

## GOVERNANCE CONTENTS

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## GOVERNANCE

### KEY ISSUES & EVENTS

On August 15, 2021, President Ashraf Ghani fled the country; the Afghan government collapsed as Taliban forces entered Kabul.

The Taliban announced what they called a “caretaker” government cabinet on September 7, 2021.

While the United States and other members of the international community suspended access to billions of dollars in Afghan assets and donor funds, donors still pledged at least \$1 billion in humanitarian assistance to Afghanistan this quarter.

The last minister of finance in the Ghani government claimed that at least 80% of Afghan soldiers and police were “ghosts.”

### U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of September 30, 2021, the United States had provided nearly \$36.2 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$21.2 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).<sup>1</sup>

As summarized in the tables below, as of September 22, 2021, USAID told SIGAR that it had suspended all USAID-funded assistance activities, including any contact with the Afghan government. USAID requested their implementing partners not to carry out any agreement-specified activities, but to maintain staff and operational capacity, and to incur only reasonable, allocable, and allowable recurrent costs. USAID continued to disburse funds to those partners who needed to maintain staff and sustain operational capacity.<sup>2</sup>

State, however, did not provide SIGAR with an update on the status of their programs, which had included efforts to support the rule of law



**Former President Ashraf Ghani** meeting with U.S. officials the day before he fled the country. (Afghan government photo)

and corrections. State said there were “extenuating circumstances it faced while responding to the onset of the Afghanistan crisis.”<sup>3</sup>

## **AFGHAN GOVERNMENT COLLAPSES, TALIBAN ANNOUNCE “CARETAKER” GOVERNMENT**

### **Ashraf Ghani Flees, Government Falls Following Rapid Taliban Advance**

On August 15, 2021, President Ashraf Ghani fled Afghanistan after Taliban forces entered Kabul, leading to what the UN Secretary-General described as the “de facto disintegration” of the Afghan government.<sup>4</sup> Ghani said he left the country to prevent further bloodshed. Over a 10-day span in August, the Taliban captured 33 of Afghanistan’s 34 provincial capitals.<sup>5</sup> The Taliban, commenting on what they called their “unexpected” victory, claimed they had entered Kabul to “ensure security of lives and property of the people.”<sup>6</sup> In testimony before the House Armed Services Committee, the commander of U.S. Central Command, General Frank McKenzie, said that on August 15, 2021, the Taliban offered to let U.S. military forces take responsibility for the security of Kabul. General McKenzie said that securing all of Kabul city was not part of the mission he was directed to execute and, even if he had been directed, he did not have the resources to secure the entire city.<sup>7</sup>

Whereas Ghani fled, the chairperson of the High Council for National Reconciliation, Abdullah Abdullah; former President Hamid Karzai; and Gulbuddin Hekmatyar, head of the Hizb-i Islami political party, stayed and formed a temporary council aimed at ensuring a peaceful transfer of power to Taliban leaders.<sup>8</sup>

### **Taliban Announce Their “Caretaker” Government**

The Taliban announced their 33-person “caretaker” government cabinet on September 7, 2021. According to the *Afghanistan Analysts Network*, the all-male government “seemed almost intentionally designed to provoke” and signaled “to the outside world and other Afghans that the [Taliban] movement currently sees no reason to compromise with anyone but their own.”<sup>9</sup>

According to the UN, the “de facto” Taliban government is a disappointment for any who hoped or advocated for inclusivity. There were “no non-Taliban members, no figures from the past government, nor leaders of minority groups,” the UN said. Further, many of the new leaders had been members of leadership during the Taliban’s 1996–2001 time in power. The new Taliban regime’s prime minister, two deputy prime ministers, and the foreign minister are among those on the UN sanctions list for their association with the Taliban.<sup>10</sup> The names and backgrounds of the Taliban ministers are shown on the following page.

## KEY FIGURES IN THE TALIBAN'S INTERIM GOVERNMENT



Leader/"Commander of the Faithful"

### Sheikh Haibatullah Akhundzada

Took command of the Taliban in 2016, following the death of Akhtar Mohammad Mansour. The Taliban released the only known photo of Sheikh Akhundzada at this time. He is estimated to be in his 60s and is generally characterized as a religious authority, rather than a military commander.

#### KEY

- Involved in Doha Talks
- Sanctioned\*
- Guantanamo Five\*\*
- Previously Incarcerated



Prime Minister

### Mohammad Hassan Akhund

A minister in the previous Taliban regime and close to Taliban founder Mullah Omar. Rarely seen in public. Thought to be a religious authority rather than a military commander.



Deputy Prime Minister

### Abdul Ghani Baradar

A founding member of the Taliban, Baradar was close to Mullah Omar and held several positions in the previous regime. Led the negotiating team in Doha. Generally considered a moderate within the movement.



Deputy Prime Minister

### Abdul Salam Hanafi

An Uzbek, Hanafi is one of very few non-Pashtuns in leadership. Also a deputy minister under the previous regime, he was allegedly involved in drug trafficking.



Political Deputy for Prime Minister

### Abdul Kabir

A member of the previous regime, allegedly involved in both terror operations and drug trafficking.



Defense Minister

### Muhammad Yaqoob Mujahid

The oldest son of Mullah Omar, Mujahid is believed to be in his early 30s.



Deputy Minister of Defense

### Abdul Qayyum Zakir

A high-ranking military commander with possible connections to Iran. Zakir appears popular with field commanders and was strongly opposed to peace negotiations.



Deputy Minister of Defense

### Mohammad Fazil Mazloom

A front-line military commander through the 1990s, Mazloom is accused of human rights abuses and war crimes.



Interior Minister

### Sirajuddin Haqqani

Wanted for multiple terror attacks by the FBI, Haqqani is a U.S. Specially Designated Global Terrorist



Director of Prisons

### Nooruddin Turabi

Infamous for his brutal Justice Ministry under the previous regime, Turabi continues to support amputations as punishment.



Deputy Minister of Interior Affairs for Security

### Mohammad Ibrahim Sadr



Acting Director of Intelligence

### Abdul Haq Wasiq



Foreign Affairs Minister

### Amir Khan Muttaqi



Minister of Justice

### Abdul Hakim Ishaqzai



UN Ambassador (unrecognized)

### Suhail Shaheen



Spokesman

### Zabihullah Mujahid

\* Individuals marked as "Sanctioned" are named in UN, U.S. and/or Interpol lists.

\*\* "Guantanamo Five" refers to the five Taliban officials released from Guantanamo Bay Prison in 2014 in exchange for Bowe Bergdahl.

Note: It remains unclear how much power individual officials hold. The Taliban continue to shuffle various cabinet positions and have named multiple people to the same roles. Nearly all officials listed here are sanctioned for alleged connections to criminal acts ranging from drug trafficking to civilian massacres.

Note 2: This graphic is not intended to communicate any official recognition of the Taliban as the rightful or legitimate government of Afghanistan.

Source: Please see endnote 11. The photos of Sheikh Haibatullah Akhundzada, Mohammad Hassan Akhund and Abdul Hakim Ishaqzai originated with various Taliban media and may not be accurate. The photos of Abdul Ghani Baradar and Suhail Shaheen are State Department photos. The photo of Sirajuddin Haqqani is from the FBI. The photo of Zabihullah Mujahid is a still image captured from a video of a Taliban press conference. SIGAR has not used photographs to which others hold copyright.

## SIGAR AUDITS

This quarter, a SIGAR audit on post-peace planning in Afghanistan found that State and USAID (1) did not develop strategies or plans for future reconstruction efforts following Afghan peace negotiations; (2) did not develop a plan detailing how reconstruction activities would be revised based on other possible outcomes and risks; (3) deferred decisions on reintegrating former prisoners and combatants into Afghan society, leaving that to the Afghan government and Taliban; and (4) did not develop plans for monitoring and evaluating reconstruction activities following an Afghan peace deal or outcome of the U.S. withdrawal.

While State and USAID said they had a strategy and plans for protecting the rights of Afghan women and girls, it was up to the Afghan government and the Afghan people to decide whether and to what extent the rights of women and of ethnic and religious minorities should be protected. State and USAID told SIGAR they intended to condition future reconstruction assistance in Afghanistan to ensure continued progress for Afghan women and girls. SIGAR made no recommendations in the final report.

## U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

### International Assistance Uncertain Following Taliban Conquest

The future of U.S. assistance to Afghanistan remains uncertain in the wake of the Taliban's conquest. State told SIGAR on September 29, 2021, that "the United States is not providing any assistance to the Taliban or any part of the government of Afghanistan."<sup>12</sup> On September 9, 2021, the UN Secretary-General's Special Representative for Afghanistan, Deborah Lyons, reported that "billions of assets and donor funds have been frozen by members of the international community."<sup>13</sup> As late as early August, Ambassador Khalilzad insisted that the Taliban "must understand that there is no military solution in Afghanistan," saying "the Taliban cannot establish by force a government that would be accepted by the majority of Afghans and the international community."<sup>14</sup> Further, Khalilzad claimed that if the Taliban did conquer the country, they would become a "pariah state" without international recognition or foreign assistance.<sup>15</sup>

Secretary of State Antony J. Blinken, testifying to Congress in September, appeared to suggest that development assistance to Afghanistan might continue under certain circumstances, saying the "legitimacy and support that [the Taliban government] seeks from the international community will depend entirely on its conduct." Further, he said that the U.S. government is working with the international community to "leverage our combined influence."<sup>16</sup> For example, Secretary Blinken told the House Foreign Affairs Committee that "the Taliban has a big problem on its hands. And of course, it is generating very, very little revenue in order to deal with that. All of which, I might add, gives the international community very significant leverage and influence going forward."<sup>17</sup>

On the question of leverage over the Taliban, the commander of U.S. Central Command, General Frank McKenzie, told the Senate Armed Services Committee this quarter that "I do think there is opportunity [but it] will not be a long-lived opportunity, a matter of months perhaps, where we can force the Taliban down a certain path based on their desire to have international financing, international recognition, the release of sanctions and other things that are very important to them."<sup>18</sup>

When speaking on continued humanitarian assistance to Afghanistan, Secretary Blinken expressed hope that it will not be diverted to the Taliban-led government.<sup>19</sup> Blinken said this humanitarian assistance will be provided through the UN, which in turn, will work through nongovernmental organizations using "long-tested methods" to ensure these funds do not go to the Taliban government.<sup>20</sup>

On September 24, 2021, the Treasury Department announced that its Office of Foreign Assets Control (OFAC) issued two general licenses to support the continued flow of humanitarian assistance to the people of Afghanistan and other activities that support basic human needs in

Afghanistan while “denying assets to the Taliban and other sanctioned entities and individuals.” One of these general licenses authorizes the U.S. government, nongovernmental organizations, and certain international organizations and entities (including the UN), as well as those acting on their behalf, to engage in humanitarian efforts.<sup>21</sup>

However, the question remains whether humanitarian assistance can be firewalled from the Taliban government’s influence. In comments to reporters in September, UN Secretary-General António Guterres said “it’s impossible to provide humanitarian assistance inside Afghanistan without engaging with de facto [Taliban] authorities of the country.” Further, despite donors pledging \$1 billion in humanitarian assistance following a UN-organized donor conference on September 13, 2021, Guterres questioned whether that form of assistance will be enough, saying “humanitarian aid will not solve the problem if the economy of Afghanistan collapses.”<sup>22</sup>

## Civilian On-Budget Assistance

USAID provided **on-budget** civilian assistance in two ways: bilaterally to Afghan government entities; and through contributions to two multidonor trust funds—the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF).<sup>23</sup> The ARTF provided funds to the Afghan government’s operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.<sup>24</sup> The AITF coordinated donor assistance for infrastructure projects.<sup>25</sup>

According to USAID, all bilateral-assistance funds were deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.<sup>26</sup>

As shown in Table G.1 on the following page, USAID’s direct bilateral-assistance programs had a total estimated cost of \$352 million. USAID also expected to contribute \$700 million to the 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).<sup>27</sup> According to USAID, the ARTF is “paused and in discussion with the donor community on a way forward.”<sup>28</sup>

The ARTF coordinates international aid on behalf of donors. The ARTF was the largest single source of funding for Afghanistan’s development, financing up to 30% of Afghanistan’s civilian budget, and supporting core functions of the previous government. The main funding mechanisms (also known as “windows”) that were executed by the former government were the Recurrent Cost Window (RCW) and the Investment Window (IW). The RCW provided on-budget reimbursements to the former government for a portion of eligible and non-security related operating expenditures every year. Since 2018, the World Bank says all RCW funding was incentivized to



**UN Secretary-General António Guterres** said “it’s impossible to provide humanitarian assistance inside Afghanistan without engaging with de facto [Taliban] authorities of the country.” (UN photo)

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

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

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

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TABLE G.1

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2021
<b>Bilateral Government-to-Government Projects</b>					
Power Transmission Expansion and Connectivity (PTEC)*	Da Afghanistan Breshna Sherkat	1/1/2013	12/31/2023	\$316,713,724	\$272,477,914
Textbook Printing and Distribution*	Ministry of Education	9/15/2017	12/31/2021	35,000,000	4,333,950
<b>Multilateral Trust Funds</b>					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*/**	Multiple	9/29/2020	12/31/2025	\$700,000,000	\$55,686,333
Afghanistan Infrastructure Trust Fund (AITF)*	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

\*USAID told SIGAR that it had suspended all USAID-funded assistance activities, including any contact with the Afghan government. USAID requested their implementing partners not to carry out any agreement-specified activities, but to maintain staff and operational capacity, and to incur only reasonable, allocable, and allowable recurrent costs. USAID continued to disburse funds to those partners who needed to maintain staff and sustain operational capacity.

\*\*USAID had previous awards to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements and in September 2020 and totaled \$2,555,686,333 in disbursements. Cumulative disbursements from all ARTF awards is currently \$4,127,677,528.

Source: USAID, response to SIGAR data call, 10/14/2021; USAID, response to SIGAR vetting, 10/13/2021.

policy benchmarks. The IW provided on-budget funding for Afghan government national development programs in their budget.<sup>29</sup>

USAID cumulatively disbursed \$154 million to the AITF.<sup>30</sup> As of September 2020, the United States was the second-largest cumulative donor to the AITF, (26% of contributions); the largest cumulative donor is the NATO Afghan National Army Trust Fund (34% of contributions).<sup>31</sup> The last U.S. disbursement to the AITF was in April 2017.<sup>32</sup>

## Last Finance Minister Claims at Least 80% of Afghan Soldiers and Police were “Ghosts”

Approximately 70% of total U.S. on-budget assistance went toward the requirements of the Afghan security forces.<sup>33</sup> A large portion of this was to support salaries. As of April 29, 2021, DOD reported that 300,699 Afghan military and police were eligible for pay.<sup>34</sup> For Afghan fiscal year (FY) 1400 (December 2020–December 2021), as of June 12, DOD provided the Afghan government the equivalent of \$289.4 million, most of which (87%) paid for salaries.<sup>35</sup>

In an interview with the *Afghanistan Analysts Network* in late September, the last minister of finance in the Ghani government, Khalid Payenda, said that the reported 300,000 Afghan military and police personnel “was all a lie.” Instead, he estimated that there were between 40,000 and 50,000 actual soldiers and police, the remainder being “ghosts.” Payenda accused lower-level commanders of colluding with officials “all the way to the top” to inflate the number of serving soldiers and police in order to receive the full allocated funding for salaries and meals. Further, he said these commanders would collude with contractors, such as those expected to provide foodstuffs, to divide profits from payments for nonexistent personnel.<sup>36</sup>

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Payenda claimed that it was not until the final weeks before the fall of the Afghan government that senior officials came to appreciate the extent of the problem, finding out “there were no soldiers” and concluding the Afghan army needed six months to recuperate and reconstitute itself.<sup>37</sup>

Payenda’s claims, if true, would indicate a massive fraud that went undetected for an unspecified period of time despite DOD’s efforts to reduce the opportunities for corruption and fraud around personnel. According to DOD last quarter, the computerized Afghan Personnel and Pay System (APPS) saw the biometric enrollment of 97% of Ministry of Defense (MOD) and 97.8% of Ministry of Interior (MOI) reported personnel.<sup>38</sup> If Payenda’s estimates are accurate, it would mean between 83% and 87% of 300,000 reported military and police personnel were ghosts.<sup>39</sup>

At least one senior ANDSF official with whom SIGAR has spoken contradicted Payenda. SIGAR intends to investigate this matter.

## SIGAR ATTEMPTS TO SPEAK WITH THE LAST FINANCE MINISTER REBUFFED

In late September 2021, SIGAR special agents made several attempts to contact the last Islamic Republic finance minister, Khalid Payenda, to no avail. SIGAR special agents then visited Payenda’s residence and asked to interview him about his experiences in Afghanistan, which he declined. When offered the opportunity to schedule an appointment the following day or week, Payenda again declined, saying he might contact the agents later, but doubted it would be soon. SIGAR has subsequently reached out to Payenda without success.

## RULE OF LAW AND ANTICORRUPTION

### Summary of Rule-of-Law and Anticorruption Programs

As shown in Table G.2, the United States supported a number of rule-of-law and anticorruption programs in Afghanistan.

TABLE G.2

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2021
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)*	4/18/2016	4/17/2022	\$68,163,468	\$49,505,383
Afghanistan’s Measure for Accountability and Transparency (AMANAT)*	8/23/2017	8/22/2022	31,986,588	16,590,954
Corrections System Support Program (OASIS CSSP) Option Year 3**	6/1/2020	5/31/2021	No update	No update
Justice Sector Support Program OASIS Contract**	8/28/2017	8/27/2022	No update	No update
Transferring Professional Development Capacity (TPDC)**	8/31/2020	8/31/2023	No update	No update

\*USAID told SIGAR that it had suspended all USAID-funded assistance activities, including any contact with the Afghan government. USAID requested their implementing partners not to carry out any agreement-specified activities, but to maintain staff and operational capacity, and to incur only reasonable, allocable, and allowable recurrent costs. USAID continued to disburse funds to those partners who needed to maintain staff and sustain operational capacity.

\*\*The State Department’s Bureau of the Comptroller and Global Financial Services informed SIGAR this quarter that it would not provide the current status of State’s Bureau for International Narcotics and Law Enforcement Affairs (INL). According to State, it is “conducting a review of non-humanitarian aid to Afghanistan. This review is ongoing and will determine how INL approaches its programming going forward. The United States is not providing any assistance to the Taliban or any part of the government of Afghanistan.”

Source: State, email correspondence with SIGAR, 9/29/2021; USAID, response to SIGAR data call, 10/14/2021; USAID, response to SIGAR vetting, 10/13/2021.

## Anticorruption

In an interview with the *Afghanistan Analysts Network* following the collapse of the government, former Ghani-appointed finance minister Khalid Payenda, described corruption in the Afghan government as “mind-boggling; almost everyone was corrupt.” Payenda, who resigned five

## SIGAR AUDITS

This quarter, SIGAR issued an audit on the conditions DOD imposed on funding to the Afghan security forces. SIGAR found that Combined Security Transition Command-Afghanistan (CSTC-A) did not hold the Afghan National Defense and Security Forces (ANDSF) to account by enforcing the conditions it established to create a stronger, more professional, and more self-reliant ANDSF. As a result, DOD will never know if the ANDSF could have performed at a higher level in the wake of the U.S. withdrawal had DOD held the ANDSF accountable for failures rather than simply performing tasks for them and providing funding regardless of actual progress. SIGAR made no recommendations in the final report.

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

**Migrants:** Persons who change their country of usual residence, irrespective of the reason for migration or legal status. According to the UN, there is no formal legal definition of an international migrant.

days before the final collapse of the government, said that a few people, particularly in the security sector, tried to make money in the last days of the republic.<sup>40</sup>

Customs collection was one area Payenda said remained corrupt, describing the challenge as “a quagmire and I was drowning in it.”<sup>41</sup> (In 2015, SIGAR reported that U.S. government officials said that potentially up to half of Afghanistan’s customs revenue was lost to corruption.<sup>42</sup>) According to Payenda, one of his priorities after being named minister of finance in January 2021 was improving the collection of customs.<sup>43</sup> Payenda described how each customs house competed with each other to offer traders a lower tariff, thus attracting more traffic for their corrupt schemes while losing the Afghan government important revenues.<sup>44</sup> After Payenda confronted the director of the Nangarhar Province customs office, the director reportedly claimed that he was not a bad person, but the environment forced him to pay off the province governor, news reporters, and members of the Major Crimes Task Force.<sup>45</sup>

Payenda said that all customs directors when confronted accused their province governors of corruption, with many directors saying they also had to illegally pay police, province council representatives and members of parliament, and the Taliban.<sup>46</sup>

## REFUGEES AND INTERNAL DISPLACEMENT

The situation facing Afghan **refugees** and the internally displaced has changed drastically since last quarter with the Taliban taking control of the country, State said. Relief agencies report the humanitarian situation worsened in 2021, with increased conflict-related displacements inside the country; a higher rate of returns of undocumented Afghans from Iran; severe drought, which is expected to contribute to below-average crop harvests and further worsen food insecurity in the coming months; increased rates of malnutrition among children ages five years and younger; and growing gaps in health-system coverage to address health needs, including for COVID-19 prevention and response.<sup>47</sup>

### Afghan Refugees

On August 16, the United Nations High Commissioner for Refugees (UNHCR) released a non-return advisory for Afghanistan that called for a bar on forced returns of Afghan nationals, including asylum seekers who have had their claims rejected.<sup>48</sup>

As of September 23, UNHCR reported that 1,264 refugees voluntarily returned to Afghanistan in 2021. Most of the refugees returned from Iran (800) and Pakistan (413).<sup>49</sup> UNHCR estimated that approximately 2.6 million Afghans were refugees in other countries in 2020.<sup>50</sup>

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

## SIGAR AUDIT

This quarter, SIGAR issued an updated assessment of the Afghan government's implementation, resourcing, and administration of the Afghanistan National Strategy for Combating Corruption. SIGAR found that corruption remained a serious problem and more tangible government action was required to root it out. Specifically, the Afghan government should have: (1) created and implemented benchmarks that were specific, verifiable, time bound, and achieved the desired outcome; (2) amended Article 102 of its Constitution or developed and enforced procedures for the arrest and prosecution of members of Parliament; (3) created and maintained a single, comprehensive list of warrants for individuals accused of corruption crimes; (4) provided additional resources to support the declaration and verification of assets by public officials; (5) increased formal and informal cooperation with other international law-enforcement organizations; and (6) provided resources to Financial Transactions and Reports Analysis Center of Afghanistan and other relevant bodies to enable them to conduct regular inspections at *hawaladars* (informal networks for transferring money) and better monitor illicit financial flows.

## Undocumented Afghan Migrant Returnees

As of September 9, the International Organization of Migration (IOM) reported that 858,956 undocumented Afghan migrants (spontaneous returnees and deportees) returned from Iran and 7,933 undocumented from Pakistan in 2021.<sup>51</sup>

## Conflict-Induced Internal Displacement

As of October 6, 2021, conflicts had induced 665,200 Afghans to flee their homes in 2021, according to the UN Office for the Coordination of Humanitarian Affairs.<sup>52</sup>

## WOMEN'S ADVANCEMENT

As of August 15, USAID had only one remaining Promote program, which aimed to strengthen women's participation in civil society.<sup>53</sup> Like other USAID activities, this program has been suspended.<sup>54</sup>

Table G.3 on the following page shows the Promote and women's-focused programs. Promote's Musharikat (Women's Rights Groups and Coalitions) program was focused on advancing women's participation in the peace process, political participation, and addressing gender-based violence (GBV).<sup>55</sup>

## Future of Women Uncertain

According to the UN, there are increasing reports that the Taliban have prohibited women from appearing in public places without male chaperones

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TABLE G.3

USAID GENDER PROGRAM				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 10/8/2021
Promote: Women's Rights Groups and Coalitions*	9/2/2015	12/1/2021	\$34,534,401	\$31,653,638

\*USAID told SIGAR that it had suspended all USAID-funded assistance activities, including any contact with the Afghan government. USAID requested their implementing partners not to carry out any agreement-specified activities, but to maintain staff and operational capacity, and to incur only reasonable, allocable, and allowable recurrent costs. USAID continued to disburse funds to those partners who needed to maintain staff and sustain operational capacity.

Source: USAID, response to SIGAR data call, 10/14/2021; USAID, response to SIGAR vetting, 10/13/2021.



**The UN Secretary-General's Special Representative for Afghanistan,** Deborah Lyons (left), met with prominent advocate for women and children, Mahbouba Seraj, in Kabul on October 13. (UN photo)

and prevented women from working. Further, the UN said the Taliban have limited girls' access to education in some regions and dismantled the Departments of Women's Affairs across Afghanistan, as well as targeted women's nongovernmental organizations. Shortly after the fall of the Islamic Republic, Taliban spokesman Zabihullah Mujahid said they would respect the rights of women "within the framework of Islam."<sup>56</sup>

As the Taliban took control of districts across Afghanistan leading up to the final collapse of the government, the UN reported allegations of lost rights and freedoms by Afghan women and girls. In particular, women have lost access to education, to health clinics, the right to work and freedom of movement, owing to the directive that women were to be accompanied by a male family chaperone when leaving the home and the reinstatement of strict dress code. In several locations, the Taliban had reportedly threatened those who violate these rules with harsh punishments. The UN said there were reports of women having been flogged and beaten in public because they had breached the prescribed rules.<sup>57</sup>

As of October 5, 2021, Human Rights Watch (HRW) summarized:<sup>58</sup>

[There has] been a steady stream of bad news for women and girls. Almost every day brings further evidence that they are implementing a massive rollback of women's rights. But Afghan women are fighting back—taking to the streets and protesting, even in the face of violence from the Taliban and attempts to ban protest.

According to HRW, there are a number of concerning reports, including: Taliban bans on women's sports, limited women's access to health care due to Taliban rules requiring women to be chaperoned by a man, suspension of international aid, Taliban dispersal of women's rights protesters with gunfire, reports of the Taliban banning women civil servants in the fallen government from returning to work, and Taliban efforts to ban female humanitarian workers.<sup>59</sup>

According to USAID, even if the Taliban allowed females to study, the space for girls and women's education continues to shrink in Afghanistan. The lack of a clear policy or strategy to guide the education sector has led to fragmentation, inconsistency, and incoherent guidance from the local

level de facto authorities based on their own interpretations and understanding of education, USAID said.<sup>60</sup>

## HUMAN RIGHTS

### Numerous Reports of Human Rights Violations, Few Means to Verify

According to Patricia Gossman, associate director for Human Rights Watch Asia, there are numerous claims of atrocities in Afghanistan, but her organization has struggled to confirm them. She said, “there is an avalanche of unverified information on social media” but “there is no other way [besides credible investigations] to establish the truth and press for accountability.”<sup>61</sup>

## COUNTERNARCOTICS

### DEA Evacuates Kabul, Aims to Permanently Close Afghan Office

The U.S. Drug Enforcement Administration (DEA) reported that on August 15, all its staff evacuated Kabul and it has begun administrative proceedings to permanently close its office in Afghanistan.<sup>62</sup> According to DEA, the U.S. military withdrawal and the dissolution of the Afghan government had “catastrophic impacts” on DEA’s work in Afghanistan, and it has no plans to maintain a longer-term mentoring presence there.<sup>63</sup>

DEA over the past two quarters had told SIGAR that it had a long history in Afghanistan, predating September 11, 2001, and the arrival of U.S. forces. During that time DEA said it planned to remain engaged in Afghanistan for as long as the Afghan government permitted and so long as the security situation did not significantly and permanently deteriorate.<sup>64</sup>

### Interdiction Results

DEA reported this quarter that the value of narcotics intercepted from July 1 through August 15, 2021, was over \$3.7 million.<sup>65</sup> In total, interdiction activities resulted in seizures of 200 kilograms (kg) (441 lbs.) of opium, 96 kg (212 lbs.) of heroin, and 24 kg of methamphetamines (53 lbs.). Additionally, 18 arrests were made and approximately 505 kg (1,113 lbs.) of hashish were seized by Afghan security forces during this period.<sup>66</sup> No supplemental information has been available since August 15, 2021. Table G.4 on the following page contains interdiction results provided by DOD and DEA.

DEA reported that DEA-mentored, -partnered, or -supported counter-narcotics interdiction activities by the National Interdiction Unit (NIU) and the Sensitive Investigative Unit (SIU) from July 1 through August 15, 2021, included 12 operations.<sup>67</sup> Despite the improved capabilities of Afghan

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TABLE G.4

INTERDICTION RESULTS, 2011–2021												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021 <sup>2</sup>	TOTAL
Number of Operations	624	669	518	333	270	196	157	198	152	184	57	<b>3,358</b>
Arrests	862	535	386	442	394	301	152	274	170	263	52	<b>3,831</b>
Hashish seized (kg)	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	148,604	422,658	112,439	<b>1,524,621</b>
Heroin seized (kg)	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	3,507	585	383	<b>36,051</b>
Morphine seized (kg)	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	11,859	2	-	<b>181,052</b>
Opium seized (kg)	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	13,751	325	1,086	<b>349,562</b>
Precursor chemicals seized (kg)	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	81,182	30,849	56,075	<b>900,572</b>
Methamphetamine <sup>3</sup> (kg)	50	-	11	23	11	14	31	143	1,308	672	308	<b>2,571</b>

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.

<sup>1</sup> Data covers January 1–December 8, 2020

<sup>2</sup> Data covers January 1–March 13, 2021, April 1–June 14, 2021, and from July 1–August 15, 2021

<sup>3</sup> In crystal or powder form

Source: DEA, response to SIGAR data call, 9/16/2021.

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 were 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.<sup>68</sup>

## State Refuses to Disclose the Current Status of Counternarcotics Programming

The State Department’s Bureau of the Comptroller and Global Financial Services informed SIGAR this quarter that it would not provide the current status of State’s Bureau for International Narcotics and Law Enforcement Affairs (INL). INL had provided counternarcotics assistance to Afghanistan through direct programming as well as through an inter-agency agreement with DEA. According to State, it is “conducting a review of non-humanitarian aid to Afghanistan. This review is ongoing and will determine how INL approaches its programming going forward. The United States is not providing any assistance to the Taliban or any part of the government of Afghanistan.”<sup>69</sup>

## The Taliban and Narcotics

### Could An Opium-Poppy Ban Succeed?

The Taliban has an inconsistent relationship with an Afghan narcotics industry that has grown massively over the past four decades. At its core, the Taliban's approach to narcotics appears contingent on the relative balance of economic (e.g., revenue from narcotics taxation), constituent (e.g., poppy farmers and traffickers), and international demands (e.g., foreign aid and international norms). In this light, the Taliban have both actively supported the drug trade (1996–1999 and 2002–2021) and enforced an outright nationwide ban (2000–2001). These past actions help contextualize recent Taliban pronouncements as well as orient international observers towards possible Taliban narcotics-industry practices or policies.

The Taliban entered Kabul on August 15, effectively completing their rapid takeover of Afghanistan. On August 17, Taliban spokesman Zabihullah Mujahid told international media that the Taliban would not allow the production of opium or other narcotics. Mujahid said, “Afghanistan will not be a country of cultivation of opium anymore.”<sup>70</sup> Some commentators have argued that the Taliban may be able to do this if opium poppy is not as significant of a financial resource for the Taliban as commonly thought, and therefore it may have the flexibility to enforce a ban.<sup>71</sup> At the same time, the political consequences of banning cultivation could destroy the Taliban's popular support among opium-poppy farmers and narcotics traffickers.<sup>72</sup>

Despite the Taliban's critical support to the narcotics industry while it was an insurgency, the group's stated intent to ban opium-poppy cultivation has precedent. In the 1990s, the Taliban expansion occurred prior to its involvement in the narcotics economy, yet its need to consolidate political power drove the Taliban to embrace the drug economy.

By 1996, early “prohibitions” had morphed into a more permissive approach that taxed farmers and traffickers and even initiated a system for providing licenses and regulation over opium producers. This boosted the Taliban's rural legitimacy and provided a crucial source of political power.<sup>73</sup> By 1997, the head of the Taliban's antidrug force in Kandahar commented that “We cannot push the people to grow wheat as there would be an uprising against the Taliban if we forced them to stop poppy cultivation.”<sup>74</sup>

Yet in 2000, under Western pressure, the Taliban implemented and enforced a ban on opium production.<sup>75</sup> In exchange for the July 2000 ban, the Taliban were to receive a \$43 million grant of U.S. counternarcotics funding.<sup>76</sup> Additionally, major traffickers appear to have been interested in a ban on poppy cultivation, which brought windfall profits after raw opium prices rose dramatically and traffickers were able to move their stockpiles.<sup>77</sup>

Regardless of the specific interests, the effective ban meant that when the United States entered Afghanistan in 2001, opium production was at its lowest point since systematic records began in 1980. Focused on counterterrorism operations and wary of large-scale reconstruction efforts, DOD, and its partners at State and USAID, were little concerned at the time with what remained of the broken opium economy.<sup>78</sup>

But by 2004, opium-poppy cultivation had rebounded, expanding to an estimated 130,614 hectares (ha; one ha is roughly 2.5 acres), an extent that surpassed 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.<sup>79</sup>

## Decades of Narcotics Industry Expansion

Afghan opium cultivation and production hit record levels after 2002 despite significant U.S. and Coalition counternarcotics efforts. Since 2002, the U.S. has spent over \$8.9 billion in U.S. reconstruction funds on counternarcotics programs and activities.<sup>80</sup> These initiatives took a 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.<sup>81</sup> Yet according to DEA officials, disrupting the trade was impossible because key Afghan national and tribal figures played both sides, taking money from the drug trade while being protected as power brokers for the U.S.-led military coalition.<sup>82</sup> It was not just the Taliban enabling the trade, but corrupt government or government-aligned actors who also benefited.<sup>83</sup>

Despite the Coalition's efforts, in 2020, opium poppy was the country's most valuable cash crop, at \$863 million. It is the country's largest industry, employing over 500,000 individuals. This scale of employment outstripped even the Afghan National Defense and Security Forces (ANDSF), which [allegedly] employed approximately 290,000 Afghans at the time.<sup>84</sup>

## REGIONAL DISTRIBUTION OF OPIUM-POPPY CULTIVATION, 2020



Source: UNODC, Afghanistan Opium Survey 2020: Executive Summary, 5/2021, pp. 6, 9.

According to the UN Office on Drugs and Crime (UNODC), the Afghan opiate economy accounted for 6–11% of the country’s GDP, remaining the country’s most valuable export, exceeding official (licit) exports of goods and services.<sup>85</sup> The failure of U.S. and Afghan government counternarcotics programs means that narcotics in 2021 are much more interwoven into the political economy of Afghanistan than they were in 2000.

Further, the Taliban’s active support for narcotics trafficking over the past two decades means that the Taliban has enormously contributed to and benefited from a narcotics problem that it now, at least publicly, vows to eliminate. According to one retired DEA official active from 2005 through 2013, “Our investigations showed that the Taliban were intimately interconnected with the drug traffickers in every corner of Afghanistan. They were making tens of millions of dollars a year easily ... it was increasingly difficult to separate the Taliban from the drug traffickers.”<sup>86</sup>

Insurgent-dominated districts accounted for 48% of opium-poppy cultivation compared to 26% for government-dominated districts in 2018.<sup>87</sup> Southern Afghanistan accounts for the largest share of opium-poppy cultivation, with Helmand 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 accounted for 68% of the national cultivation total in 2018.<sup>88</sup> This trend continued into 2020, when Afghanistan's southwestern region (Helmand, Kandahar, Nimroz, Uruzgan, and Zabul Provinces) continued to dominate opium-poppy cultivation and again accounted for 68% (152,935 ha) of the national total.<sup>89</sup>

## Popular Resistance to an Opium Ban

In light of the Taliban's cooperation with the narcotics industry, Mujahid's statement to international media on August 17 might be viewed mainly as a diplomatic communique to see what the international community may offer in exchange for an opium-poppy ban. Stanford University Afghanistan expert Robert Crews has suggested as much, concluding that the ban is a Taliban attempt to inform the international community that it intends to have a responsible government adhering to international legal norms.<sup>90</sup> If true, the Taliban's interest in a ban may align with Western interests in providing humanitarian and development assistance in exchange for eliminating the Afghan narcotics industry.

Other experts are less confident that the West has that kind of financial leverage over the narcotics industry. According to Afghanistan narcotics expert David Mansfield, Western hopes to apply financial pressure through humanitarian and development funding are misplaced because the Taliban are surprisingly insulated from the decisions of international donors.<sup>91</sup>

According to Mansfield, "Trafficking in opium, hashish, methamphetamines, and other narcotics is not the biggest kind of trade that happens off the books: The real money comes from the illegal movement of ordinary goods, like fuel and consumer imports. In size and sum, the informal economy dwarfs international aid" and is making the Taliban into a major player in South Asia's regional trade.<sup>92</sup> For example, in southwestern Nimroz Province during the spring of 2021, all sides were raising \$235 million annually taxing trade, yet less than \$20 million flowed into the province from Kabul in the form of reconstruction assistance. Further, the Taliban collected only \$5.1 million in illegal drug profits at this major port of entry in narcotics country, but \$40.9 million taxing transit goods and fuel.<sup>93</sup>

Mansfield says claims that the Taliban was earning as much as \$400 million annually from narcotics are wildly exaggerated, with the Taliban almost

certainly obtaining only tens of millions per year at most.<sup>94</sup> In 2018 for example, Mansfield estimated that the Taliban earned about \$40 million from all stages of opium production.<sup>95</sup> Mansfield's estimate also aligns with DEA statements that Taliban narcotics revenue is in the tens of millions annually.<sup>96</sup> This suggests that the Taliban, from a financial perspective, may be able to cut off the narcotics industry with or without international assistance.

Yet the potentially bigger challenge is dealing with the political constituencies whose meager lifestyles depend on some level of cash-crop (i.e. opium-poppy) production. Any Taliban attempt to curb Afghanistan's drug business could undermine public support for its regime. For example, a Kandahar opium farmer reacting to Mujahid's policy statement said that farmers were unhappy, but that they must comply: "We can't oppose the Taliban's decision, they are the government. They've told us that when we ban poppies, we'll make sure you have an alternative crop." Raw opium prices have already tripled in some provinces of southern Afghanistan since Mujahid's statement. Another farmer commented that "We still hope they will let us grow poppies. Nothing can compensate for the income we get from growing poppies."<sup>97</sup>

For these reasons, analyst Vanda Felbab-Brown of the Brookings Institution has concluded that "implementing and maintaining any kind of poppy ban will be wickedly difficult for the Taliban."<sup>98</sup> The 2000 ban was not sustainable and by the summer of 2001, farmers started seeding poppy once again.<sup>99</sup> According to some, by the spring of 2001, Afghan farmers were flouting the ban because they could not cope otherwise. That opium ban ultimately turned into a key reason why most Afghans did not support the Taliban during the U.S. invasion at the end of 2001.<sup>100</sup>

Whatever approach the Taliban takes to the narcotics industry, it will likely be an attempt to moderate between the competing demands of financial revenue, political constituencies, and international norms.

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