

SIGAR

Special Inspector General for
Afghanistan Reconstruction

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QUARTERLY REPORT TO THE UNITED STATES CONGRESS





The National Defense Authorization Act for FY 2008 (Pub. L. No. 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR).

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.

Source: Pub. L. No. 110-181, National Defense Authorization Act for FY 2008, 1/28/2008; Pub. L. No. 115-91, National Defense Authorization Act for FY 2018, 12/12/2017.

Cover photo:

A Taliban fighter stands guard as women wait for aid distributed by a humanitarian group in Kabul, May 2023. (Ebrahim Noroozi/AP)



SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

To Congress, the Secretaries of State and Defense, and the American people, I am pleased to submit SIGAR's 61st quarterly report on the status of U.S. assistance to Afghanistan.

This report has been reorganized to make it easier for readers to find the information they need to know about current U.S. involvement in Afghanistan. Section One of this report contains an introduction called "What the United States is Doing in Afghanistan" detailing the highlights of current U.S. engagement. Section Two discusses recent developments in Afghanistan, including the humanitarian crisis as well as reporting on the economy, social development, Taliban repression, and security matters. Section Three describes active U.S. programs and projects in Afghanistan. Section Four covers SIGAR oversight for the quarter. The section called "Status of Funds" has been moved entirely to Appendix A and focuses now on U.S. assistance since the U.S. withdrawal from Afghanistan in 2021, rather than cumulative U.S. reconstruction assistance to Afghanistan since 2002.

This quarter, SIGAR issued eight products, including an evaluation that examined the (1) access to and the quality of Afghanistan's education system following the government's collapse; and (2) the extent to which the Taliban pay teacher and school administrator salaries and school maintenance costs, and whether the group has directly benefited from international donor education assistance. SIGAR found that Taliban policies limit access to education at all levels, especially for girls and women, resulting in a decline of education quality. Taliban policies and priorities have largely prohibited girls and women from receiving an education, led to significantly decreased student enrollment beyond primary school, created a teacher shortage, replaced secular subjects with religious studies, and converted public schools into religious schools.

This quarterly report augments the evaluation's findings about Afghanistan's educational system. State reported to SIGAR that a new, informal Taliban ban on girls' education has reduced the year at which girls are forced to stop school from the sixth to the third grade in 10 provinces. This report also discusses the way the Taliban are replacing public schools with madrassas, and, in some cases, what they call "jihadi madrassas."

SIGAR also issued a performance audit that found that USAID improved its oversight of emergency food assistance programs in Afghanistan by engaging a third-party monitor. However, USAID did not increase the number of sites visited by the third-party monitor to reflect increases in funding or the expansion of the UN's World Food Programme (WFP) ground operations in Afghanistan, or inform the third-party monitor of the changes, thereby limiting USAID's oversight of WFP activities.

Additionally, SIGAR completed five financial audits of U.S.-funded projects in Afghanistan that identified \$530,628 in questioned costs as a result of internal-control deficiencies and noncompliance issues by U.S. government contractors. During the reporting period, SIGAR's criminal investigations resulted in \$50,000 in U.S. government cost savings.

As the United States continues to try to help the suffering people of Afghanistan, my colleagues and I at SIGAR will continue to report to Congress on the situation there and to protect U.S. taxpayer funds from waste, fraud, and abuse.

Sincerely,

A handwritten signature in black ink, appearing to read 'JF Sopko', with a long horizontal flourish extending to the right.

John F. Sopko



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“The question, however, is whether to continue engaging with the de facto authorities despite these policies, or to cease engaging because of them. UNAMA’s view is that we must continue to engage and to maintain a dialogue. Dialogue is not recognition. Engagement is not acceptance of these policies. On the contrary: dialogue and engagement are how we are attempting to change these policies.”

—*UN Special Representative to Afghanistan Roza Otunbayeva*

1 WHAT THE UNITED STATES IS DOING IN AFGHANISTAN



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Children get water from a UNICEF truck in Herat Province following several earthquakes in October. (UNICEF photo/Osman Khayyam)

WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

Two years after U.S. forces withdrew from Afghanistan, the United States remains the largest donor to the Afghan people.¹ In that time, the United States has appropriated or otherwise made available \$11.11 billion in assistance to Afghanistan and to Afghan refugees, as shown in Table I.1. This includes more than \$2.52 billion in U.S. appropriations for Afghanistan assistance, largely for humanitarian and development aid, and \$3.5 billion transferred to the Afghan Fund that is intended to recapitalize the Afghan central bank and for related purposes. In addition, the United States has obligated more than \$5.08 billion in fiscal years 2022 and 2023 for the Department of Defense to transport, house, and feed Afghan evacuees.

TABLE I.1

U.S. ASSISTANCE TO AFGHANISTAN AND DOD AFGHAN REFUGEE ASSISTANCE SINCE AUGUST 2021	
U.S. Appropriations for Afghanistan Assistance October 1, 2021, to September 30, 2023 ¹	\$2,522,900,000
Department of Defense, Obligation of Overseas Humanitarian, Disaster, and Civic Aid Appropriations for Operation Allies Welcome to September 30, 2022 ²	5,083,200,000
U.S.-Authorized Transfers of Afghan Central Bank Assets to the Fund for the Afghan People ³	3,500,000,000
TOTAL	\$11,106,100,000

Note: Numbers have been rounded.

¹ U.S. government funding appropriated or otherwise made available for all Security, Development, Humanitarian, and Agency Operations accounts and Agency Operations accounts as presented in Table F.10, U.S. Appropriations on page 135.

² DOD, response to SIGAR data call, 10/3/2023 and 4/18/2023. Most recent data for the period under review. This figure does not account for other agency assistance that may have been provided for the transport, evacuation, processing, and resettlement of Afghan refugees.

³ Transfer of Da Afghanistan Bank reserves held at the Federal Reserve Bank of New York to the Switzerland-based entity.

WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

As shown in Table I.2, more than \$1.73 billion of the nearly \$2.52 billion appropriated for assistance to Afghanistan since the end of FY 2021 has gone toward humanitarian assistance, representing 69% of the total, and another \$404 million, or 16% of the total, went toward development assistance.

TABLE I.2

U.S. APPROPRIATIONS FOR AFGHANISTAN ASSISTANCE OCTOBER 1, 2021, TO SEPTEMBER 30, 2023 (\$ MILLIONS)			
Funding Category	FY 2022	FY 2023	Total
Humanitarian	\$1,077.40	\$655.97	\$1,733.37
Development	217.69	185.85	403.54
Agency Operations	229.19	56.80	285.99
Security	100.00	0.00	100.00
Total	\$1,624.28	\$898.61	\$2,522.89

Source: SIGAR Quarterly Report to the United States Congress, 10/30/2023, Appendix A.

Since 2021, State and USAID have used these funds to restart and begin new programs to address critical needs of the Afghan people in several key sectors—health, education, agriculture, food security, and livelihoods—and are also supporting civil society and media, focusing on women, girls, and broad human rights protections. These efforts are being implemented through nongovernmental organizations (NGOs), international organizations such as UNICEF and the World Food Programme (WFP), and other implementing partners.²

For example, USAID and State have obligated nearly \$826 million in humanitarian assistance in FY 2023, as shown in Table I.3. More than half of these funds, or \$422 million, will be disbursed to the WFP to provide emergency food assistance to millions of Afghans. Other funds are going to protect Afghan refugees, returnees, and other vulnerable persons; to implement life-saving health activities; to provide emergency shelter for displaced and other vulnerable people; and to deliver livelihoods programming and skills training such as courses to build literacy, skills training, and business knowledge.³

WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

TABLE I.3

HUMANITARIAN FUNDING FOR AFGHANISTAN AMOUNTS COMMITTED AND OBLIGATED IN FY 2022 AND FY 2023 (\$ MILLIONS)				
Implementing Partners	Activity	FY 2022	FY 2023	Total
USAID Bureau for Humanitarian Assistance				
Implementing Partners Other Than UN Agencies	Agriculture; Food Assistance-Cash Transfers; Local, Regional, and International Procurement; Economic Recovery and Market Systems (ERMS); Health; Humanitarian Coordination, Information Management, and Assessments (HCIMA); Multipurpose Cash Assistance (MPCA); Natural Hazards and Technological Risks; Nutrition; Protection; Shelter and Settlements; Water, Sanitation, and Hygiene (WASH)	\$78.43	\$167.90	\$246.33
UN FAO	Agriculture; MPCA; HCIMA	30.50	0.50	31.00
IOM	Shelter and Settlements; WASH	63.06	0.43	63.49
UNICEF	Health; HCIMA; Nutrition; Protection; MPCA; WASH	33.65	35.25	68.89
UN OCHA	HCIMA	1.00	1.20	2.20
UNFPA	Health, Protection, HCIMA	2.36	8.31	10.67
WFP	Food Assistance-Cash Transfers; Vouchers; Local, Regional, and International Procurement; Logistics Support; Nutrition; Program Support*	460.72	422.10	882.82
WHO	HCIMA; Health; WASH	1.00	7.00	8.00
	Program Support	0.62	0.62	1.26
Total		\$671.34	\$643.32	\$1,314.66
State Department Bureau of Population, Refugees, and Migration				
Implementing Partners Other Than UN Agencies	Education; Food Security; Health Livelihoods; Mental Health and Psychosocial Support (MHPSS); Protection; Program Support	\$70.75	\$47.95	\$118.70
IOM	Health and Program Support-Kosovo	16.50	20.00	36.50
UNHCR	Education; ERMS; HCIMA; Health; Logistics Support; MPCA; Protection; Shelter and Settlements; WASH	116.20	82.00	198.20
UNICEF	Education; Health; Nutrition; Protection; WASH	9.30	6.65	15.95
UNFPA	Health; Protection	52.39	25.95	78.34
WHO	Health	2.81	--	2.81
Total		\$267.95	\$182.55	\$450.50
TOTAL		\$939.28	\$825.87	\$1,765.16

Note: Numbers have been rounded. *USAID/BHA obligated ESF funds for WFP programming presented above.

Source: USAID, "Afghanistan – Complex Emergency," Fact Sheet #9, Fiscal Year 2022, 9/23/2022; USAID, "Afghanistan – Complex Emergency," Fact Sheet #3, Fiscal Year 2023, 8/29/2023; USAID/BHA, response to SIGAR data call to report adjustments to FY 2022 data for full year as reported in Fact Sheet #9, 10/12/2023; State/PRM, response to SIGAR data call to report adjustments to FY 2022 data for full year as reported in Fact Sheet #9, 10/11/2023.

WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

USAID reported it obligated more than \$597 million to the Economic Support Fund and Global Health Programs account in FY 2022 and FY 2023, supporting 36 active programs, as shown in Table I.4. About a third of these funds, or \$194 million, support economic growth and public health programs. In FY 2023, USAID obligated \$49.2 million for three new education programs, for a total FY 2022 and FY 2023 obligated amount of \$97.71 million across six education programs. Other funds went to support civil society and media programs; to provide agriculture and value chain assistance; to monitor ongoing assistance to Afghanistan; to contribute to the Afghanistan Resilience Trust Fund; and to aid conflict-affected Afghans.⁴

TABLE I.4

USAID ACTIVE PROGRAMS (ECONOMIC SUPPORT FUND AND GLOBAL HEALTH PROGRAMS), OBLIGATED IN FY 2022 AND FY 2023 (\$ MILLIONS)				
USAID Managing Office	Activity	Obligated Amounts		
		FY 2022	FY 2023	Total
Office of Social Services				
Keep Schools Open	Education	\$40.00	*	\$40.00
Urban Health Initiative (UHI) Program	Health	17.34	18.52	35.86
New DEWS (Disaster Early Warning System) Plus	Health	14.50	4.00	18.50
Assistance for Families and Indigent Afghans to Thrive (AFIAT)	Health	10.16	23.55	33.71
Consolidated Grant - COVID-19 Response	Health	6.00	*	6.00
Local Health Systems Sustainability (LHSS)	Health	5.15	2.85	8.00
Central Contraceptive Procurement (CCP)	Health	5.00	*	5.00
Global Health Supply Chain Management (GHSCM-PSM)	Health	5.00	*	5.00
Technical Capacity Building for the American University in Afghanistan	Education	4.51	*	4.51
Let Girls Learn Initiative and Girls' Education Challenge Programme (GEC)	Education	4.00	*	4.00
SHOPS Plus	Health	0.86	*	0.86
DEWS Plus	Health	*	*	-
Strengthening Education in Afghanistan (SEA II)	Education	*	0.00	0.00
Accessible and Quality Basic Education (AQBE)	Education	-	31.70	31.70
Young Women Lead (YML)	Education	-	4.94	4.94
Supporting Student Success in Afghanistan (SSSA)	Education	-	12.56	12.56
Total		\$112.52	\$98.12	\$198.08
Office of Program and Project Development				
Contributions to the Afghanistan Resilience Trust Fund	Crosscutting (WASH + Econ. growth)	\$53.72	\$50.00	\$103.72
Afghanistan Monitoring, Evaluation and Learning Activity (AMELA)		3.36	4.50	7.86
Total		\$57.08	\$54.50	\$111.58
Office of Infrastructure, Energy, and Engineering				
Rural Water Supply, Sanitation & Hygiene (Ru-WASH)	WASH	\$20.00	*	\$20.00
Total		\$20.00	\$0.00	\$20.00

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WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

USAID ACTIVE PROGRAMS (ECONOMIC SUPPORT FUND AND GLOBAL HEALTH PROGRAMS), OBLIGATED IN FY 2022 AND FY 2023 (CONTINUED)

USAID Managing Office	Activity	Obligated Amounts		
		FY 2022	FY 2023	Total
Office of Livelihoods				
Strengthening Rural Livelihoods and Food Security (SRL-FS)	Agriculture	\$40.00	*	\$40.00
Afghanistan Competitiveness of Export-Oriented Businesses Activity (ACEBA)	Economic growth	36.87	33.72	70.59
Agricultural Marketing Program (AMP)	Agriculture	15.00	0.00	15.00
Afghanistan Value Chains Program	Agriculture	26.43	23.78	50.21
Livelihood Advancement for Marginalized Populations (LAMP)	Economic growth	5.00	0.00	5.00
Carpet and Jewelry Value Chains	Economic growth	2.82	2.50	5.32
Extractive Technical Assistance by the U.S. Geological Survey	Economic growth	*	0.00	0.00
Total		\$126.12	\$60.00	\$186.12
Office of Democracy, Gender, and Rights				
Enabling Essential Services for Afghan Women and Girls	Crosscutting	\$21.29	*	\$21.29
Safeguarding Civic Rights and Media Freedoms in Afghanistan	Civil society	7.22	11.38	18.60
Conflict Mitigation Assistance for Civilians (COMAC)	Aid to conflict-affected Afghans	5.00	5.00	10.00
Supporting Media Freedom and Access to Information for Afghan Citizens	Civil society	3.25	1.00	4.25
Supporting Transformation for Afghanistan's Recovery (STAR)	Livelihood assistance	*	18.34	18.34
Promoting Conflict Resolution, Peace Building, and Enhanced Governance	Good governance	*	0.00	0.00
Women's Scholarship Endowment	Crosscutting (Gender + Education)	*	*	*
Total		\$36.76	\$35.72	\$72.48
Executive Office				
ISC to hire former Afghan FSNs		\$6.02	\$3.14	\$9.16
Total		\$6.02	\$3.14	\$9.16
Office of Financial Management				
Audits AMP (Agriculture Marketing Program) 2021	Financial Audit	\$0.18	*	\$0.18
Total		\$0.18	\$0.00	\$0.18
TOTAL (36 programs)		\$358.68	\$251.48	\$597.60

Note: Numbers have been rounded. *Programs without figures in the obligated amounts column are active programs that continue to operate on previously distributed funds but for which there are no new amounts obligated in FY 2022 or FY 2023.

As of the third quarter of FY2023, USAID merged the Afghanistan Value Chains-Livestock (AVC-L) and Afghanistan Value Chains-High Value Crops (AVC-HVC) programs into the Afghanistan Value Chain Program. SIGAR presents the consolidated obligated amounts for the Afghanistan Value Chains Program. AVC-L FY 2022 and FY 2023 amounts were \$14.89 million and \$17.95 million, respectively, for a total obligated amount of \$50.21 million. AVC-HVC FY 2022 and FY 2023 obligated amounts were \$11.54 million and \$5.83 million, respectively, for a total of \$17.37 million. For more information on active USAID programs, see pages 70–83.

The Afghanistan Resilience Trust Fund changed its name from the Afghanistan Reconstruction Trust Fund on July 21, 2023.

Source: USAID Transaction Detail Report, 1/4/2023 and 10/9/2023.

WHAT THE UNITED STATES IS DOING IN AFGHANISTAN

In 2022, the United States transferred the \$3.5 billion in Afghan central bank assets previously frozen in the United States to the Swiss-based Fund for the Afghan People or the Afghan Fund. Although no disbursements have yet been made, the Fund is meant to be used to recapitalize Afghanistan's central bank, keep Afghanistan current on debt payments to international financial institutions to preserve its eligibility for development assistance, and pay for critically needed imported goods.⁵ Next quarter, SIGAR anticipates publishing a detailed report about the Afghan Fund that was requested by the chairman of the House Foreign Affairs Committee.

The United States has not yet developed a new integrated country strategy for Afghanistan to account for conditions in the country since the Taliban takeover in August 2021. According to the State Department, current U.S. priorities in Afghanistan include:⁶

- the welfare and safety of U.S. citizens abroad
- ensuring the Taliban uphold their counterterrorism commitments, including as stated in the February 29, 2020, Doha Agreement
- ensuring the Taliban abide by commitments to permit the departure from Afghanistan of U.S. citizens and permanent residents, Special Immigrant Visa holders, and Afghans of special interest to the United States
- addressing the humanitarian and economic crises in Afghanistan
- supporting the formation of an inclusive government
- encouraging the Taliban to respect human rights in Afghanistan, including those of religious and ethnic minorities, women and girls, civil society leaders, [President Ashraf] Ghani administration-affiliated individuals, and individuals who were formerly affiliated with the U.S. government, U.S. military, and U.S. nongovernmental organizations or media institutions.

Despite the lack of a physical presence in Afghanistan, the United States continues to remain strongly engaged in the country.

INTRODUCTION ENDNOTES

- 1 State, SCA, response to SIGAR vetting, 7/14/2023.
- 2 State, SCA, response to SIGAR data call, 3/16/2022; State, SCA, response to SIGAR vetting, 4/13/2022.
- 3 USAID, Afghanistan–Complex Emergency Fact Sheet #3, FY 2023, 8/29/2023.
- 4 USAID Transaction Detail Report, 1/4/2023 and 10/9/2023.
- 5 Treasury, response to SIGAR data call, 12/13/2022; Treasury, response to SIGAR vetting, 1/11/2023; Treasury and State press release, “Joint Statement by U.S. Treasury and State Department: The United States and Partners Announce Establishment of Fund for the People of Afghanistan,” 9/14/2022; State, “Department Press Briefing – September 14, 2022,” 9/14/2022.
- 6 State, SCA, response to SIGAR data call, 3/16/2022; State, SCA, email to SIGAR, 10/13/2023.

“We’ve been very clear with the Taliban, and dozens of countries around the world have been very clear, that the path to any more normal relationship between the Taliban and other countries will be blocked unless and until the rights of women and girls, among other things, are actually supported.”

— *U.S. Secretary of State Antony J. Blinken*