WASTE, FRAUD, OR ABUSE MAY BE REPORTED TO SIGAR’S HOTLINE

By phone: Afghanistan
Cell: 0700107000
DSN: 318-237-3912 ext. 7303
All voicemail is in Dari, Pashto, and English.

By phone: United States
Toll-free: 866-329-8893
DSN: 312-664-0378
All voicemail is in English and answered during business hours.

By fax: 703-601-4065
By e-mail: sigar.hotline@mail.mil

SIGAR’s oversight mission, as defined by the legislation, is to provide for the independent and objective

• conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

• leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.

• means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.


(For a list of the congressionally mandated contents of this report, see Appendix A.)
Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of September 30, 2020.
I am pleased to submit to Congress, and to the Secretaries of State and Defense, SIGAR’s 49th quarterly report on the status of reconstruction in Afghanistan.

In September, historic peace talks on the future of Afghanistan and a permanent cease-fire between the Islamic Republic and the Taliban opened in Doha, Qatar. Although surging violence has cast a pall over the talks, SIGAR continues to hope that both sides will take advantage of the long-sought negotiations to bring peace to their suffering country.

Section One of this report reviews how SIGAR successfully adapted to a hybrid work environment in fiscal year (FY) 2020 and even increased our output of oversight products in pursuit of our mission to protect U.S. taxpayer dollars in Afghanistan. Throughout this time, we maintained a small forward operating presence in Kabul while most stateside staff worked and collaborated remotely. Despite the unique challenges posed by the COVID-19 pandemic and associated U.S. and Afghan public-health restrictions, SIGAR succeeded in identifying over $1.1 billion in savings for the U.S. taxpayer this fiscal year out of a total of $3.79 billion identified since 2009.

This quarter, SIGAR issued 15 products, including this report. SIGAR’s Audits & Inspections Directorate issued two performance-audit reports: one reviewed steps to curb corruption in the Afghan Air Force and Special Mission Wing; the other reviewed the Department of Defense’s construction of facilities to support women in the Afghan National Defense and Security Forces. An evaluation report reviewed the status of SIGAR recommendations made to the Department of State in the past five years. SIGAR also issued one inspection report reviewing the wastewater-treatment facility at Pol-i-Charkhi Prison.

SIGAR completed seven financial audits of U.S.-funded projects to rebuild Afghanistan that identified $30,184,128 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits covered a range of topics including the Department of State’s efforts to develop and sustain Afghanistan’s drug-treatment program, the Department of the Army’s military-helicopter storage program, and the U.S. Agency for International Development’s (USAID) Afghan Children Read Program.

This quarter, SIGAR’s Office of Special Projects issued three review reports examining the USAID-supported Kabul Carpet Export Center; USAID’s Afghanistan Drip Irrigation Demonstration Project; and the amount of waste, fraud, and abuse uncovered through SIGAR’s oversight work between January 1, 2018, and December 31, 2019.
During the reporting period, SIGAR criminal investigations resulted in one indictment, four guilty pleas, two sentencings, and two arrests. SIGAR initiated two new cases and closed nine, bringing the total number of ongoing investigations to 118.

SIGAR’s suspension and debarment program referred 12 individuals and five companies for debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 1,023, encompassing 563 individuals and 460 companies to date.

My colleagues and I remain committed to working with Congress and other stakeholders to protect U.S. reconstruction funding for Afghanistan from waste, fraud, and abuse in the new fiscal year.

Sincerely,

John F. Sopko
EXECUTIVE SUMMARY

This report summarizes SIGAR’s oversight work and updates developments in four major areas of reconstruction efforts in Afghanistan from July 1 to September 30, 2020.* It also includes a review of SIGAR’s increased productivity and accomplishments in fiscal year 2020 despite the COVID-19 pandemic.

During this reporting period, SIGAR issued 15 audits, inspections, reviews, and other products assessing U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the production and sale of narcotics. In this period, SIGAR criminal investigations produced one indictment, four guilty pleas, two sentencings, and two arrests.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR issued two performance-audit reports, one evaluation report, seven financial-audit reports, and one inspection report.

The performance-audit reports included:
• a classified report reviewing steps to curb corruption in the Afghan Air Force and Special Mission Wing; and
• a report on the status of facilities constructed by the Department of Defense (DOD) to support women in the Afghan National Defense and Security Forces.

The evaluation report found that the Department of State implemented approximately half of the recommendations from SIGAR’s Audits and Inspections Directorate over the past five years.

The seven financial-audit reports identified $30,184,128 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

The inspection report found safety issues and maintenance deficiencies at the Pol-i-Charkhi Prison wastewater treatment facility, including improperly installed equipment and contaminated drinking water.

SPECIAL PROJECTS

This quarter, SIGAR’s Office of Special Projects issued three reviews which found that:
• SIGAR uncovered $3.5 billion in waste, fraud, and abuse in 111 SIGAR products and 55 closed investigations between January 1, 2018, and December 31, 2019.
EXECUTIVE SUMMARY

The USAID-funded Kabul Carpet Export Center made progress towards self-sufficiency, but did not achieve its sales, revenue, and job-creation targets.

Fully 92% of inspected drip-irrigation demonstration plots installed through USAID’s Strengthening Watershed and Irrigation Management program no longer function.

LESSONS LEARNED
SIGAR’s Lessons Learned Program has four projects in development: U.S. government support to elections, monitoring and evaluation of reconstruction contracting, efforts to advance and empower women and girls, and a report on police and corrections.

INVESTIGATIONS
During the reporting period, SIGAR investigations resulted in one indictment, four guilty pleas, two sentenceings, and two arrests. SIGAR initiated two new cases and closed nine, bringing the total number of ongoing investigations to 118.

Investigations highlights include:
- the arrest of an investment firm’s vice president for running a multimillion-dollar Ponzi scheme targeting an Afghanistan-based bank
- the sentencing of a prominent Afghan public official to three years’ probation and six months’ home arrest for theft of public money
- ongoing SIGAR oversight assistance to the U.S. Special Operations Forces community

RESEARCH & ANALYSIS
SIGAR’s Research & Analysis Directorate issued its 49th quarterly report to Congress.

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after September 30, 2020, up to the publication date of this report. Unless otherwise noted, all afghani-to-U.S. dollar conversions used in this report are derived by averaging the last six months of exchange-rate data available through XE Currency Charts (www.xe.com), then rounding to the nearest afghani. Data is as of September 28, 2020.
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“We will defend the Afghan security forces. We’ve shown a great deal of restraint because we’re trying to make the peace process work.”

—RS Commander, General Austin Scott Miller

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IG Sopko and SIGAR staff participate in a virtual meeting during the COVID-19 pandemic.
SIGAR’S PRODUCTIVITY RISES IN FISCAL YEAR 2020

Despite the unique challenges posed by the COVID-19 pandemic and associated U.S. and Afghan public-health restrictions, SIGAR successfully adapted to a hybrid work environment in fiscal year (FY) 2020 and even increased its output of oversight products, identifying over $1.1 billion in savings for the U.S. taxpayer. Over the past 12 months, SIGAR issued 61 products, including seven performance audits, three evaluations, one alert letter, 27 financial audits, seven inspections, eight special projects reviews, one inquiry letter, four quarterly reports, and three congressional testimonies. Meanwhile, SIGAR investigations resulted in nine criminal charges, three arrests, one indictment, five convictions, eight guilty pleas, four pretrial diversions, and six sentencings of individuals responsible for the waste, fraud, or abuse of taxpayer money in Afghanistan.

AUDITS & INSPECTIONS

SIGAR’s Audits and Inspections Directorate issued 45 reports in FY 2020. Those reports comprised seven performance audits, 27 financial audits, three evaluations, one alert letter, and seven inspections, covering topics such as ongoing problems with Afghanistan’s anticorruption efforts and USAID’s emergency food assistance program. SIGAR’s financial audits of U.S.-funded contracts identified over $44 million in questioned costs because of internal-control deficiencies and noncompliance issues.

One of SIGAR’s most notable audits issued this year concerned Afghanistan’s anticorruption efforts. Mandated by Congress, this audit found that the Afghan government has made progress in meeting its anticorruption strategy benchmarks since May 2018. However, serious challenges remain to fight corruption. Achieving the benchmarks contained in Afghanistan’s anticorruption strategy is just one way to measure progress in combating corruption. Without political will and adequate resources for anticorruption institutions, the seeming impunity of powerful individuals and declining activity at corruption courts will keep transformative change an elusive goal.
In the audit, SIGAR included eight matters for the Afghan government to consider in its continued anticorruption efforts. To improve its implementation of the Afghanistan National Strategy for Combatting Corruption and other anticorruption efforts, the Afghan government should consider:

- increasing the resources provided to anticorruption law enforcement organizations such as the Attorney General’s Office, Anti-Corruption Justice Center (ACJC), and Afghan Major Crimes Task Force (MCTF), to provide them with the ability to increase the number of arrests and prosecutions of corrupt individuals
- taking action to reduce the legal and de facto immunity of powerful individuals
- continuing to polygraph personnel at the ACJC and the MCTF on a regular basis and increasing efforts to eliminate lost productivity from the dismissal of personnel who fail the polygraph examinations
- making public all anticorruption court decisions in accordance with Afghan law
- increasing coordination and cooperation between Afghan law enforcement organizations and international law-enforcement organizations
- increasing efforts to recover assets stolen from Kabul Bank and returning the funds to the Afghan Central Bank
- taking action to allow for the distribution of criminally derived assets to government organizations
- continuing to implement the Case Management System and ensuring its systematic use among Afghan law-enforcement organizations

SIGAR issued its first anticorruption assessment directed by Congress in May 2018. Recognizing the importance of Afghanistan’s anticorruption efforts, Congress required SIGAR, through the explanatory statement for the Consolidated Appropriations Act, 2018, to continue monitoring the Afghan government’s progress in implementing the strategy and to provide an update to the 2018 audit. A third follow-on anticorruption assessment, also mandated by Congress, will be completed in early 2021.

Another important SIGAR audit this year found that incomplete reporting and limited site visits reduced USAID’s ability to conduct oversight of its emergency food-assistance activities in Afghanistan. SIGAR also found that USAID officials conducted site visits to oversee emergency food-assistance projects between 2010 and 2014, but logistical and security challenges have since limited their ability to conduct site visits in remote areas of Afghanistan. In fact, USAID has conducted only one site visit since 2014, to the UN World Food Programme’s central warehouse in Kabul. Despite USAID’s inability to conduct site visits, it was not until 2018 that the agency began developing a third-party monitoring contract for emergency food-assistance activities in Afghanistan.
SIGAR also found that USAID lacked data to evaluate whether it achieved intended outcomes related to its emergency food-assistance projects. Although USAID tracked individual incidents of misuse of its food assistance, such as theft, diversion, loss, and illicit taxation, it did not calculate the total amount lost or the total number of intended beneficiaries who did not receive that assistance. Without knowing the full scale of its emergency food-assistance losses, USAID could not determine the impact of its assistance.

SIGAR made three recommendations to USAID. To more effectively oversee emergency food-assistance activities implemented in Afghanistan, SIGAR recommended that the Director of the USAID Office of Food for Peace:

- enforce reporting requirements listed in emergency food-assistance awards for projects in Afghanistan, including those for reporting project activities, progress, and final results
- implement an alternative to conducting site visits, such as contracting with third-party monitors to help oversee USAID’s emergency food assistance in Afghanistan
- evaluate the efficacy of USAID’s emergency food-assistance programs in Afghanistan, including the impact of the total amount of emergency food assistance lost to theft, diversion, illicit taxation, or other causes

SPECIAL PROJECTS

SIGAR’s Special Projects Directorate issued nine reports in FY 2020, including eight reviews and one inquiry letter. Most notably, a Special Projects review calculated the total human cost of reconstruction in Afghanistan since the start of the mission in 2002.

This report quantifies the number of people killed, wounded, and kidnapped while performing reconstruction and stabilization activities in Afghanistan. It is the first authoritative, comprehensive list of military, civilian, and contractor casualties related to reconstruction or stabilization activities. To provide the most comprehensive estimate of the number of casualties that occurred on reconstruction and stabilization-related missions, SIGAR reviewed multiple casualty-related sources, including information provided by the Departments of Defense, State, and Labor, the U.S. Agency for International Development (USAID), the U.S. Army Corps of Engineers (USACE), U.S. Central Command, the Joint Improvised-Threat Defeat Organization (JIDO), the University of Maryland’s Global Terrorism Database, Humanitarian Outcome’s Aid Worker Security database, and several open sources.

SIGAR conservatively identified 5,135 casualties in Afghanistan that occurred while conducting reconstruction or stabilization missions, from
then-President George W. Bush’s formal announcement of the beginning of the reconstruction mission in Afghanistan on April 17, 2002, to December 31, 2018. This total includes 2,214 killed and 2,921 wounded. A further 1,182 individuals were identified as kidnapped or missing. At least 284 Americans were killed in Afghanistan while performing reconstruction or stabilization missions. This includes 216 of the 1,888 U.S. service members killed as a result of hostile actions and 68 U.S. civilians (government employees and contractors). An additional 245 service members and 76 civilians were wounded.

This review was strictly limited to hostile casualties that occurred while soldiers, civilians, and contractors were conducting reconstruction and stabilization activities to include the train, advise, and assist missions. It did not include casualties that occurred during combat and counterterrorism missions, such as patrols, raids, and ambushes; casualties that occurred during combat support missions unrelated to reconstruction, such as key leader engagements with Afghan village elders to gain intelligence or establish relationships; or casualties that occurred from accidents, suicides, homicides, or natural causes.

LESSONS LEARNED
Later this year, SIGAR will issue its eighth lessons-learned report, Elections: Lessons from the U.S. Experience in Afghanistan. The report examines the challenges the United States and international community face in supporting Afghan elections. It further examines challenges faced by Afghans—including government officials, civil society organizations, and political parties and candidates—as they have tried to prepare for, observe, administer, and adjudicate elections. In early 2021, SIGAR will release three more lessons-learned reports—one on the status of Afghan women and girls, another on the monitoring and evaluation of contracting in Afghanistan, and a third on police in Afghanistan.

RESEARCH & ANALYSIS
As in prior years, SIGAR produced four issues of its Quarterly Report to the United States Congress in FY 2020. Each report summarized SIGAR’s oversight activities in the quarter, provided an overview of current U.S. reconstruction efforts in Afghanistan, and included a detailed account of all U.S. funds appropriated, obligated, and disbursed for these activities.

The reports also featured essays and several section highlights examining key challenges to the reconstruction mission. The January 2020 “Getting Serious About Corruption” essay assessed the effectiveness of Afghanistan’s anticorruption strategy, and the likely implications if it fails. The April 2020 “COVID-19 Strikes Afghanistan” essay highlighted the pandemic’s impact on
Afghanistan’s vulnerable public health infrastructure and fragile economy. The July 2020 “Chasing Ghosts” essay reviewed DOD’s personnel-accountability and payment system reforms with the ANDSF, meant to ensure a more sustainable fighting force.

INVESTIGATIONS
In FY 2020, SIGAR’s Investigations Directorate secured nine criminal charges, three arrests, one indictment, five convictions, eight guilty pleas, four pretrial diversions, and six sentencings of individuals responsible for the waste, fraud, or abuse of taxpayer money in Afghanistan. These investigations also resulted in a $45 million settlement, $500,000 in fines, and $153,000 in criminal restitution. SIGAR’s suspension and debarment program also referred two individuals for suspension and 26 individuals and 21 companies for debarment—actions taken by U.S. agencies to exclude companies or individuals from receiving federal contracts or assistance because of misconduct—based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.

In one important case, five former U.S. Special Forces members pled guilty to embezzlement as the result of a seven-year investigation conducted jointly by SIGAR, DCIS, the U.S. Army’s Major Procurement Fraud Unit, and the FBI.

On July 7, 2020, in the Eastern District of North Carolina, former U.S. Army Special Forces Sergeant First Class William Todd Chamberlain was sentenced to three years’ probation and ordered to pay $80,000. On January 13, 2020, Chamberlain, pleaded guilty to conspiracy and theft of government property.

Chamberlain was part of a conspiracy involving former U.S. Army soldiers Cleo Autry, Jeffrey Cook, Deric Harper, and Barry Walls. Between 2008 and 2012, they were all deployed with a Special Forces group under the Combined Joint Special Operations Task Force at Forward Operating Base Fenty in Jalalabad, Afghanistan. During their deployment, they conspired to embezzle funds from the Commander’s Emergency Response Program and from funds used by Special Forces groups to support counterterrorism operations. Over time, they stole cash, purchased a substantial number of $1,000 money orders, and sent the funds to their spouses, to electronic bank accounts, or to various vendors.

Chamberlain’s coconspirators pleaded guilty in 2014 and in 2019 were sentenced to three years’ probation, ordered to forfeit $40,000, and pay $40,000 in restitution.

Another SIGAR investigation in FY 2020 resulted in a $45 million global settlement and $500,000 in fines. On December 2, 2019, Unitrans International Inc. (Unitrans), a privately held Virginia defense contracting company, agreed to the global settlement to resolve criminal-obstruction charges and civil False Claims Act allegations with the Department of

FIGURE 1.2
MONEY RECOUPED FROM INVESTIGATIONS

Source: SIGAR analysis of all agency products issued in FY 2020 and reported in SIGAR’s four most recent Quarterly Reports. All publicly releasable SIGAR reports can be found on SIGAR’s website: https://www.sigar.mil/.
Justice (DOJ) Fraud Section, Civil Division and the United States Attorney’s Office (USAO) for the Eastern District of Virginia (EDVA), relating to the illegal transportation of goods across Iran in connection with a contract to provide material and logistical support to the U.S. troops in Afghanistan. The settlement comprised an $18 million criminal fine, a payment of $13.5 million to the DOJ Civil Division, and a victim-compensation payment of $13.5 million to the Defense Logistics Agency (DLA).

Unitrans entered into a non-prosecution agreement (NPA) with the DOJ’s Fraud Section. In connection with the NPA, Unitrans admitted that certain of its officers, as well as officers of ANHAM FZCO (ANHAM), an associated Dubai Free Zone company incorporated under the laws of the United Arab Emirates, obstructed proceedings pending before the DLA, a violation of 18 USC 1505: obstruction of proceedings before departments, agencies, and committees.

In June 2012, the DLA awarded ANHAM a contract to provide material and logistical support to U.S. troops in Afghanistan. This contract required ANHAM to certify that it would comply with all executive orders, proclamations, and statutes that prohibit U.S. persons and companies from shipping materials through Iran. During 2011 and 2012, officers of Unitrans, which provided logistical services to ANHAM, facilitated the transportation of construction materials to Afghanistan through Iran. These materials were used in building a warehouse that ANHAM used in its troop-support contract with the DLA. At the time of the shipments, high-level officers at Unitrans and ANHAM were aware of the activity, but took no action to stop it.

The DOJ Fraud Section separately entered into NPAs with three corporate officers who were previously indicted in relation to the scheme. Huda Farouki (of ANHAM), Mazen Farouki (Unitrans), and Salah Maarouf (American International Services) agreed to NPAs for violation of obstruction of proceedings before departments, agencies and committees, and paid a combined total of $500,000 in court-ordered fines. The individuals agreed that they criminally violated 18 USC 1505. Unitrans admitted, accepted, and acknowledged responsibility under U.S. law for the acts of its officers, directors, employees, and agents.

Unitrans also resolved allegations under the False Claims Act that it, along with ANHAM, fraudulently induced the DLA and the U.S. Army to award wartime contracts by knowingly and falsely certifying compliance with U.S. sanctions against Iran, as well as the construction progress on its Bagram warehouse.

OTHER SIGAR OVERSIGHT ACTIVITIES

Congressional interest in oversight of U.S. reconstruction efforts in Afghanistan remained high in FY 2020, due to the significant amount of continued U.S. financial assistance to the Afghan government, its security forces, and other projects and programs in Afghanistan, as well as the February 2020 agreement between the United States and the Taliban, efforts to start intra-Afghan negotiations, and decreasing numbers of U.S. military forces on the ground in country.

Inspector General Sopko testified on the state of the reconstruction effort at three Congressional hearings in early 2020—before the House Committee on Foreign Affairs (January 15), the National Security Subcommittee of the House Oversight and Reform Committee (January 28), and the Federal Spending Oversight and Emergency Management Subcommittee of the Senate Homeland Security and Governmental Affairs Committee (February 11).

Congressional interest in issues related to Afghanistan’s reconstruction heightened following the onset of the COVID-19 pandemic. Inspector General Sopko was asked to brief members of the House Oversight and Reform Committee on two occasions in April 2020 via videoconference. Further, SIGAR’s Congressional Relations and Governmental Affairs Directorate provided over 80 requested briefings to House and Senate committee and Member offices in FY 2020, with roughly 68% provided in the third and fourth quarters of the fiscal year (April through September), and over 40 in the fourth quarter alone.

Throughout the pandemic, SIGAR’s public affairs team continued to disseminate news of the agency’s work to international audiences, including through an active social media program. SIGAR’s Facebook and Twitter followings are among the largest in the federal oversight community, and include significant numbers of followers in Afghanistan and the region.
“The key here is that we’re trying to end a war responsibly, deliberately, and to do it on terms that guarantee the safety of the U.S. vital national security interests that are at stake in Afghanistan.”

—Joint Chiefs of Staff Chairman General Mark Milley

Source: NPR, Interview with Chairman of the Joint Chiefs of Staff General Mark Milley, 10/12/2020.
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Empty playground at Pamir police headquarters, inspected by SIGAR in 2020. (SIGAR photo)
SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 15 products. SIGAR work to date has identified approximately $3.79 billion in savings for the U.S. taxpayer.

SIGAR issued two performance-audit reports reviewing steps to curb corruption in the Afghan Air Force and Special Mission Wing, and the facilities constructed by the Department of Defense (DOD) to support women in the Afghan National Defense and Security Forces, and one evaluation report reviewing the status of SIGAR recommendations made to the Department of State in the past five years. SIGAR also issued one inspection report reviewing the wastewater-treatment facility at Pol-i-Charkhi Prison.

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This quarter, SIGAR’s Office of Special Projects issued three review reports examining the USAID-supported Kabul Carpet Export Center, USAID’s Afghanistan Drip Irrigation Demonstration Project, and the amount of waste, fraud, and abuse uncovered through SIGAR’s oversight work between January 1, 2018, and December 31, 2019.

During the reporting period, SIGAR criminal investigations resulted in one indictment, four guilty pleas, two sentencings, and two arrests. SIGAR initiated two new cases and closed nine, bringing the total number of ongoing investigations to 118.

AUDITS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. This quarter, SIGAR has 20 ongoing performance audits and 30 ongoing financial audits.
Performance Audit Reports Issued
This quarter, SIGAR issued two performance-audit reports: a classified report reviewing steps to curb corruption in the Afghan Air Force and Special Mission Wing; and a report on the status of facilities constructed by DOD to support women in the Afghan National Defense and Security Forces, and one evaluation report reviewing the status of SIGAR recommendations made to the Department of State in the past five years. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

Performance Audit 21-03-C-AR: Afghan Air Force and Special Mission Wing Vetting for Corruption [Classified]
Unclassified summary: According to DOD’s December 2019 Enhancing Security and Stability in Afghanistan report, corruption undermines ANDSF readiness and combat power. NATO Resolute Support has focused advising efforts on trusted partners who demonstrate desire, will, and a bias toward taking action against corruption, and Combined Security Transition Command-Afghanistan (CSTC-A) has identified countering corruption as one of the “Top 10 Challenges and Opportunities” in Afghanistan. In addition, the United States and Coalition forces have identified the Afghan air forces, comprised of the Afghan Air Force (AAF) and the Special Mission Wing (SMW), as critical capabilities. The AAF serves as the primary air enabler for the Afghan National Army and the Afghan Special Security Forces (ASSF) by providing aerial fire and lift support to ground and special operations forces across Afghanistan. The SMW is a special operations aviation wing that provides operational reach for the ASSF during counterterrorism and counternarcotics missions designed to disrupt insurgent and narcotics networks in Afghanistan.

Preventing and rooting out corruption in critical ANDSF units, such as the air forces, is important to protect the multi-billion dollar U.S. investment in those units from waste, fraud, and abuse, and to ensuring the forces are operationally effective and sustainable. This classified report examined the extent to which the Afghan Ministry of Defense vets AAF and SMW recruits for corruption, and identified areas for improvement. It contained two recommendations. SIGAR received comments from the Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia, CSTC-A, and Train Advise Assist Command-Air (TAAC-Air). The Deputy Assistant Secretary concurred with one of the recommendations; CTSC-A concurred with one recommendation, and partially concurred with the second; and TAAC-Air concurred with both recommendations and identified actions it would take to implement them.
Performance Audit 21-04-AR: Facilities to Support Women in the Afghan Security Forces
Better Planning and Program Oversight Could Have Helped DOD Ensure Funds Contributed to Recruitment, Retention, and Integration

In every annual National Defense Authorization Act (NDAA) since fiscal year 2014, Congress has required the U.S. Department of Defense (DOD) to support women in the Afghan National Defense and Security Forces (ANDSF), by placing conditions on DOD’s use of the Afghanistan Security Forces Fund. The NDAs have required DOD to spend at least $10 million annually to support women in the ANDSF.

One way that DOD supports women in the ANDSF and satisfies the NDAA requirement is by constructing facilities for female Afghan police and military troops. From July 2015 through December 2017, CSTC-A funded the construction or renovation of 29 facilities and compounds, costing $44.6 million, for this purpose, including barracks, administration buildings, and childcare and fitness centers. A CSTC-A official said every region of Afghanistan needs women serving in the ANDSF, and without facilities like the ones DOD is constructing, women will never have the same opportunities as men in the ANDSF.

Multiple policies and regulations require CSTC-A to develop and maintain justifications or needs assessments for its projects. However, DOD could only provide SIGAR with documentation for two of the 29 construction projects it funded for women in the ANDSF. DOD did not provide need assessments for the remaining 27 projects, nor documentation of project funding approvals for any of the 29 projects. Without these documents, SIGAR could not determine why CSTC-A decided there was a need for and approved these particular projects to construct facilities for women in the ANDSF.
Although guidance exists for measuring the success of programs, DOD could not provide SIGAR with requested documentation showing that it developed any such metrics related to the facilities constructed to support women in the ANDSF. CSTC-A told SIGAR that it measured success based on project completion, rather than whether the facility was being used for its intended purpose and actually supporting women in the ANDSF. DOD told SIGAR that, going forward, it intends to measure the success and use of facilities designed to support women’s integration and participation in the ANDSF.

Following the initiation of this audit, CSTC-A began an internal review of the facilities it constructed to support women in the ANDSF. CSTC-A provided SIGAR the findings of its review in December 2019, which stated that the command identified five lessons:

1. Receive buy-in and commitment from Ministry of Interior (MOI) or Ministry of Defense (MOD) officials before commencing facilities projects.
2. Conduct continual research and planning throughout the procurement process.
3. Centralize budgeting and approval processes.
5. Develop female human capital in addition to facilities projects.

SIGAR selected 17 of 29 projects for site visits because they each cost more than $750,000 or were co-located with projects costing more than $750,000. During its site visits, SIGAR 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. SIGAR
identified multiple reasons why facilities intended for women were not being used, including Afghan cultural hostility to women training in some areas where the projects were located, the absence of necessary utilities such as water and electricity, and the Afghan government’s failure to procure needed equipment and furniture in a timely manner.

CSTC-A’s internal review of its funding used to support ANDSF gender-based facilities stated that for unused and misused projects, CSTC-A will train, advise, and assist the MOI and MOD to encourage proper use of the projects. The review also stated that CSTC-A and the Resolute Support Gender Office were working with MOI and MOD to create and execute remediation plans to support proper use, which could include repairing, properly outfitting, or appropriately staffing the facilities.

CSTC-A also reported that the Resolute Support Gender Office was working with the ANDSF to update usage and reporting guidelines, which in some cases could mean repurposing facilities for men in the ANDSF. Lastly, in February 2019, CSTC-A developed a form that must be completed before new facilities projects supporting women in the ANDSF can be approved. This form not only contains questions that encourage greater research and planning during the design process, but also requires performance measures for determining how the facility will be used after completion.

SIGAR made three recommendations in the report. To help protect U.S. investment in Afghan facilities funded and constructed to support the recruitment, retention, and integration of women in the ANDSF, SIGAR recommended that the CSTC-A Commander (1) coordinate with senior MOI and MOD officials to finalize remediation plans that will ensure proper use or repurposing of existing unused or misused facilities identified in this report; and (2) develop a policy to incorporate the five lessons learned from CSTC-A’s 2019 internal review into the selection process for future facilities intended to support women in the ANDSF. To help ensure DOD expenditures fulfill Congressional intent, SIGAR recommended the Secretary of Defense (3) determine whether the construction or renovation of facilities was helpful in recruiting, retaining, and integrating women in the ANDSF, and report the results to Congress.

Evaluation 21-02-IP: Department of State Implemented Approximately Half of the Recommendations from SIGAR Audits and Inspections but Did Not Meet All Audit Follow-up Requirements

This evaluation is a follow-up to SIGAR’s July 2014 report that examined the status of recommendations SIGAR made to the Department of State (State) in performance audits, financial audits, and inspections issued between January 2008 and March 2014. This evaluation provides information on the status of SIGAR recommendations made to State from April 2014 through April 2020.
Over the six-year period since the 2014 report, SIGAR’s Audits and Inspections directorate made 118 recommendations in 45 reports to State. Of the 118 recommendations, State took necessary action to implement 60, 33 were open, and 25 were closed as not implemented because the department had not taken sufficient action.

Of the 85 closed recommendations, 61% were intended to enhance contract oversight and 16% were intended to improve program effectiveness. Those recommendations called for State to review and recoup, as appropriate, more than $24 million in questioned program costs. Other recommendations called for State to hold contractors accountable for completing required work and improving safety conditions for infrastructure projects.

Office of Management and Budget (OMB) Circular A-50 requires executive agencies to establish a system to track and store the resolution of recommendations and appoint a top-level audit follow-up official to oversee the implementation of recommendations. The State Department designated its Office of Management Controls to serve as the liaison for SIGAR, including answering all of SIGAR’s requests, monitoring the implementation of SIGAR recommendations, and ensuring that State takes corrective actions. SIGAR found that State established a system to track recommendations and appointed a top-level audit follow-up official. However, State did not meet all audit follow-up requirements because supporting documentation for recommendation resolutions was not stored in the designated system.

In addition, the Federal Acquisition Streamlining Act of 1994 requires agencies to take corrective action on recommendations and directs them to resolve the recommendations within 12 months after the issuance of a final report. SIGAR found that State took less than 12 months to resolve 65 of the 85 closed recommendations and more than 12 months to resolve the other 20. SIGAR also found that State’s internal policy does not mirror requirements in the Federal Acquisition Streamlining Act because the policy does not state that recommendations must be resolved within 12 months after a report is issued.

SIGAR made two recommendations in the report. To comply with OMB requirements and ensure that State’s recommendation tracking system has a complete record of actions taken to resolve recommendations, SIGAR recommends that the Director of the Office of Management Controls update its policy to require the top-level audit follow-up official to maintain accurate records regarding the status of recommendations throughout the entire resolution process, including storing recommendation-resolution supporting documentation in the designated system. To comply with federal law and ensure that State resolves recommendations within 12 months, SIGAR recommended that the Director of the Office of Management Controls update its policy to be in accordance with the 12-month recommendation-resolution timeline required by the Federal Acquisition Streamlining Act of 1994.
Financial Audits
SIGAR launched its financial-audit program in 2012, after Congress and the oversight community expressed concerns about oversight gaps and the growing backlog of incurred-cost audits for contracts and grants awarded in support of overseas contingency operations. SIGAR competitively selects independent accounting firms to conduct the financial audits and ensures that the audit work is performed in accordance with U.S. government auditing standards. Financial audits are coordinated with the federal inspector-general community to maximize financial-audit coverage and avoid duplication of effort.

This quarter, SIGAR completed seven financial audits of U.S.-funded projects to rebuild Afghanistan, in addition to 30 ongoing financial audits with over $676 million in auditable costs, as shown in Table 2.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

SIGAR issues each financial-audit report to the funding agency that made the award(s). The funding agency is responsible for making the final determination on questioned amounts identified in the report’s audit findings. Since the program’s inception, SIGAR’s financial audits have identified more than $472 million in questioned costs and $364,907 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of September 30, 2020, funding agencies had disallowed more than $27.5 million in questioned amounts, which are thereby subject to collection. It takes time for funding agencies to carefully consider audit findings and recommendations. As a result, final disallowed-cost determinations remain to be made for several of SIGAR’s issued financial audits. SIGAR’s financial audits also have identified and reported 553 compliance findings and 598 internal-control findings to the auditees and funding agencies.

Financial Audits Issued
The seven financial audits completed this quarter identified $30,184,128 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

Financial Audit 20-54-FA: Department of State’s Efforts to Develop and Sustain Afghanistan’s Drug Treatment System
Audit of Costs Incurred by the Colombo Plan
State awarded nine letters of agreement to the Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific to help State and the Afghan government develop and sustain a drug treatment system. Although the letters did not explicitly include a defined period of performance, they were signed on October 30, 2014, and included November 25, 2020, as the end of the performance period. The letters

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<td><strong>SIGAR’S FINANCIAL AUDIT COVERAGE</strong></td>
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<td>($ BILLIONS)</td>
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<tr>
<td>173 completed audits</td>
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<td>30 ongoing audits</td>
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<td>Total</td>
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Note: Numbers have been rounded. Coverage includes auditable costs incurred by implementers through U.S.-funded Afghanistan reconstruction contracts, grants, and cooperative agreements.

Source: SIGAR Audits and Inspections Directorate, 10/06/2020.

**Questioned amounts:** the sum of potentially unallowable questioned costs and unremitted interest on advanced federal funds or other revenue amounts payable to the government.

**Questioned costs:** costs determined to be potentially unallowable. The two types of questioned costs are (1) ineligible costs (violation of a law, regulation, contract, grant, cooperative agreement, etc. or an unnecessary or unreasonable expenditure of funds); and (2) unsupported costs (those not supported by adequate documentation or proper approvals at the time of an audit).
obligated up to $51,826,653. State did not modify the letters during the period SIGAR reviewed.

SIGAR's financial audit, performed by Williams, Adley & Company-DC LLP, reviewed $39,338,326 in costs charged to the letters from October 30, 2014, through December 31, 2018. The auditors identified six material weaknesses, two significant deficiencies, and two other deficiencies in Colombo's internal controls and eight instances of noncompliance with the terms of the letters. Williams Adley identified $23,133,847 in questioned costs charged to the letters related to these issues.

**Financial Audit 20-48-FA: Department of State’s Afghanistan Flexible Implementation and Assessment Team Program**

**Audit of Costs Incurred by TigerSwan LLC**

State’s Bureau of International Narcotics and Law Enforcement Affairs awarded two task orders to TigerSwan LLC to support the Afghanistan Flexible Implementation and Assessment Team program. The first task order, valued at $4,587,943, included a period of performance from November 4, 2015, through November 3, 2016. After eight modifications, the total funding increased to $5,373,449, and the end date extended to November 3, 2019. The second task order, valued at $953,752, included a period of performance from December 15, 2015, through December 14, 2016. After 20 modifications, the total funding increased to $4,073,638, and the end date extended to December 14, 2019.

SIGAR's financial audit, performed by Crowe LLP, reviewed $6,051,619 in total costs charged to the task orders from November 4, 2015, through December 14, 2018. The auditors identified three material weaknesses in TigerSwan’s internal controls and three instances of noncompliance with the terms of the task orders. Crowe identified $3,850,658 in questioned costs charged to the task orders related to these issues.

**Financial Audit 21-01-FA: Department of State’s Humanitarian Demining and Conventional Weapons Destruction Programs in Afghanistan**

**Audit of Costs Incurred by The HALO Trust and The HALO Trust (USA) Inc.**

State’s Bureau of Political-Military Affairs, Office of Weapons Removal and Abatement, awarded a series of 11 grants totaling $15,366,756 in support of humanitarian demining and conventional weapons destruction programs. Two of the grants were awarded directly to The HALO Trust (HALO), based in the United Kingdom, and the other nine were awarded to its U.S. affiliate, The HALO Trust (USA) Inc., identifying HALO as the sub-recipient. The grants’ objectives were to enhance security, prevent injury, and protect lives by clearing land mines and taking ammunition out of circulation. State made 15 modifications to four of the grants, increasing total...
funding to $22,294,590 and extending the period of performance through April 30, 2020.

SIGAR's financial audit, performed by Williams, Adley & Company-DC LLP, reviewed $20,763,700 in costs charged to the grants from September 1, 2015, through March 31, 2019. The auditors identified two material weaknesses in HALO's internal controls and two instances of noncompliance with the terms of the grants. Williams Adley identified $2,804,634 in questioned costs charged to the grants related to these issues.

**Financial Audit 20-49-FA: Department of the Army's Military Helicopter Storage, Maintenance, and Pilot Training Programs in Afghanistan**

**Audit of Costs Incurred by Science and Engineering Services LLC**

The Army awarded Science and Engineering Services LLC two cost-plus-fixed-fee delivery orders to provide various support services for the UH-60 helicopter platform in Afghanistan. The first order was initially valued at $4,521,155 and its period of performance was from November 4, 2014, through November 6, 2018. After 34 modifications, the end date changed to August 15, 2019, and funding increased to $22,587,341. The second order, initially valued at $13,369,114, had the period of performance from June 30, 2017, through May 31, 2019. After seven modifications, funding for the second order increased to $46,301,575, while the period of performance remained the same.

SIGAR's financial audit, performed by Crowe LLP, reviewed $45,477,884 in costs incurred from November 4, 2014, through August 15, 2019, for both orders. The auditors found three material weaknesses and two significant deficiencies in SES's internal controls, and three instances of noncompliance with the terms of the delivery order. Crowe identified $266,981 in questioned costs charged to the orders related to these issues.

**Financial Audit 20-51-FA: U.S. Army Contracting Command's Integration of Anti-Missile Protection Systems on Mi-17 Helicopters in Afghanistan**

**Audit of Costs Incurred by Redstone Defense Systems**

The U.S. Army Contracting Command awarded a $6,317,726 cost-plus-fixed-fee delivery order to Redstone Defense Systems to provide program management and integration support for the installation of Anti-Missile Protection Systems on Mi-17 helicopters used by the Afghan National Defense and Security Forces. The initial period of performance extended from September 29, 2017, through May 30, 2019. After five modifications, the end date was extended to November 29, 2019, while the total cost of the delivery order remained the same.

SIGAR's financial audit, performed by Crowe LLP, reviewed a total of $4,880,670 in costs charged to the delivery order from September 29, 2017,
through November 29, 2019. The auditors identified one material weakness and three significant deficiencies in RDS’s internal controls, and three instances of noncompliance with the terms of the delivery order. Crowe identified $98,418 in questioned costs charged to the delivery order related to these issues.

Financial Audit 20-55-FA: Department of State’s Introducing New Vocational Education and Skills Training in Kandahar Program
Audit of Costs Incurred by Mercy Corps
State’s Bureau of Population, Refugees, and Migration commenced the first of four consecutive cooperative agreements to Mercy Corps totaling $5,616,210 in support of the Introducing New Vocational Education and Skills Training in Kandahar program. The objectives of the program were to reintegrate internally displaced people into their communities and expand economic opportunities. State modified the agreements six times, which decreased the total funding to $5,437,739 but did not change the end date of June 30, 2018.

SIGAR’s financial audit, performed by Williams, Adley & Company-DC LLP, reviewed $5,412,478 in costs charged to the agreements from September 1, 2014, through June 30, 2018. The auditors identified one material weakness and two deficiencies in Mercy Corps’ internal controls and four instances of noncompliance with the terms of the agreements. Williams Adley identified $29,590 in questioned costs charged to the agreements related to these issues.

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

Inspection Report Issued
SIGAR issued one inspection report this quarter. A list of completed and ongoing inspections can be found in Appendix C of this quarterly report.

Inspection Report 21-06-IP: Pol-i-Charkhi Prison Wastewater Treatment Facility
Project Was Generally Completed According to Requirements, but the Contractor Made Improper Product Substitutions and Other Construction and Maintenance Issues Exist
This report discusses the results of SIGAR’s inspection of the new wastewater treatment facility at the Pol-i-Charkhi prison in Kabul. In April 2018, the Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL) awarded a $6.9 million firm-fixed-price contract to Biltek Organizasyon Muhendislik Basin Emlak Reklam Turizm In (Biltek), a Turkish company, to design and build the facility, which was designed to collect and treat sewage generated by 15,000 people. The contract required the construction of four aeration ponds, two settling ponds, two sludge drying beds, influent and effluent lift stations, aeration equipment, lighting, and other auxiliary components. INL and Biltek modified the contract 10 times, increasing the award amount by approximately $4.4 million, increasing the facility’s treatment capacity to accommodate 20,000 people, and extending the completion date from July 21, 2019, to December 28, 2019.

During site visits in June, July, and August 2020, SIGAR inspectors found that Biltek generally constructed the facility according to design requirements. However, the inspection identified eight construction deficiencies, consisting of two instances of improper product substitution and six instances of equipment not installed as required under the design or
contract requirements. SIGAR inspectors also found that the facility was being used. However, the inspection found safety and maintenance issues, including contaminated drinking water, detached pond-liner air vents, and aerators that were either not running or not properly submerged.

SIGAR made two recommendations in this report that the Assistant Secretary for INL (1) direct Biltek to correct the eight construction deficiencies identified in the report before the one-year warranty on the wastewater-treatment facility expires on December 31, 2020; and (2) advise the current operation and maintenance contractor, Kabul Cummins Technical Services Co., of the six remaining safety and maintenance issues—detached pond-liner air vents, usage of the temporary septic tank, contaminated drinking water, lack of personal protective equipment, inadequate lighting in the bar screen chamber, and improperly working aerators—so it can take whatever action it deems appropriate to correct them.

**Status of SIGAR Recommendations**

The Inspector General Act of 1978, as amended, requires SIGAR to report on the status of its recommendations. This quarter, SIGAR closed nine recommendations contained in seven performance-audit, inspection, and financial-audit reports.

From 2009 through September 2020, SIGAR issued 394 audits, alert letters, and inspection reports, and made 1,103 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 956 of these recommendations, about 87%. Closing a recommendation generally indicates SIGAR’s assessment that the audited agency either has implemented the recommendation or has otherwise appropriately addressed the issue. In some cases where the agency has failed to act, SIGAR will close the recommendation as “Not Implemented”; this quarter, SIGAR closed no recommendations in this manner. In some cases, these recommendations will be the subject of follow-up audit or inspection work.

SIGAR is also required to report on any significant recommendations from prior reports on which corrective action has not been completed. This quarter, SIGAR continued to monitor agency actions on 147 open recommendations. Of these recommendations, 92 have been open for more than 12 months because the agency involved has not yet produced a corrective-action plan that SIGAR believes would resolve the identified problem, or has otherwise failed to appropriately respond to the recommendation(s).

For a complete list of open recommendations, see www.sigar.mil.

**SPECIAL PROJECTS**

SIGAR’s Office of Special Projects was created to quickly obtain and access information necessary to fulfill SIGAR’s oversight mandates; examine
emerging issues; and deliver prompt, actionable reports to federal agencies and the Congress. Special Projects reports and letters focus on providing timely, credible, and useful information to Congress and the public on all facets of Afghanistan reconstruction. The directorate comprises a team of analysts supported by investigators, lawyers, subject-matter experts, and other specialists who can quickly and jointly apply their expertise to emerging problems and questions.

This quarter, SIGAR’s Office of Special Projects issued three review reports. A list of completed special projects can be found in Appendix C of this quarterly report.

**Review 21-05-SP: Update on the Amount of Waste, Fraud, and Abuse Uncovered through SIGAR’s Oversight Work between January 1, 2018, and December 31, 2019**

This report updates SIGAR’s findings from a similar July 2018 report and provides information on the $3.5 billion total amount of waste, fraud, and abuse identified in 111 SIGAR-issued products and 55 closed investigations between January 1, 2018, and December 31, 2019. In total, SIGAR has identified $19 billion in waste, fraud, and abuse between May 2009 and December 31, 2019.

On July 17, 2018, SIGAR responded to a Congressional request seeking information about the amount of waste, fraud, and abuse SIGAR had identified through its oversight work. In that report, SIGAR identified $15.5 billion of waste, fraud, and abuse that SIGAR had uncovered in published reports and closed investigations between May 2009 and December 31, 2017. Of this total, SIGAR identified approximately $12 billion in failed whole-of-government efforts related to U.S. spending on counternarcotic and stabilization programs in Afghanistan. SIGAR believes funds for these efforts were wasted because the programs did not achieve their intended purpose.

This report update adds nearly $3.5 billion of waste, fraud, and abuse to the previously reported amount based on the review of SIGAR's published products and closed investigations. Of this total, SIGAR specifically identified approximately $1.5 billion in taxpayer funds that were wasted, $300 million that were lost to fraud, and $34 million that were lost to abuse. The remaining $1.6 billion was spent on counternarcotic efforts that were likely wasted.

As of December 31, 2019, Congress appropriated nearly $134 billion since FY 2002 for Afghanistan reconstruction. Of that amount, SIGAR reviewed approximately $63 billion and concluded that a total of approximately $19 billion or 30% of the amount reviewed was lost to waste, fraud, and abuse.

During the two-year period covered, SIGAR made 167 recommendations to address the problems discussed in this report. No additional recommendations were made during this review.
Review 20-50-SP: Kabul Carpet Export Center: Progress Made Towards Self-Sufficiency, But Critical Sales, Revenue, and Job Creation Targets Are Not Met

This report assesses the USAID’s progress toward establishing an operational Kabul Carpet Export Center (KCEC). The KCEC project aimed to develop a self-sufficient Afghan company to connect Afghanistan’s carpet manufacturers with international buyers. Impact Carpet Associates LLC (ICA), the implementing partner, was tasked with establishing a fully operational carpet export center and meeting certain sales, revenue, and job creation targets.

SIGAR found that ICA successfully met most benchmarks associated with establishing the KCEC, such as registering it as a local company in Afghanistan, developing work and monitoring-and-evaluation plans, conducting a baseline stakeholder survey, and establishing product-tracking capabilities. However, ICA has not developed a secure e-commerce capability on its website, which limits buyers’ ability to initiate orders online, and has not engaged with the Afghan government to address burdensome air-freight policies as required in the grant agreement.

In addition, ICA’s efforts to develop a financing program to help weavers finance raw-material purchases did not adequately consider Afghans’ refusal to accept interest-bearing loans due to religious beliefs. This oversight undermined a key goal of the project, to provide Afghan carpet manufacturers the capital that would help free them from reliance on Pakistani intermediaries.

In addition, KCEC has not achieved its sales, revenue, and job-creation targets. Despite receiving a six-month extension (from May 31, 2019, to November 30, 2019), the KCEC could not meet its first-year targets of $714,286 in sales and $48,000 in revenue and the creation of 5,715 new jobs. The second-year target is to double sales and revenue, and create an additional 5,715 new jobs. As of April 1, 2020, KCEC has reported that it has generated $717,030 in sales, $41,836 in revenue, and created 8,825 new jobs. With three months until the end of the second year (extended to June 30, 2020) and the COVID-19 pandemic causing trade shows to be canceled, there is little chance to achieve these targets, thereby placing KCEC’s ability to become self-sufficient by June 5, 2021, in jeopardy.

SIGAR made three recommendations to improve KCEC’s chances for greater self-sufficiency as a viable commercial enterprise: that the USAID Mission Director or his designee (1) direct ICA to immediately update KCEC’s current website to include an HTTPS security protocol and a comprehensive and secure public e-commerce capability for all current and potential clients; (2) in conjunction with ICA, establish new targets for performance and job creation and assess KCEC ability to achieve financial self-sufficiency by June 2021. The assessment should include a reevaluation of KCEC’s marketing, sales, and operational strategies; and (3) reassess the
financing program and consider setting up a system that conforms to prevailing lending norms of the Afghan carpet industry.

USAID agreed with SIGAR’s first two recommendations. USAID reported that, prior to issuing their agency response, they issued a modification to the grant that canceled KCEC’s loan portfolio and reprogrammed the funds to provide financial assistance to carpet weavers and traders, fund more training sessions for the Afghan carpet industry stakeholders, and sponsor new trade shows. Therefore, the third recommendation in the draft report was closed as implemented and removed from the report.

Review 20-53-SP: USAID’s Afghanistan Drip Irrigation Demonstration Project: Most Demonstration Plots that SIGAR Inspected Were Not Being Used as Intended

This report shows the results of SIGAR inspections of selected drip irrigation and canal construction projects completed as part of the Strengthening Watershed and Irrigation Management (SWIM) program, a USAID-supported initiative to build up Afghanistan’s water-resource management capacity and increase agricultural water productivity.

SIGAR inspected 25 of the 72 installed drip irrigation demonstration plots and found that 23, or 92%, either were no longer installed or were not being used as intended. Afghan farmers told SIGAR inspectors that they were not using the drip irrigation system for various reasons, including lack of water, damaged system components, and lack of fuel for the generator to operate the irrigation system.

SIGAR inspected six of the eight irrigation canals under construction and found that four were progressing according to schedule and appeared structurally sound. Construction of one canal was stopped in August 2019 because of subcontractor nonperformance and, as of May 2020, implementing partner DT Global was still obtaining bids to award a new subcontract. Another canal had structural damage caused by the installation of a water line that broke through the canal wall, which compromised the integrity of the canal. Specifically, SIGAR recommended that the USAID Mission Director for Afghanistan take the appropriate oversight actions, including site visits, to ensure that the irrigation demonstration plots are being used as intended; and conduct an engineering evaluation of the water pipeline intersecting the Jalal Abad irrigation canal to determine what steps should be taken to maintain the integrity of both the canal and the water pipeline.

USAID agreed with SIGAR’s two recommendations. For the first recommendation USAID stated it would (1) continue conducting follow-up site visits to demonstration plot locations which began in September 2019 and will continue this practice for the remainder of the project; and (2) request the Afghanistan Monitoring, Evaluation and Learning Activity to conduct a third-party assessment of the demonstration plots to fully understand the reasons the plots are no longer being utilized. For the second...
recommendation, USAID stated that an engineering evaluation and assessment were completed at the two points where the water pipeline bisected the canal, and the structural issues at the two locations were addressed to protect the integrity of the canal and the water pipeline.

LESSONS LEARNED
SIGAR’s Lessons Learned Program was created to identify lessons and make recommendations to Congress and executive agencies on ways to improve current and future reconstruction efforts. To date, the program has issued seven reports. Four reports are currently in development on U.S. government support to elections, monitoring and evaluation of reconstruction contracting, efforts to advance and empower women and girls, and a report on police and corrections.

INVESTIGATIONS
During the reporting period, SIGAR’s criminal investigations resulted in one indictment, four guilty pleas, two sentencings, and two arrests. SIGAR initiated two new cases and closed nine, bringing the total number of ongoing investigations to 118.

To date, SIGAR investigations have resulted in a cumulative total of 155 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total over $1.6 billion.
Vice President of Investment Firm Arrested for Running Multimillion-Dollar Ponzi Scheme Targeting Afghanistan-Based Bank

On July 22, 2020, based on an outstanding arrest warrant from the Southern District of New York, with assistance from Customs and Border Protection (CBP) officers, and special agents from Immigration and Customs Enforcement’s Homeland Security Investigations (HSI), Naim Ismail was arrested upon entering the U.S. from Dubai, UAE through Los Angeles International Airport. On July 23, 2020, a U.S. magistrate judge in the Central District of California ordered Ismail to be detained and returned to the charging judicial district.

Ismail, a U.S. citizen, was arrested in connection with various investment schemes. According to the 2018 indictment, from February 2007 through July 2016, Ismail fraudulently induced individual and corporate victims—including the New York-based subsidiary of an Afghanistan-based bank—to loan large sums of money to entities operated by Ismail and others. Ismail did so by claiming these funds would be used in a particular investment strategy as well as several real-estate development projects. Ismail promised investors a generous fixed annual rate of return and promised to return the investors’ principal on a specified timeline.

Ismail and his companies did not invest these funds as promised, nor did Ismail repay many of his victims. Instead, he used investor funds to pay the so-called interest payments due to earlier investors in the Ponzi scheme, as well as for his own personal expenses and investments. During the course of the fraudulent scheme, Ismail deprived the scheme’s victims of over $15 million. Numerous additional victims have been coming forward since the press release of his arrest, so the amount of money defrauded from the victims is expected to increase.

Prominent Afghan Official Sentenced for Theft of Public Money

On August 31, 2020, in the District Court of San Diego, California, Ahmad Yusuf Nuristani was sentenced to three years’ probation and six months’ home confinement for theft of public money.

Nuristani received over $100,000 in government benefits by concealing foreign travel and residency between July 2015 and December 2018. He applied for Supplemental Security Income (SSI) from the Social Security Administration in July 2015. In violation of SSI recipient requirements, he repeatedly lied to the Social Security Administration about his foreign travel and residency. He also received $27,492 in SSI payments causing a loss of $73,090 to the State of California for healthcare payments and services as a result of his fraud.

Nuristani has been a prominent politician in Afghanistan for decades, previously serving as governor of Herat Province and chairman of the Independent Election Commission of Afghanistan during the
last presidential election. In September 2018, President Ashraf Ghani appointed Nuristani to the Meshrano Jirga, the upper body of parliament in Afghanistan. Nuristani served as both the head of Afghanistan’s Independent Election Commission and as an Afghan senator even as he received supplemental-security income payments from the U.S. Social Security Administration at his claimed address in El Cajon, California.

The investigation was conducted by the Social Security Administration Office of Inspector General and the United States Attorney’s Office for the Southern District of California, with significant assistance provided by SIGAR.

**Former Employee of U.S. Government Contractor Pleads Guilty to Conspiracy**

On September 14, 2020, in the U.S. District Court, District of Columbia, David Shah pleaded guilty to a one-count criminal information charging conspiracy to commit offenses against the United States.

Shah was employed by a U.S. government contractor to recruit candidates for positions as language interpreters working with the U.S. military. He and his coconspirators circumvented procedures designed to ensure candidates met minimum proficiency standards, which resulted in unqualified language interpreters being hired and later deployed alongside U.S. combat forces in Afghanistan. To carry out this scheme, they conspired with others to commit wire fraud and major fraud against the United States. The coconspirators obtained financial bonuses from their employer based on the number of candidates hired through their efforts.

To date, five coconspirators have pleaded guilty as a result of the SIGAR-led investigation.

**Former Employees of U.S. Government Contractor Prosecuted for Theft Scheme**

On July 8, 2020, in the Eastern District of Virginia, Norfolk Division, Larry Green pleaded guilty to conspiracy to defraud the United States and to commit theft of property of value to the United States, theft of property of value to the United States, and false statements.

On July 9, 2020, also in the Eastern District of Virginia, Norfolk Division, Varita V. Quincy was indicted on one count of conspiracy to defraud the United States and to commit theft of property of value to the United States; one count of theft of property of value to the United States; and one count of false statements. On August 7, 2020, Quincy surrendered herself for arrest at the U.S. Federal Courthouse in Atlanta, Georgia.

During 2015, Green and Quincy participated in an organized theft ring responsible for the theft of equipment, including generators and vehicles, from Kandahar Airfield, Afghanistan. They carried out the theft during the course of their duties while employed by a U.S. government contractor. In
furtherance of the scheme, they caused fraudulent official documents to be filed with the U.S. military at Kandahar Airfield.

**Former U.S. Special Forces Member Sentenced for Embezzlement Scheme**

On July 7, 2020, in the Eastern District of North Carolina, former U.S. Army Special Forces Sergeant First Class William Todd Chamberlain was sentenced to three years’ probation and ordered to pay $80,000.

Chamberlain was part of a conspiracy involving former U.S. Army soldiers Cleo Autry, Jeffrey Cook, Deric Harper, and Barry Walls. Between 2008 and 2012, they were all deployed with a Special Forces Group under the Combined Joint Special Operations Task Force at Forward Operating Base Fenty in Jalalabad, Afghanistan. During their deployment, they conspired to embezzle funds from the Commander’s Emergency Response Program and from funds used by Special Forces Groups to support counterterrorism operations. Over time, they stole cash, purchased a substantial number of $1,000 money orders, and sent the funds to their spouses, to electronic bank accounts, or to various vendors.

**Purchasing Agent and Spouse Plead Guilty to Conspiracy and Embezzlement**

On September 14, 2020, in the Eastern District of North Carolina, Morris Cooper pleaded guilty to stealing government money, conspiracy, and as a public official, receiving bribes. His spouse, Beverly Cooper, pleaded guilty to conspiring to steal government property and aiding and abetting her spouse.

Morris Cooper was a purchasing agent assigned to the Operations and Maintenance Division, Directorate of Public Works (DPW), at Fort Bragg, North Carolina, and was entrusted to purchase HVAC parts for DPW’s HVAC maintenance section. From 2011 into 2019, Cooper used his position as a purchasing agent to conspire with vendors to steer contracts for supplies to specific vendors in return for cash payments and gifts, and to inflate prices on supplies, increasing both the profits to the vendor and the cash payment made to Cooper and/or his wife.

Tentatively set for sentencing in January 2021, Morris Cooper faces a maximum penalty of 180 months in prison; Beverley Cooper faces a maximum penalty of 60 months in prison. Both agreed to pay $6,300,000 jointly and severally in restitution.

**SIGAR Provides Oversight to the Special Operations Forces Community**

SIGAR’s criminal investigations of the fraud, waste, and abuse of reconstruction funds for war-torn Afghanistan have exposed numerous and extensive systemic weaknesses that have appropriately been reported to Congress.
In 2013, the SIGAR Investigations Directorate initiated an assessment to ensure that mission related funds used by the U.S. Special Forces community were being used in accordance with the policies set forth by the U.S. Special Operations Command (SOCOM). Many of the military services share in the responsibility to provide overt and covert military support throughout the world, including in Afghanistan. These include the U.S. Navy SEALs, U.S. Army Special Forces Groups, U.S. Marine Corps Special Operations Command, and U.S. Air Force Special Operations Command.

The preliminary results of the SIGAR investigative assessment identified numerous instances of suspicious cash flows of U.S. currency between Afghanistan and the United States by U.S. military members using various means such as electronic wire transfers and U.S. postal money orders. Historically, the majority of military members who are deployed to Afghanistan seldom have a personal need for large amounts of cash there. Their pay is direct-deposited and their lodging and meals are primarily provided. Other than minor personal purchases or souvenir items, one of the few occasions where soldiers would possess a large amount of cash is during the course of their official duties with Afghan contractors and/or laborers. In those instances, only certain soldiers are designated to make payments for contract work performed on military bases (e.g., buildings constructed/repaired, or construction of irrigation wells).

Formal investigations conducted by SIGAR special agents found that many questionable U.S. postal money orders and Western Union wire transfers were originated by U.S. military members in Afghanistan and sent to their spouses, friends, parents, and others in the United States. These investigations concluded that a number of U.S. Special Forces members and those that support those teams engaged in illegal enterprises. These crimes included receipt of the proceeds realized from the sale of U.S. military-appropriated fuel on the Afghan black market. Other illicit funds received by U.S. military members included bribe payments in exchange for preferential selection of Afghan contractors for construction projects in Afghanistan. Other military members were found to have stolen U.S. military-appropriated property that was later sold to Afghan nationals or and/or sold on the Afghan black market.

In some instances, members of the U.S. Special Forces embezzled funds intended for classified covert military missions.

One notable investigation concerned a five-man team of the elite U.S. Army Special Forces who conspired to falsify receipts for expenditures associated with their mission while deployed in Afghanistan. The falsification of the receipts enabled them to steal over $250,000 of operational funds entrusted to them. In furtherance of their theft, the team members used postal money orders to transfer a portion of these stolen funds back to the United States while secreting remaining funds in their personal belongings upon their return. Each member of the team was convicted in the United
States of felony violations and ordered to pay fines and restitutions of $80,000 each.

To date, SIGAR’s efforts in this arena have resulted in the federal prosecution of over 30 members of the U.S. military Special Forces communities and those that support the Special Forces missions. Prosecuted crimes have included theft of government property, bribery, conspiracy, money laundering, kickbacks, and bulk cash smuggling. The prosecutions of these individuals led, cumulatively, to about 973 months (81 years) incarceration, restitutions in excess of $32 million dollars, and fines of over $15,000. The majority of these actions were the result of a multi-agency task force established at Fort Bragg in Fayetteville, North Carolina; SIGAR is an active member of the task force.

A recent letter by Commanding General Richard Clarke announced a comprehensive review of some of the integrity issues that have plagued the Special Forces community. SIGAR has paired with SOCOM to provide support for the fact-finding team to best address the integrity issues of the Special Forces community. SIGAR is committed to participate in the development of the comprehensive program to help educate members of the Special Forces community. In October 2020, a SIGAR special agent created and piloted a presentation for the senior enlisted students of the elite career-education program of the Joint Special Operations University.

Attendees at SIGAR’s initial presentation participated virtually from their current assignments around the world. The ultimate goal of this program is to provide the Special Forces audience with case-specific examples as “lessons learned” intended to educate the audience on the pitfalls and vulnerabilities that face some military members while deployed in Afghanistan. SIGAR expects to continue providing assistance and working closely with SOCOM in these career-education programs.

**Suspensions and Debarments**

This quarter, SIGAR’s suspension and debarment program referred 12 individuals and five companies for debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 1,023, encompassing 563 individuals and 460 companies to date.

As of October 1, 2020, SIGAR’s efforts to utilize suspension and debarment to address fraud, corruption and poor performance in Afghanistan have resulted in a total of 141 suspensions and 582 finalized debarments/special entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 31 individuals and companies have entered into administrative compliance agreements with the U.S. government in lieu of exclusion from contracting since the initiation of the
During the fourth quarter of 2020, SIGAR’s referrals resulted in 12 finalized debarments.

SIGAR makes referrals for suspensions and debarments—actions taken by U.S. agencies to exclude companies or individuals from receiving federal contracts or assistance because of misconduct—based on completed investigations that SIGAR participates in. In most cases, SIGAR’s referrals occur in the absence of acceptance of an allegation for criminal prosecution or remedial action by a contracting office and are therefore the primary remedy to address contractor misconduct. In making its referrals to agencies, SIGAR provides the basis for a suspension or debarment decision, as well as supporting documentation in case the contractor challenges the decision. As SIGAR is an oversight agency without contracting responsibility, SIGAR does not have its own suspension and debarment official. Instead, SIGAR refers all suspensions and debarments to other agencies for adjudication, resulting in a high degree of interagency coordination. This operational necessity to work with other agencies fosters information-sharing and coordination, enhancing SIGAR’s program.

SIGAR’s suspension and debarment program addresses three challenges posed by U.S. policy and the contingency contracting environment in Afghanistan: the need to act quickly, the limited U.S. jurisdiction over Afghan nationals and Afghan companies, and the vetting challenges inherent in the use of multiple tiers of subcontractors. To address these issues, in 2011, SIGAR embedded two attorneys experienced with suspensions and debarments within its Investigations Directorate to provide oversight over case development and guidance on the use of the suspensions and debarments. This integration enables them to identify individuals, organizations, and companies accused of criminal activity or poor performance at an early stage of an investigation, resulting in the development of detailed referral packages.

Integration within the Investigations Directorate also allows attorneys to assess whether follow-up actions, using suspension and debarment remedies, are needed when other targets are identified during an investigation or audit. It also has allowed for travel by SIGAR suspension and debarment attorneys to Afghanistan to conduct training, provide guidance for investigations, and to meet with counterparts in the Afghan government.

Finally, SIGAR’s suspension and debarment program has another unique element: unlike other criminal investigative organizations, all of SIGAR’s investigations are required to be reviewed for potential suspension and debarment action immediately prior to closing. This maximizes the number of cases referred for suspension and debarment and helps ensure that agencies award contracts only to responsible entities.

SIGAR’s suspension and debarment referrals constitute the basis for the majority of suspension and debarment actions taken by all agencies in Afghanistan. SIGAR’s use of suspension and debarment has previously been
recognized by the Council of Inspectors General on Integrity and Efficiency through recognition by a Special Act Award for Excellence in October 2014 and identification as an agency “best practice” during SIGAR’s peer review in 2017. Going forward, SIGAR will continue to use suspension and debarment referral opportunities to maintain the integrity of the acquisition process and protect U.S. taxpayers’ investment in Afghanistan from waste, fraud, and abuse.

**Exclusions of Former ANHAM Executives and Affiliated Companies for False Claims and Violation of Iranian Sanctions**

On August 13, 2020, the Defense Logistics Agency (DLA) entered into an agreement with multiple individuals and companies associated with ANHAM USA and ANHAM FZCO, resulting in their exclusion from contacting with the U.S. Government for a period of three years, ending on December 1, 2021. This three-year period of exclusion includes the nine months following the original settlement agreement and the conclusion of negotiations regarding the status of the parties.

The exclusions of Abul Huda Farouki, Mazen Farouki, Salah Maarouf, Financial Instrument and Investment Corporation (d.b.a. “FIIC”), Unitrans International Inc., and American International Services are part of an agreement entered into between the excluded parties, DLA, and the Department of Justice on December 2, 2019. The basis for this agreement was the November 27, 2018, indictment of A.H. Farouki, M. Farouki, and Maarouf in the U.S. District Court for the District of Columbia on charges of major fraud against the United States (18 U.S.C. 1031(a)), conspiracy to violate the International Emergency Economic Powers Act (50 U.S.C. §§ 1705(a) and (c)) and conspiracy to launder money, in violation of 18 U.S.C. §§ 1956(a)(2)(A) and (h).

The indictment stated that between December 2011 and February 2012, as part of their efforts to obtain the award of the Substance Prime Vendor–Afghanistan food service contract to ANHAM FZCO, A.H. Farouki, M. Farouki, and Maarouf made multiple material misrepresentations to DLA contracting officers regarding their intent to build climate-controlled warehouses for frozen and dry goods in the vicinity of Bagram Airfield, Afghanistan.

In addition, ANHAM FZCO allegedly utilized ports in the Islamic Republic of Iran to move materials for the staged warehouse site as well as vehicles and equipment to facilitate its performance of the National Afghan Trucking contract, a transportation contract that had also been awarded to ANHAM FZCO by the Department of Defense for the movement of fuel and dry cargo in support of operations within Afghanistan. The use of these Iranian ports constituted a violation of economic sanctions imposed by the United States prohibiting the transshipping of goods through Iranian ports to locations in Afghanistan and elsewhere in Asia.
A.H. Farouki, M. Farouki, and Maarouf utilized Financial Instrument and Investment Corporation, Unitrans International Inc., and American International Services to conceal payments made as part of this scheme. The exclusions of A.H. Farouki, M. Farouki, Maarouf, Financial Instrument and Investment Corporation, Unitrans International Inc., and American International Services carry the same effect as debarment determinations made pursuant to Section 9.406 of the Federal Acquisition Regulation. In a separate settlement, ANHAM USA and ANHAM FZCO entered into an administrative agreement with DLA on May 21, 2019, following the removal of A.H. Farouki, M. Farouki, and Maarouf from their ownership and participation in the operation of those companies.

SIGAR BUDGET
SIGAR is funded through December 11, 2020, under H.R. 8337, the Continuing Appropriations Act, 2021 and Other Extensions Act, which was signed into law on October 1, 2020. The Act provides for SIGAR to receive a prorated portion of its fiscal year 2020 appropriation of $54.9 million through December 11, 2020. The budget supports SIGAR’s oversight activities and products by funding SIGAR’s Audits and Inspections, Investigations, Management and Support, and Research and Analysis Directorates, as well as its Office of Special Projects and the Lessons Learned Program.

SIGAR STAFF
SIGAR’s staff count has remained steady since the last report to Congress, with 191 employees on board at the end of the quarter. Fifteen SIGAR employees are assigned to the U.S. Embassy Kabul. Because of the COVID-19 pandemic, all but two of SIGAR’s employees had left the country and returned to the United States on Authorized Departure. Two SIGAR staff members remained in Kabul during the pandemic. This quarter, eight employees have returned to Kabul, raising the current staff there to 10. The remaining five employees will return when the Embassy in Kabul determines that conditions are safer.

SIGAR also employed six Afghan nationals in its Kabul office to support the Forward Operations, Investigations, and Audits Directorates. Due to the COVID-19 pandemic and travel restrictions imposed by Departments of Defense and State, SIGAR was not able to supplement its resident staff this quarter with personnel on short-term temporary duty in Afghanistan.
2020 Council of Inspectors General on Integrity and Efficiency (CIGIE) Awards for SIGAR Work

**Award for Excellence, Evaluations, Afghan Power Section Evaluation Team**—Abdul Rashidi, Chelsea Cowan, Farid Akrami, Javed Khairandish, Robert Rivas, Steve Haughton, William Shimp, Yogin Rawal—in recognition of significant outcomes related to Afghanistan’s power sector.

**Award for Excellence, Investigations, Afghanistan Investigations Team**—Brian Persico, Chip Curington, Kevin Naylon, Leif Strand, Marie Acevedo, Tom Browning, and eight non-SIGAR staff—in recognition of excellence in investigations resulting in a $45 million settlement and $45,000 in fines.

**Award for Excellence, Special Act, Lessons Learned Team**—Joe Windrem, Mariam Jalalzada, Matthew Rubin, Nikolai Condee-Padunov, Samantha Hay, Tracy Content, Vong Lim, Zachary Martin, Ashley Schortz, Brian Tarpley, Brittany Gates, James Cunningham, Jordan Schurter, Kate Bateman—in recognition of identifying lessons learned.

**Award for Excellence, Audit, Afghan Anticorruption Strategy Team**—Chris Borgeson, Margaret Tiernan, Luis Vertiz, and Anthony Warren—in recognition of excellence in assessing the implementation of the Afghan government’s national anticorruption strategy and ministries’ action plans.

**Award for Excellence, Audit, Afghanistan UH-60s Procurement Audit Team**—Carole Coffey, Jeffrey Brown, Jerry Clark, Robert Vainshtein—in recognition of exemplary audit work and saving over $460 million in the UH-60 helicopter program.
SIGAR FEATURED IN INTERNATIONAL REVIEW OF AFGHANISTAN DEVELOPMENT ACTIVITY

SIGAR’s oversight work in Afghanistan featured prominently in a recent academic review of international development activity in Afghanistan and in a follow-up September video conference of expert observers sponsored by the German government.

The program review was led by Professor Christoph Zuercher of the University of Ottawa, Canada. He and other project researchers created a Meta-Review of Evaluations of Development Assistance to Afghanistan, 2008–2018, which selected, analyzed, and summarized 148 studies on development assistance in Afghanistan.1

Zuercher said the study—commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ) in preparation for a 2022 review of Germany’s development programs2—is “probably the most extensive systematic overview of international efforts in Afghanistan currently available.”3 Germany has been an active participant in Afghanistan reconstruction since 2002, providing more than 5,300 soldiers at one point, conducting police training, and other projects, and contributing nearly $3 billion to multilateral aid programs.4

The meta-review encompasses data published in five companion reports.5 One of the five companion volumes is a summary of SIGAR oversight of development work in Afghanistan. According to Zuercher, “We searched all available SIGAR reports for relevant information (primarily: relevance, efficiency, effectiveness, sustainability and impacts of programs, contextual factors) relating to the sectors of governance, sustainable economic development, education, energy, water, infrastructure, gender, health, and stabilization,” and selected 51 SIGAR products comprising Lessons Learned Program reports, Office of Special Projects, performance audits, and quarterly reports.6

Observations from the Meta-Review and SIGAR Volume

The volume on SIGAR notes that SIGAR always focuses on two of the evaluation criteria used by the international Organization for Economic Cooperation and Development, to which the United States belongs: efficiency and effectiveness. “SIGAR is by default not a harbinger of good news—SIGAR writes about things which do not work well,” Zuercher and a co-author write.7

The report summarized some of SIGAR’s findings about “things which do not work well”:8

• The sheer number of programs and projects overburdened the institutional absorption capacity of the Afghan government.
• The U.S. government routinely overestimated the institutional, regulatory, and infrastructure capacity of the Afghan government.
• High-level corruption, high staff turnovers, and lack of qualified personnel exacerbated the problems.
• Many programs lacked a tailored approach to the context of Afghanistan and aid funds were spent too quickly, fostering “an environment of impunity, weakening the rule of law and [inviting] corruption.”
• U.S. agencies also lacked the oversight capacity and robust monitoring and evaluation mechanisms that would have enabled clear, concise assessments of program performance.
• Most important among the many adverse factors were pervasive corruption, a lack of political will on the part of Afghan partners, and the lack of security.

The report reviewed 51 SIGAR products. “The big lesson that emerges from a close reading of SIGAR reports,” Zuercher told the conference, “is that aid only
has a fair chance of being effective in Afghanistan when programs are modest, rather small than large, do not assume unrealistic partner capacities, are aware of the cultural context, do not spend aid money too fast, do not spend aid money in insecure regions, and are equipped with solid performance measurements and the means to track these with baselines and follow-up data.9

The review acknowledged there have been notable successes in some aspects of Afghanistan development—access to basic health care and education, drinking water and electricity, roads and bridges, basic government services, and basic infrastructure—but added that much less progress has been made in more ambitious goals like institution building or fostering economic growth.10

Based on SIGAR’s work and other material consulted in preparing his meta-review, Zuercher highlighted three recommendations for the international donor community in the report:

Firstly, I recommend a call for modesty in interventions. This requires looking at what really works and avoid being too ambitious.

Secondly, I urge persistency. This includes staying [in Afghanistan] and continuing to implement interventions.

Finally, I would recommend reducing engagement in insecure regions. Evidence shows that interventions in insecure regions are not effective.11

Dove concurred with the meta-review’s findings, then added some reinforcing observations. Dove discussed SIGAR’s longstanding concern with on-budget funding and the use and oversight of trust funds in the reconstruction mission. Concerns include a long-standing inability to verify payroll data for the Afghan security forces, lack of performance reporting and donor oversight for projects, unwillingness of Afghan ministries to enforce established conditions for funding, and Afghan government efforts to change baselines when they are established.

Dove also cited difficulties in anticorruption programs in Afghanistan, and noted that SIGAR is preparing a third Congressionally mandated assessment of the Afghan government’s progress in that area. He told the meeting that a forthcoming Lessons Learned Program report will cover SIGAR’s continuing concern with problems in reconstruction contracting in Afghanistan.

Other SIGAR concerns, Dove said, include project quality and sustainability, and current and potential threats to the rights of Afghan women and girls. He said these and other threats to reconstruction success like insecurity, underdeveloped civil policing, narcotics, and reintegration of ex-combatants will be detailed in an early 2021 third edition of the SIGAR High-Risk List.13

**Supplemental Comments from SIGAR**

On September 8, 2020, Assistant Inspector General for Audits and Inspections Matt Dove represented SIGAR at a BMZ-sponsored online conference to discuss the Zuercher meta-review. Other panelists were a director of the German Institute for Development and Evaluation, a BMZ senior advisor, and a senior operations officer for the World Bank and the Afghanistan Reconstruction Trust Fund. More than 80 representatives of bilateral and multilateral donors to Afghanistan development efforts joined the online event.12
“With the start of intra-Afghan negotiations, we are entering a new phase of the Afghan-led and Afghan-owned peace process.”

—NATO Secretary General Jens Stoltenberg
3 RECONSTRUCTION UPDATE
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)
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.
STATUS OF FUNDS CONTENTS

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International Reconstruction Funding for Afghanistan 61
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.

**FIGURE 3.1**
**U.S. APPROPRIATIONS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS ($ BILLIONS)**

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<thead>
<tr>
<th>DEPARTMENT OF DEFENSE</th>
<th>USAID &amp; OTHER AGENCIES</th>
<th>DEPARTMENT OF STATE</th>
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<tbody>
<tr>
<td>ASFF $80.95</td>
<td>ESF $21.10</td>
<td>INCLE $5.42</td>
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<tr>
<td>CERP $3.71</td>
<td>IDA $1.15</td>
<td>MRA $1.53</td>
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<tr>
<td>DICDA $3.28</td>
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<td>NADR $0.88</td>
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**OTHER RECONSTRUCTION ACCOUNTS – $8.42 BILLION**

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<td>$2.80</td>
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**AGENCY OPERATIONS – $14.79 BILLION**

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**TOTAL AFGHANISTAN RECONSTRUCTION – $141.24 BILLION**

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<tbody>
<tr>
<td>$90.75</td>
<td>$28.36</td>
<td>$22.13</td>
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Note: Numbers have been rounded.
Source: Details of accounts, including sources of data, are provided in Appendix B to this report.
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.

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

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.

### U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

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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

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.

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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.
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.

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

<table>
<thead>
<tr>
<th>Cumulative Amounts Appropriated, Obligated, Disbursed, and Remaining FY 2002 to September 30, 2020 ($ Billions)</th>
<th>Appropriated</th>
<th>Obligated</th>
<th>Disbursed</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan Security Forces Fund (ASFF)</td>
<td>$80.95</td>
<td>$73.97</td>
<td>$73.35</td>
<td>$4.01</td>
</tr>
<tr>
<td>Economic Support Fund (ESF)</td>
<td>21.10</td>
<td>20.03</td>
<td>17.87</td>
<td>2.34</td>
</tr>
<tr>
<td>International Narcotics Control and Law Enforcement (INCLE)</td>
<td>5.42</td>
<td>5.17</td>
<td>4.56</td>
<td>0.65</td>
</tr>
<tr>
<td>Commander's Emergency Response Program (CERP)</td>
<td>3.71</td>
<td>2.29</td>
<td>2.29</td>
<td>0.00</td>
</tr>
<tr>
<td>Drug Interdiction and Counter-Drug Activities (DICDA)</td>
<td>3.28</td>
<td>3.28</td>
<td>3.26</td>
<td>0.02</td>
</tr>
<tr>
<td>Migration and Refugee Assistance (MRA)</td>
<td>1.53</td>
<td>1.52</td>
<td>1.49</td>
<td>0.03</td>
</tr>
<tr>
<td>International Disaster Assistance (IDA)</td>
<td>1.15</td>
<td>1.12</td>
<td>0.93</td>
<td>0.20</td>
</tr>
<tr>
<td>Non-Proliferation, Antiterrorism, Demining, and Related (NADR)</td>
<td>0.88</td>
<td>0.74</td>
<td>0.74</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Eight Largest Active Accounts</td>
<td>118.03</td>
<td>108.13</td>
<td>104.47</td>
<td>7.24</td>
</tr>
<tr>
<td>Other Reconstruction Funds</td>
<td>8.42</td>
<td>8.42</td>
<td>8.42</td>
<td>0.00</td>
</tr>
<tr>
<td>Agency Operations</td>
<td>14.79</td>
<td>14.79</td>
<td>14.79</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$141.24</td>
<td>$141.24</td>
<td>$141.24</td>
<td>$7.24</td>
</tr>
</tbody>
</table>

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.
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


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.

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

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


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.

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

New ASFF Budget Activity Groups for FY 2019 and FY 2020

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

**Table 3.3**

**ASFF FY 2019 AND ASFF FY 2020 BUDGET EXECUTION THROUGH SEPTEMBER 30, 2020 ($ MILLIONS)**

<table>
<thead>
<tr>
<th>Budget Activity Groups</th>
<th>ASFF FY 2019</th>
<th>ASFF FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget (FAP 19-5) Obligations</td>
<td>Disbursements</td>
</tr>
<tr>
<td>Afghan National Army</td>
<td>$1,528.99</td>
<td>$1,483.21</td>
</tr>
<tr>
<td>Afghan National Police</td>
<td>665.00</td>
<td>571.73</td>
</tr>
<tr>
<td>Afghan Air Force</td>
<td>995.95</td>
<td>918.71</td>
</tr>
<tr>
<td>Afghan Spec. Sec. Forces</td>
<td>730.06</td>
<td>711.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,920.00</strong></td>
<td><strong>$3,684.66</strong></td>
</tr>
</tbody>
</table>

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


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.
## TABLE 3.4

### ASFF FY 2019 BUDGET, FY 2020 BUDGET, AND FY 2021 PRESIDENT’S BUDGET REQUEST ($ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan Security Forces Fund, Total</td>
<td>$3,920.00</td>
<td>$4,199.98</td>
<td>$4,015.61</td>
</tr>
<tr>
<td>Afghan National Army, Total</td>
<td>1,528.99</td>
<td>1,222.37</td>
<td>1,235.07</td>
</tr>
<tr>
<td>Sustainment, Total</td>
<td>1,358.52</td>
<td>1,079.14</td>
<td>1,065.93</td>
</tr>
<tr>
<td>Personnel</td>
<td>553.51</td>
<td>366.78</td>
<td>559.33</td>
</tr>
<tr>
<td>Ammunition</td>
<td>87.55</td>
<td>93.93</td>
<td>46.62</td>
</tr>
<tr>
<td>Communications &amp; Intelligence</td>
<td>112.90</td>
<td>98.89</td>
<td>102.87</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
<td>275.96</td>
<td>170.90</td>
<td>76.59</td>
</tr>
<tr>
<td>All Other</td>
<td>328.61</td>
<td>348.63</td>
<td>280.53</td>
</tr>
<tr>
<td>Infrastructure, Total</td>
<td>34.69</td>
<td>37.15</td>
<td>64.50</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
<td>33.55</td>
<td>37.95</td>
<td>47.85</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
<td>102.24</td>
<td>68.13</td>
<td>56.78</td>
</tr>
<tr>
<td>Afghan National Police, Total</td>
<td>665.00</td>
<td>540.20</td>
<td>602.17</td>
</tr>
<tr>
<td>Sustainment, Total</td>
<td>538.23</td>
<td>398.44</td>
<td>434.50</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
<td>152.67</td>
<td>88.77</td>
<td>76.07</td>
</tr>
<tr>
<td>All Other</td>
<td>385.56</td>
<td>309.67</td>
<td>358.43</td>
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<tr>
<td>Infrastructure, Total</td>
<td>0.59</td>
<td>2.36</td>
<td>0.45</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
<td>14.84</td>
<td>61.08</td>
<td>108.23</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
<td>111.34</td>
<td>78.32</td>
<td>58.99</td>
</tr>
<tr>
<td>Afghan Air Force, Total</td>
<td>995.95</td>
<td>1,086.42</td>
<td>835.92</td>
</tr>
<tr>
<td>Sustainment, Total</td>
<td>694.13</td>
<td>602.90</td>
<td>534.10</td>
</tr>
<tr>
<td>Personnel</td>
<td>15.08</td>
<td>31.45</td>
<td>31.38</td>
</tr>
<tr>
<td>Ammunition</td>
<td>96.88</td>
<td>95.81</td>
<td>68.82</td>
</tr>
<tr>
<td>Petroleum, Oil, and Lubricants</td>
<td>56.86</td>
<td>26.54</td>
<td>40.89</td>
</tr>
<tr>
<td>Aircraft Contracted Support</td>
<td>511.26</td>
<td>425.98</td>
<td>370.00</td>
</tr>
<tr>
<td>All Other</td>
<td>14.06</td>
<td>23.13</td>
<td>23.02</td>
</tr>
<tr>
<td>Infrastructure, Total</td>
<td>1.66</td>
<td>8.61</td>
<td>9.53</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
<td>63.97</td>
<td>132.85</td>
<td>58.43</td>
</tr>
<tr>
<td>Aircraft</td>
<td>63.73</td>
<td>127.05</td>
<td>52.40</td>
</tr>
<tr>
<td>Other Equipment and Tools</td>
<td>0.24</td>
<td>5.60</td>
<td>6.03</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
<td>236.19</td>
<td>342.26</td>
<td>233.80</td>
</tr>
<tr>
<td>Afghan Special Security Forces, Total</td>
<td>730.06</td>
<td>1,350.99</td>
<td>1,342.45</td>
</tr>
<tr>
<td>Sustainment, Total</td>
<td>371.29</td>
<td>426.53</td>
<td>680.02</td>
</tr>
<tr>
<td>Aircraft Sustainment</td>
<td>148.38</td>
<td>192.24</td>
<td>250.85</td>
</tr>
<tr>
<td>Personnel</td>
<td>113.14</td>
<td>115.56</td>
<td>142.94</td>
</tr>
<tr>
<td>All Other</td>
<td>109.77</td>
<td>118.73</td>
<td>286.23</td>
</tr>
<tr>
<td>Infrastructure, Total</td>
<td>18.83</td>
<td>21.13</td>
<td>2.53</td>
</tr>
<tr>
<td>Equipment and Transportation, Total</td>
<td>113.44</td>
<td>787.28</td>
<td>486.81</td>
</tr>
<tr>
<td>Training and Operations, Total</td>
<td>226.50</td>
<td>116.05</td>
<td>173.09</td>
</tr>
</tbody>
</table>

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 DSIA.

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.

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.
STATUS OF FUNDS

DRUG INTERDICATION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities (DICDA), Defense appropriation provides funding for efforts intended to stabilize Afghanistan by combating the drug trade and related activities. The DOD Counterdrug group allocates this funding to support the Counternarcotics Police of Afghanistan units (mentored by the DEA and U.S. Army Special Forces) who investigate high-value targets and conduct drug-interdiction operations. Funding is also provided to the Afghanistan Special Mission Wing (SMW) to support their fleet of rotary- and fixed-wing aircraft. The SMW’s aircraft provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.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. 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 3.13.25

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriated and Transferred</th>
<th>Appropriated and Transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>0.7</td>
<td>0</td>
</tr>
</tbody>
</table>

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.

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

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.

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.

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.

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.
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.\(^33\)

**INCLE FUNDS TERMINOLOGY**

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

---

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

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

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

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.
NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

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

The NADR account was allocated $38.50 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, 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.

**NADR FUNDS TERMINOLOGY**

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

Note: Numbers have been rounded.

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

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

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

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

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.

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
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

<table>
<thead>
<tr>
<th>Largest Recipients of Humanitarian Assistance for Afghanistan</th>
<th>Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Organizations</td>
<td></td>
</tr>
<tr>
<td>World Food Programme (WFP)</td>
<td>3,097.75</td>
</tr>
<tr>
<td>United Nations High Commissioner for Refugees (UNHCR)</td>
<td>1,241.30</td>
</tr>
<tr>
<td>United Nations Children’s Fund (UNICEF)</td>
<td>537.04</td>
</tr>
<tr>
<td>United Nations Mine Action Service (UNMAS)</td>
<td>331.04</td>
</tr>
<tr>
<td>International Organization for Migration (IOM)</td>
<td>277.70</td>
</tr>
<tr>
<td>Food and Agricultural Organization (FAO)</td>
<td>216.19</td>
</tr>
<tr>
<td>Office for the Coordination of Humanitarian Affairs (UN OCHA)</td>
<td>144.29</td>
</tr>
<tr>
<td>World Health Organization (WHO)</td>
<td>124.53</td>
</tr>
<tr>
<td>Nongovernmental Organizations</td>
<td></td>
</tr>
<tr>
<td>International Committee of the Red Cross</td>
<td>752.78</td>
</tr>
<tr>
<td>Norwegian Refugee Council</td>
<td>187.97</td>
</tr>
<tr>
<td>HALO Trust</td>
<td>117.18</td>
</tr>
<tr>
<td>Save the Children</td>
<td>109.26</td>
</tr>
<tr>
<td>All Other and Unallocated</td>
<td>2,937.35</td>
</tr>
<tr>
<td><strong>Total Humanitarian Assistance Reported by OCHA</strong></td>
<td><strong>$10,074.38</strong></td>
</tr>
</tbody>
</table>

Note: Percentages may not add to 100% due to rounding. “Others” includes 21 national governments and 13 other entities.

Contributions to the Law and Order Trust Fund for Afghanistan

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

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

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.

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). 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. Figure 3.24 shows Germany, Australia, and Italy as the three largest contributors to the fund. The United States
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.
TABLE 3.6

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

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.

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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.” 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.

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.

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):  
- 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.

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. 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.

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. While the United States funds most ANA salaries, a significant share of ANP personnel costs is paid by
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. 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.” The sentiment was echoed by U.S. Chargé d’Affaires to Afghanistan Ross Wilson the next day. 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].”

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. 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. 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 ANSF 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

![RS-REPORTED CIVILIAN CASUALTIES BY QUARTER](image-url)

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.
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. Figure 3.28 on the previous page shows that while this quarter’s casualties are 30% 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.

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.

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).

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.

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.

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. 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).
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.\footnote{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.\footnote{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 … ensuring required enabler support is provided.”\footnote{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.” 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.”

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.”

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.” 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.”

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. 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.
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. 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.

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. 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).

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.

**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.

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.

**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.

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.


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.

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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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:\textsuperscript{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.\textsuperscript{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

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**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

small-footprint military campaign in Afghanistan. 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.

**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.

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.

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.
SECURITY

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 devises. 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. CSTC-A said thus far, reslotting ALP personnel into ANA-TF and ANP positions in APPS has not caused any problems in the system.

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.

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.

**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.

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. These tolays are currently providing local security in their areas of responsibility, so that the regular ANA forces are free to conduct other operations.

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.

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
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.\textsuperscript{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.\textsuperscript{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).\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.”\textsuperscript{170}

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.
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.”

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.

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

- 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.

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.

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.

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 unsupported checkpoints) as well as to consolidate personnel into patrol bases (the new standard fighting structures for the ANA). CSTC-A estimates that the ANDSF have over 10,000 checkpoints nationwide, with an average of 10–20 personnel at each. CSTC-A reported

that USFOR-A efforts this quarter helped the ANA develop its Checkpoint Reduction and Base Development Plan (CPRBD) for this year.\textsuperscript{182} The ANA nonetheless had a net increase of nine checkpoints this quarter.\textsuperscript{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.\textsuperscript{184} Similarly, the ANP have identified 1,054 checkpoints to eliminate or consolidate from more than 5,000 ANP checkpoints that currently exist.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{188}

CSTC-A noted that much effort is still required to reduce checkpoints across the country.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{192} CSTC-A said the final objective of the
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

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

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.

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. 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).

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.
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. 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. 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. 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. 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). 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.

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.
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 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.

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

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.

SECURITY

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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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).\textsuperscript{222}

Four A-29 Super Tucanos were delivered to the AAF from the United States this quarter. (NATO photo)
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>
<thead>
<tr>
<th>AIRCRAFT</th>
<th>Authorized</th>
<th>Total Inventory</th>
<th>Usable / In-Country</th>
<th>Authorized Aircrews</th>
<th>Assigned Aircrews</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-29</td>
<td>28</td>
<td>28</td>
<td>18</td>
<td>38</td>
<td>24</td>
</tr>
<tr>
<td>AC-208</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>13</td>
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<tr>
<td>C-208</td>
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<td>28</td>
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<td>42</td>
<td>42</td>
<td>42</td>
<td>49</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>160</strong></td>
<td><strong>179</strong></td>
<td><strong>159</strong></td>
<td><strong>193</strong></td>
<td><strong>143</strong></td>
</tr>
</tbody>
</table>

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. 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. 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).

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. 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.

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. Although CSTC-A has moved away from new procurements of major equipment and systems, items already procured are still being delivered to the ANP. 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).

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.

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). CSTC-A
reported that no projects were completed, cancelled, or terminated this quarter, and no new projects were awarded.\textsuperscript{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.\textsuperscript{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.\textsuperscript{240}

\textbf{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{243}

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{Equipment Type} & \textbf{Equipment Description} & \textbf{Units Issued in Quarter} & \textbf{Unit Cost} & \textbf{Total Cost} \\
\hline
Vehicle & M1151 HMMWV (utility truck) & 112 & $199,487 & $22,342,544 \\
Ammunition & 7.62 mm x 39 mm cartridge & 2,492,189 & 1 & 2,492,189 \\
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 & 138,500 \\
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 \\
\hline
\textbf{Total Cost of Equipment} & & & & $28,554,910 \\
\hline
\end{tabular}
\caption{Major Equipment Provided to the ANP}
\end{table}

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.

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.

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.

**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). Although contamination includes legacy mines laid before 2001, most casualties today are caused by mines and other ERW that have accumulated since 2002. 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. 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.
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>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Minefields Cleared (m²)</th>
<th>AT/AP Destroyed</th>
<th>UXO Destroyed</th>
<th>SAA Destroyed</th>
<th>Estimated Contaminated Area Remaining (m²)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>39,337,557</td>
<td>13,879</td>
<td>663,162</td>
<td>1,602,267</td>
<td>650,662,000</td>
</tr>
<tr>
<td>2011</td>
<td>31,644,360</td>
<td>10,504</td>
<td>345,029</td>
<td>2,393,725</td>
<td>602,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>46,783,527</td>
<td>11,830</td>
<td>344,363</td>
<td>1,058,760</td>
<td>550,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>25,059,918</td>
<td>6,431</td>
<td>203,024</td>
<td>275,697</td>
<td>521,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>22,071,212</td>
<td>12,397</td>
<td>287,331</td>
<td>346,484</td>
<td>511,600,000</td>
</tr>
<tr>
<td>2015</td>
<td>12,101,386</td>
<td>2,134</td>
<td>33,078</td>
<td>88,798</td>
<td>570,800,000</td>
</tr>
<tr>
<td>2016</td>
<td>27,856,346</td>
<td>6,493</td>
<td>6,289</td>
<td>91,563</td>
<td>607,600,000</td>
</tr>
<tr>
<td>2017</td>
<td>31,897,313</td>
<td>6,646</td>
<td>37,632</td>
<td>88,261</td>
<td>547,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>25,233,844</td>
<td>5,299</td>
<td>30,924</td>
<td>158,850</td>
<td>558,700,000</td>
</tr>
<tr>
<td>2019</td>
<td>13,104,094</td>
<td>3,102</td>
<td>26,791</td>
<td>162,727</td>
<td>657,893,033</td>
</tr>
<tr>
<td>2020</td>
<td>16,886,630</td>
<td>2,073</td>
<td>6,913</td>
<td>58,359</td>
<td>701,040,407</td>
</tr>
<tr>
<td>Total</td>
<td>291,976,187</td>
<td>80,788</td>
<td>1,984,536</td>
<td>6,325,491</td>
<td></td>
</tr>
</tbody>
</table>

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

* 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.

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

Note: Total dollars vary slightly since some packages were still pending payment at the time the financial report was generated. Total assistance rounded to the nearest dollar.

“Total Assistance” includes immediate assistance, tailored assistance, and medical assistance.

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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). 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. 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. 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?
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.”276

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
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
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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.” 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.” 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.

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. Ambassador Khalilzad noted, “There is a big gap in between the two sides.”

As of October 27, the Islamic Republic and Taliban negotiating teams were still discussing the code of conduct for the talks. Ambassador Khalilzad, speaking to Afghan media on October 6, 2020, said he expected the peace process to last months, not years. (The U.S.-Taliban talks took 18 months of “intense diplomacy” to reach the February 29, 2020, agreement that helped make these negotiations possible.) 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.”
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.” 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.

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.” 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.

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.

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. 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. 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.

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.

**MUTUAL ACCOUNTABILITY**

**Afghanistan Compact Appears Defunct**

The Afghanistan Compact—an Afghan-led initiative designed to demonstrate the government’s commitment to reforms—appears defunct, as it remains suspended this quarter and State suggested that SIGAR stop asking about its status. 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. 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. 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.”

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. 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. The Afghan and Finnish governments are preparing a Mutual Accountability Framework to facilitate discussions with
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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.


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

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.

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.

At the November 2018 Geneva Conference on Afghanistan, international donors reaffirmed their intention to provide $15.2 billion for Afghanistan’s development priorities up to 2020 and to direct continuing but gradually declining financial support to Afghanistan’s social and economic development through 2024.

As shown in Table 3.12, USAID’s active, direct bilateral-assistance programs have a total estimated cost of $352 million. USAID also expects to contribute $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).

TABLE 3.12

USAID ON-BUDGET PROGRAMS

<table>
<thead>
<tr>
<th>Project/Trust Fund Title</th>
<th>Afghan Government On-Budget Partner</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 10/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilateral Government-to-Government Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Transmission Expansion and Connectivity (PTEC)</td>
<td>Da Afghanistan Breshna Sherkat</td>
<td>1/1/2013</td>
<td>12/31/2023</td>
<td>$316,713,724</td>
<td>$266,806,323</td>
</tr>
<tr>
<td>Textbook Printing and Distribution</td>
<td>Ministry of Education</td>
<td>9/15/2017</td>
<td>12/31/2020</td>
<td>35,000,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Multidonor Trust Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Afghanistan Reconstruction Trust Fund (ARTF) (current award)*</td>
<td>Multiple</td>
<td>9/29/2020</td>
<td>12/31/2025</td>
<td>$700,000,000</td>
<td>0</td>
</tr>
</tbody>
</table>

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

The ARTF provides funds to the Afghan government’s operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs. The AITF coordinates donor assistance for infrastructure projects.

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).

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).

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.)

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.

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).\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{334} UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.\textsuperscript{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.\textsuperscript{336} The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the MOF, which allots it incrementally to the MOD and MOI.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.

\textbf{TABLE 3.13}

**USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 10/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong Hubs for Afghan Hope and Resilience (SHAHAR)</td>
<td>11/30/2014</td>
<td>3/31/2021</td>
<td>$73,499,999</td>
<td>$69,233,467</td>
</tr>
<tr>
<td>Initiative to Strengthen Local Administrations (ISLA)</td>
<td>2/1/2015</td>
<td>3/31/2021</td>
<td>52,500,000</td>
<td>47,296,631</td>
</tr>
<tr>
<td>Citizens’ Charter Afghanistan Project (CCAP)*</td>
<td>3/31/2012</td>
<td>9/30/2020</td>
<td>N/A</td>
<td>85,614,589</td>
</tr>
</tbody>
</table>

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. 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).

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. 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).

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.

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. 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.

**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
consulation, 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. 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.

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.

According to a recent study on CCAP (which the World Bank described as “relevant and useful”), 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.

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. 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.

**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.

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
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

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**TABLE 3.14**

**RULE OF LAW AND ANTI-CORRUPTION PROGRAMS**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 10/9/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan’s Measure for Accountability and Transparency (AMANAT)</td>
<td>8/23/2017</td>
<td>8/22/2022</td>
<td>31,986,588</td>
<td>9,690,477</td>
</tr>
<tr>
<td>Corrections System Support Program (OASIS CSSP) Option Year 2*</td>
<td>6/1/2018</td>
<td>5/31/2022</td>
<td>17,754,251</td>
<td>12,555,178</td>
</tr>
<tr>
<td>Continuing Professional Development Support (CPDS)*</td>
<td>2/6/2018</td>
<td>8/31/2020</td>
<td>8,640,922</td>
<td>8,640,922</td>
</tr>
</tbody>
</table>

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.
institutions, from the moment a case is initiated to the end of confinement.\textsuperscript{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.\textsuperscript{379} As of August 15, 2020, the CMS contained 534,379 criminal and 113,867 civil case records.\textsuperscript{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.\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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.\textsuperscript{384}

This quarter, USAID’s third-party monitoring program released its mid-term evaluation covering ADALAT’s performance through December 2019.\textsuperscript{385} The evaluators relied on ADALAT-generated performance data and periodic reports as well as interviews with 171 respondents.\textsuperscript{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.\textsuperscript{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.\textsuperscript{393} According to State, OPA facilities released approximately 7,000 prisoners due to COVID-19 and 1,500–2,000 Taliban prisoners.\textsuperscript{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.\textsuperscript{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.\textsuperscript{396}

Anticorruption
The Afghan government’s anticorruption strategy expired in December 2019.\textsuperscript{397} According to DOJ, the Afghan government is developing an update and has produced a draft.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{401} The UN criticized the Afghan government’s failure to provide a clear legal foundation for the government’s ombudsperson’s office last quarter.\textsuperscript{402}
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
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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 Ghafer, 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
Panjshir Province and head of Afghanistan’s National Football Federation, allegedly sexually assaulted and harassed female Afghan soccer players. 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. This same deputy governor told the New York Times in a September interview that Panjshiris “don’t see themselves in the government anymore.”

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. 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.

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. 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.

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.

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. CSTC-A expects the annual polygraph “integrity checks” will result in an MCTF that is a reliable partner. 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.”)

- **General Directorate for Internal Security (GDIS)** will be administering the polygraph exams as part of the MCTF reform effort.

- **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.

- **Established in June 2019**, 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
GOVERNANCE

says. (As of July, the MOD CID has investigated 91 cases of corruption, referring 74 to the AGO.\textsuperscript{430}) MOD CID takes longer to investigate corruption cases due to inexperienced staff, the complexity of the cases, and interference.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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).\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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
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. 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.

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. 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. 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. 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.

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. In contrast, UNODC reporting indicated that Afghanistan’s 2020 opium-poppy harvest was largely uninterrupted by COVID-19.

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.

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. 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.

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; and Ministry of Education.
INL subsequently reported that the breakup was proceeding slowly because the Afghan government considered the MCN dissolution a low-priority issue. 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. 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.

Although counternarcotics-associated programming in public-health programs consistently administered by non-MCN entities such as MOPH probably remain unaffected, 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. These new authorities include development and program-funding endeavors, such as public information campaigns or provincial cooperation projects, which are critical to policy-making. 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 CNPAs financial capacity, but it is too early to tell if these efforts will be sufficient to overcome the CNPAs lack of policymaking resources.

The second affected entity is the NSIA that has been given all responsibility for poppy-survey-related work. 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. 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. These disagreements over the yield prevented the 2019 Afghanistan Opium Survey: Cultivation Estimate from being released.

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. Further, the second of the two annual reports, the 2019 Afghanistan Opium Survey: Socioeconomic Analysis, is scheduled to be released in the coming months. UNODC and NSIA are discussing whether to include portions of the unreleased report, such as cultivation figures, in the forthcoming socioeconomic report.

Finally, one of the few ongoing counternarcotics-specific INL programs is now inoperative from INLs 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. 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
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. 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.

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. 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.

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.

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.
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

<table>
<thead>
<tr>
<th>INTERDICTION RESULTS, FISCAL YEARS 2010–2020</th>
</tr>
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<tbody>
<tr>
<td>------</td>
</tr>
<tr>
<td>Number of Operations</td>
</tr>
<tr>
<td>Detainees</td>
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<tr>
<td>Hashish seized (kg)</td>
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<td>Heroin seized (kg)</td>
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<td>Morphine seized (kg)</td>
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<tr>
<td>Opium seized (kg)</td>
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<tr>
<td>Precursor chemicals seized (kg)</td>
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<tr>
<td>Methamphetamine¹ (kg)</td>
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<tr>
<td>Amphetamine (kg)</td>
</tr>
</tbody>
</table>

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.541

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.542 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.543

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.544

Refugees and Internal Displacement

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.

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 10.545

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 overseas 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.546
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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{519}

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 OCHA reported 346,947 displaced persons.\textsuperscript{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.\textsuperscript{521} Table 3.16 shows the current Promote programs.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Estimated Cost</th>
<th>Cumulative Disbursements, as of 10/9/2020</th>
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</thead>
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<td>7/1/2015</td>
<td>8/31/2020</td>
<td>$71,571,543</td>
<td>$70,679,661</td>
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<td>Promote: Women’s Rights Groups and Coalitions</td>
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<td>9/1/2021</td>
<td>29,534,401</td>
<td>25,921,266</td>
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<td>Promote: Rolling Baseline and End-line Survey</td>
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<td>1/20/2021</td>
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<td>Combating Human Trafficking in Afghanistan</td>
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<td>8/31/2020</td>
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<td>6,962,858</td>
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<tr>
<td>Gender Based Violence (GBV)</td>
<td>7/8/2015</td>
<td>1/7/2021</td>
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<td>6,667,272</td>
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Source: USAID, response to SIGAR data call, 10/12/2020.
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.\textsuperscript{522} (There may be double counting: Promote beneficiaries counted as interns may also be counted when they secure permanent employment.)\textsuperscript{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.\textsuperscript{524} According to USAID, 19,869 WIE female beneficiaries received new or better employment compared to a target of 17,500 women.\textsuperscript{525} (As SIGAR reported in 2018, USAID revised down this WIE target from 25,000 to 21,000, and then again to 17,500.)\textsuperscript{526} Also, 13,525 women received a 10% or greater improvement in wages or income.\textsuperscript{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).\textsuperscript{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.\textsuperscript{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. 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.

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, Bamyan, Balkh, and Nangarhar Provinces. 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.

Overall, however, the authors concluded that women’s participation in peace efforts was “largely symbolic and weak.” 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. 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.

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. 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.
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.\textsuperscript{519}

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
# ECONOMIC CONTENTS

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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%. 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.

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. 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. In late September, Osmani further warned of a “second wave” hitting Afghanistan.
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.” 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.” 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.
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. 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.

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. 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. 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%.

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. 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%. 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.

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**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.
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. 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. 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.
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. 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. 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. 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.

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. 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.

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. 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.

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. 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.

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. 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.\textsuperscript{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.\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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”\textsuperscript{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\%.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{593}

With the possibility that nearly one-third of the Afghan population has contracted the disease,\textsuperscript{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. 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. USAID’s Country Development Cooperation Strategy (CDCS) for Afghanistan, nested within the ICS, further outlines the need to:

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

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. 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.” 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.

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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{605}
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. Yet, Afghanistan remains poor, aid-dependent, and conflict-affected, with the potential for economic growth in the short term further limited by COVID-19. 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).

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. 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. 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.

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. 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. 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. 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. 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.\textsuperscript{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 Sherkan 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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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...
in November 2018.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{636}

\textbf{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.\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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. 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, according to SIGAR this quarter, but the precise timing remains under review by NATO and the Afghan government. 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.

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
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. Beginning in March 2020, customs revenues dropped “to close to zero for several months,” State said. 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.

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. 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. 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. Yet, customs revenues over the first nine months of 2020 remained 41.3% below the same period during the previous year.

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. Specifically, the strategy aims to:

- 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.


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**FIGURE 3.35**

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

Revenues recovering but remain below previous year’s...

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

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**FIGURE 3.36**

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

...with expenditures beginning to fall amidst the COVID-19 pandemic.

Source: SIGAR analysis of MOF-provided AFMIS data exported 10/13/2020 and 1/18/2020.
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. During 2020, Afghanistan’s economy is expected to experience a significant contraction, inhibiting the impact of efforts to promote future economic growth. 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. 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. 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. USAID also said lockdown restrictions had reduced coordination with stakeholders and depressed procurement processes, with wide ramifications for projects’ operations.

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). 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. 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.

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:

- 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. 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.

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. 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.

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. 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,
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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{687} In recent years, Islamic State-Khorasan has likewise increasingly relied on the exploitation of mines for revenue generation.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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%.\textsuperscript{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.\textsuperscript{693}
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.694

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.694
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. 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. 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.”

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. 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.

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.

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. 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.

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. 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. 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.

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. 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. 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. 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. 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. 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. 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.

**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. USAID alone has disbursed more than $4.5 billion for infrastructure projects.

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. 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.”

**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.

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

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. 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 return to normal operations. 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.
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. 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. 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.

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. 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. 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.

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.

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:

- 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. 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. 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.

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**TABLE 3.20**

**USAID ACTIVE ENERGY PROJECTS**

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

**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. 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. Millions more Afghan children attend school today compared to the number under the Taliban, which generally banned girls from attending. 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. 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.

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). 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.

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. 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. 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.

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.
“This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country,” the NSIA commented. 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. 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. 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. 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.

Since 2002, USAID has disbursed more than $1.2 billion for education programs in Afghanistan, as of October 9, 2020. 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. Although the government intended to open schools by April 18,

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

Source: USAID, response to SIGAR data call, 10/12/2020.
Beginning in early August, the Afghan government began a phased reopening of schools. All universities opened on August 5. 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. The Afghan government approved reopening public schools from the first to tenth grades on October 3. 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.

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. 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.

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. ACR has two primary objectives:

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. The program staff was unable to distribute course materials and was forced to suspend both its
trainings for teachers and data collection for its research activities. 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.

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.

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.

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. According to State, the AGO’s investigation has identified 20 perpetrators. 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.

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. 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. 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. 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.

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.
“some respondents reported [the] possibility of individuals who could have [an] inclination towards child abuse; however, no child abuse was reported.” 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.

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. 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.” 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.

U.S. on- and off-budget assistance to Afghanistan’s health sector totaled more than $1.4 billion as of October 9, 2020. USAID’s active health
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. 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. USAID informed SIGAR this quarter that $36,739 in program funding has been redirected to Health Sector Resiliency activities in response to COVID-19. 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.

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

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

Source: USAID, response to SIGAR data call, 10/12/2020.
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. 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, Bamiyan, and Khost Provinces.

**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. 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.

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). 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. 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.
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The United States, as part of the NATO-led Resolute Support mission, transferred these Brazilian A-29 Super Tucano attack aircraft—seen here with rockets, bombs, and multi-barrel cannons—to the Afghan Air Force at a ceremony in Kabul. (NATO photo)
OTHER AGENCY OVERSIGHT

SIGAR’s enabling legislation requires it to keep the Secretary of State and the Secretary of Defense fully informed about problems relating to the administration of Afghanistan reconstruction programs, and to submit a report to Congress on SIGAR’s oversight work and on the status of the U.S. reconstruction effort no later than 30 days after the end of each fiscal quarter. The statute also instructs SIGAR to include, to the extent possible, relevant matters from the end of the quarter up to the submission date of its report.

Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section compiles these updates. Copies of completed reports are posted on the agencies’ respective public websites.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full names; standardized capitalization, punctuation, and preferred spellings; and third-person instead of first-person construction.

These agencies perform oversight activities in Afghanistan and provide results to SIGAR:

• Department of Defense Office of Inspector General (DOD OIG)
• Department of State Office of Inspector General (State OIG)
• Government Accountability Office (GAO)
• U.S. Army Audit Agency (USAAA)
• U.S. Agency for International Development Office of Inspector General (USAID OIG)
Table 4.1 lists the 15 oversight reports related to Afghanistan reconstruction that participating agencies completed this quarter.

**TABLE 4.1**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Report Number</th>
<th>Date Issued</th>
<th>Report Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOD OIG</td>
<td>DODIG-2020-120</td>
<td>8/28/2020</td>
<td>Audit of Management of Pharmaceuticals in Support of the U.S. Central Command Area of Responsibility</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>DODIG-2020-104</td>
<td>7/10/2020</td>
<td>Audit of Combined Security Transition Command-Afghanistan’s Implementation of the Core Inventory Management System Within the Afghan National Defense and Security Forces</td>
</tr>
<tr>
<td>State OIG</td>
<td>AUD-MERO-20-46</td>
<td>9/25/2020</td>
<td>Audit of Food Services Under the Afghanistan Life Support Services Contract</td>
</tr>
<tr>
<td>State OIG</td>
<td>AUD-MERO-20-38</td>
<td>8/04/2020</td>
<td>Audit of the Department of State’s Approach to Adjust the Size and Composition of Missions Afghanistan and Iraq</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>8-306-20-047-N</td>
<td>7/30/2020</td>
<td>Audit of the Fund Accountability Statement of Roots of Peace, Commercial Horticulture and Agriculture Marketing Program in Afghanistan</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>8-306-20-046-N</td>
<td>7/29/2020</td>
<td>Audit of the Fund Accountability Statement of Family Health International Under Multiple Awards in Afghanistan</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>8-306-20-045-N</td>
<td>7/28/2020</td>
<td>Audit of the Fund Accountability Statement of Tetra Tech, ARD Under Multiple Awards in Afghanistan</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>8-306-20-044-N</td>
<td>7/27/2020</td>
<td>Audit of the Fund Accountability Statement of DAI Global</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>8-306-20-043-N</td>
<td>7/14/2020</td>
<td>Audit of the Fund Accountability Statement of Michigan State University Under Grain Research and Innovation Program in Afghanistan</td>
</tr>
</tbody>
</table>

U.S. Department of Defense Office of Inspector General
During this quarter, DOD OIG released three reports related to Afghanistan reconstruction.

Audit of Management of Pharmaceuticals in Support of the U.S. Central Command Area of Responsibility
DOD OIG determined the military departments did not fully account for or safeguard pharmaceuticals at seven medical treatment facilities (MTFs), four MTF medical logistics facilities, one U.S. Army Medical Materiel Center-Southwest Asia (USAMMC-SWA) warehouse, and two USAMMC-SWA Forward Logistics Elements (FLEs) in the U.S. Central Command (CENTCOM) area of responsibility. As a result of the accountability and safeguarding deficiencies identified, the controlled and noncontrolled pharmaceuticals at these locations were susceptible to loss, theft, abuse, and diversion.

Controlled pharmaceuticals are particularly vulnerable to diversion for illicit use. Noncontrolled pharmaceuticals, which are pilferable and sometimes expensive, may be diverted to recreational use. Improper use of these pharmaceuticals can degrade military operations and damage the lives, safety, and readiness of military personnel. Without properly conducting inventories, CENTCOM would not be able to determine whether losses occurred or determine the exact amount of losses of controlled and noncontrolled pharmaceuticals at each MTF, MTF medical logistics facility, and USAMMC-SWA FLE.

During the audit and while DOD OIG was on site, MTF, MTF medical logistics facility, and USAMMC-SWA FLE personnel initiated corrective actions, including documenting patient returns of controlled pharmaceuticals and expired controlled pharmaceuticals on their accountability records, and updating or completing forms listing authorized medical personnel (Department of the Army Form 1687). USAMMC-SWA FLE Kuwait personnel added controlled pharmaceuticals on their accountability records, and the amounts were verified during the May 2020 Disinterested Officer inventory. In addition, several security improvements have been completed or initiated since the audit team site visits.

DOD OIG recommended that the CENTCOM Theater Pharmacist coordinate with the CENTCOM Surgeon to establish or update policies and procedures to clarify the requirements for Disinterested Officer and action officers when conducting Disinterested Officer inventories, and include in the policy requirements for the minimum level of security required for controlled and noncontrolled pharmaceuticals for deployed MTFs within the CENTCOM area of responsibility. DOD OIG also recommended that the CENTCOM Theater Pharmacist develop a tracking mechanism to verify that Department of Army Forms 1687 are completed and updated and that Disinterested Officer inventories are completed monthly.
Finally, DOD OIG recommended that the CENTCOM Theater Pharmacist update the site-visit review checklist to include requirements to verify that Department of Army Forms 1687 are completed and updated, noncontrolled pharmaceutical inventories are completed, security procedures are followed, and security deficiencies are addressed. Management took immediate action to address each recommendation; all recommendations are now closed.

**Audit of the Air Force Remotely Piloted Aircraft Operations and Maintenance Support Contract**

DOD OIG determined that Air Combat Command, Acquisition Management and Integration Center (AMIC) ensured that the Remotely Piloted Aircraft (RPA) contractor complied with contractually required maintenance procedures and performance requirements. Furthermore, AMIC verified the accuracy of contractor invoices before payment and only reimbursed the contractor for contractually eligible costs. However, AMIC did not formally document its invoice review process.

Instead of having written procedures, AMIC staff stated that they reviewed 100% of contractor invoices and relied on informal guidance from the contracting officer and program manager to ensure that AMIC paid the contractor only for contractually compliant performance and reimbursement costs eligible under the terms of the contract. DOD OIG reviewed a statistical sample of 33 of 139 firm-fixed-price invoices, and 30 of 70 cost reimbursable invoices, and did not find any instances of the contractor claiming ineligible costs for reimbursement. As a result of AMIC’s contract oversight, AMIC had assurances that the $124 million spent on the RPA contract was for contractually compliant services and only included costs eligible for reimbursement. However, without a documented invoice-review process, future contracting and program management staff may inconsistently review invoices, which could result in payments to the contractor for ineligible costs.

DOD OIG recommended that the AMIC Director direct the RPA Operations and Maintenance Support Contract program manager and contracting officer to develop and implement formal procedures detailing who is responsible for conducting invoice reviews and the methodology for conducting those reviews. Management agreed with the recommendations.

**Audit of Combined Security Transition Command-Afghanistan’s Implementation of the Core Inventory Management System Within the Afghan National Defense and Security Forces**

DOD OIG determined that while Combined Security Transition Command-Afghanistan’s (CSTC-As) implementation of the Core Inventory Management System (CoreIMS) has improved the accountability of weapons and vehicles at the Afghan National Defense and Security Forces
(ANDSF) national warehouses, it had not led to full accountability at the
ANDSF local sites. Specifically, in August 2016, CSTC-A implemented a
process that captured the serial numbers and locations of more than 95%
of weapons and vehicles provided to the ANDSF by DOD between October
2016 and August 2019. However, DOD OIG also determined that the ANDSF
did not use CoreIMS at 78 of its 191 (41%) local sites. The ANDSF did not
use CoreIMS to account for weapons and vehicles held at all local sites
because CSTC-A did not fully consider the level of difficulty the challenges
of the operational environment would have on the implementation of
CoreIMS. As a result of the ANDSF’s inability to consistently use CoreIMS at
all ANDSF sites, CSTC-A will not be able to assist the ANDSF in identifying
some instances of weapon and vehicle theft, help the ANDSF plan its future
equipment requirements, and reduce duplicate issuance of weapons and
vehicles. In addition, CSTC-A continues to expend resources on implement-
ing CoreIMS without a strategy for sites that do not have the capability to
implement CoreIMS. Therefore, the ANDSF will continue to rely on CSTC-A
to train, advise, and assist the ANDSF in improving logistics capabilities.

DOD OIG recommended that the CSTC-A Commander work with the
ANDSF, as part of CSTC-A’s train, advise, and assist mission, to develop a
formal process and alternate mechanism to feed weapon and vehicle infor-
mation from the local sites where CoreIMS cannot be used into CoreIMS
at the regional depots, national warehouses, or local-level sites that do use
CoreIMS. The CSTC-A Commander should also conduct an assessment to
determine the specific challenges that are preventing each of the 78 local
sites from adopting CoreIMS, and identify specific resources needed to
adopt CoreIMS at those local sites, before expending any further resources
on enhancing CoreIMS. Management agreed with the recommendations.

U.S. Department of State Office of Inspector General–Middle
East Regional Operations
During this quarter, State OIG released three reports related to Afghanistan
reconstruction.

Audit of Food Services under the Afghanistan Life Support
Services Contract
The Department of State provides life support services to U.S. govern-
ment personnel working in Kabul through the Afghanistan Life Support
Services (ALiSS) contract. One of the ALiSS contract’s task orders requires
the contractor to provide three meals a day, seven days a week, across
multiple dining facilities on the embassy compound and at other outly-
ing U.S. government facilities in Kabul. State OIG conducted this audit to
determine whether State administered the ALiSS food services task order
in accordance with federal regulations, State policies, and contract terms
and conditions.
State OIG found that State did not administer the ALiSS food service task order in accordance with all applicable federal regulations, State policies, and contract terms and conditions. For example, although the contracting officer’s representative (COR) developed an oversight checklist that included items to monitor, the checklist did not include almost half of the performance standards the COR was required to monitor. Moreover, the COR did not properly maintain oversight checklists: when requested, the COR could not provide completed oversight checklists for 33 of 35 of the months reviewed during the audit. Furthermore, the contractor never established or implemented a cost control plan, as it had indicated it would do in its bid proposal for the task order.

Finally, State OIG found that State did not consider the declining number of personnel living and working at the Kabul embassy compound and outlying U.S. government facilities when it decided to exercise the contract’s most recent option year, making the number of meals estimated for the option year, and the costs related to that estimated number of meals, higher than it should have been. This resulted in State paying almost $8.4 million for meals it did not need and that were not provided.

State OIG made five recommendations that are intended to improve the administration and oversight of future food service task orders. The relevant State Department bureaus and offices concurred with all five recommendations. State OIG considered all five recommendations resolved pending further action at the time the report was issued.

Audit of Bureau of Overseas Buildings Operations Process to Identify and Apply Best Practices and Lessons Learned to Future Construction Projects
State OIG conducted this audit to determine the extent to which the State Department’s Bureau of Overseas Buildings Operations (OBO) was evaluating completed construction projects to identify and communicate best practices and lessons learned that can be applied to future construction projects. For this audit, State OIG reviewed and considered the practices employed for several construction projects, including Kabul, Afghanistan; Ashgabat, Turkmenistan; and Islamabad, Pakistan.

State OIG found that OBO had a process to identify, disseminate, and apply lessons learned that are associated with technical design standards and criteria. However, State OIG found that the process did not capture broader best practices or lessons learned that are critical to OBO’s construction work, including strengthening collaboration among stakeholders, facilitating building maintenance, and improving program and construction management. State OIG determined that these activities had been
overlooked in the lessons-learned process because OBO had devoted attention and resources solely to collecting and addressing technical design challenges encountered in its construction projects.

State OIG made four recommendations in this report, three to OBO, and one to the State Office of Acquisitions Management. The relevant offices concurred with all four recommendations. State OIG considered one recommendation closed and three recommendations resolved pending further action at the time the report was issued.

**Audit of the Department of State’s Approach to Adjust the Size and Composition of Missions Afghanistan and Iraq**

State OIG conducted this audit to determine whether the State Department (1) used established procedures, guidance, and best practices in its approach to adjust the size and composition of Missions Afghanistan and Iraq; and (2) aligned the resources invested at these missions with established U.S. government foreign policy priorities.

State OIG found that State’s approach to adjusting the number and composition of the staff at Missions Afghanistan and Iraq did not fully use existing procedures, guidance, or best practices from previous efforts. Specifically, State OIG found that each mission conducted staffing reviews in an expedited manner because the Office of the Secretary of State verbally directed both missions to immediately reduce staff despite foreign policy priorities and strategic diplomatic objectives for each mission, including preventing and countering malign threats, remaining unchanged.

State OIG made three recommendations to ensure that staffing levels in Afghanistan and Iraq align with U.S. foreign policy priorities and that these missions have the appropriate resources to achieve strategic diplomatic objectives. The Office of the Under Secretary of State for Management concurred with all three recommendations. State OIG considered all three recommendations resolved pending further action at the time the report was issued.

**Government Accountability Office**

The GAO completed no audits related to Afghanistan reconstruction this quarter.

**U.S. Army Audit Agency**

The USAAA completed no audits related to Afghanistan reconstruction this quarter.

During this quarter, USAID OIG released nine financial-audit reports related to Afghanistan reconstruction.

- Audit of the Fund Accountability Statement of Roots of Peace, Commercial Horticulture and Agriculture Marketing Program in Afghanistan, Cooperative Agreement 306-A-00-10-00512, January 1 to December 31, 2018
- Audit of the Fund Accountability Statement of Family Health International Under Multiple Awards in Afghanistan, January 1, 2018, to September 30, 2019
- Audit of the Fund Accountability Statement of Tetra Tech, ARD Under Multiple Awards in Afghanistan, From October 1, 2017, to September 30, 2018
- Audit of the Fund Accountability Statement of DAI Global LLC, Under Multiple Awards in Afghanistan, 2017–2018
- Audit of the Fund Accountability Statement of the Consortium for Elections and Political Process Strengthening, Strengthening Civic Engagement in Elections in Afghanistan Project, Cooperative Agreement 72030618LA00004, August 9 to December 31, 2018
OTHER AGENCY OVERSIGHT

ONGOING OVERSIGHT ACTIVITIES

As of September 30, 2020, the participating agencies reported 16 ongoing oversight activities related to reconstruction in Afghanistan. These activities are listed in Table 4.2 and described in the following sections by agency.

TABLE 4.2

<table>
<thead>
<tr>
<th>Agency</th>
<th>Report Number</th>
<th>Date Initiated</th>
<th>Report Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOD OIG</td>
<td>D2020-DEVOPD-0121.000</td>
<td>7/20/2020</td>
<td>Evaluation of Traumatic Brain Injury Screening in the U.S. Central Command Area of Responsibility</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2020-DO00RJ-0155.000</td>
<td>7/6/2020</td>
<td>Audit of Coalition Partner Reimbursements for Air Transportation Services in Afghanistan</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2020-DEVOPD-0130.000</td>
<td>5/11/2020</td>
<td>Evaluation of U.S. Combatant Commands’ Responses to the Coronavirus Disease–2019</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2020-DEVOSR-0095.000</td>
<td>3/2/2020</td>
<td>Evaluation of the Operational Support Capabilities of Naval Support Activity Bahrain Waterfront Facilities</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2020-DEVOPD-0026.000</td>
<td>10/28/2019</td>
<td>Evaluation of Combatant Command Counter Threat Finance Activities</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2019-DEVOPD-0192.000</td>
<td>8/26/2019</td>
<td>Evaluation of DOD Processes to Counter Radio Controlled Improvised Explosive Devices</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>D2019-DISPA2-0051.000</td>
<td>2/6/2019</td>
<td>Evaluation of U.S. CENTCOM Kinetic Targeting Processes and Reporting Procedures</td>
</tr>
<tr>
<td>State OIG</td>
<td>TBD</td>
<td>TBD</td>
<td>Audit of the Public Affairs Section Oversight of Grants and Cooperative Agreements at U.S. Embassy Kabul</td>
</tr>
<tr>
<td>State OIG</td>
<td>20AUD111</td>
<td>TBD</td>
<td>Audit of the Use of Non-Competitive Contracts in Support of Overseas Contingency Operations in Afghanistan and Iraq</td>
</tr>
<tr>
<td>State OIG</td>
<td>20AUD098</td>
<td>9/20/2020</td>
<td>Audit of Department of State Compliance with Requirements Relating to Undefinitized Contract Actions</td>
</tr>
<tr>
<td>State OIG</td>
<td>20AUD110</td>
<td>9/02/2020</td>
<td>Information Report: Review of Department of State Preparations to Return Employees and Contractors to Federal Office During the Global Coronavirus Pandemic</td>
</tr>
<tr>
<td>GAO</td>
<td>104132</td>
<td>3/24/2020</td>
<td>Review of DOD’s Contingency Contracting</td>
</tr>
<tr>
<td>GAO</td>
<td>104151</td>
<td>2/28/2020</td>
<td>DOD Oversight of Private Security Contractors</td>
</tr>
<tr>
<td>GAO</td>
<td>103076</td>
<td>10/1/2018</td>
<td>Afghanistan Reconstruction Projects–Waste, Fraud, and Abuse</td>
</tr>
<tr>
<td>USAID OIG</td>
<td>881F0119</td>
<td>9/30/2019</td>
<td>Audit of USAID/Afghanistan’s Risk Management and Project Prioritization</td>
</tr>
</tbody>
</table>

Source: DOD OIG, response to SIGAR data call, 9/21/2020; State OIG, response to SIGAR data call, 9/18/2020; GAO, response to SIGAR data call, 9/21/2020; USAID OIG, response to SIGAR data call, 9/16/2020; USAAA, response to SIGAR data call, 8/19/2020.
OTHER AGENCY OVERSIGHT

U.S. Department of Defense Office of Inspector General
DOD OIG has eight ongoing projects this quarter that relate to reconstruction or security operations in Afghanistan.

Evaluation of Traumatic Brain Injury Screening in the U.S. Central Command Area of Responsibility
DOD OIG is determining whether U.S. Central Command screened, documented, and tracked DOD service members suspected of sustaining a Traumatic Brain Injury to determine whether a return to duty status for current operations was acceptable or evacuation and additional care was required.

Audit of the Coalition Partner Reimbursements for Air Transportation Services in Afghanistan
DOD OIG is determining whether DOD sought full reimbursement for air transportation services provided to Coalition partners in Afghanistan in accordance with DOD policy and international agreements.

Evaluation of U.S. Combatant Commands’ Responses to the Coronavirus Disease-2019
DOD OIG is determining how the geographic combatant commands (less U.S. Northern Command) and their component commands executed pandemic-response plans, and is identifying the challenges encountered in implementing the response plans and the impact to operations resulting from COVID-19.

Evaluation of the Operational Support Capabilities of Naval Support Activity Bahrain Waterfront Facilities
DOD OIG is determining whether the Ship Maintenance Support Facility and Mina Salman Pier, which the U.S. Navy accepted in 2019, meet the operational requirements of the U.S. Navy. Specifically, DOD OIG is determining whether the Ship Maintenance Support Facility meets staging and laydown requirements, and whether the Mina Salman Pier meets berthing requirements for homeported and deployed vessels.

DOD OIG is determining whether U.S. Central Command is prepared to defend critical assets within its area of responsibility against missile and unmanned aircraft system threats.
Evaluation of Combatant Command Counter Threat Finance Activities

Evaluation of DOD Processes to Counter Radio Controlled Improvised Explosive Devices
The objectives for this DOD OIG evaluation are For Official Use Only.

Evaluation of U.S. Central Command’s (CENTCOM) Kinetic Targeting Processes and Reporting Procedures
DOD OIG is evaluating CENTCOM’s target-development and prosecution processes, as well as poststrike collateral damage and civilian casualty assessment activities.

U.S. Department of State Office of Inspector General–Middle East Regional Operations
State OIG has four ongoing projects this quarter related to Afghanistan reconstruction.

Audit of the Public Affairs Section Oversight of Grants and Cooperative Agreements at U.S. Embassy Kabul
The audit will examine the Public Affairs Section Oversight of Grants and Cooperative Agreements at U.S. Embassy Kabul.

Audit of the Use of Non-Competitive Contracts in Support of Overseas Contingency Operations in Afghanistan and Iraq
The audit will examine the use of noncompetitive contracts in support of Overseas Contingency Operations in Afghanistan and Iraq.

Audit of Department of State Compliance with Requirements Relating to Undefinitized Contract Actions
The audit will examine the Department of State’s compliance with requirements relating to undefinitized contract actions.

Information Report: Review of Department of State Preparations to Return Employees and Contractors to Federal Office During the Global Coronavirus Pandemic
The information report will examine the Department of State’s preparations to return employees and contractors to federal offices during the global coronavirus pandemic.
Government Accountability Office

GAO has three ongoing projects this quarter related to Afghanistan reconstruction.

Review of DOD’s Contingency Contracting

DOD has long relied on contractors to support a wide range of worldwide operations in a contingency environment, including military and stability operations, and recovery from natural disasters, humanitarian crises, and other calamitous events. Contracting in the contingency environment includes logistics and base-operations support, equipment processing, construction, and transportation. During recent U.S. military operations in Iraq and Afghanistan, contractors frequently accounted for more than half of the total DOD presence. In 2008, Congress established in law the Commission on Wartime Contracting in Iraq and Afghanistan (CWC) to review and make recommendations on DOD’s contracting process for current and future contingency environments. The CWC issued its final report in August 2011.

GAO will review (1) the extent to which DOD has addressed the recommendations of the Commission on Wartime Contracting in policy, guidance, education, and training; (2) how DOD has used contractors to support contingency operations from January 1, 2009, to December 31, 2019; and (3) the extent to which DOD has established processes to track and report contractor personnel to support contingency operations.

DOD Oversight of Private Security Contractors

In 2007, private security contractors (PSCs) working for the U.S. government killed and injured a number of Iraqi civilians, bringing attention to the increased use of PSCs supporting the military in contingency environments, such as ongoing operations in Iraq or Afghanistan. In 2020, DOD reported that almost one-fifth of the roughly 27,000 contractors in Afghanistan were performing security functions, including some 3,000 armed PSCs. DOD’s Office of the Under Secretary of Defense for Acquisition and Sustainment and the Geographic Combatant Commands are responsible for guiding and monitoring the department’s use of PSCs. GAO has previously reported on and made several recommendations to improve DOD’s tracking and oversight of PSCs.

GAO will review the extent to which, since calendar year 2009, (1) DOD has tracked and reported on the use of PSCs in support of contingency, humanitarian, and peacekeeping operations and exercises; and (2) whether laws, regulations, and requirements on the use of PSCs changed and how DOD has implemented them into its processes improved oversight.
Afghanistan Reconstruction Projects—Waste, Fraud, and Abuse

The U.S. government has funded numerous reconstruction projects in Afghanistan since September 2001. Costs for U.S. military, diplomatic, and reconstruction and relief operations have exceeded $500 billion, and GAO has issued about 90 reports focused in whole or in part on Afghanistan since that time. GAO received a request to review past work assessing reconstruction efforts in Afghanistan and identify the dollar value of any waste, fraud, or abuse uncovered during the course of those reviews.

GAO will review prior work conducted on reconstruction efforts in Afghanistan that identified waste, fraud, and abuse, and will assess the overall dollar amount of waste, fraud, and abuse uncovered through these efforts.

U.S. Army Audit Agency

The USAAA has no ongoing audits related to Afghanistan reconstruction this quarter.

U.S. Agency for International Development Office of Inspector General

This quarter, USAID OIG has one ongoing report related to Afghanistan reconstruction.

Audit of USAID/Afghanistan’s Risk Management and Project Prioritization

The objectives of this audit are to determine to what extent USAID/Afghanistan has a risk-management process in place to identify and mitigate risks in the face of potential staff and program reductions that could impact its development programs; how programs recommended for reduction or elimination were determined; and what impact recommended changes would have on USAID/Afghanistan’s current and future programs and related risk management.
The official seal of SIGAR represents the coordination of efforts between the United States and Afghanistan to provide accountability and oversight of reconstruction activities. The phrases in Dari (top) and Pashto (bottom) on the seal are translations of SIGAR’s name.
APPENDICES AND ENDNOTES
APPENDIX A

CROSS-REFERENCE OF REPORT TO STATUTORY REQUIREMENTS

This appendix cross-references the sections of this report to the quarterly reporting and related requirements under SIGAR's enabling legislation, the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 1229 (Table A.1), and the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, §1521. (Table A.2)

<table>
<thead>
<tr>
<th>TABLE A.1</th>
<th>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Law Section</strong></td>
<td><strong>SIGAR Enabling Language</strong></td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td></td>
</tr>
<tr>
<td>Section 1229(a)(3)</td>
<td>To provide for an independent and objective means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress on corrective action</td>
</tr>
<tr>
<td><strong>Supervision</strong></td>
<td></td>
</tr>
<tr>
<td>Section 1229(e)(1)</td>
<td>The Inspector General shall report directly to, and be under the general supervision of, the Secretary of State and the Secretary of Defense</td>
</tr>
<tr>
<td><strong>Duties</strong></td>
<td></td>
</tr>
<tr>
<td>Section 1229(f)(1)</td>
<td>OVERSIGHT OF AFGHANISTAN RECONSTRUCTION — It shall be the duty of the Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of amounts appropriated or otherwise made available for the reconstruction of Afghanistan, and of the programs, operations, and contracts carried out utilizing such funds, including subsections (A) through (G) below</td>
</tr>
<tr>
<td>Section 1229(f)(1)(A)</td>
<td>The oversight and accounting of the obligation and expenditure of such funds</td>
</tr>
<tr>
<td>Section 1229(f)(1)(B)</td>
<td>The monitoring and review of reconstruction activities funded by such funds</td>
</tr>
<tr>
<td>Section 1229(f)(1)(C)</td>
<td>The monitoring and review of contracts funded by such funds</td>
</tr>
<tr>
<td>Section 1229(f)(1)(D)</td>
<td>The monitoring and review of the transfer of such funds and associated information between and among departments, agencies, and entities of the United States, and private and nongovernmental entities</td>
</tr>
<tr>
<td>Section 1229(f)(1)(E)</td>
<td>The maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such fund[s]</td>
</tr>
</tbody>
</table>

*Continued on the next page*
<table>
<thead>
<tr>
<th>Public Law Section</th>
<th>SIGAR Enabling Language</th>
<th>SIGAR Action</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1229(f)(1)(F)</td>
<td>The monitoring and review of the effectiveness of United States coordination with the Governments of Afghanistan and other donor countries in the implementation of the Afghanistan Compact and the Afghanistan National Development Strategy</td>
<td>Monitoring and review as described</td>
<td>Audits</td>
</tr>
<tr>
<td>Section 1229(f)(1)(G)</td>
<td>The investigation of overpayments such as duplicate payments or duplicate billing and any potential unethical or illegal actions of Federal employees, contractors, or affiliated entities, and the referral of such reports, as necessary, to the Department of Justice to ensure further investigations, prosecutions, recovery of further funds, or other remedies</td>
<td>Conduct and reporting of investigations as described</td>
<td>Investigations</td>
</tr>
<tr>
<td>Section 1229(f)(2)</td>
<td>OTHER DUTIES RELATED TO OVERSIGHT — The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duties under paragraph (1)</td>
<td>Establish, maintain, and oversee systems, procedures, and controls</td>
<td>Full report</td>
</tr>
<tr>
<td>Section 1229(f)(3)</td>
<td>DUTIES AND RESPONSIBILITIES UNDER INSPECTOR GENERAL ACT OF 1978 — In addition, ... the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978</td>
<td>Duties as specified in Inspector General Act</td>
<td>Full report</td>
</tr>
<tr>
<td>Section 1229(f)(4)</td>
<td>COORDINATION OF EFFORTS — The Inspector General shall coordinate with, and receive the cooperation of, each of the following: (A) the Inspector General of the Department of Defense, (B) the Inspector General of the Department of State, and (C) the Inspector General of the United States Agency for International Development</td>
<td>Coordination with the inspectors general of DOD, State, and USAID</td>
<td>Other Agency Oversight</td>
</tr>
</tbody>
</table>

**Federal Support and Other Resources**

<table>
<thead>
<tr>
<th>Public Law Section</th>
<th>SIGAR Enabling Language</th>
<th>SIGAR Action</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1229(h)(5)(A)</td>
<td>ASSISTANCE FROM FEDERAL AGENCIES — Upon request of the Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such information or assistance to the Inspector General, or an authorized designee</td>
<td>Expect support as requested</td>
<td>Full report</td>
</tr>
<tr>
<td>Section 1229(h)(5)(B)</td>
<td>REPORTING OF REFUSED ASSISTANCE — Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary of State or the Secretary of Defense, as appropriate, and to the appropriate congressional committees without delay</td>
<td>Monitor cooperation</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### TABLE A.1 (CONTINUED)

<table>
<thead>
<tr>
<th>Public Law Section</th>
<th>SIGAR Enabling Language</th>
<th>SIGAR Action</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 1229(i)(1)</strong></td>
<td>QUARTERLY REPORTS — Not later than 30 days after the end of each fiscal-year quarter, the Inspector General shall submit to the appropriate committees of Congress a report summarizing, for the period of that quarter and, to the extent possible, the period from the end of such quarter to the time of the submission of the report, the activities during such period of the Inspector General and the activities under programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Afghanistan, including the following -</td>
<td>Report – 30 days after the end of each calendar quarter</td>
<td>Full report Appendix B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Summarize activities of the Inspector General</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Detailed statement of all obligations, expenditures, and revenues</td>
<td></td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(A)</strong></td>
<td>Obligations and expenditures of appropriated/donated funds</td>
<td>Obligations and expenditures of appropriated/donated funds</td>
<td>Appendix B</td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(B)</strong></td>
<td>A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Afghanistan, together with the estimate of the Department of Defense, the Department of State, and the United States Agency for International Development, as applicable, of the costs to complete each project and each program</td>
<td>Project-by-project and program-by-program accounting of costs. List unexpended funds for each project or program</td>
<td>Funding Note</td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(C)</strong></td>
<td>Revenues attributable to or consisting of funds provided by foreign nations or international organizations to programs and projects funded by any department or agency of the United States Government, and any obligations or expenditures of such revenues</td>
<td>Revenues, obligations, and expenditures of donor funds</td>
<td>Funding</td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(D)</strong></td>
<td>Revenues attributable to or consisting of foreign assets seized or frozen that contribute to programs and projects funded by any U.S. government department or agency, and any obligations or expenditures of such revenues</td>
<td>Revenues, obligations, and expenditures of funds from seized or frozen assets</td>
<td>Funding</td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(E)</strong></td>
<td>Operating expenses of agencies or entities receiving amounts appropriated or otherwise made available for the reconstruction of Afghanistan</td>
<td>Operating expenses of agencies or any organization receiving appropriated funds</td>
<td>Funding Appendix B</td>
</tr>
<tr>
<td><strong>Section 1229(i)(1)(F)</strong></td>
<td>In the case of any contract, grant, agreement, or other funding mechanism described in paragraph (2)*— (i) The amount of the contract or other funding mechanism; (ii) A brief discussion of the scope of the contract or other funding mechanism; (iii) A discussion of how the department or agency of the United States Government involved in the contract, grant, agreement, or other funding mechanism identified and solicited offers from potential contractors to perform the contract, grant, agreement, or other funding mechanism, together with a list of the potential individuals or entities that were issued solicitations for the offers; and (iv) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition</td>
<td>Describe contract details</td>
<td>Note</td>
</tr>
</tbody>
</table>

Continued on the next page
TABLE A.1 (CONTINUED)

<table>
<thead>
<tr>
<th>Public Law Section</th>
<th>SIGAR Enabling Language</th>
<th>SIGAR Action</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1229(i)(3)</td>
<td>PUBLIC AVAILABILITY – The Inspector General shall publish on a publicly available Internet website each report under paragraph (1) of this subsection in English and other languages that the Inspector General determines are widely used and understood in Afghanistan</td>
<td>Publish report as directed at <a href="http://www.sigar.mil">www.sigar.mil</a> Dari and Pashto translation in process</td>
<td>Full report</td>
</tr>
<tr>
<td>Section 1229(i)(4)</td>
<td>FORM – Each report required under this subsection shall be submitted in unclassified form, but may include a classified annex if the Inspector General considers it necessary</td>
<td>Publish report as directed Full report</td>
<td>Full report</td>
</tr>
<tr>
<td>Section 1229(i)(1)</td>
<td>Inspector General shall also submit each report required under subsection (i) to the Secretary of State and the Secretary of Defense</td>
<td>Submit quarterly report</td>
<td>Full report</td>
</tr>
</tbody>
</table>

Note: Although this data is normally made available on SIGAR’s website (www.sigar.mil), the data SIGAR has received is in relatively raw form and is currently being reviewed, analyzed, and organized for future SIGAR use and publication.

* Covered “contracts, grants, agreements, and funding mechanisms” are defined in paragraph (2) of Section 1229(i) of Pub. L. No. 110-181 as being—

* any major contract, grant, agreement, or other funding mechanism that is entered into by any department or agency of the United States Government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan with any public or private sector entity for any of the following purposes: To build or rebuild physical infrastructure of Afghanistan. To establish or reestablish a political or societal institution of Afghanistan. To provide products or services to the people of Afghanistan.

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TABLE A.2

<table>
<thead>
<tr>
<th>Public Law Section</th>
<th>NDA Language</th>
<th>SIGAR Action</th>
<th>Report Section</th>
</tr>
</thead>
</table>
| Section 1521(e)(1) | (1) QUALITY STANDARDS FOR IG PRODUCTS—Except as provided in paragraph (3), each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall be prepared—

(A) in accordance with the Generally Accepted Government Auditing Standards/Government Auditing Standards (GAGAS/GAS), as issued and updated by the Government Accountability Office; or

(B) if not prepared in accordance with the standards referred to in subparagraph (A), in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), commonly referred to as the “CIGIE Blue Book” | Prepare quarterly report in accordance with the Quality Standards for Inspection and Evaluation, issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), commonly referred to as the “CIGIE Blue Book,” for activities funded under the Afghanistan Security Forces Fund | Section 1 Reconstruction Update (Section 3) |
| Section 1521(e)(2) | (2) SPECIFICATION OF QUALITY STANDARDS FOLLOWED—Each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall cite within such product the quality standards followed in conducting and reporting the work concerned | Cite within the quarterly report the quality standards followed in conducting and reporting the work concerned. The required quality standards are quality control, planning, data collection and analysis, evidence, records maintenance, reporting, and follow-up | Inside front cover Appendix A |
## U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION

Table B.1 lists funds appropriated for Afghanistan reconstruction by agency and fund per year, and Table B.2 lists funds appropriated for counternarcotics initiatives, as of September 30, 2020.

### Table B.2

<table>
<thead>
<tr>
<th>Counter Narcotics ($ MILLIONS)</th>
<th>Cumulative Appropriations Since FY 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASFF</td>
<td>$1,311.92</td>
</tr>
<tr>
<td>DICDA</td>
<td>3,284.94</td>
</tr>
<tr>
<td>ESF</td>
<td>1,454.43</td>
</tr>
<tr>
<td>DA</td>
<td>77.72</td>
</tr>
<tr>
<td>INCLE</td>
<td>2,373.56</td>
</tr>
<tr>
<td>DEA*</td>
<td>489.58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,992.15</strong></td>
</tr>
</tbody>
</table>

Table B.2 Note: Numbers have been rounded. Counternarcotics funds cross-cut both the Security and Governance & Development spending categories; these funds are also captured in those categories in Table B.1. Figures represent cumulative amounts committed to counternarcotics initiatives in Afghanistan since 2002. Initiatives include erasion, interdiction, support to Afghanistan’s Special Mission Wing (SMW), counternarcotics-related capacity building, and alternative agricultural development efforts. ASF, DA, and INCLE figures show the cumulative amounts committed for counternarcotics initiatives from those funds. SIGAR excluded ASFF funding for the SMW after FY 2013 from this analysis due to the decreasing number of counternarcotics missions conducted by the SMW.

* DEA receives funding from State’s Diplomatic & Consular Programs account in addition to DEA’s direct line appropriation listed in Appendix B.

### Table B.1

<table>
<thead>
<tr>
<th>U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION ($ MILLIONS)</th>
<th>U.S. Funding Sources</th>
<th>Agency</th>
<th>Total FY 2002–08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION</strong></td>
<td><strong>Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Afghanistan Security Forces Fund (ASFF)</strong></td>
<td>DOD</td>
<td>$80,952.15</td>
<td>13,059.53</td>
</tr>
<tr>
<td><strong>Train and Equip (T&amp;E)</strong></td>
<td>DOD</td>
<td>440.00</td>
<td>440.00</td>
</tr>
<tr>
<td><strong>Foreign Military Financing (FMF)</strong></td>
<td>State</td>
<td>1,059.13</td>
<td>1,059.13</td>
</tr>
<tr>
<td><strong>International Military Education and Training (IMET)</strong></td>
<td>State</td>
<td>19.57</td>
<td>60.01</td>
</tr>
<tr>
<td><strong>Voluntary Peacekeeping (PKO)</strong></td>
<td>State</td>
<td>69.33</td>
<td>69.33</td>
</tr>
<tr>
<td><strong>Afghanistan Freedom Support Act (AFSA)</strong></td>
<td>DOD</td>
<td>550.00</td>
<td>550.00</td>
</tr>
<tr>
<td><strong>Drug Interdiction and Counter-Drug Activities (DICDA)</strong></td>
<td>DOD</td>
<td>3,284.94</td>
<td>888.17</td>
</tr>
<tr>
<td><strong>Total - Security</strong></td>
<td></td>
<td><strong>86,375.12</strong></td>
<td><strong>16,072.18</strong></td>
</tr>
<tr>
<td><strong>Governance &amp; Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commander’s Emergency Response Program (CERP)</strong></td>
<td>DOD</td>
<td>3,709.00</td>
<td>1,088.33</td>
</tr>
<tr>
<td><strong>Afghanistan Infrastructure Fund (AIF)</strong></td>
<td>DOD</td>
<td>988.50</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Task Force for Business and Stability Operations (TFBSO)</strong></td>
<td>DOD</td>
<td>822.85</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Economic Support Fund (ESF)</strong></td>
<td>USAID</td>
<td>21,100.94</td>
<td>5,628.70</td>
</tr>
<tr>
<td><strong>Development Assistance (DA)</strong></td>
<td>USAID</td>
<td>887.59</td>
<td>884.50</td>
</tr>
<tr>
<td><strong>Global Health Programs (GHP)</strong></td>
<td>USAID</td>
<td>559.70</td>
<td>333.86</td>
</tr>
<tr>
<td><strong>Commodity Credit Corp (CCC)</strong></td>
<td>USAID</td>
<td>34.95</td>
<td>19.57</td>
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<tr>
<td><strong>USAID-Other (Other)</strong></td>
<td>USAID</td>
<td>54.06</td>
<td>27.46</td>
</tr>
<tr>
<td><strong>Non-Proliferation, Antiterrorism, Demining &amp; Related (NADR)</strong></td>
<td>State</td>
<td>881.34</td>
<td>288.41</td>
</tr>
<tr>
<td><strong>International Narcotics Control and Law Enforcement (INCLE)</strong></td>
<td>State</td>
<td>5,421.16</td>
<td>1,781.23</td>
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<tr>
<td><strong>Human Rights and Democracy Fund (HRDF)</strong></td>
<td>State</td>
<td>13.77</td>
<td>2.01</td>
</tr>
<tr>
<td><strong>Educational and Cultural Exchange Programs (ECE)</strong></td>
<td>State</td>
<td>96.56</td>
<td>28.72</td>
</tr>
<tr>
<td><strong>Contributions to International Organizations (CID)</strong></td>
<td>State</td>
<td>493.81</td>
<td>12.74</td>
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<tr>
<td><strong>U.S. International Development Finance Corporation (DFC)</strong></td>
<td>DFC</td>
<td>320.39</td>
<td>198.20</td>
</tr>
<tr>
<td><strong>U.S. Agency for Global Media (USAGM)</strong></td>
<td>USAGM</td>
<td>281.17</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Drug Enforcement Administration (DEA)</strong></td>
<td>DOJ</td>
<td>280.17</td>
<td>108.56</td>
</tr>
<tr>
<td><strong>Total - Governance &amp; Development</strong></td>
<td></td>
<td><strong>35,945.97</strong></td>
<td><strong>10,402.30</strong></td>
</tr>
<tr>
<td><strong>Humanitarian</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PL. 480 Title II</strong></td>
<td>USAID</td>
<td>1,095.68</td>
<td>591.38</td>
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<tr>
<td><strong>International Disaster Assistance (IDA)</strong></td>
<td>USAID</td>
<td>1,152.44</td>
<td>315.14</td>
</tr>
<tr>
<td><strong>Transition Initiatives (TI)</strong></td>
<td>USAID</td>
<td>37.54</td>
<td>32.58</td>
</tr>
<tr>
<td><strong>Migration and Refugee Assistance (MRA)</strong></td>
<td>State</td>
<td>1,526.47</td>
<td>453.05</td>
</tr>
<tr>
<td><strong>Emergency Refugee and Migration Assistance (ERMA)</strong></td>
<td>State</td>
<td>25.20</td>
<td>25.00</td>
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<tr>
<td><strong>USDA Programs (Title I, §416(b), FFP, FFE, ET, and PRTA)</strong></td>
<td>USAID</td>
<td>288.26</td>
<td>270.47</td>
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<tr>
<td><strong>Total - Humanitarian</strong></td>
<td></td>
<td><strong>4,125.59</strong></td>
<td><strong>1,687.62</strong></td>
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<td><strong>Agency Operations</strong></td>
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<tr>
<td><strong>Diplomatic Programs, incl. Worldwide Security Protection (DP)</strong></td>
<td>State</td>
<td>11,220.07</td>
<td>827.10</td>
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<td><strong>USAID Operating Expenses (OE)</strong></td>
<td>USAID</td>
<td>1,659.92</td>
<td>144.94</td>
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<tr>
<td><strong>Oversight</strong></td>
<td>USAID</td>
<td>647.89</td>
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<tr>
<td><strong>Other</strong></td>
<td>USAID</td>
<td>1,265.37</td>
<td>296.06</td>
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<tr>
<td><strong>Total – Agency Operations</strong></td>
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<td><strong>14,793.25</strong></td>
<td><strong>1,284.90</strong></td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td></td>
<td><strong>$141,239.94</strong></td>
<td><strong>29,446.99</strong></td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------</td>
<td>---------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>Total FY 2009</td>
<td>5,606.94</td>
<td>9,166.77</td>
<td>10,619.28</td>
</tr>
<tr>
<td>FY 2010</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>FY 2011</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>FY 2012</td>
<td>1.40</td>
<td>1.76</td>
<td>1.56</td>
</tr>
<tr>
<td>FY 2013</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>FY 2014</td>
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<td>FY 2015</td>
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<td>FY 2016</td>
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<td>FY 2017</td>
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<tr>
<td>FY 2018</td>
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<tr>
<td>FY 2019</td>
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</tr>
<tr>
<td>FY 2020</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Funding</td>
<td>$141,239.94</td>
<td>$29,446.99</td>
<td>$230.06</td>
</tr>
</tbody>
</table>

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APPENDIX C

SIGAR WRITTEN PRODUCTS*

SIGAR AUDITS

Completed Performance Audits
SIGAR issued two performance-audit reports during this reporting period.

**COMPLETED SIGAR PERFORMANCE AUDITS AS OF SEPTEMBER 30, 2020**

<table>
<thead>
<tr>
<th>Report Identifier</th>
<th>Report Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 21-04-AR</td>
<td>Facilities to Support Women in the Afghan Security Forces: Better Planning and Program Oversight Could Have Helped DOD Ensure Funds Contributed to Recruitment, Retention, and Integration</td>
<td>10/2020</td>
</tr>
<tr>
<td>SIGAR 21-03-C-AR</td>
<td>Afghan Air Force and Special Mission Wing Vetting for Corruption [Classified]</td>
<td>10/2020</td>
</tr>
</tbody>
</table>

New Performance Audits
SIGAR initiated two new performance audits during this reporting period.

**NEW SIGAR PERFORMANCE AUDITS**

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 145A</td>
<td>State Conventional Weapons Destruction</td>
<td>10/2020</td>
</tr>
<tr>
<td>SIGAR 144A</td>
<td>ANDSF Women’s Incentives</td>
<td>10/2020</td>
</tr>
</tbody>
</table>

Ongoing Performance Audits
SIGAR had 10 ongoing performance audits during this reporting period.

**ONGOING SIGAR PERFORMANCE AUDITS AS OF SEPTEMBER 30, 2020**

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 143A</td>
<td>No Contracting With The Enemy Follow-Up</td>
<td>6/2020</td>
</tr>
<tr>
<td>SIGAR 142A</td>
<td>Vanquish NAT Contract</td>
<td>7/2020</td>
</tr>
<tr>
<td>SIGAR 141A</td>
<td>Post-Peace Planning</td>
<td>5/2020</td>
</tr>
<tr>
<td>SIGAR 140A</td>
<td>ACC-A BAF Base Security</td>
<td>4/2020</td>
</tr>
<tr>
<td>SIGAR 139A</td>
<td>Anti-Corruption 3</td>
<td>2/2020</td>
</tr>
<tr>
<td>SIGAR 138A-2</td>
<td>DOD Enforcement of Conditionality (Full Report)</td>
<td>11/2019</td>
</tr>
<tr>
<td>SIGAR 137A</td>
<td>ANA Trust Fund</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR 136A</td>
<td>DOD’s End-Use Monitoring</td>
<td>9/2019</td>
</tr>
<tr>
<td>SIGAR 135A</td>
<td>U.S. Investments in Afghan Energy</td>
<td>9/2019</td>
</tr>
<tr>
<td>SIGAR 132A-2</td>
<td>Counternarcotics/Counter Threat Finance (Full Report)</td>
<td>2/2019</td>
</tr>
</tbody>
</table>

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after September 30, 2020, up to the publication date of this report.
Completed Evaluations
SIGAR issued one evaluation report during this reporting period.

<table>
<thead>
<tr>
<th>Report Identifier</th>
<th>Report Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 21-02-I P</td>
<td>Department of State Implemented Approximately Half of the Recommendations from SIGAR Audits and Inspections but Did Not Meet All Audit Follow-up Requirements</td>
<td>10/2020</td>
</tr>
</tbody>
</table>

Ongoing Evaluations
SIGAR had four ongoing evaluations during this reporting period.

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR-E-007</td>
<td>ARIF-2</td>
<td>5/2020</td>
</tr>
<tr>
<td>SIGAR-E-005</td>
<td>Financial Audit Summary</td>
<td>2/2020</td>
</tr>
<tr>
<td>SIGAR-E-003</td>
<td>Capital Assets</td>
<td>10/2019</td>
</tr>
<tr>
<td>SIGAR-E-002</td>
<td>Fuel Follow-Up</td>
<td>10/2019</td>
</tr>
</tbody>
</table>

Completed Financial Audits
SIGAR issued seven financial-audit reports during this reporting period.

<table>
<thead>
<tr>
<th>Report Identifier</th>
<th>Report Title</th>
<th>Date Issued</th>
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<tbody>
<tr>
<td>SIGAR 21-01-FA</td>
<td>Department of State’s Humanitarian Demining and Conventional Weapons Destruction Programs in Afghanistan: Audit of Costs Incurred by The HALO Trust and The HALO Trust (USA) Inc.</td>
<td>10/2020</td>
</tr>
<tr>
<td>SIGAR 20-55-FA</td>
<td>Department of State’s Introducing New Vocational Education and Skills Training in Kandahar Program: Audit of Costs Incurred by Mercy Corps</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR 20-54-FA</td>
<td>Department of State’s Efforts to Develop and Sustain Afghanistan’s Drug Treatment System: Audit of Costs Incurred by the Colombo Plan</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR 20-52-FA</td>
<td>USAID’s Efforts to Improve Education through the Afghan Children Read Program: Audit of Costs Incurred by Creative Associates International</td>
<td>8/2020</td>
</tr>
<tr>
<td>SIGAR 20-51-FA</td>
<td>U.S. Army Contracting Command’s Integration of Anti-Missile Protection Systems on Mi-17 Helicopters in Afghanistan: Audit of Costs Incurred by Redstone Defense Systems</td>
<td>8/2020</td>
</tr>
<tr>
<td>SIGAR 20-49-FA</td>
<td>Department of the Army’s Military Helicopter Storage, Maintenance, and Pilot Training Programs in Afghanistan: Audit of Costs Incurred by Science and Engineering Services LLC</td>
<td>8/2020</td>
</tr>
<tr>
<td>SIGAR 20-48-FA</td>
<td>Department of State’s Afghanistan Flexible Implementation and Assessment Team Program: Audit of Costs Incurred by TigerSwan LLC</td>
<td>8/2020</td>
</tr>
</tbody>
</table>
Ongoing Financial Audits
SIGAR had 31 financial audits in progress during this reporting period.

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR-F-209</td>
<td>Engility LLC</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-F-208</td>
<td>PAE Government Services</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-F-207</td>
<td>Miracle Systems LLC</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-F-206</td>
<td>The Asia Foundation (TAF)</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-F-205</td>
<td>Demining Agency of Afghanistan (DAFA)</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-F-204</td>
<td>AECOM International Development Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-203</td>
<td>PHI 360</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-202</td>
<td>The Asia Foundation</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-201</td>
<td>DAI-Development Alternatives Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-200</td>
<td>Development Alternatives Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-199</td>
<td>Development Alternatives Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-198</td>
<td>Chemonics International Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-197</td>
<td>Internews Network Inc.</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-F-196</td>
<td>IRC</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-195</td>
<td>IDLO</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-194</td>
<td>AIAF</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-193</td>
<td>IAP Worldwide Services Inc.</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-192</td>
<td>IAP Worldwide Services Inc.</td>
<td>12/2019</td>
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<tr>
<td>SIGAR-F-191</td>
<td>Sierra Nevada Corporation</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-190</td>
<td>International Rescue Committee</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-189</td>
<td>Save the Children Federation Inc.</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-188</td>
<td>Associates in Rural Development</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-187</td>
<td>Blumont Global Development Inc.</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-186</td>
<td>Roots of Peace</td>
<td>12/2019</td>
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<tr>
<td>SIGAR-F-185</td>
<td>Counterpart International Inc.</td>
<td>12/2019</td>
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<tr>
<td>SIGAR-F-184</td>
<td>Development Alternatives Inc.</td>
<td>12/2019</td>
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<tr>
<td>SIGAR-F-183</td>
<td>Tetra Tech ARD</td>
<td>12/2019</td>
</tr>
<tr>
<td>SIGAR-F-180</td>
<td>AAR Supply Chain Inc. (dba AAR Defense Systems &amp; Logistics)</td>
<td>9/2019</td>
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<tr>
<td>SIGAR-F-177</td>
<td>Janus Global Operations</td>
<td>9/2019</td>
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<tr>
<td>SIGAR-F-169</td>
<td>CH2M HILL Inc.–Cooperative Biological Engagement Program (CBEP)</td>
<td>8/2019</td>
</tr>
<tr>
<td>SIGAR-F-164</td>
<td>MDC-Demining Projects</td>
<td>8/2019</td>
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</table>
SIGAR INSPECTIONS

Completed Inspection

SIGAR issued one inspection report during this reporting period.

### COMPLETED SIGAR INSPECTION AS OF SEPTEMBER 30, 2020

<table>
<thead>
<tr>
<th>Product Identifier</th>
<th>Report Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 21-05-IP</td>
<td>Pol-i-Charkhi Prison Wastewater Treatment Facility: Project Was Generally</td>
<td>10/2020</td>
</tr>
<tr>
<td></td>
<td>Completed According to Requirements, but the Contractor Made Improper</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product Substitutions and Other Construction and Maintenance Issues Exist</td>
<td></td>
</tr>
</tbody>
</table>

Ongoing Inspections

SIGAR had 11 ongoing inspections during this reporting period.

### ONGOING SIGAR INSPECTIONS AS OF SEPTEMBER 30, 2020

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR-I-072</td>
<td>Salang Tunnel Substation</td>
<td>9/2020</td>
</tr>
<tr>
<td>SIGAR-I-071</td>
<td>KNMH Morgue</td>
<td>10/2020</td>
</tr>
<tr>
<td>SIGAR-I-070</td>
<td>ANP PPT Phase 1</td>
<td>10/2020</td>
</tr>
<tr>
<td>SIGAR-I-068</td>
<td>Pol-i-Charkhi Substation Expansion</td>
<td>4/2020</td>
</tr>
<tr>
<td>SIGAR-I-067</td>
<td>MSOE at Camp Commando</td>
<td>4/2020</td>
</tr>
<tr>
<td>SIGAR-I-066</td>
<td>KNMH Elevators</td>
<td>3/2020</td>
</tr>
<tr>
<td>SIGAR-I-065</td>
<td>ANA NEI in Dashti Shadian</td>
<td>1/2020</td>
</tr>
<tr>
<td>SIGAR-I-063</td>
<td>Inspection of the ANA MOD HQ Infrastructure &amp; Security Improvements</td>
<td>11/2019</td>
</tr>
<tr>
<td>SIGAR-I-062</td>
<td>Inspection of the NEI Kunduz Expansion Project</td>
<td>11/2019</td>
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<tr>
<td>SIGAR-I-061</td>
<td>Inspection of the Kandahar 10 MW Solar Power Plant</td>
<td>7/2019</td>
</tr>
<tr>
<td>SIGAR-I-058</td>
<td>Inspection of the ANA NEI in Pul-e Khumri</td>
<td>10/2018</td>
</tr>
</tbody>
</table>

SIGAR SPECIAL PROJECTS

Completed Special Projects

SIGAR issued three special-projects reports during this reporting period.

### COMPLETED SIGAR SPECIAL PROJECTS AS OF SEPTEMBER 30, 2020

<table>
<thead>
<tr>
<th>Product Identifier</th>
<th>Product Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 21-05-SP</td>
<td>Update on the Amount of Waste, Fraud, and Abuse Uncovered through SIGAR’s</td>
<td>10/2020</td>
</tr>
<tr>
<td></td>
<td>Oversight Work between January 1, 2018, and December 31, 2019</td>
<td></td>
</tr>
<tr>
<td>SIGAR 20-53-SP</td>
<td>Kabul Carpet Export Center: Progress Made Towards Self Sufficiency, But Critical</td>
<td>9/2020</td>
</tr>
<tr>
<td></td>
<td>Sales, Revenue, and Job Creation Targets Are Not Met</td>
<td></td>
</tr>
<tr>
<td>SIGAR 20-50-SP</td>
<td>USAID’s Afghanistan Drip Irrigation Demonstration Project: Most Demonstration</td>
<td>8/2020</td>
</tr>
<tr>
<td></td>
<td>Plots that SIGAR Inspected Were Not Being Used as Intended</td>
<td></td>
</tr>
</tbody>
</table>
SIGAR LESSONS LEARNED PROGRAM

Ongoing Lessons-Learned Projects

SIGAR has four ongoing lessons-learned projects this reporting period.

<table>
<thead>
<tr>
<th>Project Identifier</th>
<th>Project Title</th>
<th>Date Initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR LL-14</td>
<td>Empowering Afghan Women and Girls</td>
<td>10/2019</td>
</tr>
<tr>
<td>SIGAR LL-13</td>
<td>Police and Corrections</td>
<td>9/2019</td>
</tr>
<tr>
<td>SIGAR LL-11</td>
<td>U.S. Support for Elections</td>
<td>9/2018</td>
</tr>
<tr>
<td>SIGAR LL-10</td>
<td>Contracting</td>
<td>8/2018</td>
</tr>
</tbody>
</table>

SIGAR RESEARCH & ANALYSIS DIRECTORATE

Completed Report

SIGAR issued one quarterly report during this reporting period.

<table>
<thead>
<tr>
<th>Product Identifier</th>
<th>Report Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGAR 2020-QR-4</td>
<td>Quarterly Report to the United States Congress</td>
<td>10/2020</td>
</tr>
</tbody>
</table>
APPENDIX D

SIGAR INVESTIGATIONS AND HOTLINE

SIGAR Investigations
This quarter, SIGAR opened two new investigations and closed nine, bringing the total number of ongoing investigations to 118. Of the closed investigations, most were closed due to administrative action, unfounded allegations, or lack of investigative merit, as shown in Figure D.1. Both new investigations are related to procurement and contract fraud, as shown in Figure D.2.

FIGURE D.1

SIGAR’S CLOSED INVESTIGATIONS, JULY 1–SEPTEMBER 30, 2020

- Criminal Conviction
- Administrative
- Lack of Investigative Merit
- Allegations Unfounded

Total: 9

Source: SIGAR Investigations Directorate, 10/1/2020.

FIGURE D.2

SIGAR NEW INVESTIGATIONS, JULY 1–SEPTEMBER 30, 2020

- Procurement/Contract Fraud

Total: 2

Source: SIGAR Investigations Directorate, 10/1/2020.
SIGAR Hotline

The SIGAR Hotline (866-329-8893 in the USA, or 0700107300 via cell phone in Afghanistan) received 27 complaints this quarter, as shown in Figure D.3. In addition to working on new complaints, the Investigations Directorate continued its work this quarter on complaints received prior to July 1, 2020. This quarter, the directorate processed 63 complaints, most of which are under review or were closed, as shown in Figure D.4.

SIGAR SUSPENSIONS AND DEBARMENTS

Table D.1 is a comprehensive list of finalized suspensions, debarments, and special-entity designations relating to SIGAR’s work in Afghanistan as of October 1, 2020.

SIGAR lists its suspensions, debarments, and special-entity designations for historical purposes only. For the current status of any individual or entity listed herein as previously suspended, debarred, or listed as a special-entity designation, please consult the System for Award Management, www.sam.gov/SAM/.

Entries appearing in both the suspension and debarment sections are based upon their placement in suspended status following criminal indictment or determination of non-responsibility by agency suspension and debarment official. Final debarment was imposed following criminal conviction in U.S. Federal District Court and/or final determination by agency suspension and debarment official regarding term of debarment.
# SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF SEPTEMBER 30, 2020

## Special Entity Designations

<table>
<thead>
<tr>
<th>Special Entity Designations</th>
<th>Suspensions</th>
<th>Debarments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arvin Kam Construction Company</td>
<td>Autry, Cleo Brian</td>
<td>Khalid, Mohammad</td>
</tr>
<tr>
<td>Arvin Global Logistics Services Company</td>
<td>Cook, Jeffrey Arthur</td>
<td>Mariano, April Anne Perez</td>
</tr>
<tr>
<td>Ayubi, Mohammad</td>
<td>Harper, Deric Tyrone</td>
<td>McCabe, Elton Maurice</td>
</tr>
<tr>
<td>Basirat Construction Firm</td>
<td>Walls, Barry Lee, Jr.</td>
<td>Mihalco, John</td>
</tr>
<tr>
<td>Naqibullah, Nadeem</td>
<td>International Contracting and Development</td>
<td>Qasimi, Mohammed Indress</td>
</tr>
<tr>
<td>Rahman, Obaidur</td>
<td>Sohib, Adeb Nagib, a.k.a. “Ali Sohib”</td>
<td>Radi, Mohamad Khalid</td>
</tr>
<tr>
<td>Robinson, Franz Martin</td>
<td>Stallion Construction and Engineering Group</td>
<td>Safi, Fazal Ahmed</td>
</tr>
<tr>
<td>Aaria Middle East Company LLC</td>
<td>Wazne, Ayman, a.k.a. “Ayman Ibrahim Wazne”</td>
<td>Espinoza-Loor, Pedro Alfredo</td>
</tr>
<tr>
<td>Aftech International</td>
<td>Green, George E.</td>
<td>Campbell, Neil Patrick*</td>
</tr>
<tr>
<td>Aftech International Pvt. Ltd.</td>
<td>Tran, Anthony Don</td>
<td>Navarro, Wesley</td>
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<tr>
<td>Albahar Logistics</td>
<td>Vergez, Norbert Eugene</td>
<td>Hazrat, Arash</td>
</tr>
<tr>
<td>American Aaria Company LLC</td>
<td>Bunch, Donald P.</td>
<td>Midfield International</td>
</tr>
<tr>
<td>American Aaria LLC</td>
<td>Kline, David A.</td>
<td>Moore, Robert G.</td>
</tr>
<tr>
<td>Sharpay Logistics</td>
<td></td>
<td>Noon, Noon Alam, a.k.a. “Noor Alam”</td>
</tr>
<tr>
<td>United States California Logistics Company</td>
<td></td>
<td>Northern Reconstruction Organization</td>
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<tr>
<td>Brothers, Richard S.</td>
<td></td>
<td>Shamal Patir Building and Road Construction Company</td>
</tr>
<tr>
<td>Rivera-Medina, Franklin Delano</td>
<td></td>
<td>Wade, Desi D.</td>
</tr>
<tr>
<td>Haji Dhost Mohammad Zurmat Construction Company</td>
<td></td>
<td>Blue Planet Logistics Services</td>
</tr>
<tr>
<td>Jan, Nurullah</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khan, Haji Mohammad Almas</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicates that the individual or entity was subject to two final agency actions by an agency suspension and debarment official, resulting in a suspension followed by final debarment following the resolution of a criminal indictment or determination of non-responsibility by agency suspension and debarment official. Entries without an asterisk indicate that the individual was subject to a suspension or debarment, but not both.
### TABLE D.1 (CONTINUED)

#### SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF SEPTEMBER 30, 2020


- Rostamadi, Mohammad Ajmal
- Saiber, Mohammed
- Safi, Azizur Rahman
- Safi, Murtala
- Sahak, Sher Khan
- Shaheedi, Murad
- Shizad, Daulet Khan
- Udin, Mehrab
- Watson, Brian Erik
- Wooten, Phillip Steven*
- Espinosa, Mauricio*
- Alami, Ahmed Farzad*
- Greenlight General Trading*
- Aaria Middle East Company LLC*
- Aaria Middle East Company Ltd. – Herat*
- Aaria M.E. General Trading LLC*
- Aaria Middle East*
- Barakzai, Nangialai*
- Formiti Supply and Services*
- Aaria Supply Services and Consultancy*
- Kabul Hackle Logistics Company*
- Yousef, Nazeebullah*
- Aaria Group*
- Aaria Group Construction Company*
- Aaria Supplies Company LTD*
- Rahim, Mohammad Edris*
- All Points International Distributors Inc.*
- Hercules Global Logistics*
- Schroeder, Robert*
- Helmand twinkie Construction Company
- Wazir, Heward Omar
- Zadin, Mohammad
- Mirzali Naseeb Construction Company
- Montes, Diyana
- Naseef, Mirzali
- Martino, Roberto F.
- Loggiatotus, Peter R.
- Glass, Calvin
- Singleton, Jacy P.
- Robinson, Franz Martin
- Smith, Nancy
- Sultani, Abdul Anas a.k.a. “Abdul Anas”
- Facqin, Shri
- Hosmat, Haji
- Jim Black Construction Company
- Gast, Donald
- Mukhtar, Abdul a.k.a. “Abdul Kubar”
- Noor Mahgir Construction Company
- Noor, Sherrin Agha
- Long, Sonya*
- Isranuddin, Burhanuddin
- Matun, Navidullah, a.k.a. “Javid Ahmad”
- Matun, Wahidullah
- Navid Basir Construction Company
- Navid Basir JV Gagei Baba Construction Company
- NBCC & GBCC N
- Neor, Navid
- Asmatullah, Mahmood, a.k.a. “Mahmood”
- Khan, Gul
- Khan, Solomon Sherdad, a.k.a. “Solomon”
- Mursalin, Ikramullah, a.k.a. “Ikramullah”
- Musafer, Naseem, a.k.a. “Naseem”
- Ali, Esir
- Gul, Ghanz
- Saffullah, a.k.a. “Mr. Saffullah”
- Sarfraz, a.k.a. “Mr. Sarfraz”
- Waiz, Khan
- Akbar, Ali
- Crystal Construction Company, d.b.a. “Samitullah Road Construction Company”
- Samitullah (Individual uses only one name)
- Ashna, Mohammad Ibrahimb, a.k.a. “Ibrahim”
- Gurvinder, Singh
- Jahan, Shah
- Ayes, Malwand Ansunal, a.k.a. “Engineer Malwand Ayes”
- BMSC
- Malwand Haqmal Construction and Supply Company
- New Riders Construction Company, d.b.a. “Riders Construction Company”
- Riders Construction, Services, Logistics and Transportation Company
- Riders Group of Companies
- Domineck, Lavette Kaye*
- Markwith, James*
- Martinez, Rene
- Maroof, Abdul
- Qara, Yusuf
- Royal Palace Construction Company
- Biddish, Christopher Chase
- Zuhra, Niazai
- Zuhra Productions
- Boukara, Candice a.k.a. “Candice Joy Dawkins”
- Dawkins, John
- Metosportaing Group LLC
- Nordloh, Geoffrey
- Kieffer, Jerry
- Johnson, Angela
- CNH Development Company LLC
- Johnson, Keith

*Continued on the following page*
### SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF SEPTEMBER 30, 2020 (CONTINUED)

#### Debarments (continued)

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Designation</th>
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<tbody>
<tr>
<td>Lakeshore Toltest Guarn LLC</td>
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</tr>
<tr>
<td>Lakeshore Toltest JV LLC</td>
<td></td>
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<tr>
<td>Lakeshore Toltest RTCC JV LLC</td>
<td></td>
</tr>
<tr>
<td>Lakeshore/Walsh JV LLC</td>
<td></td>
</tr>
<tr>
<td>LakeshoreToltest METAG JV LLC</td>
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</tr>
<tr>
<td>LTC &amp; Metawater JV LLC</td>
<td></td>
</tr>
<tr>
<td>LTC Holdings Inc.</td>
<td></td>
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<tr>
<td>LTC Italy SRL</td>
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<tr>
<td>LTC Tower General Contractors LLC</td>
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<tr>
<td>LTCCORP Commercial LLC</td>
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<tr>
<td>LTCCORP E&amp;C Inc.</td>
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<tr>
<td>LTCCORP Government Services-OH Inc.</td>
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<tr>
<td>LTCCORP Government Services Inc.</td>
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<tr>
<td>LTCCORP Government Services-MI Inc.</td>
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<tr>
<td>LTCCORP O&amp;G LLC</td>
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<tr>
<td>LTCCORP Renewables LLC</td>
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<td>LTCCORP Inc.</td>
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<tr>
<td>LTCCORP/Kaya Djibouti LLC</td>
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<tr>
<td>LTCCORP/Kaya East Africa LLC</td>
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<tr>
<td>LTCCORP/Kaya Romania LLC</td>
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<tr>
<td>LTCCORP/Kaya Rwanda LLC</td>
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<tr>
<td>LTCCORP Technology LLC</td>
<td></td>
</tr>
<tr>
<td>Toltest/Desbuild Germany JV LLC</td>
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</tr>
<tr>
<td>Veterans Construction/Lakeshore JV LLC</td>
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<tr>
<td>Afghan Royal First Logistics, d.b.a. “Afghan Royal”</td>
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</tr>
<tr>
<td>American Barriers</td>
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<tr>
<td>Anakozia Afghan Advertising</td>
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Debarments (continued)

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## TABLE D.1 (CONTINUED)

### SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF SEPTEMBER 30, 2020 (CONTINUED)

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## APPENDIX E

**SIGAR DATA CALL QUESTIONS THAT RECEIVED CLASSIFIED OR UNCLASSIFIED BUT NOT PUBLICLY RELEASABLE RESPONSES**

Every quarter, SIGAR sends U.S. implementing agencies in Afghanistan a list of questions about their programs. This quarter, United States Forces-Afghanistan (USFOR-A) classified, or designated unclassified, but not publicly releasable, its responses to the bolded portions of these questions from SIGAR’s data call (below).

### SECURITY

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| **Oct-Sec-01** | 1. Please provide the following classified information on ANA strength as of the latest available date (month-end):  
   a. the most recent ANA APPS month-end report with “as of” dates on each.  
   2. Please provide the following unclassified information on ANA strength as of the latest available date (month-end):  
      a. the topline strength of the ANA (with “as of” date provided),  
      b. a description of general ANA attrition trends over the last quarter.  
   3. On ANA attrition:  
      a. Given current attrition trends, does CSTC-A think that the ANA is manned at adequate levels, and how does CSTC-A determine what “adequate” is? How specifically has this affected ANA readiness and performance?  
      b. What are the steps MOD is taking to minimize attrition from desertion, AWOL, or refusals to reenlist? Please comment how effective these have or haven’t been.  
      c. If such data exist, approximately what portion of the attrition count this quarter returned to the force (due to, for example, healing of wounds, reenlistment, or other circumstances)? |
| **Oct-Sec-04** | 1. On the ANDSF’s performance:  
   a. Please provide a recent assessment of the ANDSF elements below the ministerial level. The assessment should include updates on how the ANDSF is performing in each of the Top 10 Challenges and Opportunities (as shown on pages 30-40 of the latest 1225 report).  
   b. Please provide a description of the sources of information used to determine/track ANDSF performance in each of the Top 10 Challenges and Opportunities.  
   c. Please provide the latest, classified NATO Periodic Mission Review (PMR). If there will be no PMR released this quarter, please say so.  
   2. Please provide a recent, unclassified assessment of the ANDSF at the ministerial level.  
   3. Please provide the most recent monthly or quarterly reports quantifying ANDSF performance using the new ANET assessment system. If ANET still has not begun generating these reports, please provide the reasons why and the reports’ expected start date |
| **Oct-Sec-08** | 1. Please provide the following classified information on ANP strength as of the latest available date (month-end):  
   a. the most recent ANP APPS month-end report with “as of” dates on each.  
   2. Please provide the following unclassified information on ANP strength as of the latest available date (month-end):  
      a. the topline strength of the ANP (with “as of” date provided).  
      b. a description of general ANP attrition trends over the last quarter.  
   3. On ANP attrition:  
      a. Given current attrition trends, does CSTC-A feel that the ANP manned at adequate levels and how specifically has this affected ANP readiness and performance?  
      b. What are the steps MOI is taking to minimize attrition from desertion, AWOL, or refusals to reenlist? Please comment how effective these have or haven’t been.  
      c. If such data exist, approximately what portion of the attrition count this quarter returned to the force (due to, for example, healing of wounds, reenlistment, or other circumstances)? |

*Continued on the next page*
1. Please provide information on insider attacks against Coalition Forces from July 1, 2020, through the latest available date (month end):
   a. the number of insider attacks against U.S. and Coalition military personnel
   b. the number of U.S. and Coalition military personnel wounded or killed from insider attacks
   c. the number of insider attacks against ANDSF
   d. the number of ANDSF personnel wounded or killed as a result of insider attacks

2. Please provide the classified CIDNE Excel file export of all ANDSF casualties from April 1, 2020, through the latest available date (month end). It is not necessary to filter the CIDNE export, but, at a minimum, these data should include the unit (lowest level available), location (highest fidelity possible), and date for all casualties.

3. Please provide a response to the following: In an unclassified, publicly releasable format, describe how ANDSF casualty rates during the quarter compare to casualty rates during the same quarter one year ago. Differentiate between casualties that occurred during offensive operations and those that occurred during defensive operations.

4. In reference to changes to the U.S. military posture resulting from the implementing arrangements of the U.S.-Taliban agreement, what is USFOR-A doing operationally to help prevent Taliban/other enemy attacks on the ANDSF and to help prevent high ANDSF casualties? Please provide as much detail as you can in an unclassified format and anything else classified.

1. Regarding USG support to the Special Mission Wing (SMW):
   a. Please provide a recent, comprehensive update of the SMW as of the latest possible date.
   b. Please identify each type of aircraft in the SMW inventory and the number of each. If aircraft became unusable during this reporting period, please indicate when and the reason for each.
   c. Please provide the number of aircraft purchased but not yet fielded and what the anticipated dates are for fielding.
   d. Please complete the attached ANDSF spreadsheet/SMW tab, or provide the applicable data. (Sec-26 tab Data Call Attachment Spreadsheet)
   e. What percentage of the SMW sorties are in support of counternarcotics? Of counterterrorism? or counternexus (CN & CT)?
   f. How many aircrew members does the SMW currently have, by crew position and airframe? Please break out their level of mission qualification (e.g. Certified Mission Ready (night-vision qualified), the daytime equivalent, etc.):
      1) Mi-17 Pilots and Pilot Trainers
      2) Mi-17 Flight Engineers
      3) Mi-17 Crew Chiefs
      4) PC-12 Pilots
      5) PC-12 Mission System Operators
   g. Please provide an update on the operational readiness rate of the SMW and its achievement benchmarks this quarter, if one is available.
   h. How many and what type of aircraft maintainers are currently assigned / authorized? Are these SMW personnel or contractors? If contractors, are they Afghan or international contractors?
   i. Provide the cost of aircraft maintenance being paid with ASFF or money from other countries.

1. On U.S. and Afghan air strikes in Afghanistan, please provide any updates necessary for the following totals from last quarter, as well as this quarter's data (July 1, 2020, through the latest available month-end date):
   a. How many air strikes have been carried out monthly by U.S. forces? If classified, please provide some unclassified statements on data trends (like with EIA/EEIA data in Sec-63).
   b. How many civilian casualties have been incurred from these air strikes monthly?
   c. How many civilian casualties resulted from AAF air strikes monthly?

2. Please provide any updates necessary for the overall RS/USFOR-A tracked Afghan civilian casualty figures from last quarter, as well as this quarter's data from July 1, 2020, through the latest available month-end date (in the Data Call Attachment Spreadsheet, Tabs Sec-58) and include:
   a. the monthly breakout of the data
   b. the breakout of civilian casualties by each province
   c. the percentage breakdown of the top causes of the total civilian casualties
   d. the breakout of civilian casualties by responsible party (i.e. ANDSF, U.S. and Coalition forces, insurgents). In RS's civilian casualty collection methodology, if an enemy initiated attack occurs, and the Coalition or Afghan response (e.g., ground operation or air strike) kills or injures Afghan civilians, to whom are civilian casualties attributed?

Continued on the next page
1. Provide a spreadsheet documenting all concluded ANDSF CONOPs for offensive operations conducted from July 1, 2020, through the latest available date (month-end date). Each concluded operation should be its own row. For our purposes, an operation involves (1) at least one ANA kandak or (2) a combination of units from at least two Afghan security entities (MOI, MOD, and/or NDS). For each operation, we request the following information:
   a. the district in which the operation primarily occurred (District name)
   b. the province in which the operation primarily occurred (Province name)
   c. the start date of the operation (YYYY-MM-DD)
   d. the end date of the operation (YYYY-MM-DD)
   e. whether AAF A-29s or AC-208 provided direct support during the operation (Yes/No)
   f. whether AAF MD-530s, UH-60, or Mi-17 provided direct support during the operation (Yes/No)
   g. whether ANASOC MSFVs provided direct support during the operation (Yes/No)
   h. whether the operation involved ANA units (Yes/No)
   i. whether the operation involved MOI units (Yes/No)
   j. whether the operation involved NDS units (Yes/No)
   k. whether the operation involved ANASOC units (Yes/No)
   l. whether the operation was enabled by U.S. or Coalition air support (Yes/No)
   m. whether the operation was enabled by U.S. or Coalition ground support (Yes/No)
   n. whether any U.S. or Coalition military aircraft provided medical evacuation support (Yes/No)

2. Please provide data on the total number of enemy-initiated attacks monthly from January 1, 2020, through September 30, 2020, in the Data Call Attachment Spreadsheet, tab Sec-63, and include the following for the last two quarters separately (March-June and July-September):
   a. the total number of enemy initiated attacks by month
   b. the attacks broken out by categories, to include direct fire, IED/mine strikes, indirect fire, SAFIRE, etc.
   c. the attacks broken out by province

3. Please provide data on the total number of effective enemy-initiated attacks monthly from January 1, 2020, through September 30, 2020, in the Data Call Attachment Spreadsheet, tab Sec-63, and include the following for the last two quarters separately (March-June and July-September):
   a. the attacks broken out by types of attacks, to include direct fire, IED/mine strikes, indirect fire, SAFIRE, etc.
   b. the attacks broken out by province

4. If there has been any change in margin of error or time period lag in the data, please explain what the change is and why it occurred.

5. If questions 1-3 remain U//FOUO this quarter, please provide the same level of unclassified description of EIA trends provided to us in your vetting response last quarter.

**GOVERNANCE**

**Purpose:** This question aims to provide an update on CSTC-A’s use of conditions, incentives, and penalties for its support to the MOD and MOI. CSTC-A reports that it uses a conditions-based approach, but has not described any of these conditions.

1. List the specific conditions the Afghan government must achieve to receive CSTC-A financial and material assistance. If these conditions are unique to particular CSTC-A Offices of Primary Responsibility (OPR), identify the OPRs.
2. With the expiration of the bilateral commitment letters, it is difficult to ascertain what constitutes an incentive, a penalty, and baseline support to particular MOD- and MOI-related on-budget funds. The documents CSTC-A has provided SIGAR for the 1398 funding guidance and 1399 fiscal guidance appear to define only CSTC-A’s planned baseline contributions to particular expenditure object codes. How do incentives and penalties relate to these planned contributions? For example, are incentives benefits above the planned baseline contributions? Are penalties the withholding of certain baseline and/or incentive contributions?
3. Describe any specific instances where CSTC-A provided incentives this quarter. CSTC-A has told SIGAR that “incentives are built into CSTC-A’s overall execution of our conditions based approach and is not assigned to a specific quarter.” As a result, CSTC-A has not described a specific incentive or penalty. At some point, a portion of an incentive is presumably provided (even if the incentive process spans multiple quarters). The intent of this question is to document the specific instances in which an incentive is provided, either in whole or part, in a particular quarter. For each instance of an incentive, describe:
   a. The CSTC-A OPR that recommended the incentive
   b. What prompted the incentive
4. Describe any specific instances of the Afghan government not using CSTC-A-provided funding support as intended this quarter. CSTC-A has told SIGAR that “incentives are built into CSTC-A’s overall execution of our conditions-based approach and is not assigned to a specific quarter.” As a result, CSTC-A has not described a specific incentive or penalty. At some point, a portion of a withholding occurs (even if the process spans multiple quarters). The intent of this question is to document the specific instances in which a withholding occurs, either in whole or in part, in a particular quarter. If any of these instances resulted in CSTC-A withholding funding or commodity assistance, also describe:
   a. The CSTC-A OPR that recommended the penalty
   b. What prompted the withholding
   c. The monetary value (in afghani) of the withholding or the amount and type of the commodity withheld
   d. Any observed behavior changes CSTC-A attributes to the withholding

5. Since so much of CSTC-A’s current approach to conditionality hinges on the identification of “reliable partners” in the MOD and MOI, describe:
   a. The process by which CSTC-A designates a partner as being reliable. (How does CSTC-A determine/assess whether a partner is reliable?) For example, are there particular attributes or behaviors that mark an MOD or MOI counterpart as being reliable? Would it be fair to say that CSTC-A initially assumes an MOD or MOI partner is reliable (i.e., gives the benefit of the doubt or presumes innocence)? The example of the MOD Assistant Minister for Construction and Program Management Department (CPDM) seems to indicate that a partner is assumed to be reliable until there is evidence to the contrary. In CSTC-A’s telling, this partner was initially assessed as reliable in 2019 and then reassessed in 2020 as something other than reliable (presumably unreliable). However, CSTC-A has yet to provide any detail on the methodologies for these assessments. Unless the assessment process differed significantly between 2019 and 2020, the only difference would seem to be new information with which to base an assessment. If there was less information in 2019 on which to base an assessment, it would appear necessary to make certain initial assumptions as to the reliability of a partner.
   b. The process for revising an assessment of reliability and any consequences of such a changed assessment. For example, are there cases in which CSTC-A considered an MOD or MOI counterpart as reliable, but later revised this assessment? Did such revisions result in any changes in CSTC-A-provided financial or commodity assistance?
   c. Whether CSTC-A does (or does not) provide financial and/or commodity assistance to MOD or MOI counterparts who are not specifically designated as a reliable partner. Is being a reliable partner a necessary condition for receiving CSTC-A financial and/or commodity assistance?
   d. Whether designation as a reliable partner is specific to particular individuals or an institution as a whole. For example, is it enough that the leader of a particular portion of the MOD or MOI be considered reliable for their office/directorate/branch/etc. to be viewed as reliable, even if their subordinates are of unknown or deficient reliability?
   e. How CSTC-A balances (1) its goal of establishing and maintaining strong working relationships with reliable MOD and MOI partners and (2) its funding decisions should these counterparts fail to meet CSTC-A’s expectations. Are there instances of these goals coming into conflict and, if so, how did CSTC-A respond?

6. Provide an update on MOI’s progress in achieving donor conditions for the transition of LOTFA payroll systems from UNDP to MOI management. (This refers to the conditions LOTFA donors set for payroll transition in 2015 see attachment Jul-Gov-15-4d_CSTC-A-RM_Attachment-08_Assessment_Report_UNCLASSIFIED.pdf for background.)

7. Also, provide copies of the latest versions of the following documents (or their successor documents if the format/title has changed) (if issued, updated, or modified during the quarter):
   a. MOD and MOI financial or funding authorization letters (or any other documents such as modification to previous support) defining CSTC-A’s planned funding to the support the MOD and MOI (used in lieu of a commitment letter).
   b. Any documents provided to CSTC-A as a LOTFA donor that provides updates on the Afghan government’s progress in meeting donor conditions for LOTFA payroll transition
   c. Documents showing the CSTC-A Commanding General’s final approval of CSTC-A OPR-recommended incentives and/or penalties issued this quarter.
   d. Any documents that track the reliability of MOD/MOI counterparts during the quarter. (The example of the MOD Assistant Minister for Construction and Program Management Department (CPDM) states that at least two “assessments” have taken place (2019 and 2020). However, CSTC-A has yet to provide any documentation in response to this question. It is unusual to report that assessments occur and yet also report that no documentation is produced from these assessments.)
   e. Any “TAA tool” or assessment tool that is used in conditionality.
   f. Any documents that codify CSTC-A’s process of establishing a condition and assessing the MOD/MOI’s success in meeting the conditions
### APPENDIX F

#### ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>ACRONYM OR ABBREVIATION</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAF</td>
<td>Afghan Air Force</td>
</tr>
<tr>
<td>ACJC</td>
<td>Anti-Corruption Justice Center</td>
</tr>
<tr>
<td>ACLED</td>
<td>Armed Conflict Location &amp; Event Data Project</td>
</tr>
<tr>
<td>ADALAT</td>
<td>Assistance for Development of Afghan Legal Access and Transparency</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AFMIS</td>
<td>Afghan Financial Management Information System</td>
</tr>
<tr>
<td>AFN</td>
<td>afghani (currency)</td>
</tr>
<tr>
<td>AGO</td>
<td>Attorney General's Office</td>
</tr>
<tr>
<td>AITF</td>
<td>Afghanistan Infrastructure Trust Fund</td>
</tr>
<tr>
<td>ALP</td>
<td>Afghan Local Police</td>
</tr>
<tr>
<td>AMANAT</td>
<td>Afghanistan’s Measure for Accountability and Transparency</td>
</tr>
<tr>
<td>ANA</td>
<td>Afghan National Army</td>
</tr>
<tr>
<td>ANASOC</td>
<td>ANA Special Operations Corps</td>
</tr>
<tr>
<td>ANDSF</td>
<td>Afghan National Defense and Security Forces</td>
</tr>
<tr>
<td>ANP</td>
<td>Afghan National Police</td>
</tr>
<tr>
<td>AO</td>
<td>abandoned ordnance</td>
</tr>
<tr>
<td>APPS</td>
<td>Afghan Personnel and Pay System</td>
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<td>AROC</td>
<td>Afghan Resources Oversight Council</td>
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<td>ARTF</td>
<td>Afghanistan Reconstruction Trust Fund</td>
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<tr>
<td>ASFF</td>
<td>Afghanistan Security Forces Fund</td>
</tr>
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<td>ASSF</td>
<td>Afghan Special Security Forces</td>
</tr>
<tr>
<td>AUP</td>
<td>Afghan Uniform Police</td>
</tr>
<tr>
<td>AUAF</td>
<td>American University of Afghanistan</td>
</tr>
<tr>
<td>AWOL</td>
<td>absent without leave</td>
</tr>
<tr>
<td>BAG</td>
<td>Budget Activity Group</td>
</tr>
<tr>
<td>BMZ</td>
<td>Federal Ministry for Economic Cooperation and Development (German)</td>
</tr>
<tr>
<td>CCAP</td>
<td>Citizen’s Charter Afghanistan Project</td>
</tr>
<tr>
<td>CDCS</td>
<td>Country Development Cooperation Strategy</td>
</tr>
<tr>
<td>CENTCOM</td>
<td>U.S. Central Command</td>
</tr>
<tr>
<td>CERP</td>
<td>Commander’s Emergency Response Program</td>
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<tr>
<td>CID</td>
<td>U.S. Army Criminal Investigation Command</td>
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Continued on the next page
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<thead>
<tr>
<th>ACRONYM OR ABBREVIATION</th>
<th>DEFINITION</th>
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<tbody>
<tr>
<td>CIGIE</td>
<td>Council of the Inspectors General on Integrity and Efficiency</td>
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<tr>
<td>CMS</td>
<td>Case Management System</td>
</tr>
<tr>
<td>CN</td>
<td>counternarcotics</td>
</tr>
<tr>
<td>CNPA</td>
<td>Counter Narcotics Police of Afghanistan</td>
</tr>
<tr>
<td>COIN</td>
<td>counterninsurgency</td>
</tr>
<tr>
<td>COMAC</td>
<td>Conflict Mitigation Assistance for Civilians</td>
</tr>
<tr>
<td>COR</td>
<td>contracting officer's representative</td>
</tr>
<tr>
<td>CSSP</td>
<td>Corrections System Support Program</td>
</tr>
<tr>
<td>CSTC-A</td>
<td>Combined Security Transition Command-Afghanistan</td>
</tr>
<tr>
<td>CTF</td>
<td>Counterterrorism Financing</td>
</tr>
<tr>
<td>CWD</td>
<td>Conventional Weapons Destruction</td>
</tr>
<tr>
<td>DAB</td>
<td>Da Afghanistan Bank</td>
</tr>
<tr>
<td>DABS</td>
<td>Da Afghanistan Breshna Sherkat</td>
</tr>
<tr>
<td>DCIS</td>
<td>Defense Criminal Investigative Service</td>
</tr>
<tr>
<td>DEA</td>
<td>Drug Enforcement Administration (U.S.)</td>
</tr>
<tr>
<td>DHS</td>
<td>Department of Homeland Security</td>
</tr>
<tr>
<td>DICDA</td>
<td>Drug Interdiction and Counter-Drug Activities (U.S.)</td>
</tr>
<tr>
<td>DLA</td>
<td>Defense Logistics Agency</td>
</tr>
<tr>
<td>DOD</td>
<td>Department of Defense (U.S.)</td>
</tr>
<tr>
<td>DOD OIG</td>
<td>Department of Defense Office of Inspector General</td>
</tr>
<tr>
<td>DOJ</td>
<td>Department of Justice (U.S.)</td>
</tr>
<tr>
<td>EEIA</td>
<td>effective enemy initiated attacks</td>
</tr>
<tr>
<td>EIA</td>
<td>enemy-initiated attacks</td>
</tr>
<tr>
<td>ERW</td>
<td>explosive remnants of war</td>
</tr>
<tr>
<td>ESF</td>
<td>Economic Support Fund</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization (UN)</td>
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<tr>
<td>FAP</td>
<td>Financial and Activity Plan</td>
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<tr>
<td>FBI</td>
<td>Federal Bureau of Investigation</td>
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<tr>
<td>FFP</td>
<td>Food for Peace (USAID)</td>
</tr>
<tr>
<td>FHI</td>
<td>Family Health International</td>
</tr>
<tr>
<td>FY</td>
<td>fiscal year</td>
</tr>
<tr>
<td>GAO</td>
<td>Government Accountability Office (U.S.)</td>
</tr>
<tr>
<td>GCPSU</td>
<td>General Command of Police Special Units</td>
</tr>
<tr>
<td>GDP</td>
<td>gross domestic product</td>
</tr>
<tr>
<td>GDIS</td>
<td>General Directorate for Internal Security</td>
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<table>
<thead>
<tr>
<th>ACRONYM OR ABBREVIATION</th>
<th>DEFINITION</th>
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<tbody>
<tr>
<td>GIROA</td>
<td>Government of the Islamic Republic of Afghanistan</td>
</tr>
<tr>
<td>GLE</td>
<td>Governor-Led Eradication</td>
</tr>
<tr>
<td>HAZMAT</td>
<td>hazardous materials</td>
</tr>
<tr>
<td>HMMWV</td>
<td>high mobility multipurpose wheeled vehicle (commonly known as a humvee)</td>
</tr>
<tr>
<td>HQ</td>
<td>headquarters</td>
</tr>
<tr>
<td>HSR</td>
<td>Health Sector Resiliency</td>
</tr>
<tr>
<td>ICRC</td>
<td>International Committee of the Red Cross</td>
</tr>
<tr>
<td>ICS</td>
<td>Integrated Country Strategy</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Persons</td>
</tr>
<tr>
<td>IEC</td>
<td>Independent Election Commission (Afghan)</td>
</tr>
<tr>
<td>IED</td>
<td>improvised explosive device</td>
</tr>
<tr>
<td>IG</td>
<td>inspector general</td>
</tr>
<tr>
<td>IHSAN</td>
<td>Initiative for Hygiene, Sanitation, and Nutrition</td>
</tr>
<tr>
<td>IIU</td>
<td>Intelligence and Investigation Unit (Afghan)</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>INCLE</td>
<td>International Narcotics Control and Law Enforcement (U.S.)</td>
</tr>
<tr>
<td>INL</td>
<td>Bureau of International Narcotics and Law Enforcement Affairs (State Department)</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organization for Migration</td>
</tr>
<tr>
<td>IPP</td>
<td>independent power producers</td>
</tr>
<tr>
<td>IS-K</td>
<td>Islamic State-Khorasan</td>
</tr>
<tr>
<td>ISLA</td>
<td>Initiative to Strengthen Local Administrations Program</td>
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<tr>
<td>ISR</td>
<td>Intelligence, Surveillance, and Reconnaissance (ISR)</td>
</tr>
<tr>
<td>IWA</td>
<td>Integrity Watch Afghanistan</td>
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<tr>
<td>JSSP</td>
<td>Justice Sector Support Program (State Department)</td>
</tr>
<tr>
<td>JIDO</td>
<td>Joint Improvised-Threat Defeat Organization</td>
</tr>
<tr>
<td>kg</td>
<td>kilogram</td>
</tr>
<tr>
<td>KIA</td>
<td>killed in action</td>
</tr>
<tr>
<td>KLE</td>
<td>key leader engagements</td>
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<tr>
<td>LLP</td>
<td>Lessons Learned Program</td>
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<tr>
<td>LOTFA</td>
<td>Law and Order Trust Fund for Afghanistan</td>
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<tr>
<td>MAIL</td>
<td>Ministry of Agriculture, Irrigation and Livestock (Afghan)</td>
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<tr>
<td>MAPA</td>
<td>Mine Action Programme for Afghanistan</td>
</tr>
<tr>
<td>MCN</td>
<td>Ministry of Counter Narcotics (Afghan)</td>
</tr>
<tr>
<td>MCTF</td>
<td>Major Crimes Task Force</td>
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<tr>
<td>MELRA</td>
<td>Multi-Dimensional Legal Economic Reform Assistance</td>
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</table>

Continued on the next page
## ACRONYM OR ABBREVIATION | DEFINITION
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MIGA | Multilateral Investment Guarantee Agency
MOCI | Ministry of Commerce and Industry (Afghan)
MOD | Ministry of Defense (Afghan)
MOD CID | MOD Criminal Investigation Directorate
MOD IG | Ministry of Defense Inspector General
MOE | Minister of Education (Afghan)
MOEC | Ministry of Economy (Afghan)
MOF | Ministry of Finance (Afghan)
MOHE | Ministry of Higher Education (Afghan)
MOI | Ministry of Interior (Afghan)
MOIC | Ministry of Industry and Commerce
MOI CID | Ministry of Interior (Afghan) Criminal Investigation Directorate
MOI IG | Ministry of Interior (Afghan) Inspector General
MOJ | Ministry of Justice (Afghan)
MOMP | Ministry of Mines and Petroleum (Afghan)
MOPH | Ministry of Public Health (Afghan)
MOU | memorandum of understanding
MOWA | Ministry of Women's Affairs
MPTF | Multi-Partner Trust Fund
MPD | Ministry of Interior Affairs and Police Development Project
MPGC | Military Police Guard Command
MRA | Migration and Refugee Assistance
MRRD | Ministry of Rural Rehabilitation and Development (Afghan)
MW | megawatt
NADR | Non-Proliferation, Antiterrorism, Demining, and Related Programs
NATF | NATO ANA Trust Fund
NATO | North Atlantic Treaty Organization
NCO | noncommissioned officers
NDAA | National Defense Authorization Act
NDS | National Directorate of Security (Afghan)
NEPS | Northeast Power System
NGO | nongovernmental organization
NMS | National Maintenance Strategy
NSA | National Security Advisor
NSAD | Narcotics Survey and Analysis Directorate
NSC | National Security Council

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<tr>
<th>ACRONYM OR ABBREVIATION</th>
<th>DEFINITION</th>
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<tr>
<td>NSIA</td>
<td>National Statistics and Information Authority (Afghan)</td>
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<td>NSOCC-A</td>
<td>NATO Special Operations Component Command-Afghanistan</td>
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<td>NSPA</td>
<td>NATO Support and Procurement Agency</td>
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<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>OCO</td>
<td>Overseas Contingency Operations</td>
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<td>OEG</td>
<td>Office of Economic Growth (USAID)</td>
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<td>OFDA</td>
<td>Office of U.S. Foreign Disaster Assistance</td>
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<td>OFS</td>
<td>Operation Freedom's Sentinel</td>
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<td>OIG</td>
<td>Office of the Inspector General</td>
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<tr>
<td>OMB</td>
<td>Office of Management and Budget</td>
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<tr>
<td>OSD-P</td>
<td>Office of the Undersecretary of Defense for Policy</td>
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<tr>
<td>OTA</td>
<td>Office of Technical Assistance (U.S. Treasury)</td>
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<td>OTI</td>
<td>Office of Transition Initiatives</td>
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<tr>
<td>PM/WRA</td>
<td>Bureau of Political-Military Affairs’ Office of Weapons Removal and Abatement (State)</td>
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<td>PPA</td>
<td>power-purchase agreement</td>
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<tr>
<td>PRM</td>
<td>Bureau of Population, Refugees and Migration (U.S. State)</td>
</tr>
<tr>
<td>PTEC</td>
<td>Power Transmission Expansion and Connectivity</td>
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<td>RADP</td>
<td>Regional Agriculture Development Program</td>
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<td>RC</td>
<td>recurrent cost</td>
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<td>RFE/RL</td>
<td>Radio Free Europe/ Radio Liberty</td>
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<td>RS</td>
<td>Resolute Support</td>
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<td>SAG</td>
<td>subactivity group</td>
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<tr>
<td>SEPS</td>
<td>Southeast Power System</td>
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<tr>
<td>SHAHAR</td>
<td>Strong Hubs for Afghan Hope and Resilience</td>
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<tr>
<td>SHOPS</td>
<td>Sustaining Health Outcomes through the Private Sector</td>
</tr>
<tr>
<td>SIGACT</td>
<td>significant act (violence against coalition troops)</td>
</tr>
<tr>
<td>SIU</td>
<td>Sensitive Investigative Unit (Afghan)</td>
</tr>
<tr>
<td>SME</td>
<td>subject-matter expert</td>
</tr>
<tr>
<td>SMW</td>
<td>Special Mission Wing (Afghan)</td>
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<td>SOCOM</td>
<td>U.S. Special Operations Command</td>
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<td>SOF</td>
<td>Special Operations Forces</td>
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<td>SRAR</td>
<td>Special Representative for Afghanistan Reconciliation</td>
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<td>State OIG</td>
<td>Department of State Office of the Inspector General</td>
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<tr>
<td>SWIM</td>
<td>Strengthening Watershed and Irrigation Management</td>
</tr>
<tr>
<td>TAA</td>
<td>train, advise, and assist</td>
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<tr>
<th>ACRONYM OR ABBREVIATION</th>
<th>DEFINITION</th>
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<tbody>
<tr>
<td>TAAC</td>
<td>train, advise, and assist command</td>
</tr>
<tr>
<td>TAAC-Air</td>
<td>train, advise, and assist command-air</td>
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<tr>
<td>TAF</td>
<td>The Asia Foundation</td>
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<tr>
<td>TF</td>
<td>task force</td>
</tr>
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<td>TIU</td>
<td>Technical Investigative Unit</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UN WFP</td>
<td>United Nations World Food Programme</td>
</tr>
<tr>
<td>UNAMA</td>
<td>United Nations Assistance Mission in Afghanistan</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>UNMAS</td>
<td>United Nations Mine Action Service</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<td>USAAA</td>
<td>U.S. Army Audit Agency</td>
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<tr>
<td>USACE</td>
<td>U.S. Army Corps of Engineers</td>
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<td>USAID</td>
<td>U.S. Agency for International Development</td>
</tr>
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<td>USAID OIG</td>
<td>USAID Office of the Inspector General</td>
</tr>
<tr>
<td>USD</td>
<td>U.S. dollar</td>
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<td>USFOR-A</td>
<td>U.S. Forces-Afghanistan</td>
</tr>
<tr>
<td>USIP</td>
<td>United States Institute of Peace</td>
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<tr>
<td>UTEDC</td>
<td>Unified Training, Education and Doctrine Command</td>
</tr>
<tr>
<td>UXO</td>
<td>unexploded ordnance</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<tr>
<td>WIA</td>
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30. USAID, response to SIGAR data call, 10/12/2020.


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55. Wall Street Journal, “Afghan Government and Taliban Meet to Kick Off Historic Peace Talks,” 9/13/2020; State, Agreement for Bringing Peace to Afghanistan between the Islamic Emirate of Afghanistan which is not recognized by the United States as a state and is known as the Taliban and the United States of America, 2/29/2020, p. 2; Ambassador Zalmay Khalilzad, Principal Deputy Assistant Secretary of Defense for Indo-Pacific Security Affairs, Spoken Testimony before the House Subcommittee on National Security, House Oversight and Reform Committee, 9/22/2020.
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152. CSTC-A, response to SIGAR data call, 10/6/2020.
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186. CSTC-A, response to SIGAR data call, 10/6/2020.
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189. CSTC-A, response to SIGAR data call, 10/6/2020.
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234. SIGAR, SIGAR, meeting record with CSTC-A, 12/9/2019.


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263. “Agreement for Bringing Peace to Afghanistan between the Islamic Emirate of Afghanistan which is not recognized by the United States as a state and is known as the Taliban and the United States of America,” 2/29/2020, p. 2.


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322. USAID, OPPD, response to SIGAR data call, 12/30/2013.

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332. SIGAR, Quarterly Report to the United States Congress, 7/30/2020, p. 43.
333. DOD, response to SIGAR vetting, 1/12/2017; DOD, response to SIGAR vetting, 10/11/2018.
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357. USAID, ODG, response to SIGAR data call, 9/21/2020.

380. Afghanistan Justice Sector Support Program, Bi-Weekly Report # 23 (Option Year Two), 8/15/2020, p. 3.


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399. UN, Afghanistan’s Fight against Corruption: Crucial for Peace and Prosperity, 6/18/2020, pp. 5, 9.


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404. DOJ, response to SIGAR data call, 9/21/2020.


408. DOJ, response to SIGAR data call, 9/21/2020.


422. DOD, CSTC-A, response to SIGAR data call, 9/22/2020; DOD, response to SIGAR vetting, 10/12/2020.


428. DOD, response to SIGAR vetting, 10/12/2020.

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462. State INL, response to SIGAR vetting, 1/10/2020; State, INL, response to SIGAR vetting, 1/15/2019; State, INL, response to SIGAR vetting, 1/15/2019.
474. State, INL, response to SIGAR vetting, 1/10/2020; State, INL, response to SIGAR vetting, 10/15/2020.
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476. State, INL, response to SIGAR data call, 9/21/2018; State, INL, response to SIGAR vetting, 10/15/2020.
477. SIGAR, Quarterly Report to the U.S. Congress, 1/2020.
483. USFOR-A, response to SIGAR vetting, 7/13/2018; James Soiles, Deputy Chief of Operations, Drug Enforcement Administration, statement for the record before the House Subcommittees of Middle East and Africa, and Asia and Pacific Committee on Foreign Affairs, hearing on “After Withdrawal: The Way Forward in Afghanistan and Pakistan (Part III),” 12/14/2014; OUSD-P response to SIGAR vetting, 10/19/2020.
487. DEA, response to SIGAR data call, 9/21/2020.
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504. State, INL, response to SIGAR vetting, 10/12/2017; State, INL, response to SIGAR data call, 6/17/2020.


506. DEA, response to SIGAR data call, 9/21/2020; State, INL, response to SIGAR data call, 9/21/2020.


512. State, INL, response to SIGAR vetting, 1/10/2020.


526. SIGAR, USAID’s Promoting Gender Equity in National Priority Programs, SIGAR 18-09-AR, 9/7/2018, p. 6.


528. USAID, OG, response to SIGAR data call, 9/21/2020.


531. USAID, OG, response to SIGAR data call, 6/19/2020.


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555. SIGAR analysis of MOF-provided AFMIS data exported 10/13/2020 and 1/18/2020.
556. Associated Press of Pakistan, “Pakistan’s exports to income countries that have protracted balance of payments problems. As a condition of an ECF agreement, the recipient countries must agree to the implementation of specific policies, as outlined in each country’s letter of intent, to support “a stable and sustainable macroeconomic position over the medium term.” IMF, “IMF Extended Credit Facility,” 9/9/2020; IMF, “IMF Reaches a Staff-Level Agreement with the Islamic Republic of Afghanistan on an Extended Credit Facility Arrangement,” 8/14/2020.
561. SIGAR communication with MSF officials, 9/9/2020.
566. The Extended Credit Facility is a primary tool of the IMF to provide medium-term support and concessional loans to low-income countries that have protracted balance of payments problems. As a condition of an ECF agreement, the recipient countries must agree to the implementation of specific policies, as outlined in each country’s letter of intent, to support “a stable and sustainable macroeconomic position over the medium term.” IMF, “IMF Extended Credit Facility,” 9/3/2020; IMF, “IMF Reaches a Staff-Level Agreement with the Islamic Republic of Afghanistan on an Extended Credit Facility Arrangement,” 8/14/2020.
571. SIGAR communication with MSF officials, 9/9/2020.
576. Washington Post, Pamela Constable and Sharif Hassan, “Fearing Crowded Hospitals, some Afghans turn to fruit juice and vegetable soup to ward off the coronavirus,” 7/29/2020.
589. MSF, Doris Burtcher, “'They eat it like sweets': Perceptions of antibiotics and antibiotic use by patients, doctors and pharmacists in a district hospital in Kabul,” 5/2015.
600. SIGAR communication with DFC officials, 9/3/2020; State, SRAR, response to SIGAR data call, 9/22/2020.
605. See Appendix B for a breakdown of U.S. reconstruction funding since 2002.
612. The poverty line reflects 2017 prices, as the last household survey was completed in March 2017. Afghanistan’s statistical authority sets the poverty line by estimating, and subsequently summing, estimates of the amount of money required for Afghans to meet basic food and non-food needs. The food poverty line is calculated by estimating the cost of obtaining 2,100 calories per person, per day. While prices change from year to year, when the criteria for basic needs are held constant, poverty levels can be compared over time. NSIA, Afghanistan Living Conditions Survey 2016–17, 8/2018, p. 330; World Bank, Afghanistan Development Update January 2020: Navigating a Sea of Uncertainty, 1/2020, pp. 4, 25.
617. USIP, Responding to Corruption and the Kabul Bank Collapse, 12/2016, p. 2.


633. The Hindu, “India looks to leverage Chabahar port to boost trade with Central Asia,” 1/2/2020.


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


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663. IMF, Fifth Review Under the Extended Credit Facility Arrangement and Request for Modification of Performance Criteria, 5/15/2019, p. 6; SIGAR analysis of NSIA quarterly


672. SIGAR, Quarterly Report to the United States Congress, 7/30/2020, p. 155.

673. USAID, OEG, response to SIGAR vetting, 10/9/2020.


697. USAID Afghanistan, Country Development Cooperation Strategy, FY2019–2023, 9/2019, pp. 18, 64. In recognition of the risks posed by climate change, USAID is required to conduct a Climate Risk Screening for the development of all new USAID strategies under USAID’s operational and planning policies (ADS Chapter 201), as of October 1, 2015.


702. UC Davis College of Agricultural & Environmental Science, Apricot Production in Afghanistan, 2007, p. 15; UC Davis College of Agricultural & Environmental Science, Pomegranate Production in Afghanistan, 2011, p. 29.
power production is in reality lower than the reported installed capacity. In order to calculate Afghanistan's energy production in MWh, you would need to know the percentage of installed capacity at which the plants were running daily and for how long they were generating power. See Afghanistan Inter-Ministerial Commission for Energy, “Domestic Generation,” 3/2016. Diesel & Gas Turbine Worldwide, “Afghan’s First New Gas-Based Power Plant In 40 Years Running,” 11/14/2019; USAID, “10 MW Kandahar Solar Power,” 12/11/2019; Afghanistan Times, “Salma Dam resumes operations as reservoir fills up,” 10/4/2020.


726. Completion percentages represent the proportion of projects constructed (rather than the proportion of contracts invoiced), as reported by Tetra Tech, with whom USAID contracts for quality assurance support. USAID, OI, response to SIGAR data call, 9/21/2020, 6/19/2020, 12/18/2019; DOD, USFOR-A, response to SIGAR data call, 3/8/2020.


728. SIGAR, USAID’s Power Transmission Expansion and Connectivity Project: The Project is Behind Schedule, and Questions Remain about the Afghan Government’s Ability to Use and Maintain the New Power Infrastructure, SIGAR 19-57-AR, 9/2019, p. 34.


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743. USAID, OED, response to SIGAR data call, 9/21/2020.

744. USAID, OED, response to SIGAR data call, 9/21/2020.


751. 1TVNews, “Ghor University shut down after dozens of students test positive for coronavirus,” 9/14/2020.


756. USAID, OED, response to SIGAR data call, 9/21/2020.


758. USAID, OED, response to SIGAR vetting, 9/21/2020.


761. SIGAR, Quarterly Report to the United States Congress, 1/30/2020, p. 124.


763. State, response to SIGAR vetting, 10/13/2020.

764. SIGAR, Quarterly Report to the United States Congress, 1/30/2020, p. 124.


SIGAR’s oversight mission, as defined by the legislation, is to provide for the independent and objective

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.


(For a list of the congressionally mandated contents of this report, see Appendix A.)