. According to the World Bank, the REACH project will help the Afghan government enhance community service delivery through CDCs under the Citizens' Charter program and reduce the immediate impacts of the pandemic on households across the

country.³⁶⁰ Despite the World Food Programme's (WFP) experience distributing food in fragile contexts, REACH will not partner with WFP because President Ghani requested that the World Bank not channel its funds through UN agencies.³⁶¹

At least one ARTF donor raised concerns over the potential for Taliban taxation and/or diversion of REACH assistance. In July, the World Bank told ARTF donors it did not think such risks outweighed the benefits of the program. Further, the World Bank said that President Ghani intended to bring up the issue of Taliban taxation as part of the intra-Afghan negotiations. However, the World Bank did acknowledge that nongovernmental project-facilitating partners (many of whom also implement CCAP) would likely need to negotiate taxation exceptions with local Taliban authorities.³⁶²

According to a recent study on CCAP (which the World Bank described as "relevant and useful"³⁶³), Taliban taxation of CCAP programming appears to have increasingly formalized in recent years with established rates (usually around 10% of the project value) and receipts bearing the Taliban's branding. Further, when nongovernmental facilitating partners or Afghan government provincial management units successfully avoid directly paying Taliban taxes, the burden is reportedly passed on to communities to pay.³⁶⁴

This same study found significant variation in respondents' descriptions of CCAP objectives. National-level respondents generally described CCAP as a governance program designed to promote state legitimacy and support a reliable system of subnational governance. Community-level respondents, however, mostly prioritized reducing poverty or building infrastructure.³⁶⁵ On the question of whether CCAP advances state legitimacy, the authors wrote that despite the benefits of CCAP in helping the Afghan government "show up" and demonstrate interest in the wellbeing of its citizens, community members expressed the desire to see more direct outreach from government officials. The authors observed that many respondents viewed CCAP as an entity independent of the Afghan government. Thus, the legitimizing effects of CCAP for at least some respondents were somewhat disconnected from the Afghan state.³⁶⁶

RULE OF LAW AND ANTICORRUPTION

In July, the Afghan government reported that 193 districts (nearly half of Afghanistan's 398 districts) lacked a prosecutor. The Attorney General's Office dispatched 24 prosecutors to 17 previously insecure districts, satisfying their anticorruption strategy benchmark to introduce at least 20 prosecutors to insecure districts.³⁶⁷

Respondents to a recent performance evaluation of a USAID rule-of-law program said the formal justice sector has little physical presence in rural areas and that traditional values, including a preference for solving some types of disputes locally with known community members in

familiar forums, were more prevalent in rural areas. When asked about the factors that influenced decisions about where to seek justice, these respondents most often cited the speed of a decision as the factor that most distinguished traditional dispute-resolution mechanisms from slower-paced formal courts. Many respondents also referred to a perception that the courts were corrupt, demanding bribes or being influenced by powerful people.³⁶⁸

The World Justice Project released the results of its 2019 Afghanistan rule-of-law surveys this quarter. Surveys were administered in September 2019 to a nationally representative sample of 3,019 Afghan households.³⁶⁹ The survey found a high perception of impunity in Afghanistan. When presented with a hypothetical situation in which a high-ranking government officer is caught embezzling government funds, 25% of respondents believed that the accusation would be completely ignored by authorities, and only 19% believed the officer would be prosecuted and punished (56% of respondents thought an investigation would be opened but never concluded). While this represents a slight improvement over the 2018 findings (when 17% of respondents believed that the government officer would be prosecuted and punished), it is much worse than more optimistic 2014 findings (when 27% believed the official would be punished).³⁷⁰

Respondents were most critical of judges: 59% believed that most or all judges are involved in corrupt practices. For those who reported having had to pay a bribe in the past three years, the largest number of respondents (45%) reported that they had to pay a bribe to obtain a government permit or document.³⁷¹

When asked questions to test their knowledge about their legal rights, the largest percentage of respondents were able to correctly answer questions related to women's legal rights. For example, 82% of respondents knew the correct answer for whether a woman can obtain a divorce without the approval of her husband. When asked a related question on whether a woman should be able to divorce without the approval of her husband, only 11% of male and 15% of female respondents agreed.³⁷²

Summary of rule of law and anticorruption programs

As shown in Table 3.14, the United States supports a number of active rule-of-law and anticorruption programs in Afghanistan.

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.³⁷³ According to USAID, AMANAT supports select

GOVERNANCE

TABLE 3.14

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$36,435,019
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	9,690,477
Corrections System Support Program (OASIS CSSP) Option Year 2*	6/1/2018	5/31/2022	17,754,251	12,555,178
Justice Sector Support Program OASIS Contract*	8/28/2017	8/27/2022	42,638,606	29,767,964
Continuing Professional Development Support (CPDS)*	2/6/2018	8/31/2020	8,640,922	8,640,922

Note: *Disbursements as of 9/17/2020.

Source: State, INL, response to SIGAR data call, 9/17/2020; USAID, response to SIGAR data call, 10/12/2020.

Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.³⁷⁴

This quarter, an AMANAT grantee established community-based mining watch committees in Samangan and Badakhshan Provinces. These committees are expected to monitor and record illegal practices and violations that cause environmental damage. This same grantee developed a community engagement toolkit to help communities that are close to mines participate in ensuring proper management of natural resources. This toolkit specifies the rights communities have regarding mining companies, the responsibilities of the mining companies to the communities based on the Afghanistan mining law, and methods to prevent and report on corrupt practices in the extractives sector. The grantee is developing a phone application to document the mining-sector-related corruption and record the geographic position of the incident.³⁷⁵

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 \$42.6 million. The previous JSSP contract, which began in 2010, cost \$280 million.³⁷⁶

JSSP provides technical assistance to Afghan justice-sector institutions to: (1) build the capacity of justice institutions to be professional, transparent, and accountable; (2) assist the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) support the case-management system so that Afghan justice institutions work in a harmonized and interlinked manner and resolve cases in a transparent and legally sufficient manner.³⁷⁷

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 and civil cases in Afghanistan, across all criminal justice

institutions, from the moment a case is initiated to the end of confinement.³⁷⁸ On August 24, Afghanistan’s cabinet approved a regulation making CMS the national system of record, requiring all justice sector institutions to use the online database. The regulation is not yet finalized, but State expects only minor technical revisions before its final publication.³⁷⁹ As of August 15, 2020, the CMS contained 534,379 criminal and 113,867 civil case records.³⁸⁰

This quarter, JSSP reported the results of its assessment on the current situation of women working in the Attorney General’s Office (AGO), the Ministry of Justice (MOJ), and the Ministry of Women’s Affairs (MOWA). Overall, the 90 respondents said they felt safe in the office. Only 6% of respondents in MOJ, 4% in AGO, and none in MOWA felt unsafe. Some survey participants, however, left the question unanswered: 13% in MOJ, 10% in AGO and 7% in MOWA. More women reported they felt unsafe traveling back and forth to work: 17% in MOJ, 23% in AGO and 20% in MOWA. Finally, 10% of respondents reported having experienced sexual harassment in MOJ and AGO, while none reported experiencing harassment in MOWA.³⁸¹

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.”³⁸² 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.³⁸³ 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.³⁸⁴

This quarter, USAID’s third-party monitoring program released its mid-term evaluation covering ADALAT’s performance through December 2019.³⁸⁵ The evaluators relied on ADALAT-generated performance data and periodic reports as well as interviews with 171 respondents.³⁸⁶

The evaluators found that ADALAT’s performance has been mixed, exceeding several targets, but falling behind on others. In general, ADALAT exceeded most targets for outputs related to improving administrative systems, including the number of non-judicial staff trained, number of courts using improved case-management systems, and number of legal aid offices using improved information-collection systems. However, the program achieved only 57% of the combined target for seven training-related indicators. ADALAT staff attributed the activity’s failure to achieve

training targets to (1) insecurity that caused some training events to be cancelled or restricted trainees' or trainers' travel to training venues, (2) the Supreme Court's last-minute demand that ADALAT support a law review which delayed all interventions with the Supreme Court by several months, and (3) the MOJ's firing of 415 of 785 Huquq staff who did not hold graduate degrees, and their slow replacement, which made it difficult for ADALAT to plan the intensive four-week foundation trainings for Huquq professionals.³⁸⁷

When the evaluators interviewed judges, court clerks, court heads, and Huquq specialists about changes in the justice system, few respondents offered specific examples of how these changes led to improved performance. Respondents most frequently mentioned efforts to professionalize court staff (such as increasing salaries and hiring based on merit), introduction of a case-management system, and emphasis on rooting out corruption. Of the 45 interviews that reported improvements in the effectiveness of the justice sector, 26 provided general statements (such as "the recent reforms have put the judicial system on the right track.") Of interviews that gave specific examples, 15 cited improved administrative efficiency (most often associated with the case-management system); 10 reported that the courts resolved cases more quickly (also attributable largely to improved case management); seven alluded to improved coordination between justice-sector actors; and six mentioned improved performance of judges.³⁸⁸

According to ADALAT data, the program held seminars and workshops for 1,027 judges. Of the 14 judges and court personnel who had direct knowledge of ADALAT training the evaluators interviewed, 12 said these training imparted knowledge and skills that judges used in their jobs. None, however, specifically described their personal experiences in applying this knowledge and skills.³⁸⁹

According to the evaluators, the strongest evidence of ADALAT's contribution to improving the effectiveness of the justice system relates to its support for improving case management. Respondents spoke of both the online system developed by JSSP and a complementary paper-based system developed by ADALAT. The ADALAT system is intended to facilitate case management by court staff until the JSSP system becomes fully operational and in areas where unreliable internet connections and electricity supply limit access to the JSSP system. Interview respondents explained that prior to the ADALAT case-management system, courts registered all cases in one book. ADALAT's paper-based case management system created separate books for each case, making it easier for clerks to track a specific case.³⁹⁰ According to the evaluators, the case-management system is among the most likely of ADALAT's efforts to be sustained, as this approach requires relatively little additional attention or resources.³⁹¹

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.³⁹²

As of July 31, 2020, the latest date for which adult prison population data is available, the Office of Prison Affairs (OPA) incarcerated 23,201 males and 514 females (down from 28,818 males and 676 females as of April 30, 2020). This total does not include detainees held by any Afghan governmental organization other than the OPA. INL does not have access to data for other organizations.³⁹³ According to State, OPA facilities released approximately 7,000 prisoners due to COVID-19 and 1,500–2,000 Taliban prisoners.³⁹⁴ As of June 13, 2020, a total of 6,945 prisoners and 369 juveniles were released as a precautionary measure to prevent the spread of COVID-19, leading to an overall 23% decrease in total adult prison population and a 46% decrease in the total incarcerated juvenile population.³⁹⁵

This quarter, State highlighted its continued support for children of incarcerated women. Despite the ongoing pandemic, no beneficiaries have yet contracted COVID-19 thanks to preventive measures put in place earlier this year. Although a few staff members have fallen ill, the use of personal protective equipment, daily health checks, and adjusted work schedules have prevented an outbreak amongst beneficiaries. Additionally, one of State's implementing partners continued providing all basic services, including education classes, tutoring, and the orderly reintegration of children with mothers released by presidential decree.³⁹⁶

Anticorruption

The Afghan government's anticorruption strategy expired in December 2019.³⁹⁷ According to DOJ, the Afghan government is developing an update and has produced a draft.³⁹⁸

Last quarter, the UN expressed concern at the government's failure to establish the Anticorruption Commission called for in the 2017/2018 anticorruption strategy.³⁹⁹ In a July report on the implementation of the anticorruption strategy, the Afghan government said it is still reviewing the documents for the 20 civil-society-nominated candidates for the Anticorruption Commission.⁴⁰⁰ Meanwhile, the Afghan government reported it had fully completed its ombudsperson's office-related benchmark following the establishment of the office and the appointment of a director. According to the government, the ombudsperson's office is "on the verge of" developing a law for itself.⁴⁰¹ The UN criticized the Afghan government's failure to provide a clear legal foundation for the government's ombudsperson's office last quarter.⁴⁰²

SIGAR AUDIT

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

According to USAID, COVID-19 has slowed the pace of anticorruption reforms. Face-to-face meetings were not possible, delaying the hiring of commissioners for the Anticorruption Commission and finalizing the Ombudsperson law. The last six months were challenging for USAID’s anticorruption programs efforts as COVID-19 forced most beneficiaries and contractor staff to telework. Expatriate staff from the implementing partners evacuated the country and local staff were working from home, USAID said.⁴⁰³

DOJ faced similar COVID-related challenges, as contact with Afghan counterparts was limited to WhatsApp conversations. DOJ training of Afghan entities ceased during the quarter. Travel off U.S. Embassy grounds and to the Resolute Support compound was banned and in-person meetings prohibited. While efforts were made to compensate through virtual methods and the use of technology, the pandemic adversely affected anticorruption efforts during the quarter, DOJ said.⁴⁰⁴

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.⁴⁰⁵

COVID-19 caused the ACJC to suspend trials from March to June 8, 2020. Despite the temporary suspension, DOJ reported an increase in the investigation and prosecution of high-profile corruption cases this quarter.⁴⁰⁶ The ACJC processed the following corruption cases:

- On August 4, 2020, the ACJC appellate court convicted Brigadier General Sayeed Omer Naib Zada, head of the Criminal Investigation Department of 606 Zone in Herat Province, of misuse of authority arising out of the abduction and killing of a businessman, and sentenced him to 18 months of imprisonment. Zada essentially failed to act when the kidnapping was reported. Zada had been convicted and sentenced to three years by the ACJC primary court. In the same case, a three-year sentence handed down by the primary court on codefendant Lieutenant Abdul Rahman in absentia could not be reviewed on appeal under Afghan law, due to Rahman’s absence.⁴⁰⁷
- On August 11, 2020, the ACJC appellate court acquitted General Salman Abu-Sharif, former deputy commander of the Asmaee district of the

101st Police Zone. Salman was charged with using his influence to support a developer in the illegal construction of an apartment building in Kabul. Salman was previously acquitted by the ACJC primary court.⁴⁰⁸

- On August 12, 2020, the ACJC appellate court convicted General Khalilullah Dastyar, former commander of the Sar-e Pul Province police department, and Colonel Abdul Ghafar, former director of the Sar-e Pul Province traffic department, of misuse of authority, and sentenced each to six months' imprisonment. The defendants were charged with illegally transferring nine vehicles to the Sar-e Pul police department.⁴⁰⁹
- On August 17, 2020, the ACJC primary court convicted, sentenced to 16 years' imprisonment, and fined the officer in charge of Afghanistan's Norms and Standards Department, Mohammed Mossa Ali. The case arose when the National Procurement Authority awarded a contract for oil and gas testing to TCRC, an international commodities-testing company based in Mumbai, India. Ali demanded \$200,000 from TCRC to hand over the testing laboratories, plus 10% of the contract payments. Ali also demanded an additional \$21,000 monthly payment through the life of the project. TCRC reported the corruption to the AGO's hotline. The AGO, working with National Directorate of Security and the Kabul police, arranged the controlled delivery of \$100,000 in marked bills to Ali. Ali came to TCRC offices for a dinner meeting and received the funds. As he left, agents stopped his vehicle and seized the marked bills and a pistol he brought to the meeting.⁴¹⁰
- On September 1, 2020, the ACJC appellate court convicted eight defendants in a money-laundering case and acquitted three others. The lead defendant, Ramin Bigzad, received a sentence of 12 years and one month, a fine of \$107.3 million, plus confiscation of \$250,000 seized during the investigation. The other defendants received sentences of one to three years plus cash fines and confiscation totaling \$70,000.⁴¹¹

After a long delay, in August, the Afghan government's National Directorate of Security arrested Major General Zemarai Paikan, a former commander in the Afghan National Civil Order Police (ANCOP). In December 2017, Paikan was convicted in absentia at the ACJC and sentenced to eight years in prison for corruption and misuse of authority. He was found to have interfered with a murder investigation implicating his son, who also served in the ANCOP.⁴¹² On September 29, the ACJC appellate court sentenced Paikan to three years in prison for misuse of his authority.⁴¹³ Since July 2018, the U.S. Embassy, through the currently suspended Afghanistan Compact accountability process, had called on the Afghan government to execute this outstanding arrest warrant.⁴¹⁴

In a case Human Rights Watch labeled "a litmus test,"⁴¹⁵ the Afghan government failed to apprehend accused serial sexual abuser Keramuddin Karim during a raid in Panjshir Province. Karim, the former governor of



Former police commander Zemarai Paikan was arrested in August after being convicted in absentia in December 2017. (Photo by Pamela Smith, NATO Training Mission Afghanistan)

Panjshir Province and head of Afghanistan’s National Football Federation, allegedly sexually assaulted and harassed female Afghan soccer players.⁴¹⁶ The deputy Panjshir Province governor told media that the attempt to execute the June 2019 arrest warrant by Afghan special forces was not coordinated with local forces and involved a standoff with around 200 mostly armed residents.⁴¹⁷ This same deputy governor told the *New York Times* in a September interview that Panjshiris “don’t see themselves in the government anymore.”⁴¹⁸

Specialized Countercorruption Unit (Again) Tainted by Corruption Allegations

CSTC-A says ANDSF-related corruption challenges remain largely unchanged from last quarter. CSTC-A believes that most theft of Afghan security-force commodities occurs at the local level by the end users and tactical units. Salary theft are also thought to remain an issue.⁴¹⁹

The Afghan government reported that it has fully complied with its biometric registration of MOD personnel benchmark per the anticorruption strategy. However, the ministry did not complete the required annual audit of these records.⁴²⁰

CSTC-A believes that its efforts have helped reduce opportunities for fuel-related corruption. CSTC-A has encouraged the Afghan security forces to transition from an allocation-based to a demand-based fuel allocation model. Over the past nine months, CSTC-A believes \$4.8 million has been saved following more accurate fuel-consumption reporting and the

application of “conditions based actions” for units that do not comply.⁴²¹ Over the past year, Helmand Province-based law enforcement, prosecutors, and courts have been usually active in autonomously generating law-enforcement leads, effectively referring cases, and aggressively pursuing judicial cases, CSTC-A said. Patronage networks appear less able to interfere in investigations and court cases. CSTC-A believes that one contributing factor could be Afghan government officials feeling pressure to engage in less corruption as the Taliban would exploit weaknesses by corrupt practices.⁴²²

In a potentially positive development, the Afghan Ministry of Justice said that MOD courts may suspend accused Afghan army personnel pending criminal investigation. CSTC-A will advocate for suspension of criminal suspects.⁴²³

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

- Major Crimes Task Force (MCTF) saw its director and deputy director removed following allegations of corruption. The new director has no previous police or investigative experience. CSTC-A believes several unit chiefs and investigators are corrupt and have extorted suspects in return for suppressing or nullifying cases. Further, CSTC-A has identified collusion between MCTF and ACJC members as well as bribery with senior ministry officials. There is an effort to reform the MCTF through an Afghan-administered polygraph process and by creating a trusted and vetted unit within the MCTF.⁴²⁴ CSTC-A expects the annual polygraph “integrity checks” will result in an MCTF that is a reliable partner.⁴²⁵ The MCTF has faced similar challenges in the past. For example, in October 2018, SIGAR reported on DOJ’s concerns over corruption and high polygraph failure rates in the MCTF. DOJ reported at the time that a former MCTF director was found to have been corrupt following an Afghan government investigation. (In 2016, U.S. military mentors to the MCTF had praised this former director as exemplifying “outstanding leadership.”)⁴²⁶
- General Directorate for Internal Security (GDIS) will be administering the polygraph exams as part of the MCTF reform effort.⁴²⁷
- The MOD Inspector General (MOD IG) recently established a joint complaints center with a toll-free phone number that expanded upon the services of a previous complaints center that opened in March 2019. Afghan army soldiers, civilians, and their families can file anonymous complaints regarding pay, food, facilities, corruption, abuse, sexual harassment, and other issues. According to CSTC-A, even the recently appointed first deputy minister of defense has taken calls at the center.⁴²⁸
- Established in June 2019,⁴²⁹ the MOD Criminal Investigations Department (MOD CID) has not yet reached full operational capability, but has increased the number of corruption cases it processes, CSTC-A

says. (As of July, the MOD CID has investigated 91 cases of corruption, referring 74 to the AGO.⁴³⁰) MOD CID takes longer to investigate corruption cases due to inexperienced staff, the complexity of the cases, and interference.⁴³¹ In a potentially significant development, CSTC-A reported that MOD CID established a collaboration agreement with the ACJC to prosecute major corruption crimes, though no prosecutions of major corruption cases have yet occurred.⁴³²

COUNTERNARCOTICS

UNODC Afghanistan Opium Surveys Funded through 2023

The State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) said this quarter that it will fund the United Nations Office on Drugs and Crime's (UNODC) Afghanistan opium surveys through at least 2023 under a letter of agreement.⁴³³ The UNODC normally produces an annual *Afghanistan Opium Survey: Cultivation Estimate* report and an *Afghanistan Opium Survey: Socioeconomic Analysis* report in partnership with the Afghan government, but both reports have been delayed at least six months because of disagreements between UNODC and the Afghan partner for the surveys, the National Statistics and Information Authority (NSIA).⁴³⁴

The cultivation estimate tracks trends of the locations and extent of opium-poppy cultivation, while the socioeconomic report focuses on the opium economy's effect on the social and economic situation of rural Afghans. According to the UNODC, these reports are "essential for planning, implementing, and monitoring measures required for tackling a problem that has serious implications for Afghanistan and the international community."⁴³⁵ INL disbursed an additional \$6.6 million as of August 2020, bringing the total amount of disbursements to \$24.2 million since 2006 for this program.⁴³⁶

UNODC is also exploring new methods to estimate cultivation without using on the ground survey teams. Following stated disagreements with the NSIA over the methodology used in the past, UNODC began exploring a new methodology to estimate the 2020 opium-poppy yield using satellite imagery.⁴³⁷ INL reported that UNODC satellite-imagery experts are determining if it will be possible to estimate crop yields through this method. Since the NSIA performed no field sampling in 2020, UNODC's ability to generate an opium-production estimate for 2020 depends entirely on the outcome of the satellite-imagery methodology.⁴³⁸

COUNTERNARCOTICS EFFORTS DWINDLE IN AFGHANISTAN

Early Efforts Fail to Reduce Opium Production

When the United States entered Afghanistan in 2001, opium production was at its lowest point since systematic records began in 1980, due to a Taliban ban on production. Focused on counterterrorism operations and wary of large-scale reconstruction efforts, the Department of Defense (DOD) and its partners in the State Department (State) and the U.S. Agency for International Development (USAID) were little concerned with what remained of the broken opium economy.⁴³⁹ But by 2004, opium-poppy cultivation had rebounded, expanding to an estimated 130,614 hectares (ha; one ha is roughly 2.5 acres), surpassing the highest levels during the Taliban period (1994–2001). Further, after the Taliban reversed its ban, the poppy problem seemed to correlate with the most troublesome areas of the emerging insurgency. Increasingly, the Afghan opium trade was seen as a problem worthy of applying significant U.S. military and economic might.⁴⁴⁰

Yet more than 15 years later, Afghanistan continues to dominate global opium cultivation and production. According to the United Nations Office of Drugs and Crime’s (UNODC) 2020 *World Drug Report*, an estimated 163,000 hectares of opium-poppy were cultivated in Afghanistan during 2019. Although a 50% reduction from the record high in 2017 (328,000 ha), 2019 cultivation remained nearly three times the pre-2002 average (1994–2001).⁴⁴¹ Based on 2018 data, Afghan opiate production accounted for 84% of the global morphine and heroin seized; seizure data is important because it provides

a rough indication of the share that Afghan opiates have in the global market.⁴⁴²

As SIGAR has repeatedly noted, the deleterious effects of the illicit narcotics trade in Afghanistan extend beyond health impacts. The trade also helps fund insurgents, foster corruption, and provoke criminal violence.

The correlation between the Taliban insurgency and opium-poppy cultivation continues. Southern Afghanistan accounts for the largest share of opium-poppy cultivation, with Helmand remaining the leading poppy-cultivating province at 136,798 hectares in 2018. Kandahar (23,410 ha) and Uruzgan (18,662 ha) Provinces in southern Afghanistan ranked second and third, respectively. These three southern provinces account for 68% of the national cultivation total.⁴⁴³ All told, insurgent-dominated districts accounted for 48% of opium-poppy cultivation compared to 26% for government-dominated districts.⁴⁴⁴

Record levels of Afghan opium cultivation and production since 2002 occurred in the face of significant U.S. and Coalition efforts to stem the expansion of the opium economy. Since 2002, the U.S. has spent over \$9 billion in U.S. reconstruction funds on counternarcotics programs and activities.⁴⁴⁵ These initiatives have spanned the whole-of-government approach, trying to tackle the problem through interdiction and counterdrug law enforcement; opium-poppy eradication; alternative development programs aimed at creating licit livelihood opportunities; and the mobilization of Afghan political and institutional support.⁴⁴⁶

Despite these efforts, opium poppy remains the country’s most valuable cash crop. It is



Scored poppy plants await the final harvest in Sangin, Helmand Province. (DVIDS photo by Sgt. Logan Pierce)

valued at \$863 million, and is the largest industry, employing over 500,000 individuals. This scale of employment outstrips even the Afghan National Defense and Security Forces, which employs approximately 290,000 Afghans.⁴⁴⁷ According to UNODC, the Afghan opiate economy accounted for 6% to 11% of the country's GDP, remaining the country's most valuable export, exceeding official (licit) exports of goods and services.⁴⁴⁸

The two main tactics used to tackle the narcotics trade—eradication and interdiction—have produced negligible results. Since 2008, on average, annual eradication efforts resulted in eradicating only 2% of the total yearly opium-poppy cultivation.⁴⁴⁹ INL has reported that eradication has been on a long-term downward trend, in part due to opium-poppy cultivation in inaccessible or insecure areas.⁴⁵⁰ Similarly, cumulative opium seizures since the start of the reconstruction effort in 2002 are only 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.⁴⁵¹ According to the U.S. Drug Enforcement Administration (DEA), the challenging security environment in drug-producing and drug-refining areas

constrains every aspect of drug enforcement and is the primary reason for the drop in interdiction activities throughout Afghanistan.⁴⁵²

Even in the midst of the COVID-19 pandemic and its serious effects on economies around the world, Afghanistan's opium economy has remained resilient. According to INL, the tempo of Afghan government counternarcotics operations slowed due to COVID-19.⁴⁵³ In contrast, UNODC reporting indicated that Afghanistan's 2020 opium-poppy harvest was largely uninterrupted by COVID-19.⁴⁵⁴

Afghan and U.S. Governments Deemphasize Counternarcotics

Despite these worrisome trends, in recent years both the Afghan and U.S. governments have on a number of fronts deemphasized, reorganized, or paused some counternarcotics programming. The most significant of these were President Ghani's January 2019 decree to dissolve the Ministry of Counter Narcotics (MCN) and the U.S. decision to forego a stand-alone counternarcotics strategy.⁴⁵⁵

President Ghani Dissolves the Ministry of Counter Narcotics

In November 2018, President Ghani announced that he intended to dissolve Afghanistan's Ministry of Counter Narcotics (MCN), established in 2004, as part of a consolidation of several ministries.⁴⁵⁶ Although SIGAR noted in 2018 that the MCN often lacked the political influence, financial resources, and implementing capacity to fight the burgeoning drug trade, it was nonetheless able to perform some important functions such as administering donor funds, including those from INL.⁴⁵⁷

President Ghani made his intent official in January 2019 by issuing a decree to dissolve the MCN and transfer relevant responsibilities to the Counter Narcotics Police of Afghanistan (CNPA); Ministry of Agriculture, Irrigation and Livestock (MAIL); Ministry of Public Health

(MOPH); and the National Statistics and Information Authority (NSIA).⁴⁵⁸

INL subsequently reported that the breakup was proceeding slowly because the Afghan government considered the MCN dissolution a low-priority issue.⁴⁵⁹ State provided no information on why the Afghan government chose to dissolve the MCN, but maintained that the MCN's dissolution would have no significant impact on current counternarcotics programs, as these responsibilities would be absorbed by other ministries.⁴⁶⁰ A year after the decree was issued, INL reported in January 2020 that MCN dissolution was complete and that former MCN employees had been transferred to other Afghan government entities including the CNPA, MOPH, and MAIL.⁴⁶¹

Although counternarcotics-associated programing in public-health programs consistently administered by non-MCN entities such as MOPH probably remain unaffected,⁴⁶² a handful of Afghan entities that have assumed broader authorities and at least one INL counternarcotics program appear to have been significantly impacted by the MCN's dissolution.

The first of these affected entities is the Ministry of Interior's CNPA, which has taken over counternarcotics policy-making responsibilities in addition to its traditional law-enforcement role. INL said this quarter that the CNPA still lacks the budgetary resources to assume the responsibility it was given for counternarcotics policy-making after the MCN's dissolution in January 2019.⁴⁶³ These new authorities include development and program-funding endeavors, such as public information campaigns or provincial cooperation projects, which are critical to policy-making.⁴⁶⁴ The MOI is finalizing a new two-year national drug action plan that may help to encourage donor support to the CNPA and INL hired a financial advisor to improve the CNPA's financial capacity,⁴⁶⁵ but it is too early to tell if these efforts will

be sufficient to overcome the CNPA's lack of policymaking resources.

The second affected entity is the NSIA that has been given all responsibility for poppy-survey-related work.⁴⁶⁶ After assuming this authority, the NSIA derailed over a decade of cooperation between the MCN and the UNODC, a relationship that produced the annual Afghan opium surveys. These surveys are considered essential tools for planning, implementing, and monitoring counternarcotics efforts.⁴⁶⁷ NSIA specifically objected to UNODC's measurement of the 2019 opium-poppy yield, despite UNODC's use of a long-standing methodology that employs field measurements of mature poppy plants.⁴⁶⁸ These disagreements over the yield prevented the 2019 *Afghanistan Opium Survey: Cultivation Estimate* from being released.⁴⁶⁹

INL reported that tentative progress was made this quarter with the UNODC and NSIA negotiating a resolution to their methodological differences and working together on the 2020 opium-poppy surveys. The goal is to sign an agreement in 2020 and jointly publish the 2020 annual reports.⁴⁷⁰ Further, the second of the two annual reports, the 2019 *Afghanistan Opium Survey: Socioeconomic Analysis*, is scheduled to be released in the coming months.⁴⁷¹ UNODC and NSIA are discussing whether to include portions of the unreleased report, such as cultivation figures, in the forthcoming socioeconomic report.⁴⁷²

Finally, one of the few ongoing counternarcotics-specific INL programs is now inoperative from INL's perspective. The Governor-Led Eradication program (GLE) is the program through which INL provided direct eradication assistance to the MCN for every UNODC-verified hectare of eradicated poppy.⁴⁷³ But since the MOI has assumed management of the program with the CNPA as the implementing entity, INL must now complete an audit of the MOI's financial-control mechanisms before support

can be provided to the MOI for GLE programming due to Congressional requirements.⁴⁷⁴ INL is in the process of procuring an assessment of the CNPA's financial capacity.⁴⁷⁵ For more information on the GLE program, see page 136 below.

U.S. Shifts From Counternarcotics to Taliban Negotiations

While the Afghan government had downgraded its counternarcotics efforts, the United States has been downplaying counternarcotics as part of U.S. policy to reduce U.S. risk and exposure in Afghanistan. After spending years developing a stand-alone counternarcotics strategy, the U.S. government abandoned that endeavor in 2018. In July 2018, State informed SIGAR that U.S. counternarcotics efforts were now interwoven into the Administration's 2017 *Strategy in Afghanistan and South Asia* (South Asia Strategy).⁴⁷⁶

In response to this development, on September 17, 2018, the Senate Caucus on International Narcotics Control requested that SIGAR conduct a review of the U.S. government's current counternarcotics efforts in Afghanistan. The caucus asked SIGAR to determine the status of the Department of State-led interagency *U.S. Counternarcotics Strategy for Afghanistan* and State's revision of, or plans to revise, this strategy. SIGAR found that State has not revised, and has no plans to revise, the 2012 *U.S. Counternarcotics Strategy for Afghanistan*. Rather, the South Asia Strategy serves as overall guidance for U.S. strategic priorities in Afghanistan and counternarcotics efforts.⁴⁷⁷

INL is operating under the U.S. 2017 South Asia Strategy, but has been unable or unwilling to articulate how it differs from the 2012 Counternarcotics Strategy created with the now-defunct MCN.⁴⁷⁸

For a time, under the South Asia Strategy's broadened operational authorities, USFOR-A carried out increased interdiction missions

against drug-trade-related targets as part of a broader counterthreat-finance (CTF) campaign targeting insurgents' revenue generation through air strikes and raids against narcotics production, processing, trading, and transportation.⁴⁷⁹ DOD did not, however, consider its CTF campaign part of the counternarcotics mission.⁴⁸⁰ According to DOD, these operations denied an estimated \$200 million to those involved in the illegal drug trade in Afghanistan, including more than \$42 million to the Taliban specifically.⁴⁸¹ In February 2019, DOD ceased the CTF campaign because military strategy had moved towards exclusively affecting the Taliban in the hope of initiating peace negotiations.⁴⁸² DOD has informed SIGAR that since 2015, DOD's mission has been counterterrorism along with training, advising, and assisting the ANDSF. Although drug-trade-related targets were at times struck incidental to these missions, reducing the drug trade is not a DOD mission.⁴⁸³

Likewise, U.S. government interest in areas outside of military operations has been lukewarm in recent years. The most recent 2018 integrated country strategy does not discuss efforts to reduce Afghanistan's illicit narcotics trade and its expanding opium-poppy cultivation.⁴⁸⁴ USAID no longer includes counternarcotics indicators in its alternative-development or agriculture programs, focusing instead on achieving private-sector-driven and export-led economic growth.⁴⁸⁵ Consequently, INL remains the main U.S. government agency responsible for implementing counternarcotics activities.⁴⁸⁶ DEA continues to train and partner with specialized units of the CNPA, but their efforts are exclusively oriented towards developing the institutional capacity of these units, and not directly stemming the expansion of the Afghan opium economy.⁴⁸⁷

Afghan Counter Narcotics Police Organization and Funding

INL provides support to specialized units within the CNPA through an interagency agreement with the Drug Enforcement Administration (DEA).⁴⁸⁸ CNPA personnel 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.⁴⁸⁹

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).⁴⁹⁰ Additionally, the U.S.-supported Technical Investigative Unit (TIU) provides support to the NIU and SIU components.⁴⁹¹ This quarter, DEA reported that the NIU and SIU conducted a combined total of 39 DEA-mentored, -partnered, or otherwise-supported operations.⁴⁹²

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 and has access to facilities in Kunduz and Herat.⁴⁹³

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, thoroughly vetted personnel.⁴⁹⁴ The SIU also has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.⁴⁹⁵

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.⁴⁹⁶

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.⁴⁹⁷ The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.⁴⁹⁸

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.⁴⁹⁹ 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.⁵⁰⁰ More information on the SMW is available in the Security section on page 83.

U.S. Funding for Afghan Counternarcotics Elements

INL continues to work under the 2017 South Asia Strategy, which is the main policy document for U.S. efforts in Afghanistan, including counternarcotics policy.⁵⁰¹ Both INL and DEA also reported this quarter 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. DEA also participates in the Kabul law-enforcement working group.⁵⁰²

INL estimates that it funds approximately \$21 million per year in operations and maintenance for INL programming in Afghanistan, including programming for the NIU and SIU. As of September 24, 2020, INL has disbursed \$43.4 million to DEA through an interagency agreement to support the specialized units. Costs directly attributable to NIU and SIU include \$6 million for two years of JWIP (not including other costs DEA and DOD may incur in support of the wiretap system), \$9.6 million for two years of other interagency-agreement support, and \$825,000 per year for NIU salary supplements.⁵⁰³ Salary supplements are used to attract and retain the most qualified and highly trained officers to join the specialized units rather than remain with the regular CNPA. A graduated scale of supplements is provided to all NIU officers, from police officers to unit commanders.⁵⁰⁴

CNPA COVID-19 Operational Restrictions Lifted

INL reported that early in the pandemic, the CNPA took measures to reduce exposure to COVID-19. This reduced the tempo of CNPA operations, which impacted investigations, planning, and execution of interdiction and other counternarcotics operations. These restrictions have since been lifted and the CNPA is back to full operational capacity.⁵⁰⁵

DEA nonetheless reported that COVID-19 continues to impede training and assistance to the specialized units of the CNPA, the National Interdiction Unit (NIU) and the Sensitive Investigative Unit (SIU). In particular, face-to-face interactions between DEA personnel and their counterparts have been disrupted and/or suspended. For example, due to COVID-19 travel restrictions, DEA cancelled April and June training sessions with the CNPA.⁵⁰⁶

Interdiction Results

Between July 1 and September 30, 2020, DEA reported that U.S.-supported interdiction activities by Afghan security forces included 39 operations resulting in seizures of 126 kilograms (kg) (278 lbs) of opium, 202 kg (445 lbs) of heroin, and 444 kg (979 lbs) of methamphetamines. Additionally, 71 arrests were made and 7,887 kg (17,388 lbs) of precursor chemicals and approximately 730 kg (1,609 lbs) of hashish were seized by Afghan security forces during this period.⁵⁰⁷ Table 3.15 contains interdiction results provided by DOD and DEA.

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.⁵⁰⁸

TABLE 3.15

INTERDICTION RESULTS, FISCAL YEARS 2010–2020												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Number of Operations	263	624	669	518	333	270	196	157	198	152	126	3,506
Detainees	484	862	535	386	442	394	301	152	274	170	141	4,141
Hashish seized (kg)	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	148,604	150,156	1,164,724
Heroin seized (kg)	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	3,507	645	44,120
Morphine seized (kg)	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	11,859	–	183,329
Opium seized (kg)	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	13,751	3,468	401,369
Precursor chemicals seized (kg)	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	81,182	7,887	841,932
Methamphetamine ¹ (kg)	–	50	–	11	23	11	14	31	143	1,308	521	2,112
Amphetamine (kg)	–	–	–	–	–	–	17	–	–	2,010	–	2,027

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

– indicates no data reported.

¹ In crystal or powder form.

Source: DOD(CN), response to SIGAR data call, 7/8/2020; DEA, response to SIGAR vetting, 10/9/2020.

Eradication Update

INL does not directly support eradication programming in Afghanistan, as has been reported in recent quarters.⁵⁰⁹ INL continues to review the feasibility of directly assisting the CNPA as the implementing entity for U.S.-funded opium-poppy eradication assistance. SIGAR will continue to report on these developments.⁵¹⁰

Despite the lack of INL eradication assistance, INL said the CNPA Narcotics Survey and Analysis Directorate (NSAD) reported 972 hectares of opium-poppy eradicated during the 2020 season, an increase from the

536 hectares of opium-poppy reported last quarter. For comparative purposes, the most recent data from the 2019 season indicates an estimated cultivation of 163,000 hectares of opium-poppy. The eradication was not conducted with monitors in the field and cannot be independently verified. The Afghan government nonetheless continues to plan for a specialized poppy-eradication force to be established within the next two years.⁵¹¹

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.⁵¹² 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.⁵¹³

INL did not provide an update on the GLE program this quarter because there has been no change in the status of their relationship to the GLE program. INL is currently unable to provide funding for the GLE program prior to the vetting of the CNPA's financial-control mechanisms.⁵¹⁴

REFUGEES AND INTERNAL DISPLACEMENT

Afghan Refugees

As of September 26, the United Nations High Commissioner for Refugees (UNHCR) reported that 1,169 refugees have voluntarily returned to Afghanistan in 2020. Most of the refugees returned from Iran (608) and Pakistan (512). COVID-19 led to temporary suspension of voluntary repatriation between March 4 and April 29, 2020. UNHCR resumed its facilitated voluntary repatriation of Afghan refugees from Iran on April 30 and from Pakistan and other countries on August 10.⁵¹⁵

According to State, the proof of registration and Afghan citizen cards expired on June 30, 2020, without Pakistan extending their validity. Approximately 2.3 million Afghans in Pakistan have these documents. Pakistan's Ministry of States and Frontier Regions, which oversees refugee issues, issued a letter to relevant Pakistani government and law-enforcement bodies asking that they not take action against cardholders until the cabinet has a chance to consider the issue. State has received no reports of harassment and is advocating for Pakistan to extend the effective duration of both types of cards.⁵¹⁶

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

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

Undocumented Afghan Migrant Returnees

According to State, the combined effect of fears of the COVID-19 virus spreading in Iran and the economic contraction has led to high numbers of spontaneous returns of Afghan migrant laborers from Iran.⁵¹⁷ As of September 26, the International Organization of Migration (IOM) reported that 571,800 undocumented Afghans returned from Iran (363,149 spontaneous returnees and 208,651 deportees) and 5,001 undocumented Afghan migrants returned from Pakistan (4,631 spontaneous returnees and 370 deportees) in 2020.⁵¹⁸

By comparison, 332,641 undocumented Afghan migrants had returned from Iran in 2019, as of September 21 of that year and 552,071 undocumented Afghan migrants had returned from Iran in 2018, as of September 22, 2018. According to State, the Iranian economic downturn caused by U.S. sanctions drove outward migration in 2018.⁵¹⁹

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

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

Conflict-Induced Internal Displacement

As of September 10, 2020, conflicts had induced 184,141 Afghans to flee their homes, according to the UN Office for the Coordination of Humanitarian Affairs (OCHA). That count of conflict-induced internally displaced persons recorded is 47% lower than for the same period last year, when OHA reported 346,947 displaced persons.⁵²⁰

WOMEN'S ADVANCEMENT

According to USAID, its Promote program 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.⁵²¹ Table 3.16 shows the current Promote programs.

TABLE 3.16

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Promote: Women in the Economy	7/1/2015	8/31/2020	\$71,571,543	\$70,679,661
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2021	29,534,401	25,921,266
Promote: Rolling Baseline and End-line Survey	2/21/2017	1/20/2021	7,577,638	7,357,293
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2020	7,098,717	6,962,858
Gender Based Violence (GBV)	7/8/2015	1/7/2021	6,667,272	6,667,272

Source: USAID, response to SIGAR data call, 10/12/2020.



Female members of the Islamic Republic's negotiating team at a banquet organized by the assistant foreign minister of Qatar. (Afghan government photo)

According to USAID, of the 75,600 total Promote beneficiaries, 32,516 have found employment. Of these, 1,892 have been hired by the Afghan government and 19,869 have secured permanent employment in the private sector. There are also 10,775 Promote beneficiaries holding private-sector internships.⁵²² (There may be double counting: Promote beneficiaries counted as interns may also be counted when they secure permanent employment.)⁵²³

This quarter, the Women in the Economy (WIE) program concluded. WIE was designed to increase women's participation in the economy through workforce development, private-sector development, and advocacy for an enabling environment. WIE provided training in job readiness and technical skills, internships, apprenticeships, job placement, access to finance, and a comprehensive system of support services for women business owners to improve their knowledge and skills and increase access to broader markets.⁵²⁴ According to USAID, 19,869 WIE female beneficiaries received new or better employment compared to a target of 17,500 women.⁵²⁵ (As SIGAR reported in 2018, USAID revised down this WIE target from 25,000 to 21,000, and then again to 17,500.⁵²⁶) Also, 13,525 women received a 10% or greater improvement in wages or income.⁵²⁷

WIE assisted 461 businesses, 24% of which increased their enterprise size (for example, growing from a microenterprise employing one to four full-time employees to a small enterprise employing five to nineteen full-time employees).⁵²⁸ This support included establishing a corps of recent MBA graduates and finance assistants overseen by a mentor to assist client businesses, design logos and packaging, and three months of microenterprise business coaching.⁵²⁹

To bridge the gap between the intra-Afghan negotiators and constituents, in May, Promote conducted a survey to collect women's views on the peace process to present findings to the negotiating team. A total of 1,141 members of civil-society organizations within Promote's network participated in the survey.⁵³⁰ According to USAID, respondents overwhelmingly seek women's full participation in the peace process and want constitutional protections, including the right to an education and to work. Women want to be represented and defended during the intra-Afghan negotiations, and believe that it is necessary for women to play a meaningful role in peace talks and that women's full participation in the peace process is critical for the fundamental rights of women and girls to be safeguarded and not sacrificed at the negotiating table. Many have expressed concerns over possible backsliding on access to education and employment if the Taliban returns to power in Afghanistan, USAID said.⁵³¹

The Afghanistan Research and Evaluation Unit issued a report this quarter examining the role of women in Afghanistan's peace process. The findings were based on interviews conducted between May and October 2019 involving 60 women and 17 men working for the government and civil-society organizations or nongovernmental organizations in Kabul, Bamyán, Balkh, and Nangarhar Provinces.⁵³² According to the authors, women's involvement in nongovernmental peace efforts has been significant. A range of activities took place including basic awareness about peace, direct talks with antigovernment groups, establishment of nongovernmental local councils for peace, and women's participation in peace efforts and conflict resolution.⁵³³

Overall, however, the authors concluded that women's participation in peace efforts was "largely symbolic and weak."⁵³⁴ For example, respondents in Nangarhar Province said that although women have participated in workshops, seminars, and training and were taught about peace in schools, they do not consider such engagements to be sufficient to enhance their role in the actual peace efforts.⁵³⁵ Respondents in Balkh Province said women involved in dispute resolution generally work on matters involving family and gender issues, only rarely dealing with significant local conflict or any armed conflict.⁵³⁶

Further, many respondents expressed their fear and distrust of the Taliban and their concerns about the international community's lack of commitment toward women's rights and women's participation in the peace process.⁵³⁷ According to the authors, peace for the respondents would not allow compromise on access to their fundamental rights, including access to services especially education and health services, women's political participation, and security.⁵³⁸

SIGAR EVALUATION CALLED FOR AFGHAN GOVERNMENT ACTION IN RESPONSE TO CHILD SEXUAL ASSAULT ALLEGATIONS

In 2017 and 2018, SIGAR issued classified and public-release versions of an evaluation of child sexual assault in Afghanistan. This evaluation stemmed from a December 23, 2015, request by a bipartisan group of 93 U.S. Senators and members of the House of Representatives for SIGAR to conduct an inquiry into the U.S. government's experience with allegations of sexual abuse of children committed by members of the Afghan security forces, and the manner in which DOD and State implemented the "Leahy laws" in Afghanistan. The Leahy laws (10 U.S.C. 362) prohibit the U.S. funding of units of foreign forces that commit gross violations of human rights.

SIGAR completed its full-classified report on June 8, 2017, and immediately began working with DOD and State to release a public version of the report.

The full extent of child sexual assault committed by Afghan security forces may never be known. SIGAR found that individuals and organizations with knowledge of such incidents lacked details, were reluctant to share information with the U.S. government, or did not have explicit guidance on how to report the information. Additionally, DOD and State officials said that due to the drawdown of U.S. forces, they have limited visibility into the Afghan security forces and rely on the Afghan government and intelligence reports to identify incidents.

SIGAR called on the Afghan government to take further action to prosecute and prevent child sexual assault by Afghan security forces.

HUMAN RIGHTS

State Issues Waiver for Afghanistan Following Low Human-Trafficking Rating

Last quarter, as part of the 2020 Trafficking in Persons (TIP) Report, 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.⁵³⁹

According to the Trafficking Victims Protection Act enacted in 2000 and reauthorized over the years, the United States shall not provide non-humanitarian, non-trade-related foreign assistance to any government of a country that is ranked Tier 3 (the ranking Afghanistan received) absent a waiver by the President. According to State, on October 1, 2020, a presidential waiver was issued lifting this restriction by determining, consistent with section 110 of the Trafficking Victims Protection Act of 2000 requiring that the provision of all programs, projects, and activities described in

sections 110(d)(1)(A)(i) and 110(d)(1)(B) of the Act with respect to the Government of Afghanistan would promote the purposes of the Act or is otherwise in the national interest of the United States. To be removed from Tier 3, Afghanistan must demonstrate significant efforts to eliminate TIP, including the patterns of *bacha bazi* (child sexual abuse) and the use of child soldiers. In response to the downgrade, Afghanistan's Office of the National Security Council (ONSC) has drafted a comprehensive action plan to address all 14 of the TIP Report's prioritized recommendations. Once the plan has received final approval, ONSC will assign tasks to relevant ministries and, together with the Ministry of Justice, will monitor progress.⁵⁴⁰

On October 9, 2020, the *New York Times* reported on a rare instance in which the Afghan government acted following an accusation of child sexual abuse by government personnel. Following the September death of a 13-year-old boy, the Afghan government arrested a police commander and six of his officers in Kandahar Province after family members accused the police of raping and murdering the child.⁵⁴¹

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ECONOMIC AND SOCIAL DEVELOPMENT



KEY ISSUES & EVENTS

COVID-19 continued to devastate Afghanistan this quarter, with health officials estimating that almost one-third of Afghans have contracted the disease.

Afghanistan has experienced modest economic improvements, yet its GDP is projected to shrink 5.0%–7.4% in 2020 due to the effects of the pandemic.

While government revenues began to recover from the impact of COVID-19 this quarter, the Afghan government's sustainable domestic revenues declined by 17.2%, year-on-year, over the first nine months of 2020.

Many U.S. economic and social-development programs have been limited by the Afghan government's lockdown or redirected toward COVID-19 interventions.

The COVID-19 pandemic continued to devastate Afghanistan this quarter, with consequences for the country's economic and social development. As of October 15, 2020, the number of confirmed cases remained relatively low at 40,026, with the positivity rate falling to 34.5%.⁵⁴² Public health officials, however, have warned that the confirmed number of cases vastly undercounts the spread of the virus due to Afghanistan's low testing capacity and the limited reach of its public health system.⁵⁴³

On August 5, 2020, Acting Health Minister Ahmad Jawad Osmani announced that COVID-19 had likely infected approximately 10 million Afghans, or 31.5% of the estimated population, according to a Health Ministry survey of antibody tests. According to available data, Afghanistan's urban areas have been the hardest hit, with more than half of Kabul's population of five million estimated to have contracted the virus.⁵⁴⁴ While many have recovered, the extent of the death toll is unknown due to limited testing, many infected Afghans not seeking treatment, and the absence of a national death registry. Anecdotal evidence points to a much higher death figure than the Ministry of Public Health's official count of 1,481.⁵⁴⁵ In late September, Osmani further warned of a "second wave" hitting Afghanistan



The Afghan government's lockdown severely limited economic activity. A Hejaz Super Market manager in Jalalabad City said the number of customers had decreased drastically since March 2020. (UNAMA photo by Shafiqullah Waak)

as winter weather combined with seasonal diseases and increasing air pollution contribute to the spread of COVID-19.⁵⁴⁶

According to an official with Médecins Sans Frontières (MSF), COVID-19 is a “crisis on top of a healthcare system that has been failing in recent years.”⁵⁴⁷ With an already perilously limited healthcare system, Afghanistan has faced nearly insurmountable difficulties in preventing the spread of the disease. Health-care providers have struggled to implement healthy practices among the population—many Afghans are seen not wearing masks or practicing social distancing—and properly manage procedures for infection prevention and control measures within hospitals and clinics.

Beyond the public health effects, the COVID-19 pandemic continued to harm the economy with repercussions for Afghanistan's future economic growth. The United Nations Development Programme (UNDP) country representative in Afghanistan, Abdallah Dardari, stated, “COVID-19 did set back some progress in attainment of the Sustainable Development Goals [and] improvement in economic growth. ... COVID-19 was a shock that set back many of those nascent and modest achievements.”⁵⁴⁸ SIGAR reported in its July 2020 quarterly report that the economic contraction caused by the pandemic led to a surge in unemployment, with two million people having lost their jobs by the end of April 2020. The increase in unemployment was matched by rising food prices due to supply disruptions caused by the border closures and panic buying, exacerbating food insecurity and the risks of malnutrition across the country.⁵⁴⁹

Over the past quarter, economic conditions have begun to see some improvement as businesses began to reopen. Casual labor, or day labor, wages increased by 5% between May and July, and food prices declined as restrictions eased and the summer wheat harvest appeared. Food prices, however, remained significantly higher and labor opportunities significantly lower in comparison to the previous year, with large sections of the population remaining food insecure as a result.⁵⁵⁰ According to the UN World Food Programme, the price of wheat during the third week of September 2020 was 12.6% higher than the second week of March (just before government-mandated lockdown); the price of low-quality rice was 18.1% higher and cooking oil 26.8% higher than pre-lockdown prices.⁵⁵¹

Despite modest improvements, broader economic challenges persisted. In early September 2020, the World Bank and its affiliated International Finance Corporation found in a USAID-funded survey of 389 businesses in the agriculture, manufacturing, and service sectors that a majority reported increasing liquidity problems and, without government interventions or support, will likely be able to remain open only for another two months. According to the survey, the manufacturing sector was the “most prone” for closures, with the highest percentage of businesses able to remain open in the agriculture sector. Of surveyed businesses, 98% reported receiving no government support in response to the pandemic.⁵⁵² The UNDP estimated that without an effective government response to the economic effects of COVID-19, Afghanistan’s GDP could contract by as much as 6.25%; the World Bank forecasted a contraction of 5.5%–7.4%; and the Asian Development Bank predicted a 5.0% decline in GDP during 2020.⁵⁵³ Due to the ongoing problems posed by the pandemic for individual workers, UNDP further estimated that the poverty rate in Afghanistan will increase to 68% in 2020 from its pre-pandemic level of 55%.⁵⁵⁴

Largely as a result of COVID-19, the Afghan government’s **sustainable domestic revenues** contracted by 17.2%, year-on-year, over the first nine months of 2020, SIGAR analysis of Afghan government accounting data showed.⁵⁵⁵ This contraction was particularly driven by the fall in customs duties and taxes—comprising approximately one-fifth of all revenues. In July 2020, Afghan exports to Pakistan, Afghanistan’s leading trading partner, decreased by 56.8%, as compared to July 2019; imports from Pakistan decreased by 43.6%.⁵⁵⁶ While the collection of customs revenues began to recover following the resumption of cross-border trade activity in July, customs duties and taxes still fell 41.3% over the first nine months of 2020, as compared to the same period last year. Government expenditures also began to decrease, falling by 0.7% over the first nine months of 2020 compared to the year-ago period in part due to restricted government activity during the lockdown, according to the MOF.⁵⁵⁷

Sustainable Domestic Revenues:

According to Afghanistan Ministry of Finance officials, these are revenues such as customs, taxes, and nontax fees. Multilateral institutions, including the World Bank and the International Monetary Fund (IMF), use reports of these revenues to judge the Afghan government’s fiscal performance.

One-Off Domestic Revenues: These are nonrecurring revenues arising from one-time transfers of funds, such as central bank profits, to the Afghan government. The IMF excludes central bank transfers from its definition of domestic revenues for the purpose of monitoring Afghanistan’s fiscal performance under its Extended Credit Facility arrangement with the government.

Source: SIGAR, communications with MOF officials, 8/21/2017; SIGAR, communications with IMF officials, 9/7/2017.



Afghan girls at a reopened school wash their hands as a precaution against COVID-19. (USAID photo)

COVID-19 CONTINUES TO PLAGUE AFGHANISTAN

The Afghan government has relaxed the country-wide lockdown instituted in March, but the COVID-19 pandemic continues to damage Afghanistan's public health and economy. As of October 15, 2020, the country has reached 40,026 confirmed cases with 1,481 associated deaths, according to the Afghan Ministry of Public Health.⁵⁵⁸ However, given the low availability of testing, limited hospital capacity, absence of a national death registry, and reluctance of many Afghans to seek treatment, this is likely a severe undercount of COVID-19 cases and deaths. The pandemic has severely stretched Afghanistan's health-care system, and is leading to secondary health effects that might negate recent years' progress and hurt Afghanistan's public-health prospects in the long term.

Afghanistan's Health-Care System Lacks Capacity to Address COVID-19

In dealing with the COVID-19 pandemic, Afghanistan's health-care system has struggled with a lack of resources, including personal protective equipment (PPE), ventilators, hospital beds, and medical staff necessary for treating COVID-stricken patients. Even before the pandemic, the country faced shortages of trained health-care professionals with a nationwide average of only 4.6 medical doctors, nurses, and midwives per 10,000 people as of 2017, far below the World Health Organization's (WHO) threshold of 23 per 10,000 people for a critical shortage.⁵⁵⁹ In rural regions, this shortage is more pronounced. In Kunar Province, for instance, the number of doctors per 10,000 people drops to only 0.5.⁵⁶⁰

The Afghan government's limited capacity has not only hindered its ability to contain the disease, but also to accurately determine its spread through the population. The Afghan government has carried out 115,968 tests for an estimated population of more than 30 million, as of October 15, 2020, far below other countries in the region.⁵⁶¹ By September 15, 2020, Afghanistan had conducted only 2,740 tests per one million people. In contrast, Pakistan had conducted 13,510 tests per million, India 42,000 tests per million, and Bangladesh 10,645 tests per million.⁵⁶² Afghanistan currently has 13 operational testing labs with the technical ability to carry out at least 5,000 tests per day, far below the estimated 10,000–20,000 samples received daily.⁵⁶³ The United Nations Development Programme (UNDP) reported shortages of both testing kits and health-care workers, especially with so many workers themselves infected, combined with a general reluctance within the population to be tested for the disease.⁵⁶⁴

COVID-Related Donor Support for Afghanistan Continued This Quarter

International donors continued to provide COVID-related financial support to Afghanistan this quarter to help mitigate the economic impact of the pandemic. In early August, for instance, the World Bank approved two additional grants totaling \$210 million, as part of a larger \$380 million financial package, to bolster relief efforts for Afghan families and emergency support for farmers and food supply chains.⁵⁶⁵ Later in the month, the International Monetary Fund announced an agreement with Afghanistan for a new three-and-a-half-year Extended Credit Facility totaling \$364 million to mitigate the economic impact of COVID-19.⁵⁶⁶

As of late July, the U.S. government, through the State Department and USAID, allocated over \$36.7 million to the Afghan government for COVID-related assistance and expedited \$90 million in existing support to the World Bank to

support the health and education sectors.⁵⁶⁷ In early August, USAID's Bureau for Humanitarian Assistance provided an additional \$12 million to the United Nations World Food Programme to support its emergency food relief for 95,000 food insecure families.⁵⁶⁸

Afghan politicians have voiced concern that this influx of international COVID-related funds and increased Afghan government expenditures at the outset of the lockdown could lead to corruption. In July 2020, members of the *Wolesi Jirga*—lower house of parliament—raised concerns that President Ghani's \$244 million "National Dining Table" food relief program only affords new opportunities for fraud and complained that its budget details had not been shared with lawmakers.⁵⁶⁹ In late August 2020, the Office of the Ombudsperson, established in 2019 to provide oversight of senior government officials and to combat corruption, accused former Minister of Public Health Ferozuddin Feroz of embezzlement and misuse of authority, following an investigation requested by President Ghani of funds spent by the Ministry of Public Health to address COVID-19.⁵⁷⁰

Management and Behavioral Challenges to Containing Spread of COVID-19

Afghanistan's efforts to contain the spread of COVID-19 have been hampered by more than the lack of resources. Management and behavioral issues have further limited the government's ability to contain and treat the disease.

A major challenge for hospitals and clinics has been the lack of effective management of patient flows and proper implementation of infection prevention and control (IPC) measures.⁵⁷¹ For non-U.S. health-care settings, the U.S. Centers for Disease Control (CDC) recommends that effective IPC activities should prioritize limiting the entry of healthcare workers and visitors suspected or confirmed

of having COVID-19, testing all suspected patients, treating suspected or confirmed COVID-19 patients separately, immediately identifying inpatients and workers suspected of having COVID-19, appropriate use of PPE, and other precautions including hand hygiene and cleaning and disinfection of equipment and surfaces.⁵⁷²

Given the inability to implement IPC measures, Afghan health-care workers have been particularly susceptible to contracting COVID-19. In May 2020, government health officials said more than a third of confirmed cases were among doctors and other health-care staff.⁵⁷³ The rising infection rates among health-care workers exacerbated their already critical shortage. Given the dearth of nurses and doctors, there have been reports from Kabul hospitals of patients' family members, often without PPE and few wearing masks, stepping in and caring for their relatives, further increasing the risks of infection and spreading the disease.⁵⁷⁴ With ineffective IPC measures and concern about becoming an infection hotspot, some doctors have closed their clinics, further straining Afghans' access to limited health resources.⁵⁷⁵

Even if healthcare is accessible, there is a reported reluctance among Afghans to seek testing and treatment for COVID-19. While access to healthcare is not uniform across the country, especially within areas not under government control, some individuals reported choosing to wait out the disease at home because conditions in hospitals were so poor they feared greater risks in seeking treatment.⁵⁷⁶ There were also anecdotal reports that social stigmas and misinformation have led symptomatic individuals to avoid medical treatment for fear they will be deprived an Islamic burial if they are confirmed to have COVID-19 and die in a hospital.⁵⁷⁷ A number of increasingly desperate Afghans have relied instead on various home remedies, traditional medicines, and even narcotics to treat the disease.⁵⁷⁸ Additionally, Afghanistan's high

poverty levels made it difficult for many individuals to stay at home and maintain quarantine given the need to continue working in order to feed their families, limiting the effectiveness of the government-mandated lockdown.

Cultural constraints have also limited women's access to testing and health care. According to the UN-affiliated International Organization for Migration (IOM), for every three men that are tested for COVID-19, only one woman is tested.⁵⁷⁹ A health-care worker within an IOM-run health clinic in Herat observed, "I have seen women being brought to the clinic only when they are extremely sick. In a majority of these cases, women aren't allowed to see a male doctor. That is why such a comparatively low number of women are being tested for coronavirus."⁵⁸⁰ As a result, men constitute over 70% of confirmed cases.⁵⁸¹

Secondary Health Effects of COVID-19

With COVID-19 overwhelming Afghanistan's health sector, the country's limited resources have been redirected toward addressing the pandemic, at the expense of many other public-health issues. Surveys conducted by the United Nations Children's Fund (UNICEF) and WHO show that the pandemic has severely disrupted health-care service delivery with the potential to undo health gains made over the previous decade, particularly with respect to improved child mortality rates from preventable diseases.⁵⁸²

According to USAID's Disease Early Warning System, beginning in mid-February 2020, "Due to country focus on COVID-19, testing for other diseases has been suspended."⁵⁸³ Subsequently in March 2020, Afghanistan suspended all child vaccination drives, including polio (Afghanistan and Pakistan are the only two countries in the world where polio remains endemic), to avoid the risk of COVID-19 transmission among targeted children, their families, and vaccinators.⁵⁸⁴ By September 2020, 34,000 polio-surveillance

volunteers were redirected to assist with COVID-19 surveillance, case identification, and community contact-tracing activities.⁵⁸⁵ While polio vaccinations began again in July, the Global Polio Eradication Initiative reported 51 polio cases in Afghanistan in 2020 (as of early October), including cases in previously polio-free areas, due to the suspension of the vaccination campaign, compared to 29 total cases in 2019.⁵⁸⁶

The COVID-19 pandemic also has the potential to heighten antimicrobial resistance (AMR) rates in Afghanistan. AMR occurs when bacteria, viruses, and other microbes mutate over time and become resistant to medicines used to treat them, often exacerbated by the overuse of key medications such as antibiotics. As treatment options are rendered ineffective, resistant infections can spread within community and hospital settings turning common and once easy-to-treat infections into deadly ones. The CDC refers to AMR as “one of the biggest public health challenges of our time.”⁵⁸⁷

In Afghanistan, AMR has become an increasingly troubling public health problem. Beginning in 2003, U.S. military doctors in the country began to confront this problem as wounded U.S. soldiers acquired antibiotic-resistant wound infections. By 2009, U.S. military hospitals introduced new measures to combat AMR, such as stricter guidelines on antibiotic use, surveillance of drug resistance, and better infection control.⁵⁸⁸ Afghanistan’s civilian population, however, has continued to struggle with AMR predominantly because of the persistent overuse of antibiotics and poor infection control measures. According to Médecins Sans Frontières (MSF), also known as Doctors Without Borders, Afghans rely on antibiotics for a wide range of ailments, many minor and not requiring antibiotics. Excessive antibiotic use (MSF reported that many people take antibiotics “like sweets”⁵⁸⁹), its availability over the counter, and lack of awareness of AMR creates an environment ripe for the spread of resistant

bacteria. A 2014 study of antibiotic use in a Kabul hospital found that 62% of all outpatients in summer and 50% in winter were prescribed at least one antibiotic, far above the WHO recommendation of 30%.⁵⁹⁰

Medical staff have raised concerns that COVID-19 treatments could worsen AMR. Viral respiratory infections, such as COVID-19, often lead to deadly secondary infections including bacterial pneumonia, necessitating the use of antibiotics.⁵⁹¹ In Afghanistan, the increasing number of COVID-19 patients requiring a course of antibiotics, along with lack of effective IPC measures within the patient population, could fuel the spread of antibiotic-resistant infections. Beyond use within hospitals and clinics, many Afghans have also reportedly turned to self-administering antibiotics, despite their ineffectiveness in treating viruses, as an at-home treatment for COVID-19 given the lack of alternative options, further contributing to the problem of AMR.⁵⁹² With the opening of borders and resumption of regular cross-border traffic, this public-health challenge could have regional implications as antibiotic-resistant infections spread outside of Afghanistan.

The full scope of long-term effects of contracting the disease and the resulting impacts on health-care services are still being studied. However, many patients, even those with mild symptoms, have reported experiencing persistent COVID-19 symptoms months after initially contracting the disease. There is also a documented link between COVID-19 and organ damage, which could increase patients’ future risk of various health ailments including heart failure, long-term breathing problems, and kidney and neurological disorders, among others.⁵⁹³

With the possibility that nearly one-third of the Afghan population has contracted the disease,⁵⁹⁴ COVID-19 could have far-reaching, adverse long-term effects on the health-care system, limiting the effectiveness of future health intervention programs.

U.S. SUPPORT FOR ECONOMIC AND SOCIAL DEVELOPMENT: OBJECTIVES AND PROSPECTS

While the intensity and emphasis of U.S. reconstruction programs have shifted over the years, the United States has consistently worked to advance economic and social conditions in Afghanistan to support the broader stability of the country and in service of U.S. national security interests.⁵⁹⁵

The U.S. government's current Integrated Country Strategy (ICS), released in 2018, 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.⁵⁹⁶ USAID's Country Development Cooperation Strategy (CDCS) for Afghanistan, nested within the ICS, further outlines the need to:⁵⁹⁷

- 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

Senior U.S. leadership has highlighted the importance of promoting economic development to support any peace agreement coming out of the intra-Afghan negotiations. In an August 7, 2020, statement on the Loya Jirga in Kabul, Secretary of State Michael Pompeo stated, "To help Afghanistan realize peace, prosperity, and self-reliance, we are ready to support a peace settlement, including by extending U.S. development programs to previously under-served areas." He specifically highlighted the role of the U.S. International Development Finance Corporation (DFC)—the U.S. government development finance institution formed in December 2019 from the Overseas Private Investment Corporation and USAID's Development Credit Authority—and its potential as an alternative source of financing to support private investments in the agriculture and extractive industries in Afghanistan.⁵⁹⁸ In a July 3, 2020, meeting with Taliban representatives in Doha, Ambassador Zalmay Khalilzad was joined by DFC CEO Adam Boehler and likewise "underscored the economic development opportunities that will follow a sustainable peace."⁵⁹⁹ The DFC is exploring co-investment and co-financing opportunities with private investors that may emerge as the peace process moves forward, supporting a gradual transition from grant-based aid to an investment model for U.S. engagement with the Afghan economy.⁶⁰⁰

Yet, much hinges on the outcome of the intra-Afghan negotiations. U.S. officials have said continued U.S. financial assistance will be conditioned on the conduct and decisions of the parties in the peace talks. After the start of talks between the Taliban and Afghan government, Secretary Pompeo announced from Doha, "As you make your decisions,

you should keep in mind that your choices and conduct will affect both the size and scope of future U.S. assistance. Our hope is that you reach a sustainable peace, and our goal is an enduring partnership.”⁶⁰¹

However, given the prevalence of many confounding factors in a conflict-ridden and aid-dependent state like Afghanistan, it is not clear that even a successful peace agreement will lead to meaningful economic and social development. The negative economic repercussions from COVID-19 wiped out the previous year’s economic growth—2.9% in 2019—and will remain a major obstacle to any sustainable economic growth, at least in the short term.⁶⁰²

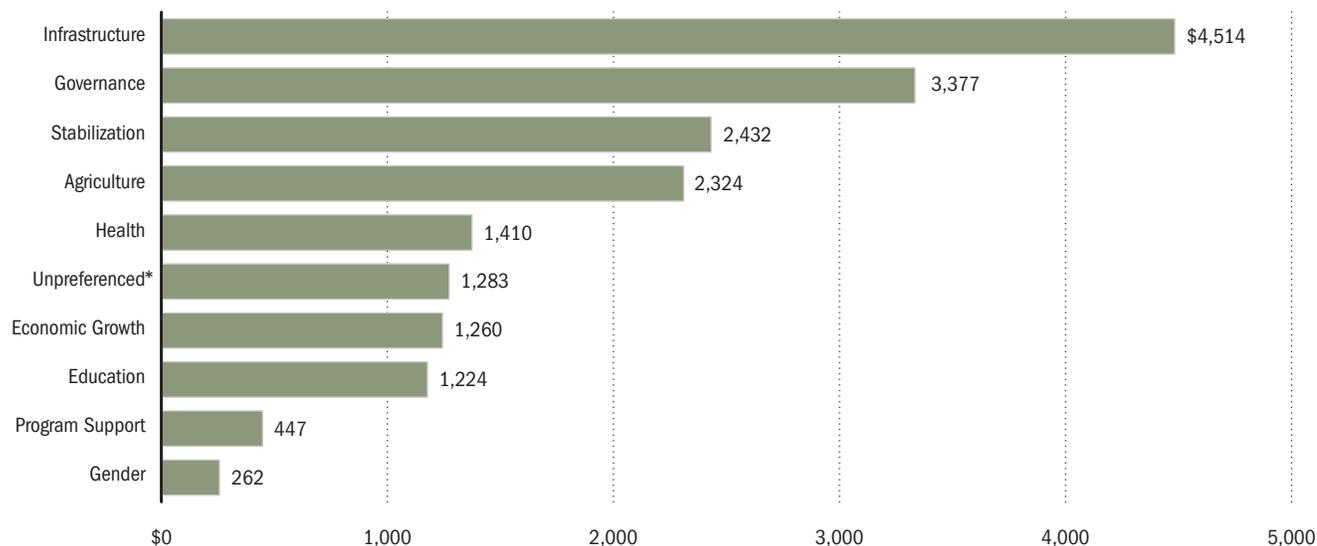
Even before COVID-19 first hit Afghanistan in late February 2020, Afghanistan had been plagued by a sluggish economy, noted for insecurity, corruption, limited government control, and various restrictions on accessing the formal market. Since 2014—the year in which U.S. and Coalition forces completed a phased military drawdown with resulting decreases in the level of U.S. financial assistance—annual GDP growth has not surpassed 3%, poverty levels have risen, some social-development indicators have stagnated, and the proportion of Afghans who perceive corruption as a problem in daily life has remained roughly unchanged.⁶⁰³ The stress of the COVID-19 pandemic and the Afghan government’s limited capacity to mitigate its impact have exacerbated many of these perennial economic and social challenges.

In addition to the pandemic, any positive impact from U.S. support for economic growth and social development in Afghanistan is further limited by uncertainties surrounding the outcome of the Afghan peace process and continued widespread insecurity. While the Asian Development Bank (ADB) projects that the Afghan economy will rebound in 2021 with modest growth of 1.5%, this assumes “that peace talks are successful and enable improved security and political stability.” The ADB’s *Development Outlook Report* for 2020 identifies “high uncertainty about every major factor: the persistence of the pandemic, security and political developments, international grant inflow, and weather” as key risks to future economic investments and growth.⁶⁰⁴

As of September 30, 2020, the U.S. government has provided approximately \$35.95 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly \$21.10 billion—were appropriated to USAID’s Economic Support Fund (ESF). Of this amount, \$20.03 billion has been obligated and \$17.87 billion has been disbursed. Figure 3.34, on the following page, shows USAID assistance by sector.⁶⁰⁵

FIGURE 3.34

USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF OCTOBER 9, 2020 (\$ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. USAID gender programs managed by the agency's Office of Gender are presented as a separate category. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and programs that build health and education facilities. OFM activities (e.g. audits and pre-award assessments) included under Program Support funds.

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

Source: SIGAR, analysis of USAID response to SIGAR data call, 10/12/2020; SIGAR analysis of World Bank, ARTF, Administrator's Report on Financial Status as of July 21, 2020, 10/7/2020.

ECONOMIC PROFILE

The U.S. plan to bolster private investment is part of a broader strategy to transition Afghanistan from being predominantly an assistance recipient to becoming an enduring economic partner in the long term.⁶⁰⁶ Yet, Afghanistan remains poor, aid-dependent, and conflict-affected, with the potential for economic growth in the short term further limited by COVID-19.⁶⁰⁷ Donor grants totaling \$8.5 billion per year (covering both security and civilian assistance) finance more than half the Afghan government budget and 75% of total public expenditures (including funds not channeled through government ministries).⁶⁰⁸

Increased government service provision and an economy fueled by donor funds rapidly improved many development outcomes through the 2014 drawdown of most international troops. But 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.⁶⁰⁹ In its 2019 *Annual Survey of the Afghan People*, The Asia Foundation found that a majority of Afghans perceived the country to be moving in the wrong direction, citing worsening unemployment, the bad economy, and high prices. Moreover, over three-quarters of the survey's respondents saw the difficulties stemming from a poor economy as the greatest problem facing

Afghan youth.⁶¹⁰ This is a troubling concern, for over 63% of Afghanistan's population is under age 25, and new entrants into the labor force greatly outnumber job openings.⁶¹¹

In early 2020, 55% of Afghans lived below the poverty line, according to the most recent household survey data, an increase from 34% in 2008.⁶¹² Poverty has only worsened in 2020 due to COVID-19 as remittances from Afghans working in adjacent countries declined, household budgets have been stretched by a spike in food prices matched by an increase in unemployment, and lockdowns and border closures have dampened overall domestic economic activity. The worsening economic conditions and border closures due to the pandemic also have led to decreased government revenues.

The Afghan government's inability to generate sufficient domestic revenue has been a longstanding challenge, stemming from limited government capacity, persistent corruption, tax evasion, and the strength of the informal and illicit economies. In Afghanistan, for instance, 90% of economic activity takes place within the informal economy, which often overlaps with and strengthens the illicit economy, including opium production, and so is not taxed by the government.⁶¹³ This has contributed to the country's dependence on external donors. In its 2019 *Doing Business* report, the World Bank ranked Afghanistan 167th of 190 countries in terms of government regulations that "enhance business activity," including the tax system.⁶¹⁴ The government has largely relied on simpler forms of revenue generation, including customs duties and income taxes. Given the relative ease of their collection, customs taxes have consistently been a primary source of sustainable domestic revenues for the Afghan government. Overreliance on customs revenue, however, is a double-edged sword in that it incentivizes trade policies conducive to increasing imports and hence, government revenue in the short term, but can undermine domestic production and ultimately slow economic growth in the long term.

Finance Ministry Announces New Kabul Bank to Merge with Bank-e-Millie Afghan

In August 2020, an Afghan Finance Ministry spokesperson announced the decision to merge New Kabul Bank with Bank-e-Millie Afghan, two of Afghanistan's three state-owned banks, with technical assessments for merging the banks' systems and assets having begun. The goal, according to the announcement, is to "improve the activities of government banks." Critics argued that the merger effectively serves to close an active business, further limiting the country's banking sector.⁶¹⁵ Since its founding in 2011, however, the New Kabul Bank, the country's largest commercial bank, has struggled, losing \$56 million within its first four years in part due to strict rules on lending and investment. In 2015, Afghan government officials had considered merging New Kabul Bank with the other two state-owned

banks, Pashtany Bank and Bank-e-Millie Afghan, but instead made multiple attempts to privatize it. The Afghan government, however, failed to find a suitable buyer.⁶¹⁶

The Afghan government formed New Kabul Bank in place of the now-defunct Kabul Bank following its 2010 corruption scandal, during which senior executives of the bank, including Chairman Sher Khan Farnood and CEO Khalilullah Ferozi, schemed to steal almost \$1 billion through money laundering and fraudulent lending on behalf of politically connected shareholders—including Mahmoud Karzai, the current Acting Minister of Urban Development and Land, and brother of former President Hamid Karzai.⁶¹⁷ The meltdown of Afghanistan's largest private bank, which at the time held 34% of the country's total banking assets (three times the assets of its closest competitor) and was used to pay government salaries, severely stressed the economy. It resulted in a \$500 million run on the bank and eventually required an \$825 million bailout, equivalent to approximately 5–6% of Afghanistan's GDP at the time.⁶¹⁸ Overall, as of August 20, 2020, \$587.26 million—or 59.5% of the total amount of stolen funds (\$987.0 million)—remains unrecovered by the Afghan government.⁶¹⁹

The New Kabul Bank/Bank-e-Millie Afghan merger comes as Da Afghanistan Bank (DAB), Afghanistan's central bank, is taking measures to mitigate COVID-related shocks to the banking sector, including the monitoring of weaker banks, a reduction in banks' operational costs, and suspension of administrative penalties and fees.⁶²⁰ Under pressure from the pandemic-induced economic decline, total bank deposits have contracted this year as business firms increasingly draw upon their accounts in the face of declining revenues, exacerbating the banking sector's vulnerability.⁶²¹

On September 28, 2020, the World Bank approved a \$100 million grant to DAB and the Ministry of Finance to help stabilize Afghanistan's financial sector as it works to recover from COVID-19 and improve access to finance for micro, small, and medium enterprises.⁶²² Even before the pandemic, Afghanistan's small banking sector was severely limited in its ability to finance private investment and support economic growth. With an economy heavily reliant on the informal sector—85% of Afghan adults lack access to formal financial services—DAB estimates that only 3.9% of businesses rely on banks to finance capital expenses, with 0.8% using banks to finance investments due to both demand and supply constraints. Those constraints include high interest rates and collateral requirements, lack of expertise, and limited access in rural areas.⁶²³

Afghan Government Increasing International Trade Links to Combat Economic Slowdown

In recent years, Afghanistan, with the support of international donors, has worked to integrate its economy into regional trading networks and transit routes to help bolster domestic economic growth, such as “the Lapis

Lazuli Corridor,” which opened in December 2018 connecting Afghanistan to European markets by way of Turkmenistan, Azerbaijan, Georgia, and Turkey. In July 2020, the UNDP projected that increasing regional trade could help to mitigate the negative economic impact of COVID-19 within Afghanistan.⁶²⁴

Afghan government officials have met with leaders of neighboring countries this quarter to increase economic cooperation and have prioritized increased linkages to international trade routes to bolster the country’s sluggish economic growth. Recent activities have included opening border crossings with Pakistan; forming a trilateral commission on economic cooperation between Afghanistan, Iran, and Turkmenistan; continuing development of the maritime route through Chabahar Port; and expanding regional railway linkages and air corridors.⁶²⁵

Afghanistan–Pakistan

Since the spring lockdown, Afghan and Pakistani officials have worked to reopen their border crossings for trade, including the September 16 opening of a new trade terminal at Badini southwest of Quetta on Balochistan’s border with Kandahar.⁶²⁶ In late July 2020, Pakistan’s Gwadar Port on Balochistan’s Arabian coast also began to be used for Afghan-bound trade goods, with a consignment of bulk cargo from UAE.⁶²⁷ Yet, there continue to be reports of significant shipping delays for Pakistani imports, inhibiting cross-border trade and the recovery of customs revenue for the Afghan government. In early September 2020, it was estimated that nearly 15,000 shipping containers had piled up at various points along the trading network between ports in Karachi and Afghanistan-Pakistan border crossings due to reports of administrative delays, mismanagement of customs procedures, and corruption.⁶²⁸

With Afghanistan and Pakistan working to reopen their borders to trade in recent months, Pakistan’s Federal Board of Revenue increased the required percentage of containers needing to be scanned from 10%, prior to the pandemic, to 100%, without also increasing the limited scanning capacity at the border crossings. This has led to severe shipping delays, compounded by the backlog of Afghan-bound goods that continued to arrive in Pakistani ports during the border closures.⁶²⁹ There also continue to be media reports of corruption at checkpoints near the border, further inhibiting cross-border traffic.⁶³⁰

Afghanistan–Iran

Regional governments have highlighted the development of Iran’s Chabahar Port and attached railway network, developed jointly with India, as a potentially significant boon to the Afghan economy by increasing access to international maritime trade. For this reason, the State Department exempted Chabahar from U.S. economic sanctions leveled against Iran

Afghanistan-Pakistan Border Crossings Reopen, Yet Tensions Flare

Amid COVID-19, the Afghan and Pakistani governments have worked to reopen border crossings to trade. Many were closed in March 2020 as a public-health measure. By early July 2020, five border crossings were open for commercial trucks engaging in trade, helping the Afghan government begin to recover customs revenue lost in the previous quarter.

Some border crossings remained largely closed to travelers and laborers, despite local communities on both sides depending on cross-border economic activity. In late July, protests erupted on the Pakistani side of the Chaman border crossing linking Pakistan’s Balochistan Province with Kandahar to force the government to resume all normal traffic. On July 30, there were reports of the Pakistani military opening fire to disperse the protestors. While Pakistani officials stated that shots were only fired into the air to maintain order, Afghan officials claimed that Pakistani artillery fired into Afghanistan, killing 15 civilians and displacing hundreds within local villages fleeing the shelling. This incident came just over a week after clashes between Afghan and Pakistani forces in Kunar Province with Pakistani mortar attacks killing at least eight civilians, according to Afghan officials.

In response, the Chaman border crossing was closed and Afghan troops stationed at the border were ordered into a state of readiness to “retaliate” against Pakistani forces “in kind.” Following talks between Afghan and Pakistani officials, the border was reopened to trade on August 12, and was fully opened to both trade and pedestrian traffic on August 22.

Source: New York Times, Tairmoor Shah and Mujib Mashal, “Border Clashes With Pakistan Leave 15 Afghan Civilians Dead, Officials Say,” 7/31/2020; TOLNews, “8 Civilians Killed in Pakistani Mortar Attack on Kunar: Officials,” 7/16/2020; Daily Times, “Pakistan fully opens Chaman border after five months closure,” 8/22/2020.

in November 2018.⁶³¹ Since the first phase of its operations was inaugurated in December 2017 and despite various challenges related to the management of the port facilities, the port's economic activity has steadily increased over the first two years of operations, with over half a million tons of cargo moving through the port.⁶³²

As of August 2020, according to the Director-General of Ports and Maritime Organizations of Iran's Sistan-Baluchestan Province, 23% of this cargo was destined for Afghanistan.⁶³³ Over the previous two quarters, as Afghanistan struggled with COVID-19, these shipments included over 53,000 tons of wheat, out of a promised 75,000 tons, gifted to Afghanistan by the Indian government.⁶³⁴ However, according to State, the use of Chabahar Port for trade with Afghanistan has not increased as a result of the border closures with Pakistan. Despite the waiver for trade through Chabahar Port, Afghan traders report that insurance companies, banks, and other business service providers refuse to operate through the port for fear of U.S. sanctions against Iran.⁶³⁵

To further facilitate trade with Iran, Afghanistan also has continued work on the approximately 220 kilometer Khaf-Herat rail line (around 140 kilometers are in Afghanistan), linking Afghanistan and Iran. Project construction began in fiscal year 2007–2008; it was expected to become operational in fall 2020. Iranian officials said the new rail link and border crossing will reduce transit costs and speed up the collection and delivery of goods traveling between Afghanistan and Iran.⁶³⁶

Afghanistan's Unsustainable Trade Deficits

Afghanistan's economy remains highly dependent on imports, generating a severe trade deficit that is almost entirely financed through external aid.⁶³⁷ The Afghan Ministry of Industry and Commerce explains, "the Islamic Republic of Afghanistan's industries have been devastated by more than three decades of civil strife and war that left many factories, and even much of the cottage industry, inoperative or struggling to compete even in the domestic market, thereby contributing to the unsustainably high trade deficit."⁶³⁸

In 2018, for instance, Afghanistan imported goods totaling \$7.4 billion while only exporting \$875 million worth of goods, a negative trade balance of \$6.5 billion or 32.7% of GDP. This is in part due to Afghanistan's low manufacturing capacity and poor domestic infrastructure, which results in a narrow export base, largely agricultural products and carpets, to limited destination markets.⁶³⁹ The Afghan government's failure to improve formal business conditions and governance within the country also has limited the economy's domestic output and long-term growth. As such, Afghan citizens supplement income and consumption needs through imported goods, service imports, and remittances. Afghanistan's National Trade Policy for 2019–2023 acknowledges, "With regard to imports, for many businesses in

the Islamic Republic of Afghanistan, imported capital goods and inputs are essential to maintain production and competitiveness. In view of this, apart from exceptional cases, the country will maintain an open trade regime without creating non-tariff barriers to imports.”⁶⁴⁰ Increasing links and ease of access with regional and international trade routes could have immense benefits for the Afghan economy. Yet, unless effective efforts are simultaneously made to address the private sector’s trade disadvantages and shift demand away from imported goods to domestic production, easing cross-border trade could also potentially exacerbate the existing trade deficit, especially if neighboring countries seek to increase exports to Afghanistan in order to offset economic losses caused by COVID-19.

NATO Eyes Full Transfer of International Airports to Afghan Government

On August 16, 2020, the Afghan Civil Aviation Authority (ACAA) announced that it would soon take full responsibility for Afghanistan’s four international airports in Kabul, Kandahar, Herat, and Mazar-e Sharif, currently controlled jointly with NATO. NATO plans to hand over the airports to the Afghan government by May 2021, State informed SIGAR this quarter, but the precise timing remains under review by NATO and the Afghan government.⁶⁴¹ General Director Qasem Wafayezad of the ACAA, however, recognized that the Afghan government faces a number of ongoing capacity and training issues, presenting challenges to complete this transfer.⁶⁴²

An insufficient number of properly trained personnel and other capacity problems have long challenged Afghanistan’s civil aviation sector. Given the importance of effective airspace management for military efforts, the U.S. government provided technical assistance and financial support for civil aviation, disbursing over \$562 million in civil aviation-related activities between 2002 and 2015. During this time, NATO also took responsibility for vital civil aviation functions, including air traffic control; fire, crash, and



100 USAID-provided ventilators arrive at Hamid Karzai International Airport. (USAID photo)

rescue; meteorology; communication, navigation, and surveillance; and airport safety management.⁶⁴³ The Afghan government formed the Afghanistan Civil Aviation Authority (ACAA) in 2012 with the responsibility to develop and operate all of Afghanistan's airports and drafting civil aviation policies and regulations.

While the U.S. government intended to transfer management of Afghanistan's civil aviation to the Afghan government at the end of 2014 with the drawdown of U.S. forces, the transfer was delayed by a year in part due to the lack of certified air traffic controllers, according to a 2015 SIGAR audit.⁶⁴⁴ Additionally, following the delay, the Afghan government failed to award an airspace management contract, citing high prices, which required State to fund an interim DOD-managed contract through September 2015 for \$29.5 million to avoid air service interruptions.⁶⁴⁵ SIGAR's 2015 civil aviation audit further found that the Afghan government failed to use all of its overflight revenue for airspace management, despite pledging to do so, which contributed to the Afghan's inability to independently manage civil aviation operations.⁶⁴⁶

In 2015, the U.S. government transferred control of airspace management to the ACAA, but NATO's Resolute Support continued to shoulder key civil aviation responsibilities at Afghanistan's international airports. In recognition of the important role an effective civil aviation authority and airports play in facilitating economic growth, USAID has provided approximately \$6.1 million since 2015 to support ACAA capacity building and strengthen air-cargo infrastructure and export processes at the Hamid Karzai International Airport.⁶⁴⁷

In July 2019, SIGAR reported that external donor support improved ACAA operations through better training regimes that allowed ACAA to conduct limited operations at the four international airports. However, as SIGAR also observed, ACAA "is not currently capable of conducting civil aviation operations without donor support, including technical, training, and financial assistance—all of which were also identified as shortfalls in our 2015 audit."⁶⁴⁸ SIGAR's 2019 report concluded, "Although capacity development and increased revenues appear to have put the ACAA on a path toward civilian aviation independence, the ACAA has yet to demonstrate its capacity to assume control over the five essential aviation functions (Air Traffic Control; Fire Crash and Rescue; Safety Management Office; Meteorological Service; and Communication Navigation and Surveillance)."⁶⁴⁹ In the 2019 report, the ACAA director general further noted that the ACAA remains roughly two to three years away from building the necessary personnel, financial, and regulatory capacity to independently shoulder all civil aviation responsibilities within Afghanistan.⁶⁵⁰

Fiscal Update: Revenues Begin to Recover But Remain Below Previous Year's

Afghanistan's sustainable domestic revenues contracted by 17.2% over the first three quarters of 2020 as compared to the same period of the previous year, reflecting the fallout from the pandemic.⁶⁵¹ Beginning in March 2020, customs revenues dropped "to close to zero for several months," State said.⁶⁵² Since the lockdown was eased in July 2020 and the country's borders were reopened to trade, government revenues have started to modestly recover from a drastic decline during the second quarter. Despite this recovery, revenue generation remains below last year's level. 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-19.⁶⁵³

Among revenue categories, customs revenues—on which the Afghan government normally relies for approximately one-fifth of its domestically generated income—are uniquely vulnerable to border closures.⁶⁵⁴ Following the border closings to halt the spread of COVID-19, 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.⁶⁵⁵ From Month 5 (April 20–May 19, 2020) to Month 6 (May 20–June 19, 2020), customs collection increased by 40.4% as cross-border trade began to resume.⁶⁵⁶ Yet, customs revenues over the first nine months of 2020 remained 41.3% below the same period during the previous year.⁶⁵⁷

Figure 3.35, on the following page, shows the decline in cumulative sustainable revenues through Month 9 of FY 1399. Expenditures over the first nine months of 2020 (Figure 3.36, on the following page) also decreased overall by 0.7%, in part due to restricted government activity during the lockdown, according to the MOF.

ECONOMIC GROWTH

Through its current strategy, USAID economic growth programs seek to support and enhance export-led growth within Afghanistan's private sector.⁶⁵⁸ Specifically, the strategy aims to:⁶⁵⁹

- 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

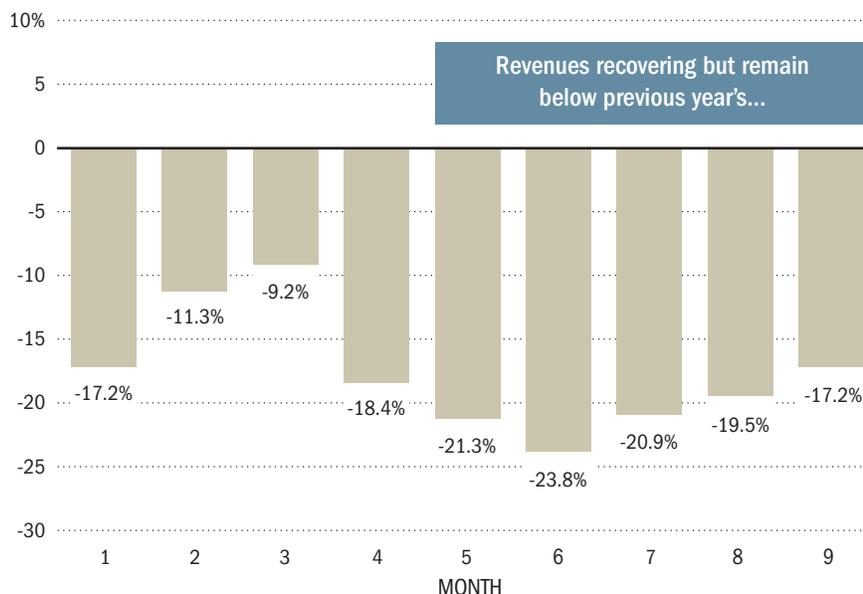
SIGAR EVALUATION REPORT

In August 2020, SIGAR's Office of Special Projects released a review report of the Kabul Center Export Center (KCEC). The KCEC project was funded by USAID's Afghanistan Job Creation Program with a \$9.4 million grant awarded to Impact Carpet Associates in June 2018 to establish the export center. The KCEC's purpose is to help bolster exports of Afghan carpets and create jobs through addressing three main problems within the carpet industry: (1) burdensome processes to airfreight carpets from Afghanistan, (2) a lack of access to export financing, and (3) the absence of a direct linkage and Web-based market for overseas wholesale buyers. SIGAR found that KCEC is not yet fully operational, having met only four of the six requirements of the grant agreement; it has failed to integrate "e-commerce capabilities into its website" or "engage with the Afghan government to advocate for the streamlining of export regulations." Moreover, KCEC has struggled to meet sales objectives and revenue targets for both its first and second year of operations, inhibiting its ability to become self-sufficient and sustain operations when USAID funding ends in June 2021.

Source: SIGAR, "Kabul Center Export Center: Progress Made Toward Self Sufficiency But Critical Sales, Revenue and Job Creation Targets Have Not Been Met," SIGAR-20-50-SP, 8/2020.

FIGURE 3.35

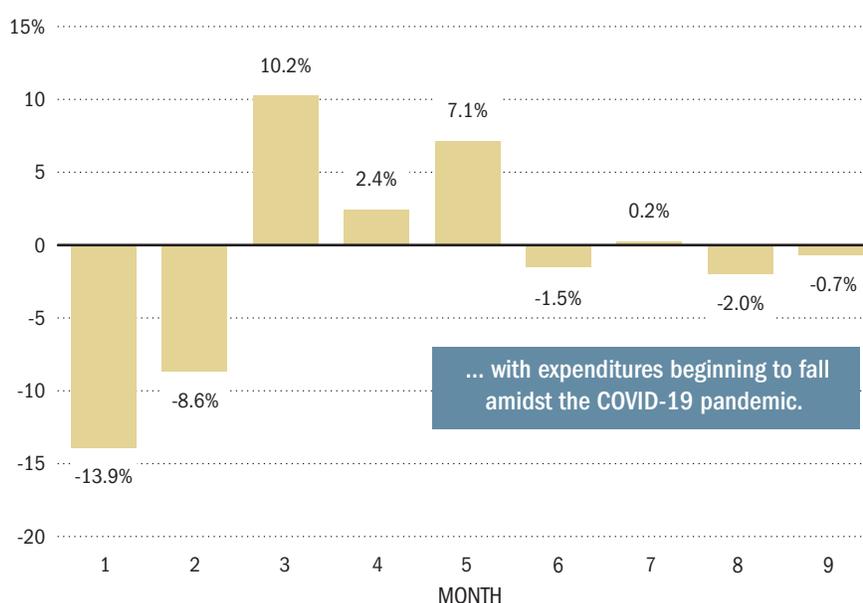
CUMULATIVE SUSTAINABLE REVENUE GAINS (FY 1398-1399) VERSUS SAME MONTH PRIOR YEAR



Source: SIGAR analysis of MOF-provided AFMIS data exported 10/13/2020 and 1/18/2020.

FIGURE 3.36

CUMULATIVE EXPENDITURE INCREASES (FY 1398-1399) VERSUS SAME MONTH PRIOR YEAR



Source: SIGAR analysis of MOF-provided AFMIS data exported 10/13/2020 and 1/18/2020.

ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.17

USAID ACTIVE ECONOMIC-GROWTH PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Trade Show Support (TSS) Activity	6/7/2018	12/6/2020	\$6,921,728	\$6,216,187
The Goldozi Project	4/5/2018	4/4/2022	9,718,763	4,492,204
Livelihood Advancement for Marginalized Population (LAMP)	8/1/2018	7/31/2022	9,491,153	2,455,913
Establishing Kabul Carpet Export Center (KCEC)	6/6/2018	6/5/2021	9,416,507	5,609,637
Multi-Dimensional Legal Economic Reform Assistance (MELRA)	2/7/2018	9/30/2024	29,990,258	8,924,926
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	7,932,922
Afghanistan Competitiveness of Export-Oriented Businesses Activity (ACEBA)	1/28/2020	1/27/2025	105,722,822	3,204,841
Carpet and Jewelry Value Chains	1/31/2019	4/30/2023	9,941,606	3,041,563
Recycling Plant Value Chain in Northern Afghanistan	6/5/2019	6/4/2023	7,250,000	747,471
Afghanistan Investment Climate Reform Program (AICR)	3/27/2015	3/26/2022	13,300,000	6,851,149
Commercial Law Development Program (CLDP)	3/1/2014	9/29/2020	17,864,283	12,978,111
INVEST*	9/28/2017	9/27/2020	15,000,000	7,391,966
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	142,100
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	732
Development Credit Authority (DCA) with Ghazanfar Bank	9/1/2018	8/30/2025	2,163,000	40,015
Total			\$259,630,146	\$70,550,538

Note: *INVEST is a USAID initiative to mobilize and support private capital investment in developing markets through technical assistance, networking, and capacity building.

Source: USAID, response to SIGAR data call, 10/12/2020.

However, USAID faces a number of obstacles to expand licit export growth within the timeframe set by USAID’s strategy (which covers development support through 2023), particularly as a result of the COVID-19 pandemic.⁶⁶⁰ During 2020, Afghanistan’s economy is expected to experience a significant contraction, inhibiting the impact of efforts to promote future economic growth.⁶⁶¹ Even before the pandemic took hold, Afghanistan’s licit economic growth was too low to reduce the increasing poverty rates and improve living standards for most Afghans.⁶⁶² Moreover, licit export levels stagnated in 2019, even though the Afghan government covers a majority of transit costs for exports through subsidized air corridors to incentivize trade within the region.⁶⁶³ The pandemic has exacerbated these challenges, along with uncertainty about the outcome of the peace process and the level of future donor support.

USAID’s active economic-growth programs have a total estimated cost of \$259.6 million and can be found in Table 3.17.

COVID-19 Continues to Impact USAID’s Economic Growth Programs

While USAID has been engaged in a number of economic growth projects to promote export competitiveness and market linkages for Afghan businesses, USAID has been forced to adapt or limit project activities due to the COVID-19 pandemic, such as modifying agreements with partner organizations to account for changes in operating capacities.⁶⁶⁴ USAID also said lockdown restrictions had reduced coordination with stakeholders and depressed procurement processes, with wide ramifications for projects’ operations.⁶⁶⁵

The Afghanistan Competitiveness of Export-Oriented Businesses (ACEBA) program was started in January 2020 to strengthen the **value chains** of export goods as well as facilitate access to finance and connections with international buyers. Under the lockdown and travel restrictions, however, ACEBA has been unable to engage directly with workforce beneficiaries and Afghan exporters, and has faced delays in setting up operations and staff onboarding, according to the project’s latest quarterly report (covering April–June 2020).⁶⁶⁶ Additionally, with many international road shows cancelled due to the pandemic, ACEBA has been exploring alternative means to connect buyers and sellers through online trading platforms.⁶⁶⁷ Through relying on online platforms to connect with customers largely in the United States and UK, the USAID-funded Exports, Jobs, and Market Linkages in Carpet and Jewelry Value Chains project was reportedly able to double sales for its supported jewelry businesses from the second to the third quarter of the fiscal year in spite of the pandemic, increasing the value of sales from \$19,850 to \$40,303.⁶⁶⁸

Additionally, USAID’s INVEST program, established to encourage and facilitate private investment in Afghanistan’s economy, has adapted its programming to support the private sector in responding to COVID-19 and the resulting economic disruption. At the end of July 2020, USAID had approved plans for INVEST to:⁶⁶⁹

- work with female-owned clothing companies to switch production to high-quality mask production in Afghanistan
- establish a distributorship/partnership in Afghanistan with international brand(s) for a multipurpose cleaner to be made available in country
- work with the Afghan Chamber of Commerce and Investment to support drafting and disseminating COVID-19 information specific to the Afghan business community
- work on operationalizing small cold-storage solutions to promote food security in case of border closures

Value chain: the range of goods and services necessary for a product to move from the factory or farm to the final customer or consumer. It encompasses the provision of inputs, actual production, storage or processing, marketing, transportation, and wholesale and retail sales.

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

Amid COVID-19 Restrictions, Goldozi Project Shifts to Stand-Alone Project

The USAID-funded Goldozi Project, like other USAID programs, began the quarter with in-person activities suspended due to COVID-19. Mandatory teleworking and infections among some staff and family members prevented planned progress toward project objectives.⁶⁷⁰ As part of USAID's Afghanistan Job Creation Program, the Goldozi Project was launched in April 2018 by implementing partner FHI 360 to support the development, sales, and marketing activities of Afghan women in the textile industry and to bolster exports of their embroidered products. Given travel restrictions and the inability for FHI 360 representatives to conduct grant-monitoring activities, the project amended the submonitoring plans to replace direct oversight to remote oversight by requiring grantees to submit weekly progress reports. With the partial lifting of the government lockdown in June, some project activities were able to resume such as in-person training in Herat and virtual Goldozi Certificate Program training for grantees in Kabul.⁶⁷¹

The Goldozi Project operated under the auspices of a shared operational platform with the USAID-funded and FHI 360-managed Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) project. During the third quarter of the fiscal year, while dealing with the effects of COVID-19, the Goldozi Project management learned that the IHSAN project closed following USAID's decision to move up the project end date from May 11, 2021, to September 11, 2020, as part of a transition to new health programming, as reported in SIGAR's July 2020 quarterly report.⁶⁷² The early closure of IHSAN necessitated Goldozi transition to a stand-alone project, according to its latest quarterly report (covering April–June 2020). This required developing a new Goldozi organizational chart and launching a time-consuming recruitment process for newly vacant positions in human resources, finance, grants, IT, procurement, and compliance—functions previously performed by the shared operational platform with IHSAN. During this quarter, the Goldozi Project was able to permanently fill all necessary administrative positions except the position of deputy chief of party. This transition, USAID informed SIGAR this quarter, did not have a significant impact on Goldozi activities.⁶⁷³

The Promise and Perils of the Extractives Sector

In 2010, the U.S. government estimated the total value of Afghanistan's extractives sector—consisting of a diverse array of metals, rare earths, precious and semiprecious stones, hydrocarbons, and minerals—at more than \$1 trillion. The Afghan government and external donors have consistently pointed to its potential to support sustained economic growth.⁶⁷⁴ Despite the unrealized profits from Afghanistan's vast deposits, international companies have continued to express interest in helping develop this sector. On August 6, 2020, according to a spokesperson from Afghanistan's Ministry of Mines and Petroleum (MOMP), chairman of Australia-based Fortescue Metals

Group Ltd. Andrew Forrest held a video conference call with President Ghani to discuss potential investments in iron ore and copper mines.⁶⁷⁵

The following month, Forrest traveled to Kabul to meet with First Vice President Amrullah Saleh and signed an agreement with the Afghan government to conduct studies of mineral resources within the country. At the request of Afghan officials, the agreement also included plans to develop hydropower and geothermal projects.⁶⁷⁶ The Afghan government also has continued to pursue mining contracts with Afghanistan-based companies, such as a deal for exploration rights inked on April 21, 2020—with transaction advisory support from USAID’s INVEST program—between the MOMP and the Afghan-owned Natural Stone Company for the Kunar-Nangarhar Marble Project and Lolanj-Parwan Travertine Project with a combined estimated value of \$55 million.⁶⁷⁷

As in other areas of reconstruction, efforts to develop the extractives sector have been hindered by unrealistic implementation timelines and inflated expectations, sometimes shaped by an overestimation of the Afghan government’s ability to provide critical enabling support.⁶⁷⁸ Afghanistan’s formal extractives sector is limited by low processing capacity, lack of reliable energy sources, and poor transportation infrastructure that raises mining costs compared to regional markets.⁶⁷⁹ The potential for profitable mining operations, even in the formal economy, is further weakened by widespread corruption, which acts as an additional deterrent to investors in capital-intensive mining operations. Moreover, poor security conditions have severely limited the ability to develop licit supply chains within the formalized mining sector regulated by the state.

Thus, a large percentage of mining activity in Afghanistan is conducted by informal or illegal small-scale operations in both government-controlled and insurgent-controlled territory, with their products smuggled out of the country.⁶⁸⁰ While all Afghan mineral resources are legally property of the state, the extractives sector has accounted for only around 2% of the government’s sustainable domestic revenues in recent years as a result of these issues.⁶⁸¹ For 2017, UNDP estimated that the government could have earned an additional \$123 million in royalties and export duties alone if illegal mining operations were taxed.⁶⁸² In June 2019, then-Acting Minister of Mines and Petroleum Nargis Nehan announced that her ministry had launched a countrywide survey to identify illicit mining operations as part of an effort to ban them.⁶⁸³ Limited government control and rampant corruption have inhibited such efforts in the past.⁶⁸⁴

While the formalized extractives sector has failed to emerge as a formal driver of economic growth, the informal sector has helped finance local communities as well as antigovernment insurgency in Afghanistan. Extractives have increasingly become a key source of revenue for the Taliban, second only to narcotics. In areas under its control, the Taliban issues mining licenses, collects taxes and protection money from mining operations, and

controls the smuggling of quarried minerals and gems abroad, in particular to Pakistan. A 2018 UNDP field survey in southern Helmand even found evidence of licensed mining companies paying taxes to both the Afghan government and the Taliban.⁶⁸⁵ Estimates of the extractives-sector revenue obtained by the Taliban vary widely and are difficult to verify. In 2014, the United Nations Analytical Support and Sanctions Monitoring Team estimated that the Taliban received more than \$10 million per year from 25 to 30 illegal mining operations.⁶⁸⁶ By late 2018, according to the BBC, this number had climbed to \$50 million a year, with the Taliban subsequently claiming it generates as much as \$400 million annually in revenue from illegal mining.⁶⁸⁷ In recent years, Islamic State-Khorasan has likewise increasingly relied on the exploitation of mines for revenue generation.⁶⁸⁸

AGRICULTURE

Licit agriculture remains the basis of Afghanistan's formal economy and one of the country's primary exports. The sector directly employs approximately 40% of Afghanistan's labor force and directly or indirectly supports an estimated 80% of the total population.⁶⁸⁹ The country's services sector has risen in importance since reconstruction efforts began, but agriculture remains an important driver of GDP growth, and developing that sector remains a priority for external donors.⁶⁹⁰

Since 2002, USAID has disbursed approximately \$2.3 billion to improve licit agricultural production, increase access to both domestic and international markets, and develop income alternatives to growing poppy for opium production.⁶⁹¹ USAID's active agriculture programs have a total estimated cost of \$121.9 million and can be found in Table 3.18, on the following page. Total disbursements for State's active alternative-livelihood projects (Table 3.19, on the following page)—which aim to transition opium-poppy farmers into licit agriculture—were \$109.2 million, as of September 16, 2020.

COVID-19 Poses New Hurdle for Agricultural Sector

As September 2020 approached, national and provincial government officials announced that agricultural yields have increased from the previous year for a number of key crops despite the pandemic and lockdown; for instance, saffron yields around the country are up 10% and the Helmand pomegranate harvest is up 16%.⁶⁹² Despite this increase in yield, farmers and agribusinesses have reported difficulties in finding markets for their agricultural goods due to the pandemic-induced economic downturn and border closures.

In its latest quarterly report (covering April–June 2020), USAID's Agriculture Marketing Program (AMP), which was established in February 2020 to help increase Afghanistan's agricultural exports, noted that among its 53 agribusiness partners, 43% anticipated their export volumes to drop 50 to 75% and one-third expected their exports to decline 75% during 2020.⁶⁹³



An Afghan farmer surveys his pomegranate harvest. (USAID photo)

ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.18

USAID ACTIVE AGRICULTURE PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Afghanistan Value Chains–Livestock	6/9/2018	6/8/2021	\$55,672,170	\$17,535,237
Afghanistan Value Chains–High Value Crops	8/2/2018	8/1/2023	54,958,860	16,117,674
Catalyzing Afghan Agricultural Innovation	5/28/2018	5/27/2023	8,000,000	3,193,158
Agricultural Marketing Program (AMP)	1/28/2020	1/27/2023	30,000,000	2,893,042
RADP East (Regional Agriculture Development Program–East)	7/21/2016	7/20/2021	28,126,111	19,976,207
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	87,905,437	33,190,156
Promoting Value Chain–West	9/20/2017	6/30/2021	19,000,000	15,000,963
USDA PAPA	9/30/2016	9/29/2021	12,567,804	85,387
SERVIR	10/01/2015	9/30/2020	3,100,000	2,660,518
Grain Research and Innovation (GRAIN)	11/8/2012	9/30/2022	19,500,000	11,273,841
Total			\$318,830,382	\$121,926,187

Source: USAID, response to SIGAR data call, 10/12/2020.

TABLE 3.19

STATE-INL ACTIVE ALTERNATIVE-DEVELOPMENT PROJECTS			
Project Title	Start Date	End Date	Obligated and Disbursed, Cumulative, as of 9/16/2020
Community-Based Agriculture and Alternative Development (CBARD) West	9/1/2016	4/30/22	\$24,368,607
Community-Based Agriculture and Alternative Development (CBARD) East	11/11/17	4/30/22	22,128,683
Community-Based Agriculture and Alternative Development - Access to International Market (CBARD-AIM)	7/30/19	4/30/23	8,900,000
Community-Based Agriculture and Rural Development - Access to Licit Livelihoods (CBARD-ALL)	8/25/20	5/25/25	30,000,000
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)	8/12/16	12/30/21	20,000,000
Monitoring and Impact Assessment of High-Value Agricultural Based Interventions	8/30/16	12/30/22	3,810,530
Total			\$109,207,820

Source: State, INL, response to SIGAR data call, 9/16/2020.

Given the economic contraction, agribusinesses supported by the AMP also reported that hiring had turned negative due to the pandemic, as well as reporting their failure to meet a number of other target goals due to the cancellation of trainings and other project activities.⁶⁰⁴

COVID-19, however, is just the latest hurdle facing the development of the licit agricultural sector in Afghanistan. Farmers have struggled with the knock-on effects of four decades of war, such as the prevalence of landmines, damaged irrigation systems and agricultural lands, and soil contamination from munitions, as well as limited or improper irrigation systems

and poor management of resources. In recent years, farmers have increasingly had to grapple with the impact of increasing incidents of extreme weather, including devastating droughts and flooding.⁶⁹⁵ According to the Afghan Ministry of Energy and Water, increasing temperatures combined with more frequent droughts have led to less rain and snow, which aggravates increasing evaporation of water sources. As a result, water levels in recent years have dropped by approximately 10 billion cubic meters, driving desertification in the country and making irrigation of agricultural land even more difficult.⁶⁹⁶ USAID's current Country Development Cooperation Strategy for Afghanistan (covering FY 2019–2023) highlights these risks associated with climate change as “climate change-driven challenges generate deep food insecurity, especially when compounded by food transport problems from poorly maintained or flood-damaged roads and adverse conditions at border crossings.” These “climate change-driven challenges,” USAID adds, have “far-reaching economic effects because Afghanistan’s economy remains primarily agricultural” and “can impact the success of USAID’s projects.”⁶⁹⁷

In 2018, the country experienced its worst drought in a decade, pushing an additional two million people into food insecurity and displacing more people than the fighting between government forces and the Taliban. As a result of the drought, Afghanistan’s agricultural output dropped by 45% during 2018, according to officials at the Afghan Ministry of Agriculture.⁶⁹⁸ Land degradation and topsoil erosion, driven by a combination of climate change, poor environmental management, and conflict, also increase the likelihood of flash flooding, which further devastates agricultural lands. In late August 2020, for example, heavy rains led to flash flooding in Parwan Province that killed over 100 people, destroyed about 300 homes, and ruined hundreds of acres of agricultural land.⁶⁹⁹

As a result, domestic agricultural production has been unable to meet the rising domestic demand for key crops such as wheat. To meet this shortfall, the Afghan government must rely on agricultural imports. In 2018, for example, Afghanistan imported \$477 million of wheat, primarily from Kazakhstan, Pakistan, and Uzbekistan.⁷⁰⁰

While donors continue to support developing licit Afghan agriculture in an increasingly difficult environment, illicit opium-poppy cultivation has thrived, remaining the country’s largest cash crop despite past counternarcotic efforts to eradicate the crop and provide incentives to engage in licit agricultural production. With poppy requiring only one-fifth to one-sixth of the water required for many licit crops such as wheat, the rising prevalence of drought has helped push some farmers to rely on planting poppy.⁷⁰¹ Other agricultural products, such as pomegranate or apricot trees, also require a large up-front investment but can take as long as three years after planting before producing a harvestable fruit.⁷⁰²

Given security-related challenges and on-going political instability which make long-term investments and planning difficult, poppy

cultivation—which only requires a single growing season, can fetch a higher price, and can garner advance payments—is a more economically attractive option for a number of farmers.⁷⁰³ 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.⁷⁰⁴ In recent years, the opium trade has had an estimated annual export value of \$1.5 billion to \$3 billion and serves as an important source of revenue for the Taliban.⁷⁰⁵

COVID-19 Is Reportedly Pushing Afghans to Cultivate Poppy

Since the Afghan government instituted a lockdown in March 2020, Agence France-Presse and Radio Free Afghanistan have reported that increasing unemployment paired with increasing food prices have pushed a number of Afghans to turn to poppy cultivation to weather the economic contraction. In interviews with both news outlets, Afghan workers in Kandahar, Uruzgan, and Nangarhar Provinces who had been laid off due to the pandemic explained that they were unable to find alternative employment and were forced to work in poppy fields to support their families “out of extreme desperation.” With the closure of schools, a number of students also reportedly found temporary employment in poppy fields to make quick cash. Rural farmers reported that they had not received any subsidies or financial assistance from the government, “which leaves poppy cultivation as our only means to survive.”

Source: Mohammad Sadiq Rashtinai and Abubakar Siddique, “Afghan Farmers Return to Poppy Fields Amid Coronavirus Pandemic,” Gandhara, 5/7/2020; Noorullah Shirzada and Rasheed Durrani, “Crushed by virus and war, jobless Afghans turn to opium for cash,” Agence France-Presse, 8/28/2020.

U.S. Agriculture Programs Continued Despite Lockdown, But Monitoring Has Been a Challenge

USAID and State INL both reported that their agriculture and alternative-livelihood program activities have continued despite disruptions from the pandemic, including office closures and a number of staff falling ill, with many projects switching to online training and virtual engagement with key intermediaries.⁷⁰⁶ State INL informed SIGAR that the switch to virtual trainings has had “varying levels of success to date,” due to connectivity and bandwidth issues and sporadic electrical service.⁷⁰⁷ Beginning in June, when the lockdown began to ease, some in-person activities resumed. However, due to travel restrictions, a number of programs were limited in their ability to conduct live site visits to directly monitor ongoing program activities.

USAID’s AMP, for instance, reported relying on beneficiaries to provide data to program staff and verifying the data through online questionnaires and phone calls.⁷⁰⁸ USAID’s Grain and Research Innovation (GRAIN) project, supporting development of the wheat crop in Afghanistan, was able to conduct a mixture of in-person visits to trial sites (25 visits to 19 sites) and monitoring of online trainings and other remote monitoring activities, including the use of Skype videoconferencing. Program participants noted, however, that weak internet connectivity was a challenge to virtual

activity.⁷⁰⁹ Similarly, USAID’s Strengthening Watershed and Irrigation Management (SWIM) project—whose aim is to rehabilitate irrigation canals and watersheds and improve water resource management to increase the sustainability and productivity of the agricultural sector—relied on both in-person visits and remote monitoring of canal-rehabilitation sites, with project staff reporting 93 in-person and virtual site visits during the previous quarter.

For remote monitoring, according to the SWIM project’s latest quarterly report (covering April–June 2020), the Monitoring and Evaluation team collected information, such as narrative descriptions and photographs, from site engineers which is then verified with various stakeholders.⁷¹⁰ State INL reported that the verification of data collected by third-party monitors for its alternative-livelihood programs has similarly been affected by the reduction of onsite visits due to the pandemic.⁷¹¹ The challenge of directly monitoring program activities and verifying program data is a concern that predates COVID-19, in part due to security-related restrictions on movement.⁷¹²

INFRASTRUCTURE AND ESSENTIAL SERVICES

A major goal of the U.S.-led reconstruction effort has been to provide Afghanistan with a physical infrastructure base, with the purpose of supporting economic development, bolstering stability in the country and confidence in the government. Since 2002, the U.S. government has built and expanded electricity infrastructure, bridges and roads, urban water access, and education and health facilities.⁷¹³ USAID alone has disbursed more than \$4.5 billion for infrastructure projects.⁷¹⁴

USAID is still working 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.⁷¹⁵ In more recent years, however, the U.S. reconstruction focus has shifted away from large capital projects like roads and transmission lines toward smaller-scale projects, including solar and wind power plants. To incentivize more private-sector investments in the energy sector, in line with the broader U.S. economic strategy, USAID has subsidized the upfront costs of constructing solar and wind power plants for independent power producers (IPPs).

In late September 2020, Afghanistan’s national power utility Da Afghanistan Breshna Sherkat (DABS) signed deals for four public-private partnership energy projects with private investors representing \$160 million in investment, which will be jointly funded by USAID. The solar and wind power plants are anticipated to add around 110 MW of capacity to the national grid over the next 18 to 27 months. At the signing ceremony in the Presidential Palace in Kabul, U.S. Charge d’Affaires Ross Wilson said the projects represent “our interest in a strong private sector that can further drive opportunities, prosperity and growth in this country.” President

SIGAR INSPECTION REPORT

In a September 2020 report, SIGAR released the inspection results of 25 (out of a total of 72) drip-irrigation plots constructed by USAID’s SWIM project, at a cost of \$1,049 per plot. SIGAR found that of the 25 inspected plots installed in 2017 and 2018, 23 were not being used as intended or were no longer installed. Farmers had dismantled the drip-irrigation piping and other components due to a lack of water, damaged parts, lack of generators to pump water into the water tank, or nonfunctioning systems. SIGAR attributed this to a lack of effective monitoring. According to project implementer DT Global, there were no post-installation site visits conducted for plots installed during 2017 and 2018 and therefore, USAID was unaware that the installed plots were not functioning. Post-installation site visits occurred only after USAID requested them beginning in September 2019.

Source: SIGAR, “USAID’s Afghanistan Drip Irrigation Demonstration Project: Most Demonstration Plots that SIGAR Inspected Were Not Being Used as Intended,” SIGAR-20-53-SR, 9/2020.

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. An ongoing SIGAR audit is examining 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 examining whether construction was completed in accordance with requirements and whether the constructed infrastructure is being used as intended and maintained.



Private investors sign deals for four public-private partnership energy projects with Afghanistan's national utility, Da Afghanistan Breshna Sherkat, in September 2020. (USAID photo)

Ghani added, “Without reliable, affordable energy we cannot become an exporting country.”⁷¹⁶

The profitability and commercial viability of such projects is premised on power-purchase agreements (PPA) with DABS that allow IPPs to recover their upfront costs for construction.⁷¹⁷ The impact of COVID-19 on DABS' short-term financial stability demonstrates the utility's vulnerability to short-term external economic shocks. As a result of the lockdown instituted in March, DABS' revenue dropped by 60% compared to the same period of the previous year, resulting in “unprecedented cash-flow problems,” USAID informed SIGAR. Following this drop, DABS warned that it expected to run out of cash by June 2020, leaving it unable to pay for operational costs. This required \$71 million in immediate and phased cash support from the government to help the utility to return to normal operations.⁷¹⁸ With international donors currently financing more than half the Afghan government budget and 75% of total public expenditures, DABS's long-term financial stability is tied to either a continuation of the current level of donor assistance or the Afghan government's ability to generate far greater domestic revenues—both areas of great uncertainty in the coming years.⁷¹⁹

Tajikistan's Cuts to Electricity Exports Highlight Inadequacy of Afghanistan's Power Grid

On July 27, 2020, DABS announced that Tajikistan had cut electricity exports to Afghanistan from energy associated with 450 MW of generating capacity to a level associated with only 40 MW of capacity. Tajik officials said the cut was caused by a reduction in water resources for their hydroelectric power plants.⁷²⁰ Shortly after, DABS announced that Uzbekistan agreed to increase its power exports with energy from an additional 200 MW of electric capacity and, a month later, signed a 10-year contract with the Uzbek government for imported power.⁷²¹ In late September 2020, ADB approved a \$110 million grant to finance the construction of 201 km of new transmission lines connecting the Uzbek and Afghan power systems in support of the 10-year agreement between the two countries.⁷²²

Afghanistan's domestic energy consumption is heavily reliant on imported power from neighboring countries, given the inability to generate sufficient electricity. According to data provided by Afghanistan Inter-Ministerial Commission for Energy, Afghanistan's total installed capacity for domestic power production is approximately 699 MW: 280.5 MW of hydroelectric power, 353.5 MW of thermal/oil plants, and 65 MW from renewable energy.⁷²³ The Afghan Ministry of Water and Energy, however, estimates that Afghanistan requires at least 2,000 MW of electric capacity to meet the economy's power needs.⁷²⁴ To address shortfalls in domestic power production, the Afghan government spends approximately \$280 million annually to import electricity from roughly 670 MW of generating capacity in neighboring Iran, Uzbekistan, Tajikistan, and Turkmenistan.⁷²⁵

While Afghans' access to the power grid has increased since 2002, only approximately 30% of the population currently has access to grid-based power. Limited access to reliable, grid-based power remains a contributing factor to Afghanistan's sluggish economic growth. Therefore, a top U.S. development priority has been to build out and improve two of Afghanistan's 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)**. A 470-kilometer transmission line constructed by USAID will eventually link them. 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. DABS 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.

NEPS: imports electricity from Central Asia to provide power to Kabul and the communities north of Kabul.

SEPS: draws most of its power from the Kajaki Dam and from diesel generators in Kandahar City to provide power in the Helmand and Kandahar areas.

Source: DOD, Report on Progress Toward Security and Stability in Afghanistan, 11/2013, p. 107.

Some Remaining USAID Power-Infrastructure Projects Continue to Face Delays

USAID has five ongoing power-infrastructure projects; DOD's projects are complete. Current USAID projects include the construction of:⁷²⁶

- a transmission line between Ghazni and Kandahar Provinces (84.8% complete, with an expected completion date of December 31, 2020)
- substations along the transmission line from Ghazni to Kandahar (35.67% complete, with an expected completion date of July 30, 2023)
- transmission lines and substations in SEPS (expected completion date of July 30, 2023, but still in the design phase, which was previously delayed due to COVID-19 lockdowns in India, USAID said)
- a wind farm in Herat Province (no completion date established as the Notice to Proceed is pending the finalization of a PPA with DABS, but at least two years away)
- a floating solar power plant to be constructed on the Naghlu Dam Reservoir in Kabul Province (no completion date established as the Notice to Proceed is pending the finalization of a PPA with DABS, but at least one-and-a-half years away)

Three of USAID's five active projects are delayed.⁷²⁷ The transmission line and substations between Ghazni and Kandahar, for instance, were originally supposed to be complete by the end of 2016—meaning they are almost four years behind schedule.⁷²⁸ USAID's work on SEPS evolved from a separate contract that was originally supposed to be complete by November 2013—meaning it is now almost seven years behind schedule.⁷²⁹

TABLE 3.20

USAID ACTIVE ENERGY PROJECTS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Design and Acquisition of SEPS Completion and NEPS-SEPS Connector	3/7/2018	6/27/2022	\$20,151,240	\$6,535,851
Design and Construct of SEPS Completion and NEPS-SEPS Connector Substations	7/3/2019	7/30/2023	159,794,733	57,403,195
Spare Parts for Tarakhil Power Plant	8/14/2019	10/30/2020	2,136,850	2,099,597
25 MW Wind Farm in Herat Province	10/22/2019	12/24/2021	22,994,029	0
20 MW Floating Solar Installation-Naghlu	1/27/2020	7/26/2021	16,100,000	0
Energy Loss Management Visualization Platform Activity	1/25/2020	1/24/2022	1,579,973	473,991
Engineering Support Program	7/23/2016	1/22/2022	125,000,000	83,861,290
PEER grants	7/25/2011	7/23/2021	5,440,647	5,440,646
Power Transmission Expansion and Connectivity (PTEC)	1/1/2013	12/31/2023	316,713,724	266,806,323
Contribution to AITF (Afghanistan Infrastructure Trust Fund)	3/7/2013	3/6/2023	153,670,184	153,670,184
Total			\$823,581,380	\$576,291,079

Source: USAID, response to SIGAR data call, 10/12/2020.

Cumulatively, USAID has disbursed approximately \$2 billion since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector.⁷³⁰ USAID's active power-infrastructure projects have a total estimated cost of \$828.6 million and are presented in Table 3.20.

EDUCATION

Progress in Afghanistan's education sector, and particularly female access to education, has been held up as a significant achievement of U.S. reconstruction efforts.⁷³¹ Millions more Afghan children attend school today compared to the number under the Taliban, which generally banned girls from attending.⁷³² However, such progress is not uniform across the country with continued violence and political instability in the country limiting the access of students, especially females, to education. In September 2020, for instance, the Afghanistan Independent Human Rights Commission found that 68.6% of eligible girls in Ghazni Province and 45.4% of eligible girls in Faryab Province do not attend school.⁷³³ Moreover, during a September 22, 2020, hearing of the House Oversight Committee's Subcommittee on National Security with Ambassador Khalilzad, members of Congress raised concerns over the uncertain future of female education and women's rights in Afghanistan as intra-Afghan negotiations between the government and Taliban began in Doha.⁷³⁴

Currently, USAID aims to increase access to, and improve the quality of, basic education for children while also building the management capacity at the Ministry of Education (MOE).⁷³⁵ USAID's strategy is premised on the understanding that advancing the education sector will spur greater confidence in the Afghan government, ultimately making the country more stable, and serves as a long-term investment in human capital for the Afghan economy.⁷³⁶

But poor data quality, lack of effective oversight, and limited government control within the country make it difficult to determine fully the level of this success, with Afghan government-run education services provided in areas under Taliban control and figures for the number of students in school over time disputed.⁷³⁷ Additionally, Afghanistan's MOE counts students who have been absent for up to three years as still enrolled, in the belief that they may reenter school.⁷³⁸ While this is not necessarily an unreasonable 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 up-to-date attendance figures.⁷³⁹

Despite donor assistance, Afghanistan 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.



Afghan girls learning how to read in primary school. (USAID photo)

TABLE 3.21

USAID ACTIVE EDUCATION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2021	\$49,828,942	\$40,154,782
Let Girls Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	25,000,000
Advancing Higher Education for Afghanistan Development (AHEAD)	8/5/2020	8/4/2025	49,999,917	0
Support to the American University of Afghanistan (AUAF)	8/1/2013	10/31/2020	90,681,844	84,931,212
Non-U.S. Organization Pre-Award Survey (NUPAS) for AUAF	8/6/2020	9/30/2022	101,025	0
Capacity-Building Activity at the Ministry of Education	2/1/2017	1/31/2022	23,212,618	18,564,700
Financial and Business Management Activity	7/5/2017	10/31/2020	4,384,058	3,874,195
Afghan Children Read (ACR)	4/4/2016	4/3/2021	69,547,810	52,529,278
Textbook Printing and Distribution II	9/15/2017	12/31/2020	35,000,000	0
Total			\$347,756,214	\$225,054,167

Source: USAID, response to SIGAR data call, 10/12/2020.

“This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country,” the NSIA commented.⁷⁴⁰ Nevertheless, 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—the stagnation (and possibly deterioration) of the education sector might have been even greater, but for donor funding.⁷⁴¹ Thus, while donors may have been unable to bolster education outcomes from the levels of 2011–2012 and 2016–2017, donor support to Afghanistan’s education sector may have at least held them constant.⁷⁴² Recent school closures due to COVID-19, however, likely have exacerbated difficulties, as the pandemic has “caused a profound impact and disruption in the education sector in Afghanistan” according to USAID.⁷⁴³ Due to school closings and lockdowns, USAID-funded education program activities this quarter were severely restricted, with both in-person trainings and the development and distribution of educational materials delayed.⁷⁴⁴

Since 2002, USAID has disbursed more than \$1.2 billion for education programs in Afghanistan, as of October 9, 2020.⁷⁴⁵ The agency’s active education programs have a total estimated cost of \$347.8 million and can be found in Table 3.21

Some Schools Have Reopened, but Challenges Persist

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-19.⁷⁴⁶ Although the government intended to open schools by April 18,

the closure was extended into the fall.⁷⁴⁷ Beginning in early August, the Afghan government began a phased reopening of schools. All universities opened on August 5.⁷⁴⁸ On August 22, the MOE announced that grades 11–12 in public schools, schools operating at the night shift from grade 7 and upwards, and all private schools would reopen, given the presence of fewer students and the presumption that preventive health measures would be easier to implement, according to USAID.⁷⁴⁹ The Afghan government approved reopening public schools from the first to tenth grades on October 3.⁷⁵⁰ As schools reopened, COVID-related challenges persisted. In Ghor Province, for instance, Ghor University was shut down after dozens of students tested positive for COVID-19.⁷⁵¹

During the school closures, the Ministry of Education worked to ensure students had remote access to educational material and coursework, including broadcasting prerecorded lessons through radio and television broadcasts. Yet, such efforts were hampered by lack of electricity, power load shedding, and limited access to the internet, with only 14% of Afghans using the internet according to World Bank data.⁷⁵² In September 2020, the nongovernmental organization Save the Children found that 64% of children had no contact with teachers at all during the school closures, eight in 10 children believed that they had learned little or nothing during school closures, less than one in 20 children had at least one daily check-in with a teacher, and three in every 10 children reported some violence at home. Save the Children further reported that with limited access to remote-learning options, only 28.6% of students were able to access distance-learning programs through TV, 13.8% through radio, and just 0.2% through the internet during the lockdown.⁷⁵³

USAID’s Afghan Children Read Program Adapted to Address COVID-19

USAID’s five-year \$70 million Afghan Children Read (ACR) Program had its programming adapted to address various issues related to COVID-19.⁷⁵⁴ ACR has two primary objectives:⁷⁵⁵

1. To build the capacity of the MOE to develop, implement, and scale up a nationwide early grade reading curriculum and instruction program in public and community-based schools; and
2. To pilot evidence-based early grade reading curricula and instruction programs to improve reading outcomes for children in grades one through three in public and community-based schools

With the school closures and limitations on movement, COVID-19 limited and delayed a number of ACR’s activities, making it “impossible for the [implementing partner] to meet the contractual obligations within the current period of performance,” according to USAID.⁷⁵⁶ The program staff was unable to distribute course materials and was forced to suspend both its

SIGAR AUDIT

Financial Audit 20-52-FA: USAID's Audit of Costs Incurred by Creative Associates International on Efforts to Improve Education through the Afghan Children Read Program

USAID awarded a cost-plus-fixed-fee task order for \$69,547,810 to Creative Associates International to support the Afghans Read program (subsequently renamed Afghan Children Read). The task order included a period of performance from April 6, 2016, through April 5, 2021. USAID modified the task order four times, but did not change the budget or period of performance.

SIGAR's financial audit, performed by Davis Farr LLP, reviewed \$13,048,489 in costs charged to the task order from October 1, 2017, through September 30, 2018. The auditors did not identify any material weaknesses or significant deficiencies in the auditee's internal controls, or any instances of noncompliance with the terms and conditions of the contracts. Accordingly, the auditors did not identify any questioned costs.

trainings for teachers and data collection for its research activities.⁷⁵⁷ Due to the closing of target schools, ACR delayed the end-line data collection for its Early Grade Reading Assessment that assesses the impact of the intervention and ensures the early grade reading curriculum and instructional program is implemented, a "critical component of the project's Monitoring and Evaluation plan," USAID informed SIGAR this quarter. ACR will conclude on April 3, 2021, and the end-line assessment will be incorporated into a follow-up USAID educational project that has yet to be awarded.⁷⁵⁸

With these limitations in place, ACR also redirected funding and adapted its programming to address a number of pandemic-related issues and support alternative means of promoting student access to education. These efforts included developing a home-based learning support plan for early grade literacy, in collaboration with the MOE; launching an awareness-raising campaign on COVID-19 to promote preventive public-health measures and home-based support suggestions for parents using phone calls, social media, and public service announcements; and developing an organizational capacity-development course for senior MOE staff on Strategies and Preparedness Planning in Crisis Situations.⁷⁵⁹

Seven More Convictions 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 the convictions of seven of the 10 men arrested, bringing total convictions to nine, according to State. Additionally, the AGO indicted a further four suspects and issued warrants for their arrest.⁷⁶⁰

In late 2019, 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.⁷⁶¹ According to State, the AGO's investigation has identified 20 perpetrators.⁷⁶² It remains unclear whether these suspected perpetrators were part of a single criminal ring. Indictments have been issued for several of the men, including a Logar school official.⁷⁶³

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.⁷⁶⁴ 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.⁷⁶⁵ Perhaps fearing 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.⁷⁶⁶ 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.⁷⁶⁷ 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.”⁷⁶⁸ According to the MOE, ministry officials then requested that the AGO investigate.⁷⁶⁹

In response to the investigation, the MOE announced its intentions to reform its existing Comprehensive School Safety Framework to include training on awareness and prevention of sexual harassment, sexual assault, and gender-based violence. However, State informed SIGAR that the MOE did not execute these revisions during the previous quarter.⁷⁷⁰

HEALTH

Afghanistan’s struggle with COVID-19 since late February 2020 has demonstrated the many limitations and inadequacies of the country’s health sector. USAID asserts in its current strategy that advancing gains in Afghanistan’s health sector will help the country become more stable and self-reliant.⁷⁷¹ 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.”⁷⁷² However, public-health improvements’ ability to contribute to stability has been limited by ongoing conflict across the country. 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.⁷⁷³

U.S. on- and off-budget assistance to Afghanistan’s health sector totaled more than \$1.4 billion as of October 9, 2020.⁷⁷⁴ USAID’s active health



Afghan doctors and medical staff review USAID-provided ventilator equipment. (USAID photo)

TABLE 3.22

USAID ACTIVE HEALTH PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/9/2020
Afghanistan Demographic and Health Survey (ADHS) Follow-On	10/9/2018	9/9/2023	\$10,500,000	\$2,000,000
Sustaining Technical and Analytic Resources (STAR)	5/1/2018	9/30/2023	2,186,357	568,557
TB Data, Impact Assessment and Communications Hub (TB DIAH)	9/24/2018	9/24/2023	600,000	191,980
National Health Technical Assistance Program (NHTAP)	7/10/2020	7/9/2025	117,000,000	0
Disease Early Warning System Plus (DEWS Plus)	7/1/2014	6/30/2022	54,288,615	34,588,615
Helping Mothers and Children Thrive (HEMAYAT)	1/7/2015	12/6/2020	66,292,151	64,358,221
Health Sector Resiliency (HSR)	9/28/2015	9/27/2020	27,634,654	24,509,982
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/11/2016	9/11/2020	57,645,037	52,692,198
Sustaining Health Outcomes through the Private Sector (SHOPS) Plus	10/11/2015	9/30/2020	12,500,000	10,941,825
Central Contraceptive Procurement (CCP)	4/20/2015	11/28/2023	3,599,998	1,350,309
Total			\$352,246,812	\$191,201,686

Source: USAID, response to SIGAR data call, 10/12/2020.

programs have a total estimated cost of \$352.2 million, and are listed in Table 3.22.

USAID Health Programs Redirected to COVID-19 Interventions

Due to COVID-19, USAID informed SIGAR this quarter that it has redirected some of its health funding for COVID-19 interventions within each project, when the various programming situations permitted such a shift and if the funding was not earmarked.⁷⁷⁵ Using the redirected funds, USAID health projects adapted to support various efforts combating the pandemic, such as supporting Afghanistan’s capacity for COVID-19 investigations and testing, contact tracing, and case response.⁷⁷⁶ USAID informed SIGAR this quarter that \$36,739 in program funding has been redirected to Health Sector Resiliency activities in response to COVID-19.⁷⁷⁷ The U.S. government also has provided 100 ventilators to Afghanistan to treat COVID-19 patients. In late September 2020, a USAID-dispatched engineer installed six ventilators in the Afghan-Japan Hospital and five ventilators in the Jinnah Hospital in Kabul, in addition to training biomedical engineers from the Ministry of Public Health and Jhpiego (USAID’s implementing partner) to install the remaining ventilators in hospitals in Kabul, Jalalabad, Mazar-e Sharif, Herat, and Kandahar.⁷⁷⁸

USAID also noted that \$9.9 million redirected from its National Health Technical Assistance Program to the World Health Organization (WHO), to

assist the Ministry of Public Health's pandemic response, were redirected back to USAID in March 2020 following the U.S. government's new guidance suspending direct financial engagement with WHO or with implementing partners likely to direct funding to WHO.⁷⁷⁹ USAID had earlier provided \$770,000 to WHO obligated prior to the receipt of the new guidelines. This money was spent on expanding diagnostic facilities for COVID-19 testing and providing test kits, reagents, and lab supplies, including 10 Polymerase Chain Reaction (PCR) machines (the equipment necessary for identifying the presence of virus) for Kunduz, Farah, Nimroz, Ghazni, Ghor, Kabul, Herat, Badakhshan, Bamyán, and Khost Provinces.⁷⁸⁰

USAID's IHSAN Program Has an Early Closure, Two New Health Programs Launched

Last quarter, USAID informed SIGAR that it had moved up the project end date of the \$57.6 million Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) from May 11, 2021, to September 11, 2020, with a budget reduction from \$75.5 million to \$57.6 million.⁷⁸¹ The project implementer FHI 360 explained in its most recent quarterly report (covering April–June 2020) that the project was unable to meet its annual targets due to the COVID-19 pandemic, the early closure and reduced budget, and the project staff's inability to adjust the FY 2020 targets to the new project parameters.⁷⁸²

According to USAID, IHSAN's early closure was part of a transition to two new health programs: the National Health Technical Assistance Program (NHTAP) and the Urban Health Initiative (UHI).⁷⁸³ NHTAP is a five-year program to support the quality of and access to health services, health practices, and public health management in rural and peri-urban (or urban adjacent) regions, especially for women of childbearing age and preschool-aged children. The NHTAP was awarded on July 10, 2020, with a total estimated cost of \$117 million. COVID-19 has slowed the project's start-up activities, particularly in-person meetings with Ministry of Public Health officials and other stakeholders. In addition, NHTAP staff recruitment is taking longer than usual.⁷⁸⁴ UHI is a five-year program focusing on improving health service delivery in the cities of Kabul, Jalalabad, Mazar-e Sharif, Kandahar, and Herat, focusing on women, children, and other vulnerable populations including internally displaced people residing in slums. The project has a total estimated cost of \$104 million and is expected to be awarded by the end of October 2020.⁷⁸⁵

