SIGAR

Special Inspector General for Afghanistan Reconstruction

JAN 30 2019

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.

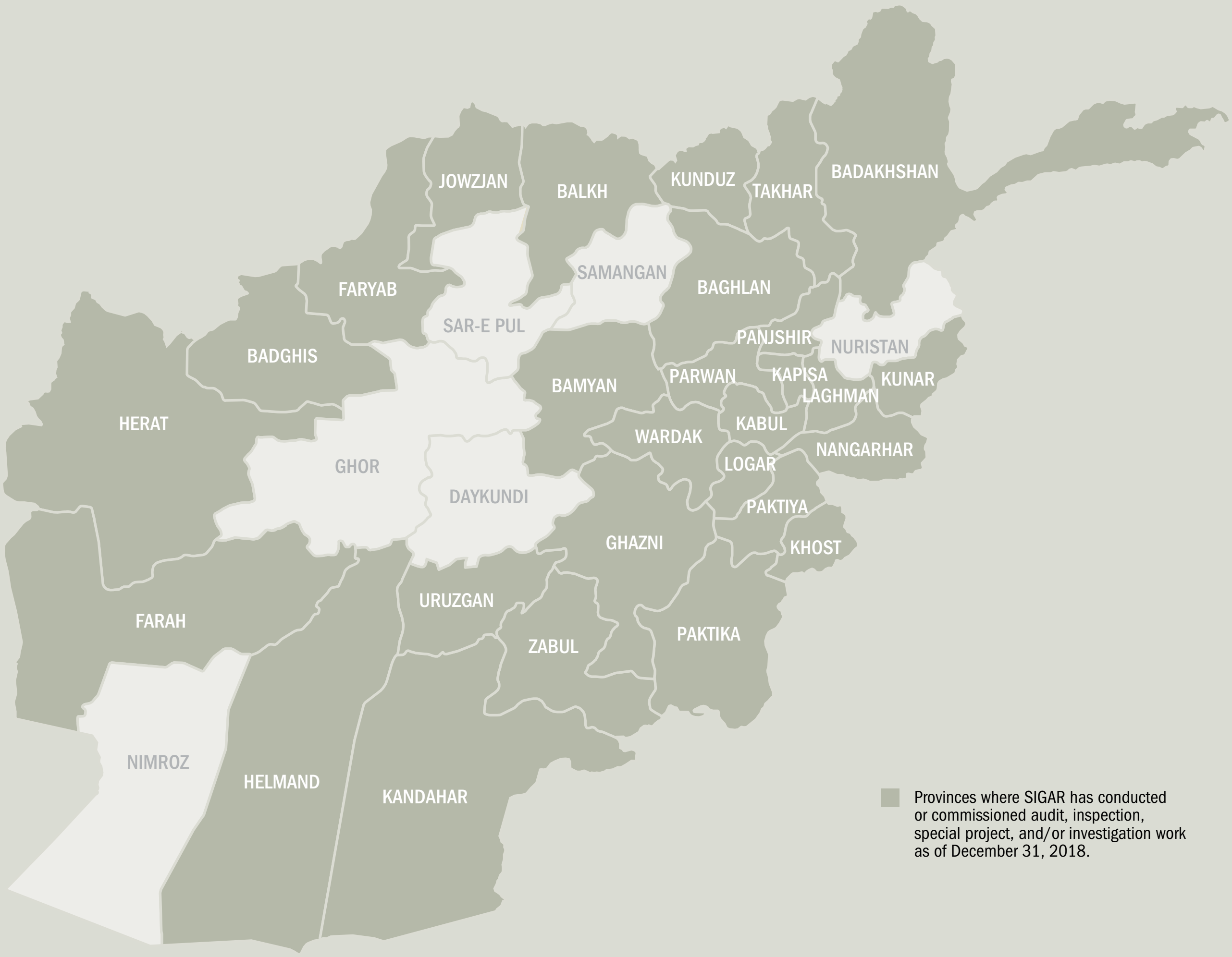
As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

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.

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

Cover photo:
An Afghan pigeon fancier sits as he feeds his pigeons flying from the rooftop of his home in Herat Province. (AFP photo by Hoshang Hashimi)

PUBLISHED IN ACCORDANCE WITH THE CIGIE QUALITY STANDARDS FOR INSPECTION AND EVALUATION.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Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of December 31, 2018.

SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress, and to the Secretaries of State and Defense, SIGAR's 42nd quarterly report on the status of reconstruction in Afghanistan.

Like all SIGAR quarterly reports, this report is required by SIGAR's enabling legislation, which states that the agency shall keep the Secretary of State and the Secretary of Defense fully informed about problems relating to the administration of Afghanistan reconstruction programs, and 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. As some data provided to SIGAR is classified or otherwise restricted from public release, SIGAR has since January 2015 also produced a classified annex to its public quarterly reports.

As this report went to press, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad told the *New York Times* that after six days of talks, U.S. and Taliban officials have agreed in principle to the framework of a peace deal in which the insurgents would guarantee to prevent Afghan territory from being used by terrorists and that could lead to a full pullout of U.S. troops in return for larger concessions from the Taliban. SIGAR will report on these developments in its next quarterly report in April.

In November, SIGAR staff and I joined representatives of 61 national governments and numerous nongovernmental and civil-society organizations at the Geneva Ministerial Conference on Afghanistan. The conference, which took place midway between the last donor pledging conference in 2016 and one scheduled for 2020, presented an opportunity for donors to review Afghanistan's progress at meeting reform benchmarks. Section One of this report discusses the conference and its outcomes.

Section Two of this report highlights SIGAR's work in 2018, including several significant legislative actions taken by Congress to implement SIGAR's recommendations from audits and other reports. SIGAR criminal investigations also resulted in 17 formal charges, 17 convictions, 18 sentencings, criminal fines, restitutions, and forfeitures totaling $6.6 million, civil settlements totaling $294,800, and savings and recoveries for the U.S. government totaling $266.8 million. In the past year alone, SIGAR has received three requests from Congress to examine timely and important reconstruction issues, including a request from the Senate and House Appropriations Committees to review the Afghan government's anticorruption efforts.

SIGAR issued a performance audit report this quarter, examining the multibillion dollar effort by the Department of Defense (DOD) to build the capacity of the Afghan Air Force (AAF) with UH-60 Black Hawk helicopters, including helicopter delivery, pilot training, and maintenance programs. SIGAR found that based on the current UH-60 delivery schedule, it is unlikely that enough pilots will be trained before all of the UH-60s are received. SIGAR also found that DOD currently has no maintenance training course to train Afghan personnel to maintain the UH-60s, 159 of which are scheduled to be delivered through 2023.

DOD estimates that the cost of contractor-provided maintenance will be over $2.8 billion and is likely to grow the longer it takes to develop the AAF and the Special Mission Wing's maintenance capabilities. Additionally, having insufficient Afghan maintenance personnel will limit UH-60 operations because DOD policy bars U.S. contractors from working where there is no U.S. or Coalition control due to security concerns. According to the department, it is working to establish additional pilot training locations and has developed a proposed training plan that includes establishing a maintenance development center outside of Afghanistan that will focus specifically on training entry-level UH-60 maintenance personnel.

During this reporting period, SIGAR investigations resulted in federal indictments of five persons and one criminal information. Among those indicted were three senior executives at defense contracting firms, including ANHAM FZCO, for defrauding the U.S. military in connection with an $8 billion contract and for violating the Iran sanctions regime.

In addition, approximately $2.2 million in savings to the U.S. government were realized, as well as $140,000 in criminal fines, restitutions, and forfeitures. SIGAR initiated five new cases and closed 18, bringing the total number of ongoing investigations to 164. To date, SIGAR investigations have resulted in $1.5 billion in criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries.

SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits covered a range of topics, including USAID's support to the Sheberghan Gas Generation Activity, USAID's Afghan Trade and Revenue Project, and the Department of State's support for corrections and national justice-system programs in Afghanistan. These financial audits identified more than $3.6 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than $418.5 million in questioned costs, plus interest, and other amounts payable to the U.S. government.

SIGAR also issued three inspection reports. These reports examined the construction, use, and maintenance of the Zarang Border Crossing Point, phase III of the Afghan National Army's Camp Commando, and phase III of the Marshal Fahim National Defense University.

SIGAR's Office of Special Projects issued four products, including two review reports on USAID-funded education facilities in Baghlan Province and CERP-funded bridges in Kabul, as well as two fact sheets on USAID's Stability in Key Areas Program.

This quarter, SIGAR's suspension and debarment program referred 10 individuals and 13 entities for suspension or 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 928, encompassing 515 individuals and 413 companies.

My staff and I look forward to working with the 116th Congress to combat the waste, fraud, and abuse of U.S. taxpayer dollars in Afghanistan.

Respectfully,

John F. Sopko
Special Inspector General for Afghanistan Reconstruction

This report summarizes SIGAR's oversight work and updates developments in the four major sectors of reconstruction efforts in Afghanistan from October 1 to December 31, 2018.* It also includes an essay highlighting developments from the Geneva Conference on Afghanistan held in November. During this reporting period, SIGAR issued 14 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. During the reporting period, SIGAR criminal investigations resulted in three arrests, federal indictments of five persons, one criminal information, three sentencings, one guilty plea, $140,000 in criminal fines, restitutions, and forfeitures, and approximately $2.2 million in savings to the U.S. government.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR issued one performance audit, six financial audits, and three inspection reports.

The **performance audit report** examined the Department of Defense's multibillion dollar effort to build the capacity of the Afghan Air Force to field UH-60 Black Hawk helicopters, including helicopter delivery, pilot training, and maintenance-contractor programs. SIGAR found that based on the current UH-60 delivery schedule, it is unlikely that enough pilots will be trained before all of the UH-60s are received. SIGAR also found that DOD currently has no maintenance training course to train Afghan personnel to maintain the UH-60s, 159 of which are scheduled to be delivered through 2023.

The **financial audit reports** identified more than $3.6 million in questioned costs as a result of internal-control deficiencies and noncompliance issues.

The **inspection reports** found:

- Phase III construction and renovation work at the Afghan National Army Camp Commando generally met contract requirements, but there were several potential safety hazards including noncertified doors, counterfeit fire extinguishers, and obstructed emergency-exit corridors.
- All required construction and facilities at the Zarang border crossing point generally met task-order requirements, but 32 fire doors were noncompliant and several of the buildings constructed were neither used nor maintained.
- Phase III construction of the Marshal Fahim National Defense University generally met contract requirements and technical specifications, but building occupants are at risk from noncertified fire doors, lack of a wastewater treatment plant, and inadequate maintenance.

SPECIAL PROJECTS

This quarter, SIGAR's Office of Special Projects issued two fact sheets on USAID's Stability in Key Areas Program in the East Region and West Region, and wrote two reviews expressing concerns with:

- potential structural issues at USAID-supported education facilities in Baghlan Province, and
- the lack of a budget for maintenance of CERP-funded bridges in Kabul.

LESSONS LEARNED

SIGAR's Lessons Learned Program has four projects in development: U.S. and Coalition responsibilities for security-sector assistance; U.S. government support to elections; monitoring and evaluation of reconstruction contracting; and reintegration of ex-combatants.

INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in federal indictments of five persons, one criminal information (a written accusation by a prosecutor that does not involve a grand-jury indictment), one guilty plea, three sentencings, and three arrests. In addition, approximately $2.2 million in savings to the U.S. government was realized, as well as $140,000 in criminal fines, restitutions, and forfeitures. SIGAR initiated five new cases and closed 18, bringing the total number of ongoing investigations to 164. SIGAR's suspension and debarment program referred 10 individuals and 13 entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.

Investigations highlights include:

- three senior executives at defense contracting firms indicted for defrauding the U.S. military in connection with an $8 billion contract and for violating the Iran sanctions regime,
- a U.S. contractor indicted for a fraud scheme that resulted in deploying unqualified language interpreters in support of U.S. combat forces,
- a SIGAR investigation resulting in $1 million savings for the U.S. government,
- a former U.S. Army Special Forces member pleading guilty to unlawful possession of illegal firearms,
- a U.S. contractor sentenced for the theft, sale, and illegal transport of U.S. government property, and
- a former U.S. contractor employee sentenced for transporting stolen money.

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after December 31, 2018, 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 Da Afghanistan Bank (www.dab.gov.af), then rounding to the nearest afghani. Data as of December 21, 2018.

This highlight summarizes SIGAR's oversight work and its impact on reconstruction efforts in Afghanistan from January 1, 2018, to January 30, 2019

LEGISLATIVE ACCOMPLISHMENTS

Human Trafficking Bill Endorses SIGAR Recommendations from Report on Child Sexual Assault in Afghanistan

On January 8, 2019, President Donald J. Trump signed into law H.R. 2200, the Frederick Douglass Trafficking Victims Prevention and Protection Reauthorization Act of 2018, which includes provisions related to SIGAR's congressionally requested evaluation of child sexual assault by Afghan security forces:

- The bill requires the Departments of State and Defense to report, within 90 days, on the status of their implementation of the recommendations made in SIGAR's report entitled *Child Sexual Assault in Afghanistan: Implementation of the Leahy Laws and Reports of Assault by Afghan Security Forces* (SIGAR 17-47-IP).
- It also directs the Secretaries of State and Defense to report on the status of interagency efforts to establish effective, coherent, and discrete reporting by United States personnel on child sexual abuse by Afghan security forces with whom they train or advise, or to whom they provide assistance.

SIGAR Impact on FY 2019 Defense Authorization Law

On August 13, 2018, President Trump signed the National Defense Authorization Act (NDAA) for fiscal year 2019 into law. The NDAA contains provisions based on recommendations from SIGAR's Lessons Learned Program report *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan* (SIGAR 17-62-LL).

- One provision of the NDAA requires that during the development and planning of a program to build the capacity of the national security forces of a foreign country, the Secretary of Defense and Secretary of State shall jointly consider political, social, economic, diplomatic, and historical factors, if any, of the foreign country that may impact the effectiveness of the program.
- Another provision modifies existing law regarding assessing, monitoring, and evaluating security-cooperation programs to require incorporating lessons learned from any security-cooperation programs and activities of the Department of Defense carried out on or after September 11, 2001.

SIGAR Impact on FY 2018 Defense Authorization Law
In 2018, as a result of *ANA Proprietary Camouflaged Uniforms* (SIGAR 17-48-SP), Congress included Section 344 in H.R. 2810, the FY 2018 National Defense Authorization Act (NDAA), which requires the Secretary of Defense to determine whether there is a more effective alternative uniform specification for the Afghan National Army, the efficacy of the existing pattern compared to other alternatives, and the costs and feasibility of transitioning the uniforms of the Afghan military to a pattern owned by the United States.

President Donald J. Trump signs the National Defense Authorization Act for FY 2018. (White House photo by Stephanie Chasez)

AUDITS, INSPECTIONS, AND SPECIAL PROJECTS REPORTS ISSUED

In 2018, SIGAR issued 46 products including nine performance audits and 11 inspections, which contained 23 recommendations and 11 recommendations, respectively. SIGAR's Office of Special Projects issued 16 review reports, five fact sheets, four alert letters, and one inquiry letter.

Of these reports issued in 2018, three were initiated by requests from Congress:

1. **SIGAR-18-60-SP (July 17, 2018): *Review Letter: Waste, Fraud, Abuse Uncovered by SIGAR.*** Requested by Congressmen Walter B. Jones (R-NC), Timothy Walberg (R-MI), and Peter Welch (D-VT)

2. **SIGAR 18-51-AR (May 31, 2018): *Afghanistan's Anti-Corruption Efforts: The Afghan Government Has Begun to Implement an Anti-Corruption Strategy, but Significant Problems Must Be Addressed.*** Requested by the House and Senate Committees on Appropriations

3. **SIGAR 18-19-AR (January 4, 2018): *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects.*** Requested by Senator Charles Grassley (R-IA) and then-Senator Kelly Ayotte (R-NH)

ANA soldiers wearing a proprietary forest-camouflage uniform in a snowy environment. (DOD photo)

Additionally in 2018, as a result of SIGAR 17-48-SP (June 15, 2017): *ANA Proprietary Camouflaged Uniforms*, DOD completed a congressionally mandated cost/benefit analysis of uniform specifications for Afghan National Defense and Security Forces camouflage uniforms. This report was not publicly available at press time.

CONGRESSIONAL REQUESTS INITIATED

SIGAR initiated three audits in response to Congressional requests in 2018:

1. The Joint Explanatory Statement accompanying the FY 2018 Omnibus Appropriations Act (Pub. L. No. 115-141) directed SIGAR to update SIGAR's May 2018 report 18-51-AR, *Afghanistan's Anti-Corruption Efforts: The Afghan Government Has Begun to Implement an Anti-Corruption Strategy, but Significant Problems Must Be Addressed*, and to determine if the Afghan government is making progress toward achieving its anticorruption objectives.

2. On January 24, 2018, Senator James Inhofe (R-OK), the Chairman of the Senate Committee on Armed Services, requested that SIGAR update its May 2013 report 13-8-AR, *Taxes: Afghan Government Has Levied Nearly a Billion Dollars in Business Taxes on Contractors Supporting U.S. Government Efforts in Afghanistan*, to determine if unwarranted tax levies continue to be imposed by the Afghan government on U.S. government contractors.

3. On September 17, 2018, Senator Charles Grassley (R-IA) and Senator Dianne Feinstein (D-CA), the co-chairs of the Senate Caucus on International Narcotics Control, requested that SIGAR conduct a thorough review of the U.S. government's current counternarcotics efforts in Afghanistan.

RESULTS FROM MAJOR SIGAR INVESTIGATIONS

Three senior executives at defense contracting firms indicted for defrauding the U.S. military in connection with $8 billion contract and violating the Iran sanctions regime

- On November 27, 2018, in the District of Columbia, ANHAM FZCO chief executive Abul Huda Farouki, his brother Mazen Farouki, and Salah Maarouf were indicted for defrauding the U.S. military in connection with an $8 billion dollar DOD Subsistence Prime Vendor-Afghanistan contract, and for illegally transporting construction material through Iran. The investigation is ongoing.

Investigation results in more than $264 million cost avoidance for U.S. government

- A 2017 investigation into bribery allegations uncovered corruption with Afghan-based contractors and the award process of the USAID-funded

Da Afghanistan Breshna Sherkat (DABS) Ghazni-Kandahar Five Substations Project worth nearly $135 million.
- As a result, in 2018, USAID ultimately deobligated all on-budget support to DABS for future and planned energy projects not yet awarded, worth nearly $400 million.
- The $264 million cost-avoidance amount represents the difference between the $400 million in total deobligated funds, less the initial $135 million in cost avoidance from 2017.

Former owner of marble-mining company convicted for defrauding the United States and defaulting on a $15.8 million loan
- On September 24, 2018, Adam Doost, the former owner of a now-defunct marble mining company in Afghanistan, was found guilty by a federal jury for his role in defrauding the Overseas Private Investment Corporation (OPIC), a U.S. government agency, and defaulting on a $15.8 million loan. The investigation is ongoing.

Three high-ranking Ministry of Interior officials convicted and sentenced for embezzlement scheme
- On September 26, 2018, the Anti-Corruption Justice Center (ACJC) Primary Court convicted a high-ranking MOI official, Major General Mohammad Anwar Kohistani, for misuse of authority and embezzling over 109 million afghani (approximately $1.7 million), and sentenced him to 11 years in prison.
- Kohistani's co-conspirators, Mohammad Amin, MOI Procurement Officer at the Police Cooperative Fund, and Ghulam Ali Wahadat, MOI Deputy Minister, were convicted and sentenced to 13 months and to three years in prison, respectively.

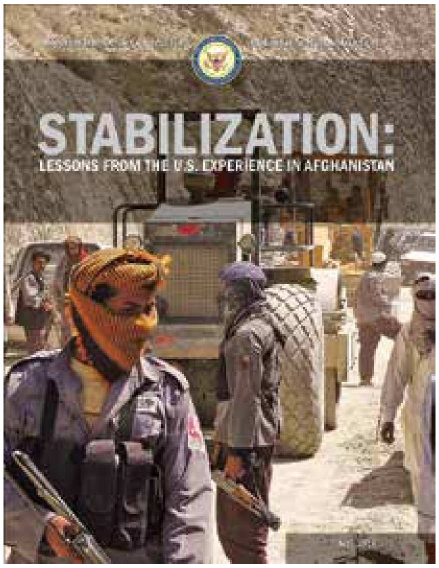
Major General Mohammad Anwar Kohistani on the day of his arrest. (MOI photo)

Former U.S. contractor sentenced for failing to file tax returns
- On January 10, 2018, in the Western District of Texas, Michael J. Badgett was sentenced to 12 months in a halfway house, followed by three years' supervised probation upon release, and was ordered to pay $6.5 million (tax loss plus accrued interest) in restitution.
- Badgett had been the managing director of the Green Village, a secure housing complex in Kabul that served a number of U.S. government agencies and contractors. He failed to file federal tax returns for 2010, 2011, and 2012, during which time he had earned over $14 million in taxable income in Afghanistan. The investigation is ongoing.

U.S. government contractor indicted for language-interpreter fraud scheme
- On November 7, 2018, in the U.S. District Court of Maryland, Abdul Saboor Aman was indicted for conspiracy to commit mail and wire fraud, and for major fraud against the United States.

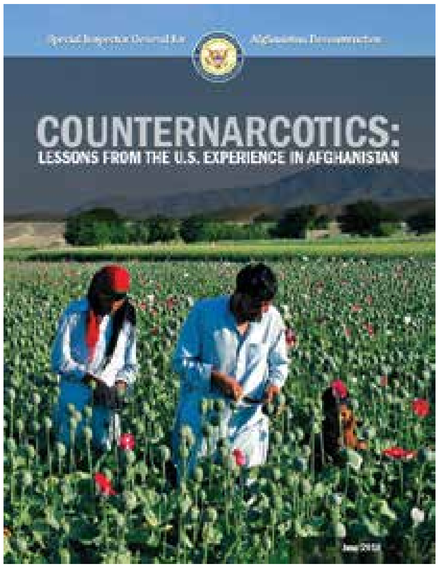
- Aman's employer was a subcontractor on a multimillion dollar DOD contract to supply qualified language interpreters to support U.S. and Coalition operations in Afghanistan. Aman allegedly circumvented procedures designed to ensure candidates for U.S. military language interpreters met proficiency standards, which resulted in unqualified interpreters being hired and later deployed. The investigation is ongoing.

LESSONS LEARNED REPORTS ISSUED



SIGAR's Lessons Learned Program issued three reports in 2018 on topics including:

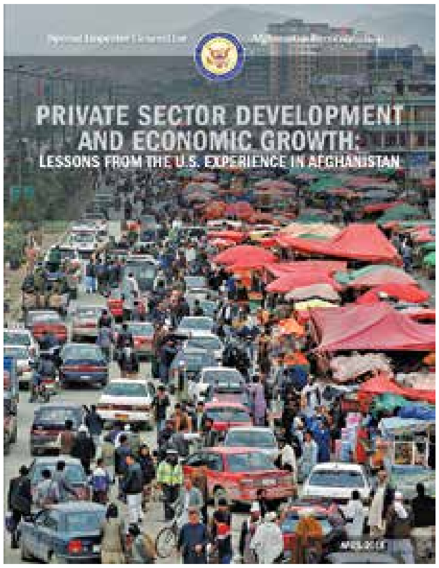
1. ***Stabilization: Lessons from the U.S. Experience in Afghanistan*** **(May 24, 2018)**
   SIGAR's analysis revealed that the U.S. government overestimated its ability to build and reform government institutions in Afghanistan as part of its $4.7 billion stabilization efforts. The report found the stabilization strategy and the programs used to achieve it were not properly tailored to the Afghan context, and that successes in stabilizing Afghan districts rarely lasted longer than the physical presence of Coalition troops and civilians. Following publication, report team members contributed to—and were recognized in—the 2018 interagency *Stabilization Assistance Review*. In addition, the team briefed senior officials at DOD, State, USAID, and UNDP, as well as House and Senate committee staff.



2. ***Counternarcotics: Lessons from the U.S. Experience in Afghanistan*** **(June 14, 2018)**
   SIGAR's analysis revealed that no counternarcotics program led to lasting reductions in poppy cultivation or opium production. Eradication had no lasting impact, and was not consistently conducted in the same locations as development assistance. Alternative-development programs were often too short-term, failed to provide sustainable alternatives to poppy, and sometimes even contributed to poppy production. After the publication of this report, the team briefed congressional staff and senior officials in the UN Office on Drugs and Crime. In addition, the Senate Drug Caucus wrote a letter to SIGAR in September 2018 requesting an inquiry into current counternarcotics efforts.

3. ***Private Sector Development and Economic Growth: Lessons from the U.S. Experience in Afghanistan*** **(April 19, 2018)**
   SIGAR analysis revealed that Afghanistan's early economic gains were largely due to foreign spending and were not sustainable. Optimistic

predictions of progress did not reflect the reality of Afghanistan's economic and security environment, the capacity of institutions, its relations with its neighbors, or the impact of corruption. Moreover, the U.S. government and other stakeholders failed to understand the relationships between corrupt strongmen and powerholders, and the speed at which Afghanistan could transition to a Western-style market economy.



SIGNIFICANT AWARDS

On October 17, 2018, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized SIGAR for exceptional work on three reports:

1. **Glenn/Roth Award for Exemplary Service** for excellence in responding to Congressional queries about Afghan assault violations, resulting in enacting legislation to ensure better reporting of incidents, which may help to safeguard Afghan children (SIGAR-17-47-IP)

2. **Award for Excellence, Special Act,** for excellence in identifying lessons learned during the 17-year, $70 billion U.S. security-sector assistance program in Afghanistan (SIGAR-17-62-11)

3. **Award for Excellence, Evaluations,** for outstanding analysis in identifying mismanagement of a $60 million power system in Afghanistan that provided no tangible benefits to one million Afghans and wasted U.S. taxpayers funds (SIGAR 18-37-IP)

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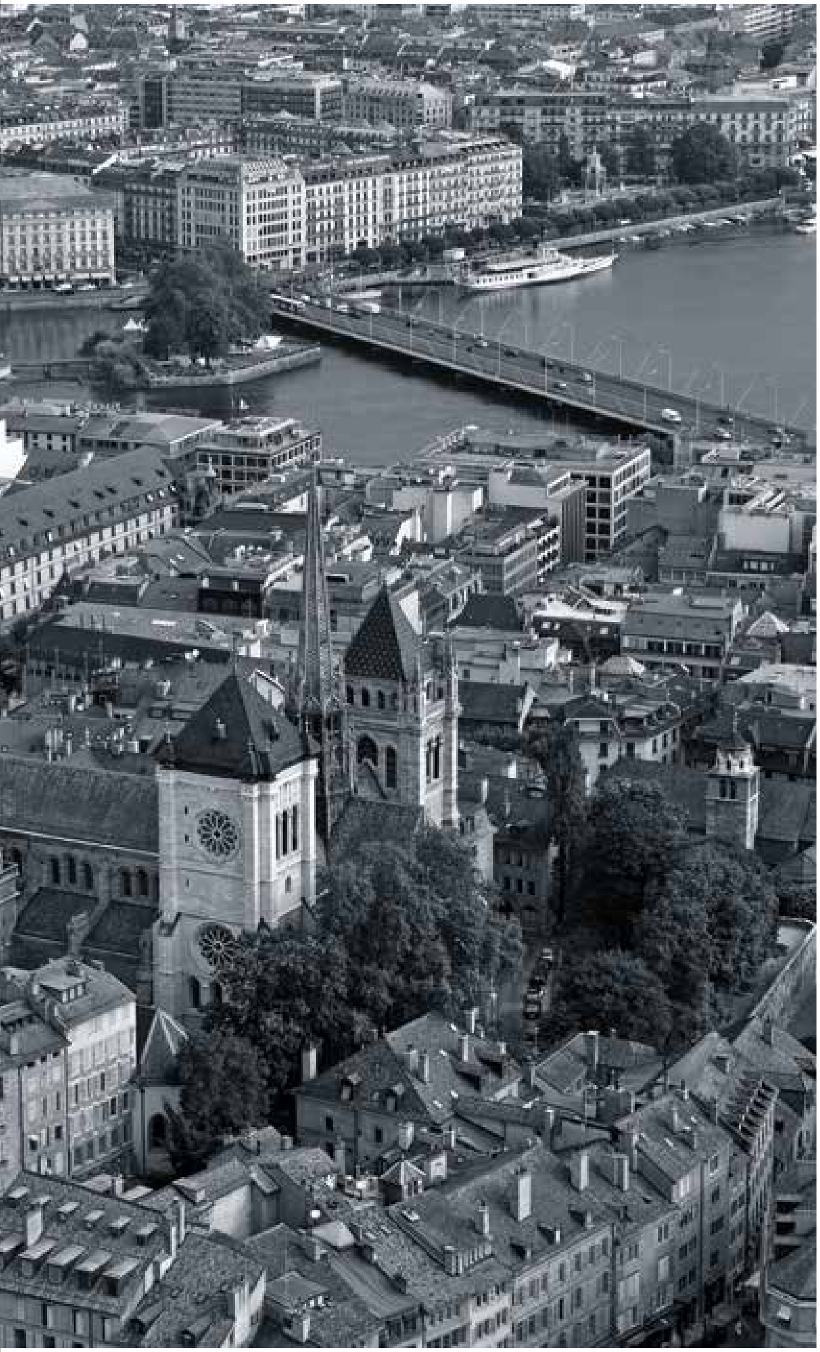
“Uncertainty has haunted us Afghans for decades. But over the past four years, we have turned around, looked it in the eye and dealt with it. This kind of earnest reckoning has allowed us to forge a critical path to reform amidst a multidimensional war.”

—Afghan President Ashraf Ghani

Source: Afghan President Ashraf Ghani, keynote address at the Geneva Conference on Afghanistan, 11/28/2018.

1 TALES OF TWO CITIES



TALES OF TWO CITIES CONTENTS

Photo on previous page
Aerial views of Geneva, Switzerland (left), and Kabul, Afghanistan (right).
(UN photos by Jean-Marc Ferré and Fardin Waezi)

TALES OF TWO CITIES

GENEVA AND KABUL

In late November 2018, officials from 61 national governments and representatives of various nongovernmental and civil-society organizations gathered at the former headquarters of the League of Nations in Geneva, Switzerland, for a ministerial-level conference on Afghanistan. Cosponsored by the government of Afghanistan and the United Nations Assistance Mission-Afghanistan (UNAMA), the conference was, in UNAMA's words, "a crucial moment for the government and international community to demonstrate progress and commitment, and maintain the momentum for elections and opportunities for peace," and also to measure Afghanistan's reform and development results midway between the pledging conference of 2016 for aid donors and the next one in 2020.[1]

The choice of setting was logical—and a stark contrast to Kabul. Geneva is home to the European headquarters of the United Nations, some 20 international organizations, and permanent missions of more than 160 countries. Tranquil and prosperous, set in a neutral country that has not engaged in fighting for more than 200 years, Geneva describes itself as "the city of peace."[2]

In Kabul, on the other hand, bombings and attacks by gunmen have repeatedly struck military and police outposts, Afghan and foreign-government facilities, and civilian gatherings. Kabul is the capital of one of the

After responding to a bomb explosion in Kabul in April 2018, Afghan security forces scatter as a second bomb explodes. (Voice of America photo) poorest countries on Earth—and a country whose past four decades have included 10 years' violent occupation by the Soviet Union, the brutal 1979 murder of U.S. Ambassador Adolph Dubs, a civil war, and a U.S.-led intervention that ousted the Taliban regime and that is now in its 18th year.

As a tragic reminder of the realities on the ground in Afghanistan, while Geneva conference participants—including Afghan President Ashraf Ghani and other senior officials—went through their second-day program on November 28, an insurgent attack on the compound of a British security firm that helped guard the British embassy in Kabul killed at least 10 people and wounded 19 others.[3] Just a week before the Geneva conference opened, a bomb had exploded in a crowded religious gathering near Kabul's international airport, killing at least 55 people and wounding at least 96 others.[4] Earlier in 2018, other mass-casualty bomb attacks in Kabul alone had killed nearly 150 people and wounded more than 200 others.[5] Across Afghanistan, the United Nations reported that fighting cost Afghan civilians dearly in 2018: 2,798 deaths and 5,252 injuries between January 1 and September 30, 2018.[6]

For all their contrasts in peace and prosperity, Kabul and Geneva might be on different planets. And the generally upbeat and encouraging rhetoric of the Geneva proceedings stood in stark contrast to some sobering facts.

RECONSTRUCTION AND RESULTS

Since the 2001 U.S.-led military intervention in Afghanistan ousted the Taliban regime for harboring terrorists, and since an international conference in 2001 established a new government in Afghanistan, the international community has directed many billions of dollars to improving Afghanistan's security and its social and economic well-being.

The United States alone has appropriated $132 billion since fiscal year 2002 for Afghanistan's reconstruction, with programs including building schools and clinics, supporting electrification and other infrastructure, promoting alternative livelihoods for farmers currently growing opium poppy, and training Afghan civil, police, and military personnel.[7]

In addition to U.S. contributions, 10 international donors' conferences between 2003 and 2016 resulted in total aid pledges of some $83 billion. An October 2016 donors' conference in Brussels pledged an additional $3.8 billion in development aid annually from 2017 to 2020.[8] The United States has not made specific pledges for these years, but has indicated it intends to maintain levels of assistance comparable to recent years' level of $4 billion to $5 billion (not counting costs for U.S. military operations in Afghanistan).[9]

Afghanistan has made progress, but the results are mixed, and the outlook is still sobering. SIGAR quarterly reports to Congress have carried news of improved health care, literacy, electrification, opportunities

A machine gun and rocket-armed MD-530 Cayuse helicopter flies over Kabul. (U.S. Air Force photo by Capt. Jason Smith)

for women, and other gains. Addressing other important points, the International Monetary Fund reported in December that "Afghanistan's policymakers have continued to make progress implementing reforms in a highly challenging environment," with international partners facilitating "important reforms in the fiscal, financial, and governance areas, including strengthening the resilience of the country's institutions."[10]

On the other hand, the IMF notes, "The unrelenting insurgency, compounded by a devastating drought and political uncertainty during the electoral cycle, is hurting confidence, investment, private sector development, and job creation," and with inflation-adjusted economic growth running at about the rate of population growth, there is little room for progress in raising living standards.[11]

The most recent CIA *World Factbook's* assessment released in December 2018 is equally grim: "Despite improvements in life expectancy, incomes, and literacy since 2001, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs. Corruption, insecurity, weak governance, lack of infrastructure, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth."[12]

The Congressional Research Service's December 2018 update of its Afghan-background report offered similar cautionary notes: "The Afghan government faces broad public criticism for its inability to combat corruption, deliver security, alleviate rising ethnic tensions, and develop the economy."[13]

Anthony H. Cordesman, a former official with the Departments of State and Defense, and now a senior analyst with the Center for Strategic and International Studies, suspects that Afghan gains have been neutralized by other factors: “Flight to the cities, rising poverty, massive unemployment, corruption at every level, divisions between power brokers and de facto warlords, a brain drain to other countries, and growing dependence on a narco-economy all offset the areas where Afghanistan is making civil progress.”[14]

It was in this setting that the Geneva conference participants, like those in earlier conferences, reviewed Afghan progress against agreed-upon benchmarks, and laid down new markers for the future.

RECURRING CONFERENCES

The 2018 Geneva conference marked a key point in Afghanistan’s 2015–2024 “Decade of Transformation” effort to achieve national self-reliance, falling halfway between the international donor nations’ funding conferences of 2016 and 2020.

Leading up to the Geneva conference, in July 2018, Afghanistan had agreed to make particular progress on six benchmarks involving conduct of elections, reducing corruption, reforming the security sector, meeting other benchmarks set by the International Monetary Fund, furthering private-sector development, and completing plans for implementing the country’s National Priority Programs for peace, governance, and development.[15]

As the end-of-conference communiqué from UNAMA noted, “Participants acknowledged progress in many of the reform areas” undertaken by the Kabul government. However, they also “expressed concern that the benchmarks on anti-corruption, and on elections with respect to its [sic] technical conduct, have not been met fully, and requested a renewed focus on these important benchmarks.”[16]

UNAMA’s communiqué also reported that participants “agreed that much still needs to be done, including: enhancing inclusive economic growth; reducing poverty; creating employment; fighting corruption; empowering women; and improving governance, rule of law and human rights.”[17]

Looking to those desired improvements, the participants issued a Geneva Mutual Accountability Framework (GMAF) detailing 24 “short-term deliverables” for 2019–2020 grouped into six major areas: security and political stability; anticorruption, governance, rule of law, and human rights; fiscal sustainability, public finance, and commercial banking; development planning and management; private-sector development and inclusive growth; and development partnerships and aid effectiveness. Specific deliverables include hiring more female lawyers and judges, adopting performance indicators, establishing 15,000 self-help associations, and setting up a call and complaint center for government services.[18] As with earlier conferences, expectations and benchmarks were not tied to any explicit financial consequences for nonattainment.

Despite published accounts of difficulties in Afghanistan—including, for example, SIGAR's recurring reporting on high security-force casualties, a general stalemate after 17 years of fighting insurgents, and institutional problems of capacity and corruption—and despite the conference communiqué's expressions of concern over unmet benchmarks and inadequate progress, the overall official tone of the proceedings was positive. Consider, for example, the area of private-sector economic development in Afghanistan.

BUSINESS IMPROVEMENTS WITH AN OVERLOOKED CAVEAT

President Ghani and other Afghan officials attending the Geneva conference made repeated references to their country's rise in the rankings of the World Bank's most recent *Doing Business* report.

A World Bank news release on October 31, 2018, proclaimed "Afghanistan is a Top Improver with Record Reforms to Improve Business Climate." The country rose from 183rd-lowest among 190 countries to 167th in the report for 2019, reflecting "substantial progress" from five reforms implemented in 2017 to improve starting a business, getting credit, protecting minority investors, paying taxes, and resolving insolvency.[19]

The news release continued with a comment from Shubham Chaudhuri, World Bank Country Director for Afghanistan. "Given the exceptional challenges of conflict and violence in the country," he said, "the government's resolve to improve the business climate for private enterprise is doubly commendable," adding "We look forward to continuing to record Afghanistan's successes in years to come."[20]

Afghan President Ashraf Ghani speaks at the Geneva conference. (U.S. Mission Geneva photo)

Afghanistan officials at the Geneva conference were understandably pleased with the World Bank's glowing notice of their work, and repeatedly called attention to it. However, the *Doing Business* rankings reflect comparative standings for pro-growth regulations and procedures, and do not measure actual business growth and expansion. Further, given the ranking's focus on commerce, they omit consideration of some larger issues that weigh heavily on Afghanistan and suggest that future successes depend upon much more than sensible rules and efficient procedures.

The World Bank itself emphasizes that point in a separate document, "Common Misconceptions About *Doing Business*":

> *Misconception #1: Doing Business ranking is a comprehensive measure of business environment:*
>
> *Doing Business* does not measure all aspects of the business environment that matter to firms or investors—or all factors that affect competitiveness. It does not, for example, measure security, macroeconomic stability, corruption, labor skills of the population, underlying quality of institutions and infrastructure or the strength of the financial system.[21]

Conferees gather in a meeting room at the UN's Geneva Conference on Afghanistan. (U.S. Mission Geneva photo)

As SIGAR has repeatedly documented in its reports to Congress, Afghanistan is notably insecure: the U.S. State Department continues to instruct visitors to its website, "Do not travel to Afghanistan due to crime, terrorism, civil unrest, and armed conflict. . . . Travel to all areas of Afghanistan is unsafe."[22] SIGAR staff, like others based at the U.S. Embassy in the heart of Kabul, are forbidden to travel in country without armed escorts, and cannot even get to the international airport a few miles away except by taking an expensive ride on an Embassy helicopter.

SIGAR and other oversight bodies and donors have also reported on Afghanistan's widespread and endemic corruption, low levels of literacy and vocational training, poor infrastructure, and limited access to credit. These and other constraints in Afghanistan can be expected to factor into the hopes and plans of both domestic and foreign business operators and investors.

Nonetheless, such troubling considerations had little role to play in the conference's first-day panel on private-sector development. As a preview document on UNAMA's website put it, "By unleashing the private sector's potential to accelerate economic growth, the Afghan government can make great strides in addressing the mounting poverty, rising unemployment, and donor dependence."[23]

Carrying on that line of thought, the panel moderator called attention to the World Bank's citing Afghanistan as one of the "top 10 reformers" in its business-climate rankings, before introducing Afghan President Ashraf Ghani for opening remarks.

President Ghani delivered a speech about business challenges and opportunities in Afghanistan. He began by noting that a new air corridor for trade has enabled exports of 300 tons of pine nuts to China, with proceeds that boosted women's income and encouraged reforestation. The $2 million cost for setting up the air corridor, he said was "catalytic," offering an avenue for increased exports to India, China, and other countries. He also said Afghan farmers should form alliances to bargain with processors, and firms should pay more attention to customer relations, packaging, and marketing. He called for a coherent strategy and a program orientation, rather than multiplying individual projects, and said new mining and hydrocarbon laws would help develop the country's enormous natural resources.

"We are open for business," he said, and looking to develop partnerships. He did not, however, discuss Afghan private-sector issues in the context of the concerns excluded from the *Doing Business* rankings.[24]

But others have noted the toll that insecurity takes on prospects for growth. Despite Afghanistan's progress in making reforms, a World Bank overview of the country issued the week before the Geneva conference reported that "Economic recovery is slow as continued insecurity is curtailing private investment and consumer demand. . . . Poverty has increased amid slow growth, security disruptions to services, and poor agricultural performance."[25] In late October, an IMF review noted that ratios of private investment to gross domestic product had been declining in Afghanistan since 2004: "This indicates that political instability has not been conducive to attracting private investment."[26]

The conference panel on the Afghan private sector closed with remarks by U.S. Ambassador to Afghanistan John R. Bass. The Ambassador said "The United States very much wants Afghanistan to succeed" as a stable, peaceful, democratic country that can ensure its territory is not a platform for terrorists, adding that economic development is a vital part of that process. Afghanistan's reforms and new laws are all "really vital changes," he added, and an improved business climate gets attention.[27]

But Ambassador Bass followed these words of encouragement with a caution that "sustaining that attention and translating that attention into actual investments that produce employment are going to depend heavily on forthcoming reforms related to operating business and, I would say, also on a key piece which has not been mentioned here today: ... an investment in improving legal education, court administration to ensure that the promise that is inherent in these new legal frameworks actually turns into results for individual businesses."

He noted surveys indicating that many Afghans are obliged to pay bribes of some sort in their daily life, and argued the problem of corruption also extends to the life of businesses:

> When people hear 'anticorruption efforts in Afghanistan,' they tend to think about public-sector corruption, but I think it's fair to say that access to credit and the responsiveness and interest of . . . public lenders or private investors to provide that access to credit is going to depend upon those prospective investors' confidence that there is a solid dispute-resolution framework,

U.S. Ambassador to Afghanistan John Bass speaks at a panel held during the Geneva conference. (U.S. Mission Geneva photo)

Flags of UN member nations line the approach to its European headquarters in Geneva. (U.S. Mission Geneva photo)

> and a solid way to ensure that the legal framework in place in theory is actually in place in practice.

Afghanistan, he concluded, needs to strengthen the rule of law and be committed to dealing with corruption in the public sector, in access to credit, in dispute resolution, and other areas that affect development, as well as the prospects for peace.

WRESTLING WITH THE ELECTION PROCESS

Afghan elections were another focus of the Geneva conference. Fair and effective elections are widely thought to be an important means of establishing government legitimacy and in bolstering public support for governing institutions. So it is no surprise that UNAMA's conference communiqué reports that "Participants welcomed the holding of the first Afghan-led parliamentary elections . . . in October 2018 and praised the significant number of citizens who voted despite intimidation."[28] The intimidation wasn't restricted to voters: according to UN Secretary-General Antonio Guterres, nine candidates were killed preceding the election; the Taliban claimed responsibility for two of the killings.[29]

While the elections did go forward, UNAMA's communiqué continued, "Participants also noted that organizational, technical and security difficulties hindered voting, and underlined the importance of addressing these and other shortcomings, including initiating legal processes if necessary, to ensure progress in electoral management. Participants called for effective preparations of presidential and other foreseen elections in 2019 to ensure maximum transparency, credibility, participation, and security."[30]

A former U.S. Ambassador to Afghanistan was less restrained in his characterization of the country's 2018 provincial elections for members of the lower house of parliament. After a return trip to Afghanistan, Ronald Neumann, now president of the American Academy of Diplomacy, said:

> If the Afghan security services performed credibly with significant casualties to demonstrate their efforts and the people performed well and bravely, the Afghan government largely failed them. Despite four years to prepare and promises from President Ashraf Ghani and Chief Executive Officer (CEO) Dr. Abdullah Abdullah, the administration of the elections was a disaster. The administration of the [Afghan] Independent Election Commission was a shamble. Voting lists were missing or delivered late with citizens scrambling to find the correct polling place. No one was immune from the chaos. In Kabul, the one place where decent organization should have been possible, even CEO Dr. Abdullah had to wait half an hour for election officials to find his name on the voting list. A former governor of Kabul told me of having to go to four different locations to find his name on the voting rolls.[31]

As the governance discussion in Section 3 of this report recounts in some detail, the October provincial elections were marked by violence, voter-identification failures, ballot issues, security-driven delays, and other problems. These were troubling portents for the presidential and district-level elections originally scheduled for spring 2019 but now delayed. A fair and efficient presidential election could be especially important, as the previous balloting in 2014 produced such a flood of claims of irregularities and corruption that a U.S.-brokered deal was struck to make that year's two bitter rivals—Ashraf Ghani and Abdullah Abdullah—partners in a government power-sharing arrangement.

Last year, a U.S. Institute of Peace analyst warned, "There is, however, grossly insufficient time to make meaningful improvements given that the 2019 presidential election is scheduled for April 20 and the slow pace of electoral decision making and reform. In any case, the highly consequential presidential election may turn out to be problematic and disputed, which could precipitate a crisis that would undermine peace efforts and political stability."[32]

Evidently mindful of such possibilities, Afghanistan's Independent Election Commission (IEC) said on December 30, 2018, that the 2019 presidential election would be delayed, moving from April 20 to July 20. IEC Chairman Gula Jan Abdul Bade Sayad said, "April will be very difficult because of the harsh winter and transporting election materials, security, and the budget issues." President Ghani, who is expected to seek a second five-year term in office, had previously insisted that the election would go ahead in April. But a spokesman for the presidential palace said the government welcomed the decision by the IEC.[33]

The Geneva conference hopes and concerns for the 2019 elections are linked to another overriding issue for Afghanistan and its international providers of reconstruction funding, troops, and security assistance: peace.

A LONG, TORTUOUS SEARCH FOR PEACE

In an interview with the *New York Times* published on January 28, 2019, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad summarized six days of talks in Doha, Qatar, with the Taliban on peace in Afghanistan, saying the United State and Taliban "have a draft of the framework that has to be fleshed out before it becomes an agreement." Further, "the Taliban have committed, to our satisfaction, to do what is necessary that would prevent Afghanistan from ever becoming a platform for international terrorist groups or individuals." However, he said the "details need to be worked out." He clarified what the framework does not include, saying "there are a lot of reports that we have discussed an interim government: No, I have not gotten into any of that discussion." He also clarified that "I have not entered into what [a final settlement] could look like with the Taliban—they would like to talk to me about it, but I have not."

Source: Khalilzad, Zalmay. (@US4AfghanPeace), "1/3 After six days in Doha, I'm headed to #Afghanistan for consultations. Meetings here were more productive than they have been in the past. We made significant progress on vital issues," 1/26/2019, https://twitter.com/US4AfghanPeace/status/1089194660218785792; *New York Times*, "U.S. and Taliban Agree in Principle to Peace Framework, Envoy Says," 1/28/2019.

The Geneva conference communiqué records that "Participants agreed that peace is essential for sustainable development" in Afghanistan. "There is a new opportunity to seek peace," they declared, "in particular in light of . . . the government's [February 2018] offer to the Taliban of talks without preconditions." After commenting that peace required more reforms, broad consensus, and full participation by Afghan women, the conference predicted national and regional benefits from "Afghan-led and Afghan-owned peace processes."[34]

The Kabul government agrees. "Talks should be Afghan-led and Afghan-owned," a presidential aide said. "It is important that the Taliban acknowledge this fact."[35] Similarly, Ambassador Bass has said, "The only red line [for negotiations] is that the Taliban has to talk to the Afghan government and the Afghan people."[36]

Here again, however, facts on the ground seemed to be at odds with conference aspirations.

On December 30, 2018—the same day that the Afghan IEC announced its three-month delay in the presidential election—the Voice of America service reported that the Taliban had rejected the Kabul government's offer to meet for peace talks in Saudi Arabia in January.

The United States and other interested countries have been in contact with the Taliban to explore the possibility of peace in Afghanistan. A Taliban spokesman in Pakistan said, "We will meet the U.S. officials in Saudi Arabia in January next year and we will start our talks that remained incomplete in Abu Dhabi. However, we have made it clear to all the stakeholders that we will not talk to the Afghan government."[37]

According to NBC News, as the Geneva conference was wrapping up, Ambassador Zalmay Khalilzad "told reporters in Kabul that it was up to Afghans to decide whether to postpone the elections but he added that it would be ideal to arrive at a peace agreement before the [now-delayed] April vote."[38] As evidenced by the Taliban statement, that ideal may be elusive.

SIGAR's observers at the Geneva conference came away with the impression that although nearly all of the Afghans present were pleased with the prospect of peace, many were concerned about the consequences of such a treaty, especially if it led to U.S. and Coalition disengagement. President Ghani touched on the possible consequences of such a decision in his opening remarks at the Geneva conference: If neither peace nor the reform agenda were completed, he said, "an abandonment of Afghanistan by both international and regional partners" could follow, and "Untold misery and pain would be the outcome."[39] Ghani also predicted that "a political deal made amongst elites but disguised as a peace agreement," absent reforms and decade-of-transformation goals, "would most likely be short-term, and God forbid, followed by a renewal of a cycle of conflict and disunity."[40]

Even if a peace deal were achieved, the costs of assistance to Afghanistan could still be substantial. Donors including the United States are already pledged to provides billions in assistance for years ahead. In addition, President Ghani told the Geneva conferees, Afghanistan needs increased assistance to relieve "immense humanitarian suffering" from a drought that has created crisis or emergency conditions for 11 million Afghans. Further, he said, rising temperatures have accelerated the drought cycle from every 30 years to every two to five years, so Afghanistan needs additional assistance from international partners to improve warning systems, water management, and access to global environmental resources.[41]

WHAT DOES GENEVA MEAN FOR KABUL?

The tales from the two cities of Geneva and Kabul reflect a tension between polite reviews, amicable discussions, aspirations, and roadmaps for progress at the conference as opposed to the gritty realities facing officials in Kabul.

Long-time Afghanistan scholar William Byrd of the U.S. Institute of Peace notes that the Geneva conference confirmed some progress by Afghanistan, reaffirmed donor aid commitments, and produced new benchmarks to guide further reforms.

However, he adds, "Geneva did not address some important issues, at least in its official public meetings, and left unanswered questions. These include the risk that the upcoming presidential election will produce another divided political landscape, the uncertain possibility of a peace process getting underway, the problematic security situation, the regional geopolitical undercurrents, and the confluence of these different factors."[42] Whether and how the disconnects between the perceptions in Geneva and the realities in Kabul will be reconciled or resolved is unclear. In that respect, Geneva's outcome resembles those of predecessor conferences. Nevertheless, SIGAR, like other oversight agencies, stands ready and able to separate the rhetoric from the reality while protecting U.S. citizens' investment in what has become our country's longest war.

“We cannot lose track of the fact that fraud can—and does—kill, which is why we at SIGAR do what we do.”

—Inspector General John Sopko

Source: SIGAR, Inspector General John Sopko, Remarks at the Targeting Fraud, Safeguarding Transparency Conference, 11/1/2018.

2 SIGAR OVERSIGHT

SIGAR OVERSIGHT CONTENTS

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An Mi-17 helicopter from the Kandahar Air Wing and UH-60 Black Hawk helicopter from 2nd Battalion, 25th Aviation Regiment, 25th Combat Aviation Brigade, await proper loading procedures training from Afghan and Coalition forces during an air-assault rehearsal on Forward Operating Base Shoja. (DVIDS photo by Sgt. Daniel Shroeder)

SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 14 products. SIGAR work to date has identified over $2.1 billion in savings for the U.S. taxpayer.

SIGAR issued one performance audit report this quarter, examining the multibillion dollar effort by the Department of Defense (DOD) to build the capacity of the Afghan Air Force (AAF) to field UH-60 Black Hawk helicopters, including helicopter delivery, pilot training, and maintenance contractor programs.

SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits covered a range of topics including USAID's support to the Sheberghan Gas Generation Activity, USAID's Afghan Trade and Revenue Project, and the Department of State's (State) support for corrections and national justice-system programs in Afghanistan. These financial audits identified approximately $3.6 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than $418.5 million in questioned costs, interest, and other amounts payable to the U.S. government.

SIGAR also issued three inspection reports. These reports examined the construction, use, and maintenance of the Zarang Border Crossing Point, phase III of the Afghan National Army's (ANA) Camp Commando, and phase III of the Marshal Fahim National Defense University.

This quarter, SIGAR's Office of Special Projects issued four products, including two review reports on USAID-funded education facilities in Baghlan Province and CERP-funded bridges in Kabul; as well as two fact sheets on USAID's Stability in Key Areas Program.

During the reporting period, SIGAR investigations resulted in federal indictments of five persons, and one criminal information. One subject pleaded guilty, three were sentenced, and three were arrested. In addition, approximately $2.2 million in savings to the U.S. government were realized, as well as $140,000 in criminal fines, restitutions and forfeitures. SIGAR initiated five new cases and closed 18, bringing the total number of ongoing investigations to 164.

This quarter, SIGAR's suspension and debarment program referred 10 individuals and 13 entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and

COMPLETED PERFORMANCE AUDIT REPORT

- Audit 19-18-AR: Afghan Air Force UH-60 Implementation: DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s

COMPLETED FINANCIAL AUDIT REPORTS

- Financial Audit 19-17-FA: Afghanistan Ministry of Interior and Afghan National Police Mentoring, Training, and Logistics Support Requirement: Audit of Costs Incurred by IAP Worldwide Services Inc.
- Financial Audit 19-15-FA: USAID's Sheberghan Gas Development Project (SGDP): Audit of Costs Incurred by Ministry of Mines and Petroleum
- Financial Audit 19-12-FA: Department of State's Support for Corrections System and National Justice System Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support
- Financial Audit 19-13-FA: USAID's Support to the Sheberghan Gas Generation Activity: Audit of Costs Incurred by Advanced Engineering Associates International Inc.
- Financial Audit 19-06-FA: Department of State's Security Support for Justice Sector, Corrections System, and Counter Narcotics Police Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support
- Financial Audit 19-14-FA: USAID's Afghan Trade and Revenue Project: Audit of Costs Incurred by Chemonics International Inc.

COMPLETED INSPECTION REPORTS

- Inspection Report 19-09-IP: Afghan National Army Camp Commando Phase III: Facility Construction and Renovation Generally Met Contract Requirements, but Three Construction Deficiencies Increased Safety Risks
- Inspection Report 19-07-IP: Zarang Border Crossing Point: Facilities Generally Met Contract Requirements, but Construction Deficiencies Pose Safety Concerns
- Inspection Report 19-16-IP: Marshal Fahim National Defense University Phase III: Phase III Construction Generally Met Contract Requirements, but Five Deficiencies and Inadequate Maintenance Increase Safety Risks for Building Occupants

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COMPLETED SPECIAL PROJECTS REPORTS

- Review 19-10-SP: Schools in Baghlan Province, Afghanistan: Observations from Site Visits to 14 Facilities
- Review 19-08-SP: Bridges in Kabul, Afghanistan: Six Bridges Constructed by DOD in Generally Good Condition; Funding for Sustained Maintenance Not in Budget
- Fact Sheet 19-05-SP: Information on USAID's Stability in Key Areas (SIKA) Program–Eastern Region, Afghanistan: USAID Spent $140.1 million Implementing Stabilization Projects Between December 2011 and September 2015 in Eastern Provinces of Afghanistan
- Fact Sheet 19-11-SP: Information on USAID's Stability in Key Areas (SIKA) Program – Western Region, Afghanistan: USAID Spent $54 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Western Provinces of Afghanistan

COMPLETED PERFORMANCE AUDITS

- Audit 19-18-AR: Afghan Air Force UH-60 Implementation: DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s

the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 928, encompassing 515 individuals and 413 companies.

AUDITS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. Since its last report to Congress, SIGAR has issued one performance audit and six financial audits. This quarter, SIGAR has 10 ongoing performance audits and 39 ongoing financial audits.

Performance Audit Reports Issued

SIGAR issued one performance audit report this quarter. This audit examined DOD's multibillion dollar effort to build the capacity of the Afghan Air Force to field UH-60 Black Hawk helicopters. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

Performance Audit 19-18-AR: Afghan Air Force UH-60 Implementation

DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s

A key component of the Afghan Air Force's modernization is the addition of 159 UH-60 Black Hawk helicopters, of which 119 will be for the AAF and 40 for the Special Mission Wing (SMW), at a cost estimated at between $5.75 billion to $7 billion. The first 16 of 159 UH-60s have been delivered.

DOD has reported to Congress concerns about recruiting, training, and sustainment challenges facing the AAF. SIGAR found that based on the current UH-60 delivery schedule, it is unlikely that there will be enough pilots trained before all of the UH-60s are received. Despite the fact that pilot development is not keeping pace with original program assumptions, DOD has yet to establish benchmarks it can use to determine if it should pause the deliveries of UH-60s or reduce the number of aircraft delivered to the Afghan government.

SIGAR also found that DOD does not currently have a maintenance training course in place to train Afghan personnel to maintain UH-60s. DOD estimates that the cost of contractor maintenance from 2019 through 2023 will be over $2.8 billion and is likely to grow the longer it takes to develop the AAF's and SMW's maintenance capabilities. Additionally, having insufficient Afghan maintenance personnel limits the locations at which UH-60s can operate because DOD policy bars U.S. contractors from working where there is no U.S. or Coalition control due to security concerns.

Finally, SIGAR found that Train Advise Assist Command-Air, Combined Security Transition Command-Afghanistan, and the AAF have not developed a flying-hour program for the UH-60s that limits the hours they are flown each month. Flying the aircraft more than the 35 hours per month assumed in the maintenance strategy risks excessive wear that could require additional maintenance at an increased cost.

SIGAR made six recommendations to DOD and their subordinate commands: take steps to reduce the waiting time between initial pilot training and the UH-60 qualification course; fully implement the AAF English language program; develop and implement a program to train AAF personnel to maintain the UH-60s; develop and implement a plan for maintaining aircraft in locations where security conditions prevent U.S. contractors from working; work with the AAF to develop a flying-hour program; and link the deliveries of UH-60s to the training of pilots and maintenance personnel. In response to a draft of the report, DOD stated that it is working to establish additional pilot training locations and has developed a proposed training plan that includes establishing a maintenance development center outside of Afghanistan that will focus specifically on training entry-level UH-60 maintenance personnel.

An Afghan Air Force UH-60 in the Kandahar Air Wing. (DOD photo)

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.

SIGAR has 39 ongoing financial audits with more than $1.0 billion 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.

This quarter, SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These audits help provide the U.S. government and the American taxpayer reasonable assurance that the funds spent on these awards were used as intended. The audits question expenditures that cannot be substantiated or are potentially unallowable.

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 $418.2 million in questioned costs and $364,907 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of December 31, 2018, funding agencies had disallowed about $24.2 million in questioned amounts, which are subject to collection.

TABLE 2.1

SIGAR'S FINANCIAL AUDIT COVERAGE ($ BILLIONS)	
127 completed audits	$7.27
39 ongoing audits	1.01
Total	**$8.28**

Note: Numbers have been rounded. Coverage includes auditable costs incurred by recipients of U.S.-funded Afghanistan reconstruction contracts, grants, and cooperative agreements.

Source: SIGAR Audits and Inspections Directorate.

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 ineligible costs (violation of a law, regulation, contract, grant, cooperative agreement, etc., or an unnecessary or unreasonable expenditure of funds) and unsupported costs (those not supported by adequate documentation or proper approvals at the time of an audit).

COMPLETED FINANCIAL AUDITS

- Financial Audit 19-17-FA: Afghanistan Ministry of Interior and Afghan National Police Mentoring, Training, and Logistics Support Requirement: Audit of Costs Incurred by IAP Worldwide Services Inc.
- Financial Audit 19-15-FA: USAID's Sheberghan Gas Development Project (SGDP): Audit of Costs Incurred by Ministry of Mines and Petroleum
- Financial Audit 19-12-FA: Department of State's Support for Corrections System and National Justice System Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support
- Financial Audit 19-13-FA: USAID's Support to the Sheberghan Gas Generation Activity: Audit of Costs Incurred by Advanced Engineering Associates International Inc.
- Financial Audit 19-06-FA: Department of State's Security Support for Justice Sector, Corrections System, and Counter Narcotics Police Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support
- Financial Audit 19-14-FA: USAID's Afghan Trade and Revenue Project: Audit of Costs Incurred by Chemonics International Inc.

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 have also identified and communicated 435 compliance findings and 459 internal-control findings to the auditees and funding agencies.

Financial Audits Issued

This quarter, SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These audits identified more than $3.6 million in questioned costs because of internal-control deficiencies and noncompliance issues, such as using incorrect foreign currency conversion rates and improperly supporting amounts invoiced.

Financial Audit 19-17-FA: Afghanistan Ministry of Interior and Afghan National Police Mentoring, Training, and Logistics Support Requirement

Audit of Costs Incurred by IAP Worldwide Services Inc.

On May 12, 2016, the U.S. Army Contracting Command—Rock Island awarded delivery order 3 under contract W52P1J-13-D-0107 to DRS Technical Services Inc. (DRS). The $36,250,064 order was intended to support the modernization and expansion of the Afghan Ministry of Interior's Network Operation Center and Joint Operations Center project. After 14 modifications, total funding increased to $50,902,910, and the end date of the order's period of performance was extended from November 8, 2016, to December 3, 2018. IAP Worldwide Services Inc. (IAP) acquired DRS and became the prime contractor in September 2016.

SIGAR's financial audit, performed by Conrad LLP (Conrad), reviewed $49,786,625 charged to the contract from May 12, 2016, through July 31, 2018. Conrad identified one significant deficiency and two deficiencies in IAP's internal controls, and three instances of noncompliance with the terms and conditions of the delivery order and applicable regulations. Because of these internal-control deficiencies and instances of noncompliance, Conrad identified $2,231,965 in questioned costs.

Financial Audit 19-15-FA: USAID's Sheberghan Gas Development Project

Audit of Costs Incurred by Ministry of Mines and Petroleum

On May 15, 2012, USAID and the Afghan government signed Implementation Letter 45 to fund the Sheberghan Gas Development Project (SGDP). According to the letter, USAID would fund up to $30 million for the project, which was designed to increase the use of Afghanistan's natural resources and generate electric energy for economic and social benefits. The Ministry of Mines and Petroleum (MOMP) was responsible for implementing the project. USAID modified the letter 17 times, extending the period of performance to August 31, 2016, while leaving the total amount unchanged.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed $30 million charged to the grant from May 15, 2012, through August 31, 2016. Crowe identified three material weaknesses and four significant deficiencies in MOMP's internal controls, and seven instances of material noncompliance with the terms and conditions of the grant. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified $803,171 in questioned costs.

Financial Audit 19-12-FA: Department of State's Support for Corrections System and National Justice System Programs in Afghanistan

Audit of Costs Incurred by PAE Justice Support

On December 30, 2014, State awarded Pacific Architects and Engineers Inc. a six-month, $41,093,479 cost-plus-fixed-fee contract. The contract's objective was to help the Afghan government implement the Corrections System Support Program and support the National Justice Program to modernize and develop the Afghanistan's corrections system. State modified the contract 12 times, decreasing the estimated cost to $27,625,000, and extending the period of performance to February 29, 2016. After the second contract modification, the name of the entity receiving the contract was changed to PAE Justice Support.

SIGAR's financial audit, performed by Crowe LLP, reviewed $26,381,932 expenditures and fixed fees charged to the contract from January 1, 2015, through February 29, 2016. Crowe identified two material weaknesses, three significant deficiencies, and two deficiencies in PAE's internal controls, and seven instances of noncompliance with the terms and conditions of the contract. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified $546,017 in questioned costs.

Financial Audit 19-13-FA: USAID's Support to the Sheberghan Gas Generation Activity

Audit of Costs Incurred by Advanced Engineering Associates International Inc.

On December 21, 2011, USAID awarded a $31,780,600, cost-plus-fixed-fee, 18-month task order to Advanced Engineering Associates International Inc. (AEAI), to support the Sheberghan Gas Generation Activity (SGGA). AEAI was to provide training, technical assistance, and capacity enhancement to the Ministry of Mines and Petroleum in support of the SGGA. The agency modified the task order six times, decreasing the total cost to $30,440,956 and extending the period of performance to July 31, 2016.

SIGAR's financial audit, performed by Crowe LLP, reviewed $4,571,929 in expenditures and fixed fees charged to the task order from January 1, 2016, through July 31, 2016. Crowe found two material weaknesses and one significant deficiency in AEAI's internal controls and four instances of noncompliance with the terms and conditions of the task order. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified $33,517 in questioned costs.

Financial Audit 19-06-FA: Department of State's Security Support for Justice Sector, Corrections System, and Counter Narcotics Police Programs in Afghanistan

Audit of Costs Incurred by PAE Justice Support

On December 15, 2014, State awarded Pacific Architects and Engineers Inc. (PAE), a one-year, $52,035,382 cost-plus-fixed-fee contract. The contract's objective was to ensure a secure environment for personnel supporting State programs for the justice sector, the corrections system, and the Counter Narcotics Police in Afghanistan. State modified the contract 15 times, increasing the estimated cost to $74,784,378, and extending the period of performance to September 18, 2017. In the first contract modification, the name of the entity receiving the contract was changed to PAE Justice Support.

SIGAR's financial audit, performed by Crowe LLP, reviewed $72,193,961 in expenditures and fixed fees charged to the contract from December 15, 2014, through September 18, 2017. Crowe identified one material weakness, two significant deficiencies, and three deficiencies in PAE's internal controls, and seven instances of noncompliance with the terms and conditions of the contract. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified $30,251 in total questioned costs.

Financial Audit 19-14-FA: USAID's Afghan Trade and Revenue Project

Audit of Costs Incurred by Chemonics International Inc.

On November 7, 2013, USAID awarded Chemonics International Inc. (Chemonics) a four-year, $77.8 million contract to support the Afghan Trade and Revenue (ATAR) project. The project's purpose was to provide technical support and assistance aimed at strengthening Afghanistan's business climate to enable private investment, enhanced trade, job creation, and fiscal sustainability. USAID modified the contract 12 times, extending the period of performance to February 28, 2018, while leaving the total amount unchanged.

SIGAR's financial audit, performed by Crowe LLP, reviewed $17,881,176 charged to the contract from January 1, 2017, through February 28, 2018. Crowe identified one deficiency in Chemonics' internal controls, and two instances of noncompliance with the terms and conditions of the contract. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified $346 in questioned costs.

INSPECTIONS

Inspection Reports Issued

This quarter, SIGAR issued three inspection reports. These reports examined the construction, use, and maintenance of the Zarang Border Crossing Point, phase III of the Afghan National Army's (ANA) Camp Commando, and phase III of the Marshal Fahim National Defense University. A list of completed and ongoing inspections can be found in Appendix C of this quarterly report.

Inspection Report 19-09-IP: Afghan National Army Camp Commando Phase III

Facility Construction and Renovation Generally Met Contract Requirements, but Three Construction Deficiencies Increased Safety Risks

On December 27, 2012, the U.S. Army Corps of Engineers (USACE) awarded a $14.9 million firm-fixed-price contract to ECC CENTCOM Constructors LLC (ECC) to design, construct, and renovate the phase III facilities for approximately 1,950 personnel at Camp Commando in Kabul, Afghanistan. The contract required ECC to construct seven new facilities, such as the dining facility (DFAC) and warehouse, and renovate four existing buildings to use as training classrooms. After 11 modifications, the contract's value increased by $2.5 million to $17.4 million. ECC completed the phase III construction and renovation work on June 26, 2014. On July 18, 2014, CSTC-A transferred the phase III facilities to the Afghan Ministry of Defense (MOD).

SIGAR found that the phase III construction and renovation work generally met contract requirements. However, SIGAR also identified three construction deficiencies that raise safety concerns for building occupants should a fire occur. First, ECC installed 125 certified fire-rated doors in the four newly constructed barracks, but did not install 40 certified fire-rated interior doors in the four renovated buildings. Second, ECC installed noncertified rolling counter doors in the DFAC, instead of the Alpine fire-rated rolling counter doors USACE approved. Third, SIGAR could not locate six of the 33 fire extinguishers ECC installed and found that at least 19 of the 27 extinguishers that it could locate were counterfeit. SIGAR determined that USACE paid ECC more than $51,000 for 33 fire extinguishers that should have cost less than $2,000 if ECC had purchased and installed the approved extinguishers. USACE may have also paid ECC more than necessary for the noncertified fire doors and noncertified rolling counter doors, but these amounts were not available because the costs are combined with other contract costs. SIGAR found that USACE did not perform effective quality assurance or fully adhere to its own three-phase quality-assurance inspection process, which contributed to these deficiencies going undetected.

COMPLETED INSPECTION REPORTS

- Inspection Report 19-09-IP: Afghan National Army Camp Commando Phase III: Facility Construction and Renovation Generally Met Contract Requirements, but Three Construction Deficiencies Increased Safety Risks
- Inspection Report 19-07-IP: Zarang Border Crossing Point: Facilities Generally Met Contract Requirements, but Construction Deficiencies Pose Safety Concerns
- Inspection Report 19-16-IP: Marshal Fahim National Defense University Phase III: Phase III Construction Generally Met Contract Requirements, but Five Deficiencies and Inadequate Maintenance Increase Safety Risks for Building Occupants

Finally, SIGAR found that the Camp Commando phase III facilities are being used and maintained. However, broken door hardware on the exit doors in the DFAC has resulted in three of the six exit doors being permanently locked from the outside, and only one of the three exits in the dining area is available to personnel during an emergency evacuation. In addition, Afghan National Army (ANA) personnel converted two of the renovated training classrooms into barracks and obstructed the only exit corridor with lockers. In one of the new barracks, the ANA constructed a permanent wall with a door in the only corridor of the building, blocking access to one of the building's exits. These conditions could increase safety risks to building occupants in the event of a fire or other emergency.

SIGAR made one recommendation in the draft report, that the CSTC-A commander notify the ANA of the following potential safety hazards: noncertified doors in the renovated buildings and noncertified rolling counter doors in the DFAC; the counterfeit fire extinguishers installed throughout the phase III facilities; the blocked exits in the DFAC and one of the new barracks; and the obstructed exit corridors in the two training classrooms converted into barracks. Based on the CSTC-A's response and actions taken, SIGAR closed the recommendation as implemented and removed it from the final report.

Inspection Report 19-07: Zarang Border Crossing Point

Facilities Generally Met Contract Requirements, but Construction Deficiencies Pose Safety Concerns

On August 22, 2011, the U.S. Air Force's 772nd Enterprise Sourcing Squadron, in support of the Air Force Center for Engineering and the Environment—reorganized in 2012 as the Air Force Civil Engineer Center (AFCEC)—awarded a $26.9 million cost-plus-fixed-fee task order to United Research Services Group Inc. (URS). The task order required URS to design and construct Afghan Border Police border-patrol company headquarters at Burjas, Kang, and Taba-e Talib, and a border crossing point at Zarang, all in Nimroz Province.

This inspection focused on the $11.1 million Zarang Border Crossing Point. After 14 modifications, the value of the border crossing point was reduced to $10.9 million. On February 28, 2013, AFCEC transferred the Zarang Border Crossing Point facilities to the Combined Security Transition Command-Afghanistan (CSTC-A), and CSTC-A transferred the facilities to the Afghan Ministry of Interior (MOI).

SIGAR found that URS completed all of the required construction, and the facilities were generally constructed according to task-order requirements. Despite this, SIGAR also identified eight instances in which URS failed to adhere to task-order requirements and technical specifications. Most notably, the task order required URS to install 32 certified fire-rated doors in six buildings. SIGAR inspected those doors and found that they did not have the required manufacturer's labels identifying the manufacturer and specifying that the doors were fire-rated and certified. These deficiencies pose safety risks and raise concerns that U.S. taxpayer funds may have been wasted on noncompliant products and construction. Due to AFCEC's incomplete record keeping, SIGAR could not fully assess the extent to which URS complied with the task order and AFCEC oversaw the project. As a result, there may be additional deficiencies that SIGAR did not discover.

SIGAR also found that most of the Zarang Border Crossing Point's facilities were being used or partially used, but were not being adequately maintained. For example, two barracks were not being used, two other barracks were being partially used, and three other buildings have not been used since they were constructed. These buildings have a combined cost of $1.1 million. In addition, the sewer line was blocked, and SIGAR found counterfeit and missing fire extinguishers, nonfunctioning lights and smoke alarms, broken door hardware, leaking electric water heaters, and missing and broken electrical panel doors.

SIGAR made one recommendation in the draft report, that the CSTC-A Commander inform the MOI of the 32 unlabeled doors in the six buildings that the task order required to be fire-rated and explain the potential safety hazards in event of a fire if the doors were not fire-rated. Based on CSTC-A's response and actions taken, SIGAR closed the recommendation as implemented and removed it from the final report.

Inspection Report 19-16-IP: Marshal Fahim National Defense University Phase III

Phase III Construction Generally Met Contract Requirements, but Five Deficiencies and Inadequate Maintenance Increase Safety Risks for Building Occupants

In July 2012, USACE awarded a $24.6 million firm-fixed-price contract to State Corps to design and construct 37 buildings and support facilities as part of the phase III construction of the ANA's Marshal Fahim National Defense University (MFNDU). After 44 modifications, the contract's value increased by $9.7 million to $34.3 million. In February 2013, USACE awarded a second $15.4 million firm-fixed-price contract to Assist Consultants to design and construct another 33 buildings and support facilities as part of phase III. After 21 modifications, the contract's value increased by $3 million to $18.4 million. The final value of the MFNDU phase III construction was $52.7 million and included the construction of 70 buildings and support facilities. By July 2015, CSTC-A had accepted and transferred all phase III buildings and facilities to the MOD.

SIGAR found that State Corps and Assist Consultants generally built the phase III buildings and facilities according to contract requirements and technical specifications. However, SIGAR identified five deficiencies that create safety risks for building occupants. Specifically, SIGAR found that

State Corps and Assist Consultants installed noncertified fire doors in all 21 phase III buildings instead of certified doors as required by the contracts, and installed lightning-protection systems in only three of 21 buildings, even though the systems were required in all buildings. In addition, Assist Consultants did not install seismic bracing on water heaters that required this bracing; welded propane gas-supply pipes together instead of using the required threaded fittings; and installed threaded connectors instead of the required flexible quick-disconnect connectors on the stoves in the dining facility. SIGAR also found that the ANA was using all of the MFNDU phase III buildings and facilities, except for the wastewater-treatment plant, which has never been operational. Because the MFNDU does not have a functioning wastewater-treatment plant, the ANA is discharging untreated wastewater into ditches that flow toward a nearby village, potentially contaminating its water supply. In addition, SIGAR found that the phase III buildings were not being well maintained. SIGAR found broken and missing door-lock assemblies, nonfunctioning smoke detectors, and empty and counterfeit fire extinguishers in all 21 buildings.

Because the Afghan government has been responsible for operating and maintaining the MFNDU's phase III buildings and facilities since 2015, the MOD has agreed to address facility maintenance, and CSTC-A has informed the MOD of the safety risks, SIGAR made no recommendations in this report.

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 20 recommendations contained in 10 audits, inspections, and financial reports. These reports contained recommendations that resulted in the recovery of $3,075,312 in ineligible or unsupported contract costs paid by the U.S. government.

From 2009 through December 2018, SIGAR issued 321 audits, alert letters, and inspection reports, and made 910 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 776 of these recommendations, about 85%. Closing a recommendation generally indicates SIGAR's assessment that the audited agency has either 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 six 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 134 open recommendations. Sixty-six of these recommendations have been open more than 12 months; these remain open 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 example, in SIGAR's April 2017 report on uniforms and equipment DOD supplied to the ANDSF, SIGAR recommended that the Under Secretary of Defense for Policy direct the Commander of U.S. Central Command to direct the Commander of CSTC-A to develop and implement corrective action plans within 90 days to improve clothing and equipment requirements forecasting models to better reflect ANA and ANP personnel, inventories, and consumption rates. In addition, in SIGAR's June 2017 report on DOD's and State's implementation of the Leahy laws in Afghanistan, SIGAR recommended that the Secretaries of Defense and State reiterate guidance to all department personnel and contractors in Afghanistan that establishes clear reporting and training requirements related to gross violations of human rights and child sexual assault, including specific instructions on how to report a suspected incident. These recommendations remain open and unresolved.

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. The team conducts a variety of assessments, producing reports on all facets of Afghanistan reconstruction. The directorate is made up of 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. The team conducts a variety of assessments, producing reports on all facets of Afghanistan reconstruction.

This quarter, SIGAR's Office of Special Projects issued two review reports on: USAID-funded education facilities in Baghlan Province and CERP-funded bridges in Kabul. The Office of Special Projects also issued two fact sheets on USAID's Stability in Key Areas Program in the East Region and the West Region. The two review reports issued by Special Projects in accordance with CIGIE Quality Standards for Inspection and Evaluation had one recommendation. A list of completed and ongoing Special Projects can be found in Appendix C of this quarterly report.

COMPLETED SPECIAL PROJECTS REPORTS

- Review 19-10-SP: Schools in Baghlan Province, Afghanistan: Observations from Site Visits to 14 Facilities
- Review 19-08-SP: Bridges in Kabul, Afghanistan: Six Bridges Constructed by DOD in Generally Good Condition; Funding for Sustained Maintenance Not in Budget
- Fact Sheet 19-05-SP: Information on USAID's Stability in Key Areas (SIKA) Program–Eastern Region, Afghanistan: USAID Spent $140.1 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Eastern Provinces of Afghanistan
- Fact Sheet 19-11-SP: Information on USAID's Stability in Key Areas (SIKA) Program – Western Region, Afghanistan: USAID Spent $54 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Western Provinces of Afghanistan

USAID-funded high school for girls in Baghlan Province. (SIGAR photo)

Review 19-10-SP: Schools in Baghlan Province, Afghanistan
Observations from Site Visits to 14 Facilities

This report is the eighth in a series that discusses SIGAR findings from site visits at 14 schools built or rehabilitated by USAID in Afghanistan. SIGAR found that all 14 schools were open and in generally usable condition, but identified potential problems with staffing and with student and teacher attendance at several of the schools. SIGAR also found minor structural deficiencies in some schools (such as damaged walls, leaking roofs, and/or holes in windows) that may affect student safety and the delivery of education.

Two of the schools, however, had major structural issues, which were the subject of two alert letters—*Structural Damage at Educational Facility SR 06*, SIGAR, 18-32-SP, and *Structural Damage at Educational Facility SR 09*, SIGAR, 18-36-SP. SIGAR also found that some schools have structural deficiencies (e.g., cracked or crumbling walls or holes in windows) that could potentially impact safety and the delivery of education. In addition, SIGAR found that eight of the 14 schools did not have access to electricity, two did not have access to water, and 10 of the 14 schools did not have enough tables and chairs for the students. The lack of access to water and electricity, poor sanitary conditions, and structural damage and safety hazards, could potentially impact the safety and limit the attendance of teachers and students.

SIGAR made one recommendation, that USAID share the results of this review with the Ministry of Education so that structural and other deficiencies can be remedied.


CERP-funded pedestrian bridge in Kabul. (SIGAR photo)

Review 19-08-SP: Bridges in Kabul, Afghanistan

Six Bridges Constructed by DOD in Generally Good Condition; Funding for Sustained Maintenance Not in Budget

This report discusses the results of SIGAR's review of six DOD-funded bridges in Kabul, Afghanistan, that were constructed or rehabilitated using funds from the Commander's Emergency Response Program (CERP) between 2009 and 2012. SIGAR found that the location information maintained in DOD systems was accurate, with all the eight bridges reviewed within 200 meters of their recorded coordinates. All bridges had some form of signed agreement to maintain the bridges with either the Ministry of Public Works (MOPW) or local officials. However, the MOPW official interviewed said the ministry had no budget for maintenance or repairs for any of the bridges.

Fact Sheet 19-05-SP: Information on USAID's Stability in Key Areas (SIKA) Program–Eastern Region, Afghanistan

USAID Spent $140.1 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Eastern Provinces of Afghanistan

Since 2003, USAID has spent at least $2.3 billion on stabilization programs intended to extend the reach of the Afghan government to unstable areas, provide income-generation opportunities, build trust between citizens and their government, and encourage local populations to take an active role in community development.

This fact sheet provides information on the different types of projects conducted for stabilization operations through USAID's SIKA Program in six provinces in eastern Afghanistan: Paktika, Ghazni, Khost, Paktiya, Logar, and Maydan Wardak. In conjunction with the other assessments that took a more comprehensive look at outcomes, the output-based information contained in this report can assist decision-makers and government officials in better understanding U.S. efforts and expenditures intended to help stabilize Afghan communities.

Approximately 80% of the SIKA-East projects were "soft projects" consisting of capacity-building projects such as vocational training, teacher training, education, and conflict resolution, and focused on reducing instability by building trust in local government bodies. The hard projects consisted of infrastructure-focused activities, such as the construction of roads, culverts, wells, and playgrounds.

Fact Sheet 19-11-SP: Information on USAID's Stability in Key Areas (SIKA) Program–Western Region, Afghanistan

USAID Spent $54 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Western Provinces of Afghanistan

Since 2003, USAID has spent at least $2.3 billion on stabilization programs intended to extend the reach of the Afghan government to unstable areas, provide income generation opportunities, build trust between citizens and their government, and encourage local populations to take an active role in community development.

This fact sheet provides information on the different types of projects conducted for stabilization operations through the SIKA Program in four provinces in western Afghanistan: Herat, Badghis, Ghor, and Farah. In conjunction with the other assessments that took a more comprehensive look at outcomes, the output-based analysis contained in this report can assist decision-makers and government officials in better understanding U.S. efforts and expenditures intended to help stabilize Afghan communities.

Approximately 73% of the SIKA-West projects were "soft projects" consisting of capacity building projects such as inventory and asset management, financial management and leadership, conflict resolution projects, and counternarcotics projects. The soft projects focused on reducing instability by building trust in local government bodies. The hard projects consisted of infrastructure-focused activities, such as the construction of roads, culverts, wells, and cricket and football fields.

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 five reports. Four projects are currently in development: U.S. and coalition responsibilities for security-sector assistance; U.S. government support to elections; monitoring and evaluation of reconstruction contracting; and reintegration of ex-combatants.

Lessons-learned reports and their companion interactive versions are posted on SIGAR's website, www.sigar.mil.

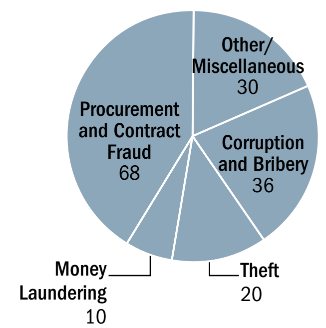
INVESTIGATIONS

SIGAR's Investigations Directorate produced significant outcomes during the reporting period. Criminal investigations resulted in federal indictments of five persons, and one criminal information (a written accusation by a prosecutor that does not involve a grand-jury indictment). One subject pleaded guilty, three were sentenced, and three were arrested. In addition, approximately $2.2 million in savings to the U.S. government was realized, as well as $140,000 in criminal fines, restitutions and forfeitures. SIGAR initiated five new cases and closed 18, bringing the total number of ongoing investigations to 164, as shown in Figure 2.1.

To date, SIGAR investigations have resulted in a cumulative total of 133 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total approximately $1.5 billion.

FIGURE 2.1

SIGAR INVESTIGATIONS: NUMBER OF OPEN INVESTIGATIONS, AS OF JANUARY 9, 2019



Source: SIGAR Investigations Directorate, 1/9/2019.

Three Senior Executives at Defense Contracting Firms Indicted for Defrauding the U.S. Military in Connection with $8 Billion Contract and for Violating the Iran Sanctions Regime

On November 27, 2018, in the District of Columbia, Abul Huda Farouki, his brother Mazen Farouki, and Salah Maarouf, were each charged with two counts of major fraud, one count of conspiracy to violate the restrictions on doing business with Iran, four counts of substantive violations of those restrictions, and one count of conspiracy to commit international money laundering. On November 29, 2018, all three individuals were arrested in Washington, DC, by SIGAR and Homeland Security Investigations (HSI) agents.

Abul Huda Farouki was the chief executive officer of ANHAM FZCO, a defense contractor based in the United Arab Emirates (UAE). Mazen Farouki was president and founder of Unitrans International Inc., an international logistics company with close ties to ANHAM FZCO. Salah Maarouf operated a company that procured goods and services for ANHAM FZCO.

According to the indictment, DOD awarded ANHAM FZCO an $8 billion contract in 2012 to provide food and supplies to U.S. troops in Afghanistan. As part of the bidding process, the subjects allegedly caused ANHAM FZCO to represent that it would build two warehouses in Afghanistan to provide supplies to U.S. forces. They schemed to defraud DOD in connection with the Subsistence Prime Vendor for Afghanistan food-service contract by submitting bids that contained knowingly false estimates of the completion dates for the warehouses and by providing the government with misleading photographs intended to convey that ANHAM FZCO's progress on the warehouses was further along than it actually was. Specifically, in February 2012, the three subjects and others caused ANHAM FZCO employees to transport equipment and materials to the proposed site of one of the warehouse complexes to create the false appearance of an active construction site. They photographed the site, provided the photographs to DOD, and then largely dismantled the staged construction site.

According to the indictment, rather than ship trucks to supply the U.S. military in Afghanistan using legal routes, the three defendants also conspired to cut costs by transporting construction material through Iran, in violation of economic sanctions imposed by the United States prohibiting the shipping of goods through Iranian ports to locations in Afghanistan and elsewhere in Asia.

U.S. Government Contractor Indicted for Language Interpreter Fraud Scheme

On November 7, 2018, in the U.S. District Court of Maryland, Abdul Saboor Aman was indicted for conspiracy to commit mail and wire fraud, and major fraud against the United States. On November 8, 2018, Aman self-surrendered to the U.S. Marshals Service in Baltimore, MD, and made his initial appearance before a federal magistrate judge, entering a plea of not guilty.

As a recruiter for a U.S. government contractor, Aman allegedly circumvented procedures designed to ensure candidates for jobs as language interpreters for the U.S. military met proficiency standards, which resulted in unqualified interpreters being hired and later deployed alongside U.S. military combat forces in Afghanistan. Aman's employer was a subcontractor on a multimillion-dollar DOD contract to supply qualified language interpreters to support U.S. and Coalition operations in Afghanistan. To carry out the fraud, Aman arranged for an associate to take language-proficiency tests on behalf of candidates he knew could not meet minimum proficiency standards.

SIGAR and U.S. Army Criminal Investigation Command (CID) are investigating the matter.

Investigation Results in Over $1 Million Savings for U.S. Government

In February 2018, SIGAR met with representatives of Afghan civil society and members of the U.S. military, CSTC-A, Counter Corruption Advisory Group (CCAG), and Resolute Support, in Kabul, regarding an assessment and information received relating to corruption at the procurement section at the Ministry of Interior, Information and Communications Technology (MOI-ICT). At the time, SIGAR's hotline also received related information.

SIGAR and members of CCAG identified a number of witnesses and sources that corroborated the information previously received, including significant evidence of procurement fraud related to the implementation of tens of millions of dollars in contracts for technical equipment at the MOI-ICT. SIGAR worked closely with officials at CCAG in gathering evidence related to the ongoing fraud.

In early 2018, the MOI-ICT initiated a procurement action to purchase additional technical equipment in the amount of $1,176,000 which was denied due to the findings of the investigation, resulting in $1,176,000 in savings to the U.S. government.

Former U.S. Army Soldier Pleads Guilty to Unlawful Possession of Illegal Firearms

On November 19, 2018, in the Eastern District of North Carolina, former U.S. Army Special Forces member Joseph Russell Graff pleaded guilty to one count of unlawful possession of illegal firearms. This was count 30 of a 33-count indictment previously reported. Sentencing is currently scheduled for February 19, 2019.

Graff smuggled various illegally obtained automatic weapons from Afghanistan during his 2012–2013 military deployment. In addition, while in the process of decommissioning the Special Forces compound within a forward operating base, Graff allegedly allowed U.S. military equipment to be stolen and sold on the black market. He subsequently smuggled his illegal proceeds, estimated at $350,000, inside his personal belongings and shuffled the money among various U.S. banks to avoid bank reporting requirements. Graff used the majority of the money for a down payment on a home, installation of an in-ground pool, and vehicles.

U.S. Government Contractor Sentenced for the Theft, Sale, and Illegal Transport of U.S. Government Property

On November 13, 2018, in the District of Arizona, Michael Dale Gilbert was sentenced to a five-month prison term for one count of theft of government property; two counts of unauthorized sale, conveyance and disposition of government property; and one count of interstate transportation of stolen property. Five-month prison terms for each of the four counts are to run concurrently, followed by five months of home confinement. Additionally, Gilbert was sentenced to supervised release for a term of 36 months for each count, to run concurrently, and ordered to pay restitution of $33,371.

Gilbert was an employee of PAE, a U.S. government contractor, and served as an escort for the State Department at Kandahar Air Field (KAF). Gilbert also served as the point of contact for the State Foreign Excess Property program, through which usable government property no longer needed by the original user was reallocated to other government users.

Gilbert stole and shipped approximately 40 boxes of government property from KAF to relatives in Florida. While on home leave in Arizona, Gilbert drove to Florida to transfer the items to his home and shipped additional boxes of government-owned items directly to his home. Some of the items were sold for personal gain.

SIGAR and State OIG investigated this matter.

Former Employee of U.S. Government Contractor Sentenced for Transporting Stolen Money

On October 11, 2018, in the Southern District of Ohio, Frantz Florville was sentenced to 10 months' home confinement, three years' probation, a forfeiture of $104,000, and a special assessment of $100, after pleading guilty to one count of transportation of stolen money.

Florville was a project specialist for the prime contractor on a $7.9 million U.S. government contract. While working in Afghanistan, Florville became suspicious of a coworker, Nebraska McAlpine, who was taking illegal kickbacks from an Afghan subcontractor, and took steps to record conversations between McAlpine and the subcontractor. After the last recorded meeting, Florville entered McAlpine's office, found a bag containing $108,000 and took the bag. Florville admitted that he used $25,000 of the stolen money to purchase nine diamonds. On a flight from Afghanistan to the United Arab Emirates, Florville hid $79,000 in boots that were specifically purchased and altered to conceal the stolen money.

SIGAR, Defense Criminal Investigative Service (DCIS), and Army CID-MPFU investigated this matter.

Retired U.S. Military Member Sentenced for Bribery

On October 23, 2018, in the Eastern District of California, David A. Turcios, a retired U.S. Air Force staff sergeant, was sentenced to 12 months' probation and ordered to pay a $1,000 fine and $500 forfeiture, after pleading guilty to receiving and agreeing to receive a bribe.

Turcios is one of eight subjects of a major bribery investigation that focused on Afghan contractors paying bribes to U.S. military personnel in return for government contracts associated with the Humanitarian Aid Yard (Yard) at Bagram Airfield. As part of the Commander's Emergency Response Program to meet humanitarian relief needs of Afghans, the Yard served as a storage-and-distribution facility for clothing, food, and other items purchased from local Afghan vendors. Investigators uncovered criminal activity affecting inventories, payments, and contract oversight, and confirmed that U.S. military personnel, stateside contacts, and local Afghans had conspired in bribery, kickbacks, and money-laundering schemes. Among other improper acts, U.S. personnel took bribes from vendors to steer business to favored vendors. The conspiracies at the Yard persisted for years.

SIGAR, FBI, DCIS, Army CID-MPFU, and Air Force OSI investigated this matter.

U.S. Government Contractor Indicted for Fraudulent Scheme

On December 12, 2018, in the District of South Carolina, former U.S. government contractor Antonio Jones was charged in an indictment for his alleged role in selling falsified resumes and counterfeit U.S. government training certificates to individuals seeking employment on U.S. government contracts in Afghanistan between 2012 and 2015. Jones was charged with one count of conspiracy to defraud government contractors and the United States, nine counts of wire fraud, and three counts of false statements.

Jones allegedly falsified his clients' resumes and manufactured counterfeit U.S. government training certificates for his clients to make them appear more qualified than they were. Jones and his clients then used the falsified documents in job applications submitted to U.S. government contractors. At least two U.S. government contractors, one based in South Carolina, working on a multibillion dollar DOD contract, hired personnel allegedly based on false documents that Jones created and supplied or caused to be supplied to them.

Investigation Yields $1 Million Savings for U.S. Government

On October 16, 2018, it was confirmed that a SIGAR investigation had resulted in a $1,024,075 savings to the U.S. government.

In 2016, SIGAR received eight complaints alleging the International Development Law Organization (IDLO) Justice Training Transition Program (JTTP) had mismanaged funds. An investigation was initiated, focusing largely on interviews of former and current JTTP employees.

As a result of an investigation into the JTTP program, information was passed to the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) about problems that had been reported in the JTTP program. Additionally, INL was advised that a separate investigation conducted by the Netherlands government had suspended $16 million in unrestricted funding to IDLO due to IDLO mismanagement. As a result, INL decided not to extend the JTTP program; in February 2018, the program ended with an unexpended balance of $1,024,075.

Suspensions and Debarments

This quarter, SIGAR's suspension and debarment program referred 10 individuals and 13 entities for suspension or 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 928, encompassing 515 individuals and 413 companies to date, as shown in Figure 2.2 on the next page.

As of the end of December 2018, 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 542 finalized debarments/special entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 23 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 program. During the first quarter of FY 2019, SIGAR's referrals resulted in five suspensions and four finalized debarments. An additional 26 individuals and companies are currently in proposed debarment status, awaiting final adjudication.

Suspensions and debarments are an important tool for ensuring that agencies award contracts only to responsible entities. SIGAR's 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. SIGAR continues to look for ways to enhance the government's responses to these challenges through the innovative use of information resources and investigative assets both in Afghanistan and the United States.

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 conducts or 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 referrals to agencies, SIGAR provides the basis for a suspension or debarment decision by the agency as well as all of the supporting documentation needed for an agency to defend that decision should it be challenged by the contractor at issue. Based on the evolving nature of the contracting environment in Afghanistan and the available evidence of contractor misconduct and/or poor performance, on occasion SIGAR has found it necessary to refer individuals or companies on multiple occasions for consideration by agency suspension and debarment officials.

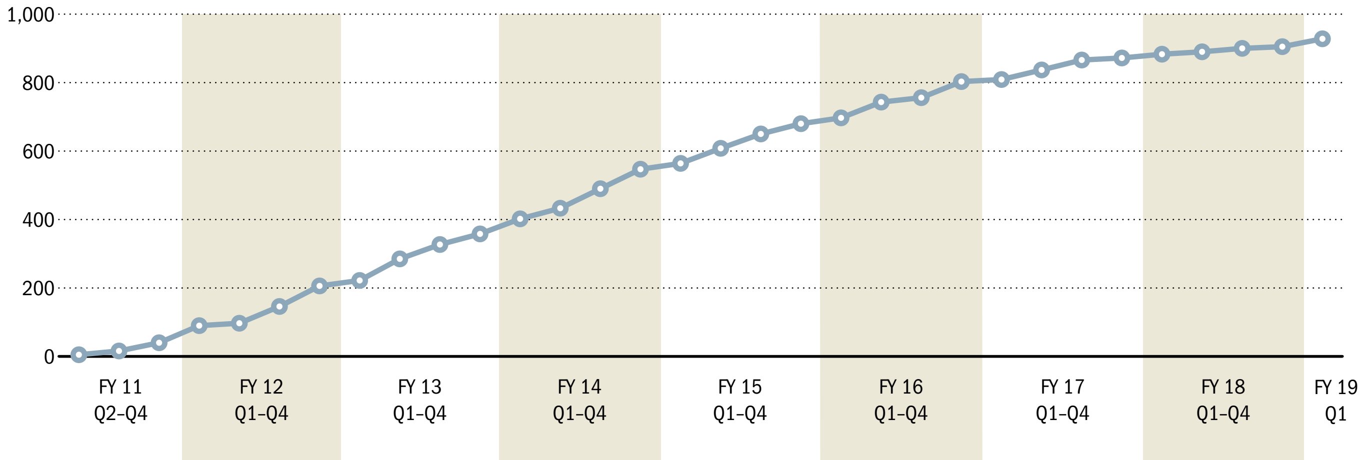
Suspension of ANHAM USA and ANHAM FZCO Based on the Indictment of Three Senior Executives

On December 27, 2018, resulting from a SIGAR investigation, the Defense Logistics Agency (DLA) suspended ANHAM USA and ANHAM FZCO based on the November 27, 2018, indictment of Abul Huda Farouki, his brother Mazen Farouki, and Salah Maarouf in the U.S. District Court for the District of Columbia on charges of major fraud against the United States, conspiracy to violate the International Emergency Economic Powers Act, and conspiracy to launder money.

The indictment alleged that, between December 2011 and February 2012, as part of their efforts to have ANHAM FZCO awarded the Subsistence Prime Vendor for Afghanistan (SPV-A) food-service contract, Abul Huda

FIGURE 2.2

SIGAR INVESTIGATIONS: CUMULATIVE REFERRALS FOR SUSPENSION AND DEBARMENT, Q2 FY 2011–Q1 FY 2019



Note: For a comprehensive list of finalized suspensions, debarments, and special entity designations, see Appendix D.
Source: SIGAR Investigations Directorate, 1/4/2019.

Farouki, Mazen Farouki, and Salah Maarouf made multiple material misrepresentations to DLA contracting officers regarding its intent to build climate-controlled warehouses for frozen and dry-goods in the vicinity of Bagram Airfield, Afghanistan. The object of this alleged deception was to deceive DLA contracting personnel with false assurances that ANHAM FZCO was capable of successfully performing the SPV-A contract in accordance with the statement of work.

In addition, ANHAM FZCO allegedly utilized ports in Iran to move materials for the staged warehouse site as well as vehicles and equipment in order to facilitate its performance of the National Afghan Trucking contract, a transportation contract that had also been awarded to ANHAM FZCO by DOD 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 shipping of goods through Iranian ports to locations in Afghanistan and elsewhere in Asia.

The three defendants allegedly utilized multiple subsidiary companies and bank accounts in the United States, Turkey, Afghanistan, Bahrain, and the United Arab Emirates in order to conceal these payments from detection by law enforcement, including accounts belonging to ANHAM FZCO and ANHAM USA. Based upon the information in the indictment and the existence of adequate evidence that the misconduct occurred with the knowledge, approval, or acquiescence of ANHAM USA and ANHAM FZCO, the DLA suspension and debarment official determined that the allegations against the three defendants could be imputed to both companies, providing a cause for suspension. Furthermore, due to the ownership and control exhibited by the three defendants over ANHAM USA and ANHAM FZCO, the companies could also be suspended as their affiliates.

In a separate determination, Abul Huda Farouki, Mazen Farouki, and Salah Maarouf were all individually suspended by DLA on December 17, 2018, based upon their November 27, 2018, indictment.

OTHER SIGAR OVERSIGHT ACTIVITIES
- Human Trafficking Bill Endorses SIGAR Recommendations from Report on Child Sexual Assault in Afghanistan
- SIGAR Impact on FY 2019 Defense Authorization Law

OTHER SIGAR OVERSIGHT ACTIVITIES

Human Trafficking Bill Endorses SIGAR Recommendations from Report on Child Sexual Assault in Afghanistan

On January 8, 2019, President Donald J. Trump signed into law H.R. 2200, the Frederick Douglass Trafficking Victims Prevention and Protection Reauthorization Act of 2018. The enacted bill includes provisions related to SIGAR's congressionally requested evaluation of child sexual assault by Afghan security forces.

In particular, the bill requires the Departments of State and Defense to report, within 90 days, on the status of their implementation of the recommendations made in SIGAR's report entitled *Child Sexual Assault in Afghanistan: Implementation of the Leahy Laws and Reports of Assault by Afghan Security Forces* (SIGAR 17-47-IP).

The bill also provides that recommendations from that SIGAR report should be fully implemented, and directs the Secretaries of State and Defense to report on the status of interagency efforts to establish effective, coherent, and discrete reporting by United States personnel on child sexual abuse by Afghan security forces with whom they train or advise or to whom they provide assistance.

SIGAR Impact on FY 2019 Defense Authorization Law

On August 13, 2018, President Trump signed the National Defense Authorization Act (NDAA) for fiscal year 2019 into law. The NDAA contains provisions based on recommendations from SIGAR's Lessons Learned Program report *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan* (SIGAR 17-62-LL).

One provision of the NDAA requires that during the development and planning of a program to build the capacity of the national security forces of a foreign country, the Secretary of Defense and Secretary of State shall jointly consider political, social, economic, diplomatic, and historical factors, if any, of the foreign country that may impact the effectiveness of the program.

Another provision modifies existing law regarding assessing, monitoring, and evaluating security-cooperation programs to require incorporating lessons learned from any security-cooperation programs and activities of the Department of Defense carried out on or after September 11, 2001.

SIGAR BUDGET

SIGAR is funded through September 30, 2019, under the Consolidated Appropriations Act, 2018, H.R. 1625, which provides the agency full funding based on the FY 2018 amount of $54.9 million. The budget supports SIGAR's oversight activities and products by funding SIGAR's (1) Audits and Inspections, (2) Investigations, (3) Management and Support, and (4) Research and Analysis Directorates, as well as the Office of Special Projects and the Lessons Learned Program.

SIGAR STAFF

SIGAR's staff count remained steady since the last report to Congress, with 186 employees on board at the end of the quarter: 25 SIGAR employees were at the U.S. Embassy Kabul and two others were at Bagram Airfield. SIGAR employed five Afghan nationals in its Kabul office to support the Investigations and Audits Directorates. In addition, SIGAR supplements its resident staff with personnel assigned to short-term temporary duty in Afghanistan. This quarter, SIGAR had 21 employees on temporary duty in Afghanistan for a total of 321 days.

“The Afghan National Defense and Security Forces remain in control of most of Afghanistan’s population centers and all of the provincial capitals, while the Taliban control large portions of Afghanistan’s rural areas, and continue to attack poorly defended government checkpoints and rural district centers. . . . The intensity of the fighting and level of bloodshed on both sides has risen as both sides vie for leverage at the negotiating table.”

—Department of Defense

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2018, p. 1.

3 RECONSTRUCTION UPDATE

RECONSTRUCTION UPDATE CONTENTS

Photo on previous page
Afghan community health workers attend a USAID meeting. (USAID Afghanistan photo)

RECONSTRUCTION IN BRIEF

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

RECONSTRUCTION FUNDING AS OF DECEMBER 31, 2018

- **Cumulative appropriations** for reconstruction and related activities in Afghanistan since FY 2002 totaled approximately **$132.30 billion**.
- **$114.52 billion**, or 86.6%, was appropriated to the nine largest active reconstruction funds.
- Of the amount appropriated to the **nine largest active funds** since FY 2002, approximately **$10.80 billion** remained to be disbursed.
- The Department of Defense (DOD) reported in its latest *Cost of War Report*, dated September 2018, that cumulative obligations for Afghanistan including warfighting had reached **$737.6 billion**. The cost of Afghanistan reconstruction equalled approximately **16%** of this amount at that date.

PROGRESS TOWARD POTENTIAL AGREEMENT

- On January 28, 2019, U.S. special envoy and former ambassador to Afghanistan Zalmay Khalilzad said that after six days of talks, U.S. and Taliban officials had "the draft of a framework that has to be fleshed out before it becomes an agreement."
- The United States has insisted that any agreement involve all Afghan parties and provide that Afghanistan not serve as a base for future terror attacks, while the Taliban have insisted on the withdrawal of foreign forces and so far have refused to talk directly with the Kabul government.

PRESIDENTIAL ELECTIONS DELAYED

- The Independent Election Commission announced a **three-month delay** of Afghanistan's presidential elections from **April 20 to July 20, 2019**.
- Elections for provincial councils, district councils, and the lower house of parliament for Ghazni Province are planned for the same day.

U.S. SANCTIONS ON IRAN FULLY REIMPOSED

- Afghanistan received **waivers** for continued fuel imports from Iran, as well as for the Chabahar Port.

CONTROL OF AFGHANISTAN'S DISTRICTS, POPULATION, AND TERRITORY BECOMES MORE CONTESTED

- As of October 31, 2018, Afghan government **control or influence** over **districts** declined by nearly two percentage points since July to 53.8%. **Population** control also declined by about two points to 63.5%.

PRESIDENT GHANI STATES ANDSF CASUALTIES

- Afghan President Ashraf Ghani said on January 24, 2019, that about **45,000 Afghan security personnel** had been killed since September 2014, an **average of roughly 849 personnel** killed per month.

THE MINISTRY OF COUNTER NARCOTICS MAY BE DISSOLVED

- President Ghani announced his intention in November 2018 to **consolidate** several ministries.

GENEVA MINISTERIAL CONFERENCE ON AFGHANISTAN HELD IN NOVEMBER

- Delegates from 61 countries and 35 international organizations attended.
- The conference was an opportunity for participants to measure the Afghan government's **development and reform results** against the $15.2 billion committed by the international community for Afghanistan in 2016–2020.

DROUGHT ENDS

- Above-average precipitation during the current wet season brought **an end to Afghanistan's drought**, although the drought's effects lingered, with more than 260,000 Afghans displaced.

AFGHAN GOVERNMENT REVENUES GROW

- SIGAR analysis showed that the Afghan government's **aggregate domestic revenues grew** by more than 9%, year-on-year; **sustainable domestic revenues grew** by 14%.

STATUS OF FUNDS CONTENTS

STATUS OF FUNDS

To fulfill SIGAR's legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of December 31, 2018, the United States had appropriated approximately $132.30 billion for reconstruction and related activities in Afghanistan since FY 2002. This amount includes $4.93 billion appropriated through the Department of Defense Appropriations Act, 2019, enacted into law on September 28, 2018, and providing funds for FY 2019. Total Afghanistan reconstruction funding has been allocated as follows:

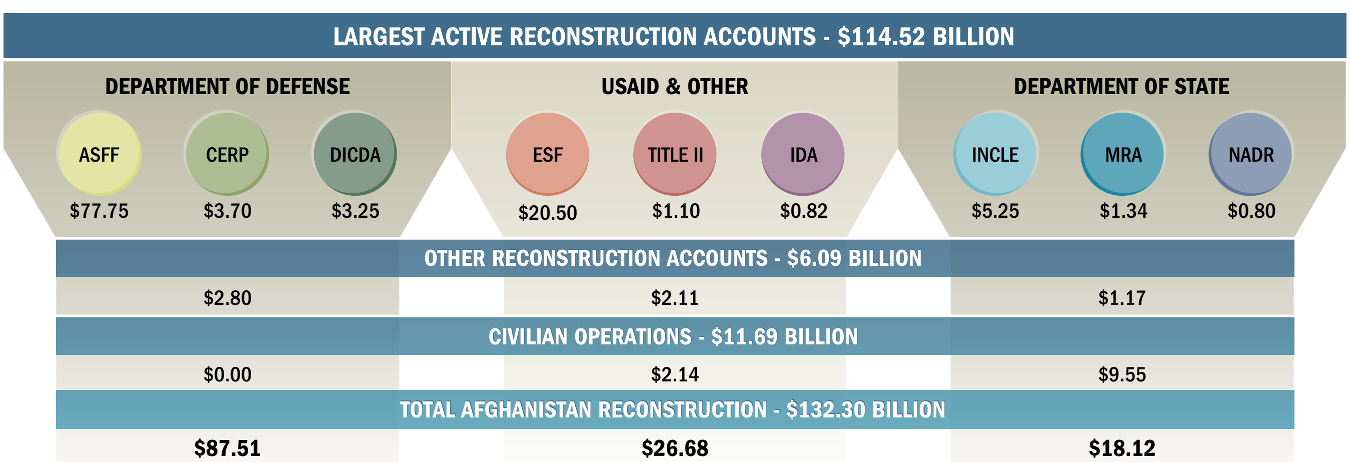
- $83.14 billion for security ($4.56 billion for counternarcotics initiatives)
- $33.87 billion for governance and development ($4.31 billion for counternarcotics initiatives)
- $3.61 billion for humanitarian aid
- $11.69 billion for civilian operations

Figure 3.1 shows the nine largest active U.S. funds that contribute to these efforts. SIGAR previously reported on seven major funds, but has updated its reporting to reflect current appropriations.

ASFF: Afghanistan Security Forces Fund
CERP: Commander's Emergency Response Program
DICDA: Drug Interdiction and Counter-Drug Activities
ESF: Economic Support Fund
TITLE II: Public Law No. 480 Title II
IDA: International Disaster Assistance
INCLE: International Narcotics Control and Law Enforcement
MRA: Migration and Refugee Assistance
NADR: Non-Proliferation, Antiterrorism, Demining and Related Programs

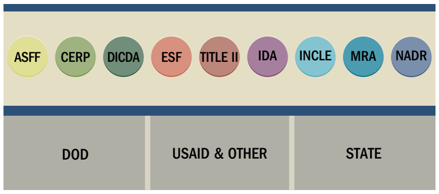
FIGURE 3.1

U.S. FUNDS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS



Note: Numbers have been rounded.

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



The amount provided to the nine largest active U.S. funds represents nearly 86.6% (over $114.52 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, nearly 89.7% (more than $102.72 billion) has been obligated, and over 85.9% (nearly $98.42 billion) has been disbursed. An estimated $5.30 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

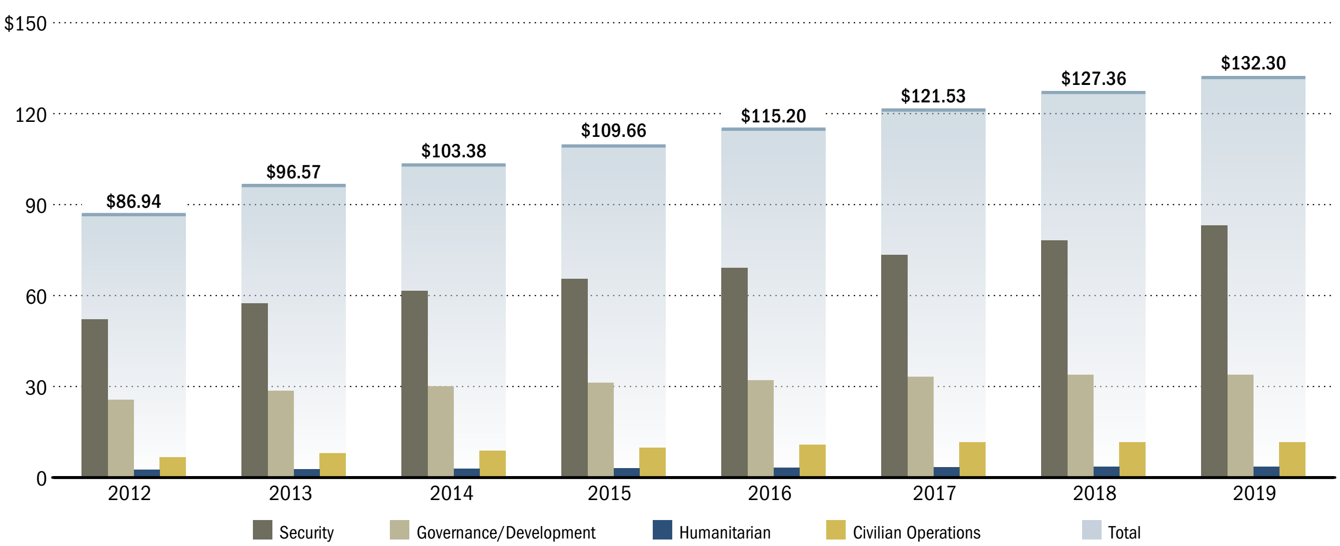
U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of December 31, 2018, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately $132.30 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and oversight and operations. Approximately $8.87 billion of these funds support counternarcotics initiatives which crosscut the security ($4.56 billion) and governance and development ($4.31 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

President Donald J. Trump signed the Department of Defense Appropriations Act, 2019, into law on September 28, providing appropriations for the Afghanistan Security Forces Fund (ASFF), the Commander's Emergency Response Program (CERP), and the Drug Interdiction and Counter-Drug Activities (DICDA) account for FY 2019. Additionally, the U.S. Congress and the State Department agreed on final allocations for the global foreign assistance accounts, principally the International Narcotics Control and Law Enforcement (INCLE) account and the Economic Support

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF DECEMBER 31, 2018 ($ BILLIONS)



Note: Numbers have been rounded.
Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

Fund (ESF), to specific countries including Afghanistan in the quarter ending September 30. The congressional appropriation for the Department of State, Foreign Operations, and Related Programs bill for FY 2019, covering the Department of State and USAID, had not been passed at press time. After the two continuing resolutions providing funds to these and other affected agencies expired on December 21, the government operated under a partial shutdown through January 25, 2019. Appropriations for FY 2019 are presented in Figure 3.3.

Since 2002, the United States has provided nearly $14.56 billion in on-budget assistance to the government of Afghanistan. This includes about $9.21 billion to Afghan government ministries and institutions, and about $5.35 billion to three multinational trust funds—the World Bank's Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme's Law and Order Trust Fund (LOTFA), and the Asian Development Bank's Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.1

U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN, SINCE 2002 ($ MILLIONS)

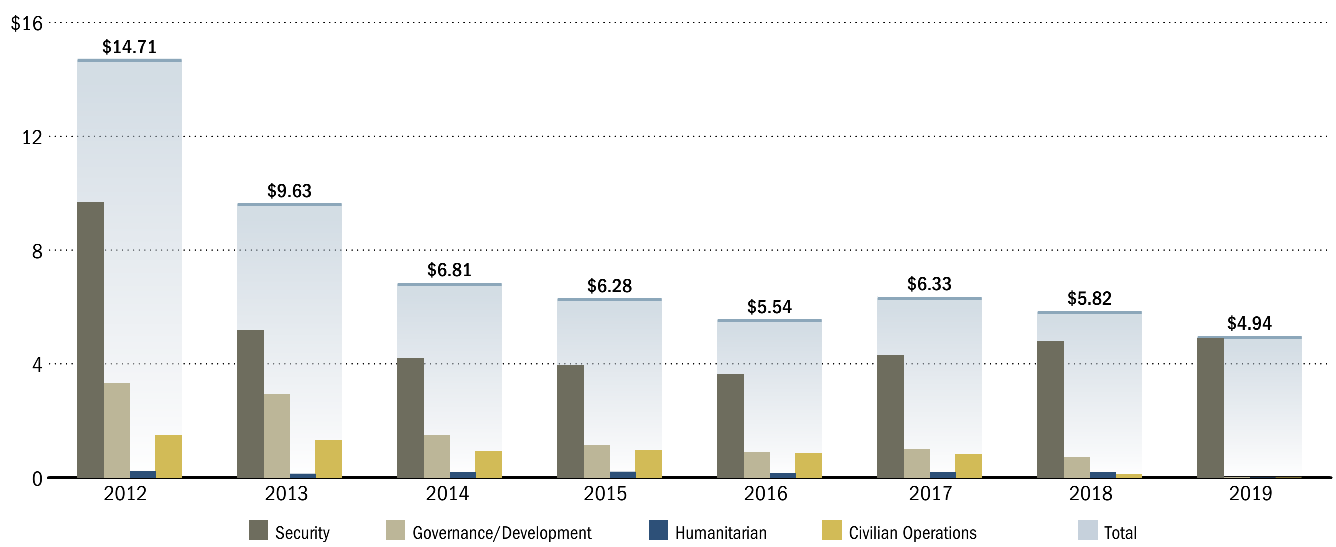
Government-to-Government	
DOD	$8,439
State	85
USAID	687
Multilateral Trust Funds	
LOTFA	$1,669
ARTF	3,528
AITF	154

Note: Numbers have been rounded. Figures reflect amounts the United States has disbursed in on-budget assistance to Afghan government entities and multilateral trust funds.

Source: USAID, response to SIGAR data call, 1/14/2019; State, response to SIGAR data call, 10/18/2018; DOD, response to SIGAR data call, 1/8/2019 and 10/19/2018; World Bank, *ARTF: Administrator's Report on Financial Status as of November 21, 2018 (end of 11th month of FY 1397)*, accessed 1/21/2019; UNDP, *LOTFA Receipts 2002–2018*, 1/17/2019.

FIGURE 3.3

APPROPRIATIONS BY FISCAL YEAR, AMOUNT, AND CATEGORY ($ BILLIONS)



Note: Numbers have been rounded.

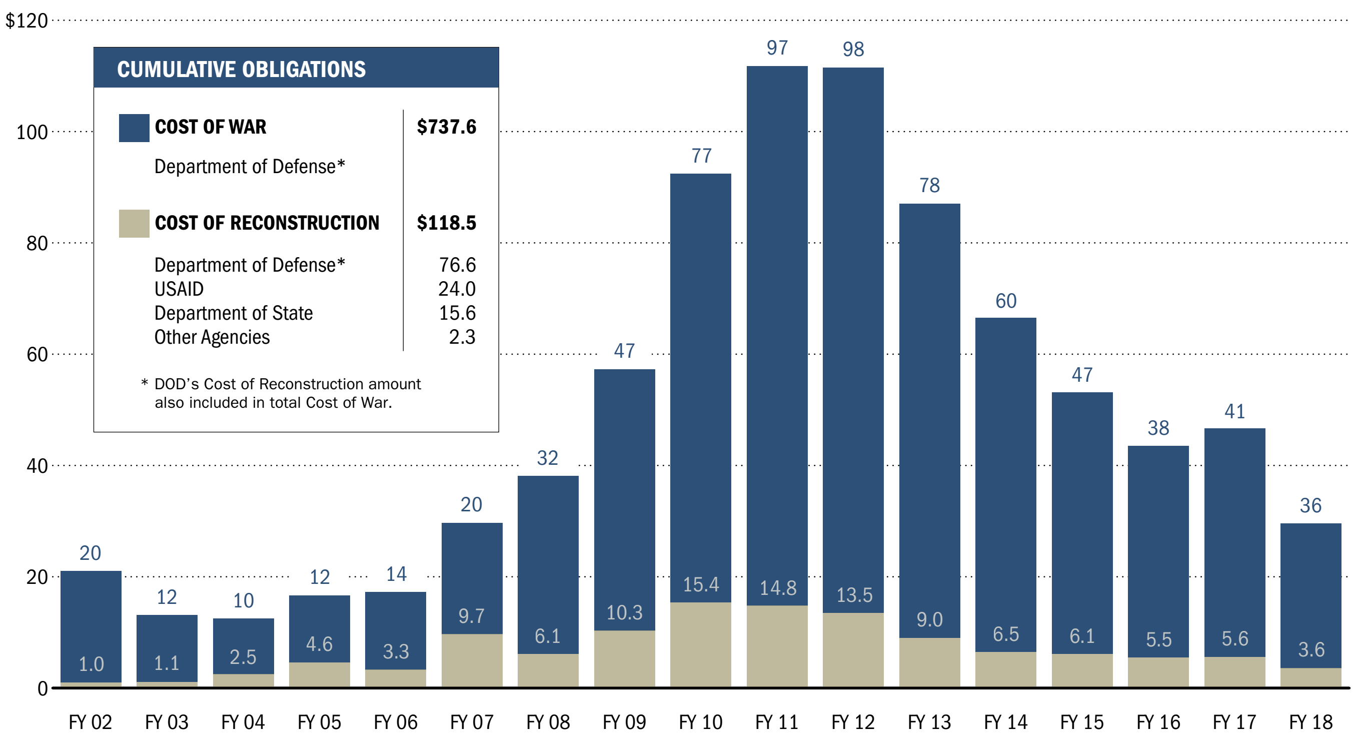
Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

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 (DOD) for Afghanistan since 2001. The DOD reported in its *Cost of War Report* as of September 30, 2018, that it had obligated $737.6 billion for Operation Enduring Freedom and Operation Freedom's Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan.[43] The comparable figures for Afghanistan reconstruction, consisting of obligations (appropriated funds committed to particular programs or projects for disbursal) of the DOD, Department of State, USAID, and other agencies was $118.5 billion at that date. The DOD contribution to the reconstruction of Afghanistan is contained in both the $737.6 billion Cost of War and $118.5 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 2018 ($ BILLIONS)



Note: Numbers have been rounded.

Source: DOD, *Cost of War Monthly Report*, total war-related obligations by year incurred, data as of September 30, 2018. SIGAR analysis of annual obligation of reconstruction accounts as presented in SIGAR, *Quarterly Report to the United States Congress*, 10/30/2018.

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly $132.30 billion for reconstruction and related activities in Afghanistan. Of this amount, $114.52 billion (86.6%) was appropriated to the nine largest active reconstruction accounts, as shown in Table 3.2.

As of December 31, 2018, approximately $10.80 billion of the amount appropriated to the nine largest active reconstruction funds remained for possible disbursement, as shown in Figure 3.5. These funds will be used to train, equip, and sustain the ANDSF; complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

TABLE 3.2

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2019 ($ BILLIONS)

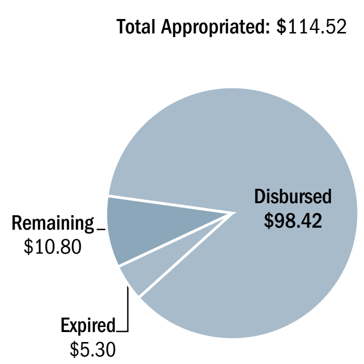
	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	$77.75	$69.09	$68.62	$6.31
Economic Support Fund (ESF)	20.50	19.23	16.25	3.48
International Narcotics Control & Law Enforcement (INCLE)	5.25	4.95	4.25	0.86
Commander's Emergency Response Program (CERP)	3.70	2.29	2.28	0.01
Drug Interdiction and Counter-Drug Activities (DICDA)	3.25	3.25	3.25	0.00
Migration and Refugee Assistance (MRA)	1.34	1.33	1.31	0.02
Public Law 480 Title II Emergency (TITLE II)	1.10	1.10	1.10	0.00
International Disaster Assistance (IDA)	0.82	0.79	0.70	0.10
Non-Proliferation, Antiterrorism, Demining & Related (NADR)	0.80	0.69	0.67	0.03
Total Nine Largest Accounts	**114.52**	**$102.72**	**$98.42**	**$10.80**
Other Reconstruction Funds	6.09			
Civilian Operations	11.69			
Total	**$132.30**			

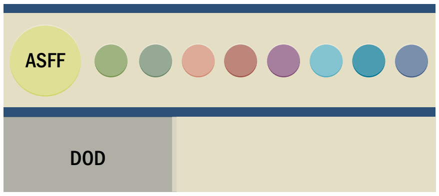
Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the nine major reconstruction funds after deducting approximately $5.3 billion that expired without being obligated. Obligated and disbursed DICDA funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 1/24/2019.

FIGURE 3.5

STATUS OF APPROPRIATED FUNDS ($ BILLIONS)





ASFF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

AFGHANISTAN SECURITY FORCES FUND

Congress created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding, as well as facility and infrastructure repair, renovation, and construction.[44] The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan (CSTC-A).[45] A Financial and Activity Plan must be approved by the Afghanistan Resources Oversight Council (AROC), concurred in the Department of State, and prior notification provided to the U.S. Congress before ASFF funds may be obligated.[46]

President Donald J. Trump signed into law the Department of Defense Appropriations Act, 2019, on September 28, providing an appropriation for the ASFF of $4.92 billion for FY 2019, as shown in Figure 3.6. As of December 31, 2018, cumulative appropriations for ASFF reached $77.75 billion, with $69.09 billion in funding having been obligated, and $68.62 billion having been disbursed, as shown in Figure 3.7.[47] DOD reported that cumulative obligations increased by more than $0.46 billion during the quarter ending December 31, 2018, and cumulative disbursements increased by more than $1.04 billion.[48]

FIGURE 3.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR
($ BILLIONS)

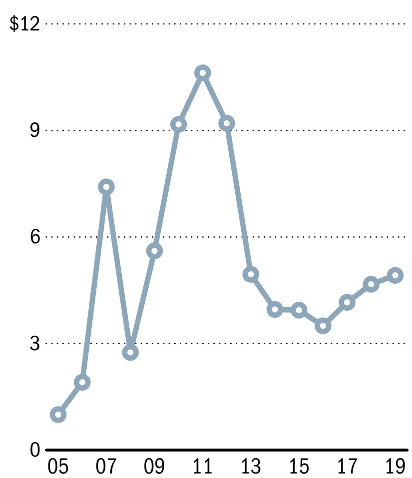
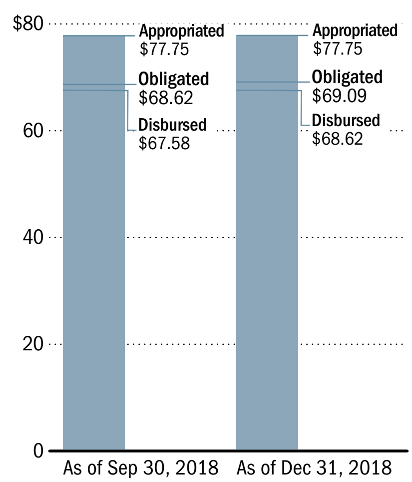


FIGURE 3.7

ASFF FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed $1 billion of FY 2011, $1 billion of FY 2012, and $178 million of FY 2013 out of the ASFF to fund other DOD requirements. DOD reprogrammed $230 million into FY 2015 ASFF. Pub. L. No. 115-141 rescinded $100 million from FY 2017. Pub. L. No. 115-31 rescinded $150 million from FY 2016. Pub. L. No. 113-6 rescinded $1 billion from FY 2012. Pub. L. No. 113-235 rescinded $764.38 million from FY 2014. Pub. L. No. 114-113 rescinded $400 million from FY 2015.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2018," Revised 1/17/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2018," 10/18/2018; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

ASFF Budget Activities

DOD budgeted and reported on ASFF by three Budget Activity Groups (BAGs) through September 30, 2018. 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.[49] The AROC must approve the requirement and acquisition plan for any service requirements in excess of $50 million annually and any nonstandard equipment requirement in excess of $100 million.[50]

As of December 31, 2018, DOD had disbursed $68.62 billion from ASFF. Of this amount, more than $46.93 billion was disbursed for the ANA, and nearly $21.00 billion was disbursed for the ANP. No disbursements were reported for the FY 2019/2020 appropriation, which will be distributed to a new set of BAGs with separate reporting for future periods.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—more than $23.03 billion—supported ANA troop and equipment sustainment. Of the funds disbursed for the ANP, the largest portion—more than $9.24 billion—also supported sustainment of ANP forces, as shown in Figure 3.9.[51]

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

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

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

FIGURE 3.8

ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005–DECEMBER 31, 2018 ($ BILLIONS)

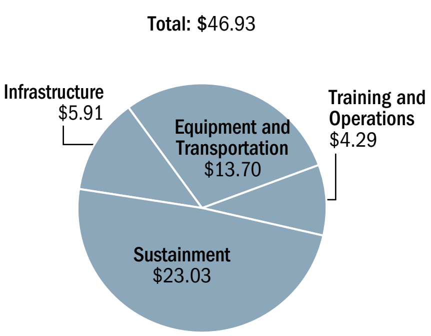
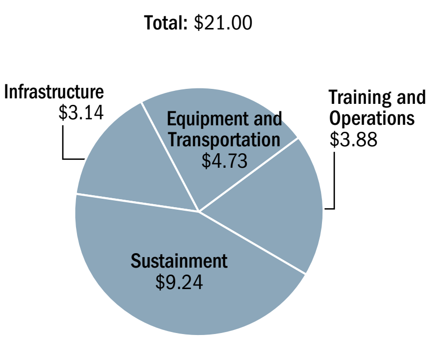


FIGURE 3.9

ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005–DECEMBER 31, 2018 ($ BILLIONS)



Note: Numbers have been rounded.

Sources: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2018," revised 1/17/2019.

New ASFF Budget Activity Groups for FY 2019

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.

Table 3.10 below presents the Revised FY 2019 Budget for the ANA, ANP, AAF, and ASSF by their separate new BAGs, revised by a Financial and Activity Plan (FAP) that restates the budget-request amounts to conform to the actual amount appropriated in September 2018 and to revise spending priorities. Table 3.11 on the opposite page compares the Revised FY 2018 Budget, as amended by FAPs to conform to the actual amount appropriated in March 2018 and revised spending priorities, with the Revised FY 2019 Budget and presented on a basis comparable to the former budget framework.[52]

NATO ANA Trust Fund

The NATO ANA Trust Fund (NATF) has received contributions of over $2.57 billion from 34 NATO members and other partners, including the United States, to support the ANDSF through ASFF and its own NATO Support and Procurement Agency (NSPA).[53] The NATF has contributed nearly $1.50 billion to ASFF for specific projects funded by donor nations, and ASFF has returned nearly $381.00 million of these funds following the cancellation or completion of these projects as of December 31, 2018.[54] The obligation and disbursement activity of NATF-contributed funds by ASFF is reported separately from the amounts reported in Figures 3.8 and 3.9.

TABLE 3.10

ASFF REVISED BUDGET FOR FY 2019
BASED ON FAP 19-1, OCTOBER 2018
PRESENTED BY NEW BUDGET ACTIVITY GROUPS ($ MILLIONS)

Budget Sub-Activity Group	Afghan National Army	Afghan National Police	Afghan Air Force	Afghan Special Security Forces	Total
Sustainment	$1,275.0	$497.6	$893.2	$476.9	**$3,142.7**
Infrastructure	137.7	43.0	30.4	43.1	**254.2**
Equipment and Transportation	62.2	14.6	537.6	152.0	**766.4**
Training and Operations	165.1	171.2	267.2	153.4	**756.9**
Total	**$1,640.0**	**$726.3**	**$1,728.3**	**$825.5**	**$4,920.0**

Note: Numbers have been rounded.

Source: Fiscal Year 2019 Afghanistan Security Forces Fund (ASFF) Financial and Activity Plan dated October 22, 2018 (FAP 19-1), provided by the Department of Defense to the U.S. Congress; DOD, response to SIGAR data call, 12/17/2018, 1/22/2019, and 1/23/2019.

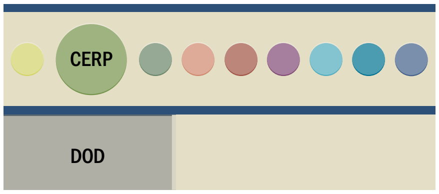
TABLE 3.11

ASFF REVISED BUDGETS FOR FY 2018 AND FY 2019 BASED ON FAP 18-4, FAP 18-5, AND FAP 19-1, OCTOBER 2018 PRESENTED BY FORMER BUDGET ACTIVITY GROUPS ($ MILLIONS)

	Revised FY 2018 Budget	Revised Pro Forma[1] FY 2019 Budget
Total U.S.-Funded Portion of ASFF	**$4,666.8**	**$4,920.0**
Afghan National Army, Total	**3,809.2**	**4,070.8**
Sustainment, Total	2,673.1	2,569.6
Aircraft Sustainment	859.3	835.2
Salaries and Incentive Pay	648.9	735.9
Ammunition and Ordnance	197.9	256.5
Petroleum, Oil, and Lubricants	200.9	154.9
Communications and Intelligence[2]	122.3	147.8
Vehicle Sustainment[3]	157.0	85.3
All Other	486.8	354.0
Infrastructure, Total	**110.7**	**206.1**
Equipment and Transportation, Total	**619.7**	**710.6**
Rotary Wing Aircraft	401.1	433.6
All Other	218.6	277.0
Training and Operations, Total	**405.8**	**584.5**
Air Force Training	241.0	263.3
Other Training	151.5	282.6
All Other[4]	13.3	38.6
Afghan National Police, Total	**857.6**	**849.2**
Sustainment, Total	**593.7**	**573.1**
Petroleum, Oil, and Lubricants	66.8	105.5
Facilities SRM and O&M	93.9	78.3
Vehicles-National Maintenance Strategy	142.8	72.2
Communications and Intelligence[2]	80.2	65.7
Afghan Local Police Salaries	59.8	42.2
All Other	150.2	209.2
Infrastructure, Total	**11.2**	**48.1**
Equipment and Transportation, Total	**133.6**	**55.7**
Training & Operations, Total	**119.0**	**172.3**

Note: Numbers have been rounded.
[1] The revised FY 2019 budget presents the Afghan Air Force (AAF) and Afghan Special Security Forces (ASSF), the newly created Budget Activity Groups (BAGs), as if combined with the Afghan National Army (ANA) and Afghan National Police (ANP) on a comparable basis to the FY 2018 budget.
[2] Consists of Aerostats and Tower-Based ISR, Integrated Radio Architecture, AABIS, and Kabul Surveillance, as applicable.
[3] Consists of Vehicle Maintenance/National Maintenance Strategy and Vehicle Maintenance Repair Parts.
[4] Consists of the line items Other Requirements for FY 2018 and Operations Support for FY 2019.

Source: The Revised FY 2018 Budget is based on BAG, SAG, and budget line items as presented in the FY 2018 ASFF Financial and Activity Plan dated July 10, 2018 (FAP 18-4) and the FY 2018 ASFF Financial and Activity Plan dated October 22, 2018 FAP-18-5), as submitted by the DOD to the U.S. Congress. The Revised FY 2019 Budget is based on comparable BAG, SAG, and budget line items as presented in the Justification for FY 2019 Overseas Contingency Operations (OCO), Afghanistan Security Forces Fund (ASFF), Department of Defense Budget, February 2018, as revised by the FY 2019 ASFF Financial and Activity Plan dated October 22, 2018 (FAP 19-1), as submitted by DOD to the U.S. Congress. DOD, response to SIGAR data call, 12/17/2018, 1/22/2019, and 1/23/2019.



CERP FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent 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 each.[55] CERP-funded projects may not exceed $2 million each.[56]

The Consolidated Appropriations Act, 2018, appropriated $5.0 million for CERP for FY 2018; the Department of Defense Appropriations Act, 2019, doubled the appropriation to $10.0 million for FY 2019, increasing total cumulative funding to more than $3.70 billion. Of this amount, DOD reported that nearly $2.29 billion had been obligated, of which more than $2.28 billion had been disbursed as of December 31, 2018.[57] Figure 3.12 shows CERP appropriations by fiscal year. Figure 3.13 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for CERP projects.

FIGURE 3.12

CERP APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

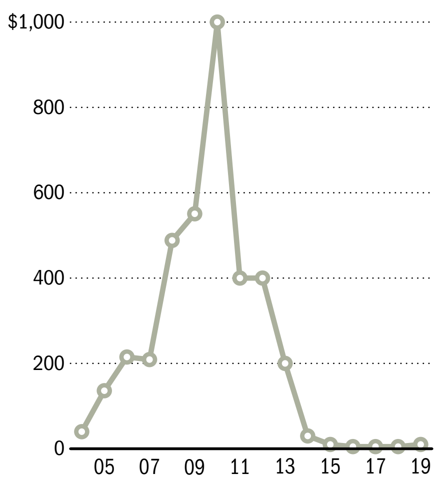
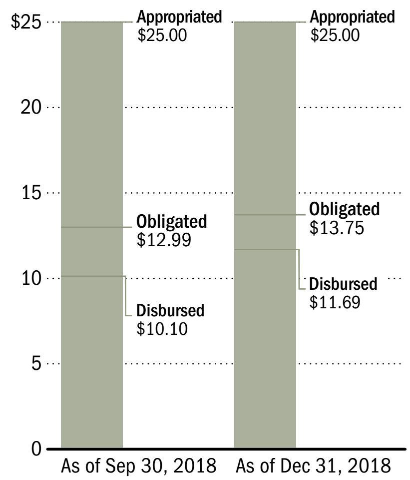


FIGURE 3.13

CERP FUNDING ACTIVITY, FY 2016–2019
($ MILLIONS)



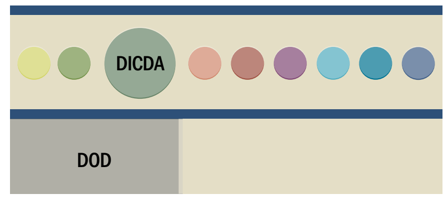
Note: Numbers have been rounded. Data may include interagency transfers. Analysis includes data from a draft DOD financial report because the final version had not been completed when this report went to press.

Source: DOD, response to SIGAR data call, 1/15/2019 and 10/15/2018; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities, Defense appropriation funds efforts that stabilize Afghanistan by combating the drug trade and related activities. DOD Counterdrug (CD) 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 for their rotary- and fixed-wing aircraft, which provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.[58]

DOD funds are appropriated by Congress to a single budget line for all military services. DOD reprograms the funds from the Counterdrug Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. DOD reported DOD CD accounts for Afghanistan as a single figure for each fiscal year. DOD reported that the DICDA appropriation was nearly $118.01 million for Afghanistan for FY 2018, bringing cumulative funding for DICDA to more than $3.25 billion since FY 2004.[59] Figure 3.14 shows DICDA appropriations by fiscal year. Figure 3.15 provides a cumulative comparison of amounts appropriated and transferred from the DOD CD CTA.[60]



DICDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.14

DICDA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

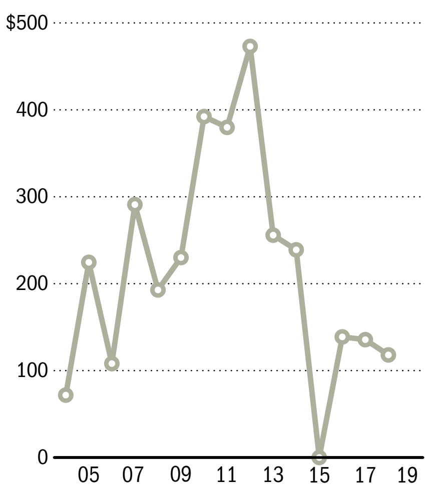
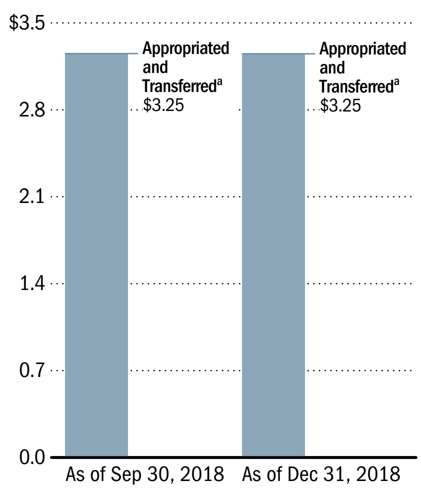


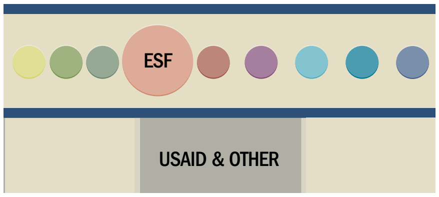
FIGURE 3.15

DICDA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed $125.13 million out of FY 2015 DICDA due to several requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.
[a] DOD reprograms all DICDA funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 1/17/2019 and 10/8/2018; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.



ESF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.[61]

The ESF was allocated $500.00 million for Afghanistan for FY 2018 through the Section 653(a) consultation process between Congress and the Department of State concluding in the quarter ending September 30, 2018. Cumulative funding for the ESF reached nearly $20.50 billion, of which nearly $19.23 billion had been obligated and nearly $16.25 billion had been disbursed at December 31, 2018.[62] Figure 3.16 shows ESF appropriations by fiscal year, and Figure 3.17 shows cumulative appropriations at September 30 and December 31, 2018.

FIGURE 3.16

ESF APPROPRIATIONS BY FISCAL YEAR
($ BILLIONS)

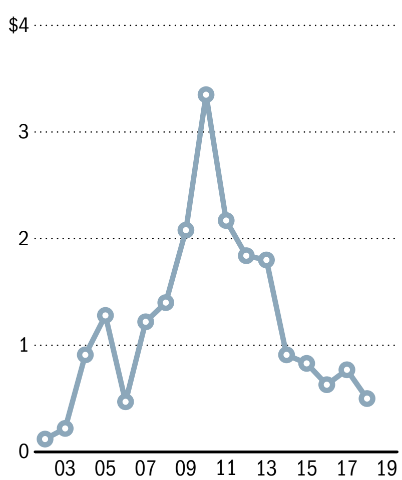
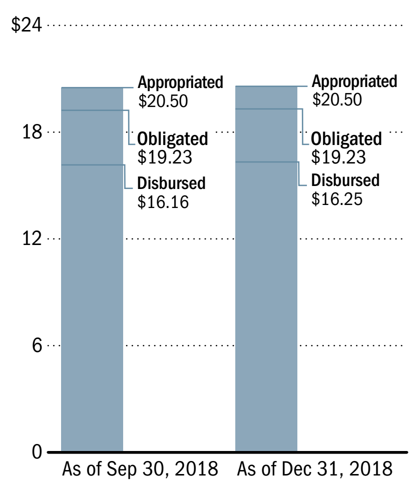


FIGURE 3.17

ESF FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



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

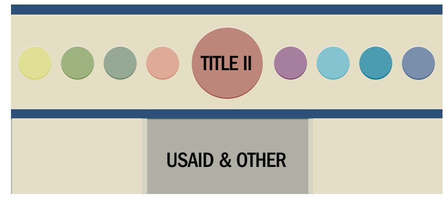
Source: USAID, response to SIGAR data call, 1/17/2019, 1/14/2019, and 10/15/2018; State, response to SIGAR data call, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

FOOD FOR PEACE TITLE II AND IDA PROGRAMS

USAID's Office of Food for Peace administers Public Law 480 Title II and International Disaster Assistance (IDA) account resources that are requested and appropriated on a contingency basis to meet humanitarian needs worldwide, with a focus on emergency food and nutrition assistance. Food for Peace Title II resources are authorized by the Food for Peace Act and appropriated under the Agriculture appropriations bill, while IDA resources are authorized by the Foreign Assistance Act and Global Food Security Act and appropriated under the State, Foreign Operations, and Related Programs appropriation.[63]

The Office of Food for Peace obligates funding for emergency food-assistance projects when there is an identified need and local authorities do not have the capacity to respond. More than three decades of war, population displacement and returns, civil unrest, insurgent activity, and recurring natural disasters have contributed to chronic humanitarian need in Afghanistan.[64]

USAID obligated nearly $74.00 million through IDA funds ($69.78 million) and Title II Emergency funds ($4.22 million) to provide vulnerable, food-insecure households with emergency food and nutrition assistance in FY 2018.[65] Figure 3.18 shows annual appropriations of Title II funds, and Figure 3.19 indicates that approximately $1.10 billion in Title II funds have been appropriated and transferred to Afghanistan programs from 2002 through December 31, 2018.[66]



FOOD FOR PEACE TITLE II AND IDA PROGRAMS

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.18

TITLE II APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

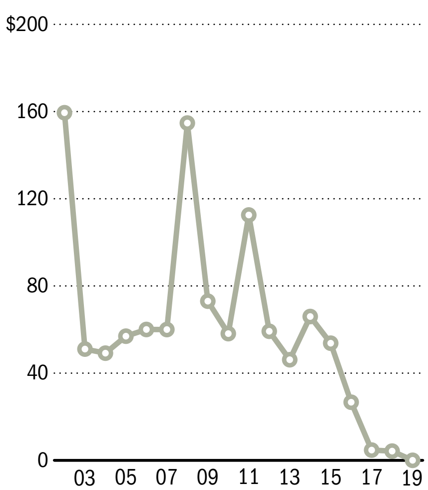
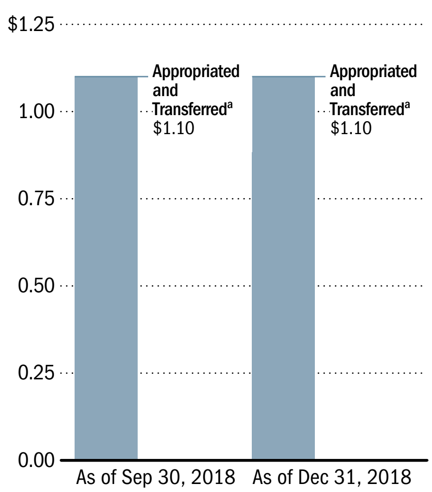


FIGURE 3.19

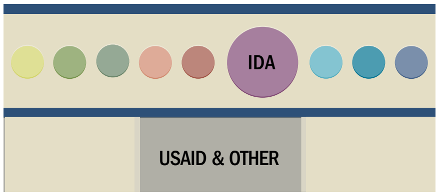
TITLE II FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. No FY 2019 appropriations have yet occurred.

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

Source: USAID, response to SIGAR data call, 1/22/2019 and 10/19/2018.



IDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FOREIGN DISASTER ASSISTANCE IDA PROGRAMS

USAID's Office of U.S. Foreign Disaster Assistance (OFDA) teams with the Office of Food for Peace (FFP) to administer International Disaster Assistance (IDA) funds.[67] OFDA is responsible for leading and coordinating the U.S. government response to disasters overseas. Its major programs include Relief Commodities & Logistics Support, Shelter & Settlements, Humanitarian Coordination & Information Management, Health, Protection, and WASH (water, sanitation, and hygiene). OFDA works closely with international partners such the UN Children's Fund (UNICEF), the UN World Health Organization (WHO), and others to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.[68]

USAID reported that $824.43 million in IDA funds had been allocated to Afghanistan from 2002 through December 31, 2018. Separately, FFP reported that IDA has funded Food for Peace programs in Afghanistan totaling $218.16 million over this period, indicating that OFDA has allocated $606.27 million to its Afghanistan programs. Figure 3.20 presents annual appropriations of IDA funds to Afghanistan. Figure 3.21 presents cumulative appropriations, obligations, and disbursements.[69]

FIGURE 3.20

IDA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

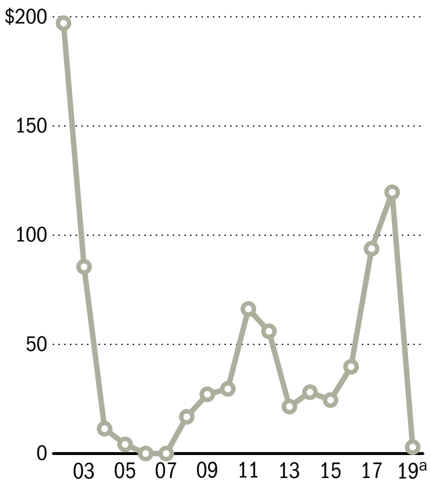
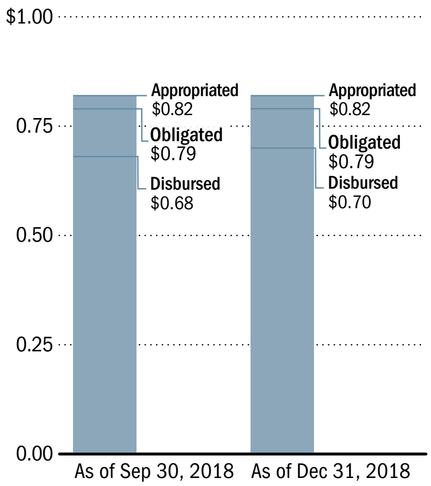


FIGURE 3.21

IDA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



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

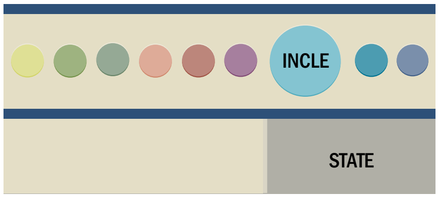
[a] FY 2019 figure reflects amount made available for obligation under continuing resolutions.

Source: USAID, response to SIGAR data call, 1/14/2019 and 10/15/2018.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The U.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.[70]

The INCLE account was allocated $160.00 million for Afghanistan for FY 2018 through the Section 653(a) consultation process between Congress and the Department of State concluding in the quarter ending September 30, 2018. This allocation, taken together with modest spending under continuing resolutions in the first quarter of FY 2019, brings cumulative funding to more than $5.25 billion, of which nearly $4.95 billion has been obligated and nearly $4.25 billion has been disbursed as of December 31, 2018. Figure 3.22 shows INCLE appropriations by fiscal year, and Figure 3.23 shows cumulative appropriations, obligations, and disbursements at September 30 and December 31, 2018.[71]



INL FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.22

INCLE APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

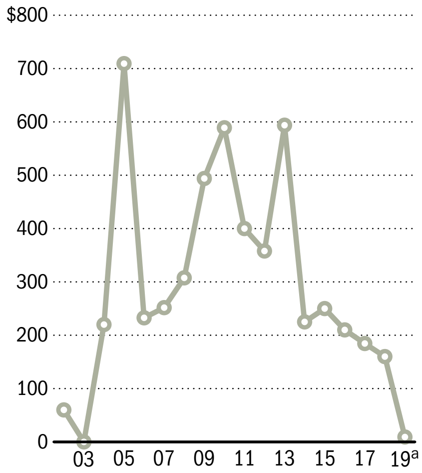
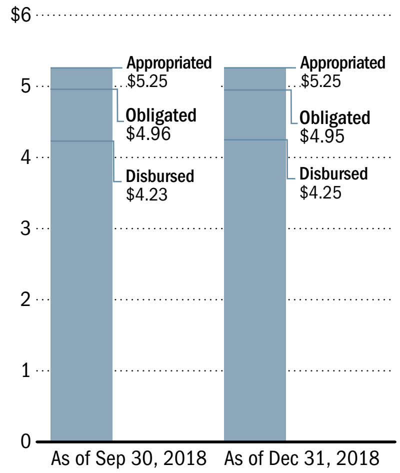
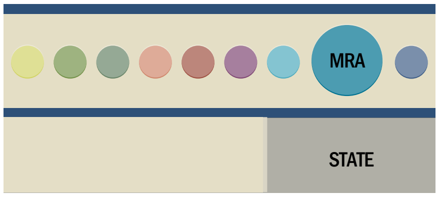


FIGURE 3.23

INCLE FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.
[a] FY 2019 figure reflects amount made available for obligation under continuing resolutions.
Source: State, response to SIGAR data call, 1/16/2019, 10/19/2018, and 10/10/2017.



MRA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

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), the International Committee of the Red Cross (ICRC), and various nongovernmental organizations (NGOs) in Afghanistan.[72]

The MRA allocation for Afghanistan was $76.25 million in FY 2018, which was followed by modest allocations under continuing resolutions in the first quarter of FY 2019. Cumulative appropriations since 2002 totaled nearly $1.34 billion as of December 31, 2018, with cumulative obligations and disbursements reaching $1.33 billion and $1.31 billion, respectively, on that date. Figure 3.24 shows MRA appropriations by fiscal year, and Figure 3.25 shows appropriations, obligations, and disbursements at September 30 and December 31, 2018.[73]

FIGURE 3.24

MRA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

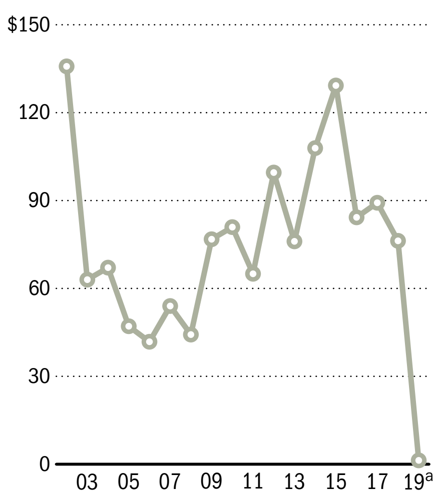
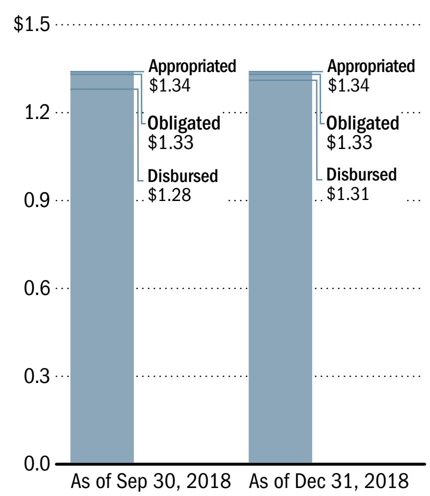
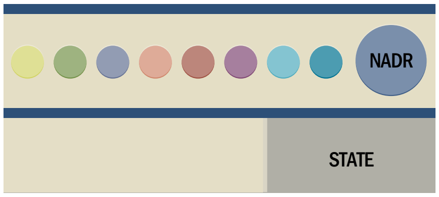


FIGURE 3.25

MRA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.
[a] FY 2019 figure reflects $1.3 million obligated under continuing resolutions.
Source: State, response to SIGAR data call, 1/17/2019 and 10/24/2018.



NADR FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

NON-PROLIFERATION, 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.[74] The majority of NADR funding for Afghanistan is funneled through two sub-accounts, Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD), with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF).[75]

The Department of State and the U.S. Congress agree on the country-by-country allocation of annual appropriations for the foreign assistance accounts, including NADR, through the 653(a) allocation process. The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus and offices that obligate and disburse these funds.[76] Figure 3.26 shows the allocation to Afghanistan was $36.60 million in FY 2018, bringing the total amount of funds appropriated and transferred to $804.54 million as of December 31, 2018 (Figure 3.27).[77]

FIGURE 3.26

NADR APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

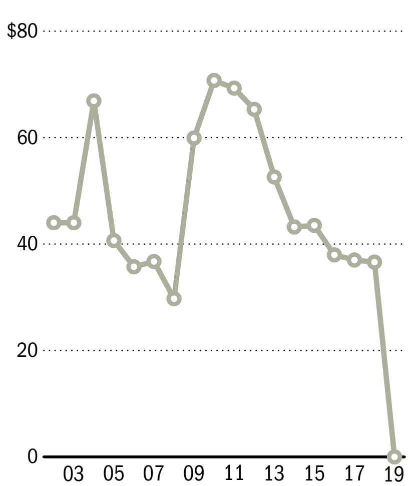
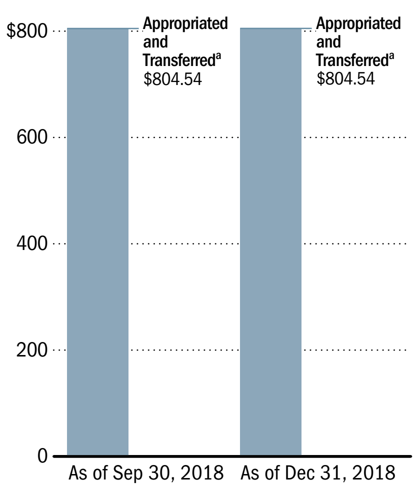


FIGURE 3.27

NADR FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded.

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

Source: State, response to SIGAR data call, 10/5/2018 and 10/10/2017.

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

The international community provides significant funding to support Afghanistan relief and reconstruction efforts. Most of the international funding is administered through trust funds. The three main trust funds are the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme (UNDP)-managed Law and Order Trust Fund for Afghanistan (LOTFA), and the NATO-managed Afghan National Army (ANA) Trust Fund (NATO ANA Trust Fund or NATF).

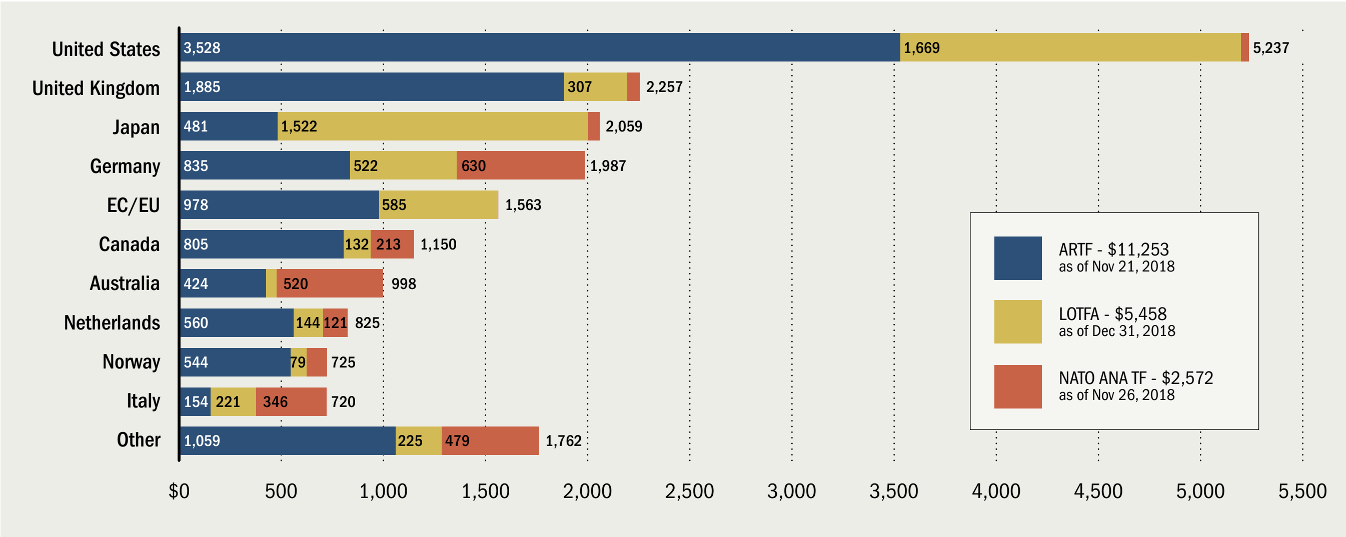
Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan government's operational and development budgets comes through the ARTF. From 2002 to November 21, 2018, the World Bank reported 34 donors had paid in more than $11.25 billion.[78] Figure 3.28 shows the five largest donors over this period as the United States, the UK, the European Union, Germany, and Canada. Figure 3.29 shows these five countries as the largest donors on a paid-in and pledged basis in Afghan FY 1397 (December 22, 2017–December 21, 2018). The ARTF's targeted contributions of $1.09 billion for FY 1397, if achieved, would be the largest received in its 17-year history.

Contributions to the ARTF fall into two channels—the Recurrent Cost (RC) Window and the Investment Window.[79] As of November 21, 2018,

FIGURE 3.28

CUMULATIVE CONTRIBUTIONS TO ARTF, LOTFA, AND NATO ANA TRUST FUND BY TEN LARGEST DONORS ($ MILLIONS)



Note: Does not include the Asian Development Bank's Afghanistan Infrastructure Trust Fund (AITF), whose partners, the NATO ANA Trust Fund, Germany, Japan, the United Kingdom, and the United States, have committed $841 million as of June 2018.

Source: World Bank, *ARTF: Administrator's Report on Financial Status as of November 21, 2018 (end of 11th month of FY 1397)*; UNDP, LOTFA Receipts 2002–2018, Updated January 17, 2019, in response to SIGAR data call 1/18/2019; NATO, Afghan National Army (ANA) Trust Fund, Media Backgrounder, Status of Contributions Made as of November 26, 2018; Asian Development Bank, "Afghanistan Infrastructure Trust Fund 2018 Fact Sheet."

according to the World Bank, nearly $5.05 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.[80] To ensure that the RC Window receives adequate funding, donors to the ARTF may not "preference" (earmark) more than half of their annual contributions.[81]

The Investment Window supports development programs. As of November 21, 2018, according to the World Bank, over $5.40 billion had been committed through the Investment Window, and more than $4.43 billion had been disbursed. The Bank reported 42 active projects with a combined commitment value of more than $4.06 billion, of which nearly $3.10 billion had been disbursed.[82]

Contributions to the Law and Order Trust Fund for Afghanistan

The UNDP administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).[83] Donors have paid in more than $5.46 billion from 2002 through December 31, 2018. Figure 3.28 shows the two largest donors have been the United States and Japan. Figure 3.30 shows the largest donors to the LOTFA in 2018. Annual contributions have been halved since 2016, from nearly $565.02 million to nearly $263.58 million in 2018, the lowest level of support since 2008. The United States contributed $114.40 million in 2016, but only $1.04 million in 2018.[84]

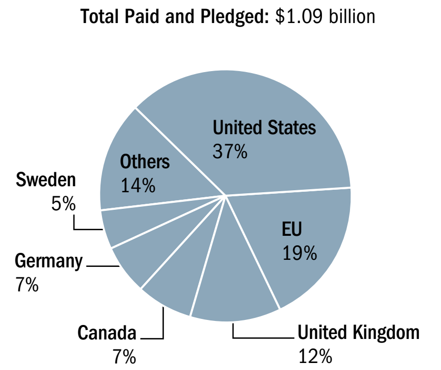
On July 1, 2015, UNDP divided LOTFA support into two projects: the Support to Payroll Management (SPM) project and the MOI and Police Development (MPD) project. The SPM project aims to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its pay budget for the ANP and Central Prisons Directorate (CPD) staff. Almost 99% of SPM project funding goes toward ANP and CPD staff remuneration. The MPD project focuses on institutional development of the MOI and police professionalization of the ANP. On November 25, 2018, the LOTFA Steering Committee, composed of Afghan ministries, international donors, and the UNDP, approved restructuring the fund and changing its scope of operations.[85]

Contributions to the NATO ANA Trust Fund

The NATO ANA Trust Fund supports the Afghan National Army and other elements of the Afghan National Defense and Security Forces through procurement by the Afghanistan Security Forces Fund (ASFF) and the NATO Support and Procurement Agency (NSPA).[86] The Fund has received contributions from 34 NATO members and other coalition partners totaling more than $2.57 billion through November 26, 2018.[87] Figure 3.28 shows Germany, Australia, Italy, and Canada as the four largest contributors to the fund. The United States made its first contribution in 2018 to support an existing procurement contract.

FIGURE 3.29

ARTF CONTRIBUTIONS BY DONOR, FY 1397
(PERCENT)

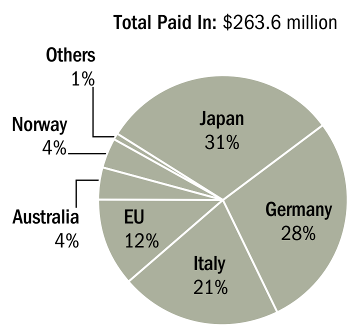


Note: Percentages may not add to 100% due to rounding. "Others" includes 13 donors. Donors had paid-in $897.62 million and pledged $189.0 million for their FY 1397 contributions as of the report date.

Source: World Bank, *ARTF: Administrator's Report on Financial Status as of November 21, 2018 (end of 11th month of FY 1397).*

FIGURE 3.30

LOTFA CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2018 (PERCENT)



Note: Numbers have been rounded. "All Others" includes the United States and four other countries. Since 2002, 32 donors have paid in a total of $5.46 billion.

Source: UNDP, LOTFA Receipts 2002–2018, updated January 17, 2019, in response to SIGAR data call, 1/18/2019.

SECURITY CONTENTS

SECURITY

KEY ISSUES AND EVENTS

This quarter, the Chairman of the Joint Chiefs of Staff, General Joseph Dunford, again described the security situation in Afghanistan as a stalemate, saying the Taliban "are not losing right now" and "we used the term stalemate a year ago and, relatively speaking, it has not changed much."[88]

NATO Resolute Support's (RS) district-stability data confirms Chairman Dunford's assessment. That data shows that as of October 22, 2018, control of Afghanistan's districts, population, and territory became somewhat more contested, Afghan government control or influence continued to decline, and insurgent control or influence increased slightly since July 2018. The percentage of the population in districts under Afghan government control or influence—largely stagnant from May 2017 through July 2018 at around 65%—decreased in October to 63.5%. The Afghan government's control or influence of its districts decreased by nearly two percentage points since July to 53.8%. This quarter, DOD and RS emphasized that RS's district-stability data is "not indicative of effectiveness of the South Asia strategy," and reiterated that there is some "uncertainty in models that produce [the data]" and subjectivity in the assessments that underlie it. For their full statements and more information about RS's district-stability data, see page 68.[89]

RS also reported that from August 16–October 31, 2018, an average of 1,742 enemy-initiated attacks (EIA) occurred per month, a 6% decrease compared to the average of 1,859 EIA per month reported from January 1–August 15. Separately, Afghan National Defense and Security Forces (ANDSF) personnel strength in October 2018 (308,693) fell to the lowest level it has been since the beginning of the RS mission in January 2015. On January 24, 2019, Afghan President Ashraf Ghani said that about 45,000 Afghan security personnel have been killed since Ghani became president in September 2014. That number indicates that in those roughly 53 months, around 849 Afghan security personnel have been killed per month on average.[90]

For the first time, on December 20, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad, publicly discussed details of his team's talks with the Taliban, Saudi Arabia, Pakistan, and the United Arab Emirates. According to Ambassador Khalilzad, the United States's main goal in the talks continues to be an intra-Afghan peace agreement that would ensure that international terrorist organizations

Select High-Profile Attacks

The following high-profile attacks occurred this quarter (10/1/2018–1/21/2019):

- **10/2/2018:** 14 civilians were killed and 40 wounded by an IS-K suicide bombing at an election rally in Nangarhar Province.
- **10/13/2018:** 14 civilians were killed and 35 wounded by a bomb planted by unidentified armed militants at an election rally in Takhar Province.
- **10/22/2018:** 11 civilians were killed by an IED planted by unidentified armed militants in Nangarhar Province.
- **11/20/2018:** At least 55 people were killed and 94 wounded by an unidentified suicide bomber who attacked a gathering of Sunni clerics in Kabul City.
- **1/7/2019:** 10 civilians were killed and 13 wounded by bomb planted by unidentified armed militants in Paktika Province.
- **1/21/2019:** Over 40 Afghan security personnel were killed during a Taliban attack on a National Directorate of Security compound in Wardak Province.

IS-K Attacks Decrease

IS-K claimed three attacks this quarter (October 2, 2018, to January 15, 2019), down from 14 claimed attacks last quarter (July 16 to October 1, 2018). For more information see p. 74.

Source: ACLED, South Asia 2016–Present dataset, 10/1/2018–1/15/2019, and South Asia 2016–Present dataset, 8/1/2018–10/31/2018, available online at https://www.acleddata.com/; SIGAR, analysis of ACLED data, 1/2019; *The New York Times*, "After Deadly Assault on Afghan Base, Taliban Sit for Talks With U.S. Diplomats," 1/21/2019.

"If I do get [troop drawdown] orders, I think it's important for [Afghan officials] to know that we are still with the security forces. . . . Even if I have to get a little bit smaller, we'll be okay. We've thought about this before, and we will be able to do the things that [the Afghans] require in terms of support."

—General Austin Scott Miller, RS and USFOR-A Commander

Source: *Washington Post*, "Military Walks a Fine Line in Discussing Afghanistan After Trump Orders Withdrawal Plans," 12/27/2018.

can never use Afghan territory against the United States and the international community. Khalilzad said at this juncture he doubted the Taliban's seriousness about peace due to the group's insistence on the removal of U.S. troops from Afghanistan as well as their continued refusal to engage directly with the Afghan government's negotiation team.[91] The latter sentiment was echoed by Afghanistan's Chief Executive Abdullah Abdullah at a recent cabinet meeting. As this report went to press, there has been no reporting that the Taliban have agreed to meet with Afghan government representatives.[92]

Also in late December, U.S. and international media outlets published a number of contradictory reports about whether President Donald J. Trump was considering drawing down 5,000 to 7,000 U.S. forces from Afghanistan. General Dunford and the commander of U.S. and NATO forces in Afghanistan, General Austin Scott Miller, said subsequently that they had received no orders to begin a drawdown.[93] DOD told SIGAR on January 11 that they have "nothing to report" about whether the White House ordered the Pentagon to begin planning a troop drawdown in Afghanistan.[94]

Afghan government officials responding to the press reports of a possible U.S. drawdown generally maintained that the departure of a few thousand American troops would not negatively impact Afghanistan's security, and noted that the ANDSF have been in the security lead since January 2015. Afghan media reported that the Taliban's reaction was to issue a statement saying if the Afghan government is actually interested in peace talks with the Taliban, the government should discard its security pact with the United States, the Security and Defense Cooperation Agreement (more commonly known as the Bilateral Security Agreement), and order all U.S. troops to leave the country immediately.[95]

President Ashraf Ghani replaced his ministers of defense and interior in December with two strongly anti-Taliban former defense officials. Asadullah Khalid, selected to lead the Ministry of Defense, ran the Afghan intelligence service in 2012. According to a January Human Rights Watch report, Khalid has been credibly accused of human-rights abuses and war crimes while serving as governor of Ghazni and Kandahar.[96] Ghani chose Amrullah Saleh, also a former intelligence chief from 2004 to 2010, to be interior minister but later announced Saleh would run alongside him as his first vice president for the upcoming presidential elections in July 2019. As this report went to press, Ghani had not yet named a new minister of interior.[97]

Taliban Fighter Strength Estimate
In a December Senate hearing, the nominee for commander of U.S. Central Command, Lieutenant General Kenneth McKenzie Jr., estimated active Taliban fighter strength at 60,000. Estimates of Taliban strength vary. DOD OIG estimated in its most recent report (September 2018) that the Taliban had a maximum of 40,000 fighters, 5,000 of whom were part of the Taliban-allied Haqqani Network.

Source: DOD, "Advance Policy Questions for Lieutenant General Kenneth F. McKenzie, Jr., USMC, Nominee for Commander, United States Central Command," 12/4/2018; DOD OIG, *Operation Freedom's Sentinel: Lead Inspector General Report to the United States Congress*, 11/19/2018, p. 22; OUSD-P, response to SIGAR vetting, 1/12/2019.

ANDSF Data Classified or Not Publicly Releasable

There were no major changes this quarter to the types of ANDSF data classified or restricted from public release.

USFOR-A declassified the following information this quarter:

- Exact strength of female ANDSF personnel
- General attrition information for the ANA and ANP

- The percentage of Special Mission Wing (SMW) missions categorized as counternarcotics vs. counterterrorism

USFOR-A continued to classify or restrict from public release, in accordance with classification guidelines or other restrictions placed by the Afghan government, the following data (mostly since October 2017):
- ANDSF casualties, by force element and total
- Corps- and zone-level ANA and ANP authorized and assigned strength
- Performance assessments for the ANA, ANP, Ministry of Defense (MOD), and Ministry of Interior (MOI)
- Information about the operational readiness of ANA and ANP equipment
- SMW information, including the number and type of airframes in the SMW inventory, the number of pilots and aircrew, and the operational readiness (and associated benchmarks) of SMW airframes
- The detailed methodology DOD uses to calculate revenue denied to the insurgency as a result of counter-threat finance air strikes
- Reporting on anticorruption efforts by the MOI (unclassified but not publicly releasable)
- Reporting on the status of the ANDSF's progress on security-related benchmarks of the Afghanistan Compact (unclassified but not publicly releasable)

The classified annex for this report covers the classified and nonreleasable data.

U.S. RECONSTRUCTION FUNDING FOR SECURITY

As of December 31, 2018, the U.S. Congress had appropriated more than $83.1 billion to support security in Afghanistan. This accounts for 63% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002.[98] Of the $4.7 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2018, $3.8 billion had been obligated and $3.7 billion disbursed as of December 31, 2018.[99]

In 2005, Congress established the ASFF to build, equip, train, and sustain the ANDSF, which comprises all forces under the Ministry of Defense (MOD) and Ministry of Interior (MOI). Nearly half of ASFF is used for Afghan Air Force (AAF) aircraft sustainment and for Afghan National Army (ANA), AAF, Afghan Special Security Forces (ASSF), and Afghan Local Police (ALP) salaries that are paid via accounts at Afghanistan's central bank. The rest is used for purposes described on page 53. ASFF funds are obligated by either the Combined Security Transition Command-Afghanistan (CSTC-A) or the Defense Security Cooperation Agency. The Ministry of Finance then transfers funds to the MOD and MOI based on submitted requests. The ALP falls under the authority of the MOI although it is not included in the 352,000 authorized ANDSF force level that donor nations have agreed to fund; only the United States and Afghanistan provide funding for the ALP.[100]

Unlike the ANA, a significant share of Afghan National Police (ANP) personnel costs are paid through the United Nations Development Programme's multi-donor Law and Order Trust Fund for Afghanistan (LOTFA), to which the United States has historically been (but was not in FY 2018) the largest contributor.[101]

A discussion of on-budget (Afghan-managed) and off-budget (U.S.-managed) expenditures of ASFF is found on page 120–122.

DOD and RS on Control Data

DOD: In response to SIGAR's analysis of RS's control data this quarter, DOD said "Measures of population control are not indicative of effectiveness of the South Asia strategy or of progress toward security and stability in Afghanistan, particularly in the wake of the appointment of U.S. Special Representative for Afghanistan Reconciliation (SRAR) Zalmay Khalilzad. According to DOD, the [population control] percentages have varied little since the implementation of the South Asia strategy, which over the last 18 months has slowed Taliban gains made during U.S. drawdowns between 2011 and 2016. Moreover, typical quarter to quarter variations in these metrics may be due to, among other things, uncertainty in the models that produce them and the assessments that underlie them are to a degree subjective. DOD considers it more important to instead focus on the principal goal of the strategy of concluding the war in Afghanistan on terms favorable to Afghanistan and the United States. More aggressive combat operations by Afghan forces, increased authorities for U.S. forces to conduct supporting strikes, international calls for peace, and the new SRAR's engagements appear to be driving the Taliban to substantive negotiations. Taliban participation in these talks suggests that the Taliban recognize that they cannot advance their interests militarily."

RS: RS also commented that "The [South Asia] strategy aims to set conditions for a political resolution to the conflict. One necessary condition is the perception by both sides that the conflict is in a military stalemate. Alternatively, they cannot believe they will attain their goals with continued fighting. Multiple years with little variation in district stability data support multiple years of assessments that the conflict is in a stalemate. Taliban participation in various talks (Russia, U.S. [SRAR], etc.) suggests they have a similar assessment. There is no explanation for Taliban behavior if they are advancing their interest militarily."

Source: OUSD-P, response to SIGAR vetting, 1/12/2019; RS, response to SIGAR vetting, 1/12/2019.

POPULATION, DISTRICT, AND TERRITORIAL CONTROL

Resolute Support (RS)-reported district-stability data show that as of October 22, 2018, control of Afghanistan's districts, population, and territory became somewhat more contested, Afghan government control or influence continued to decline, and insurgent control or influence increased slightly since July 2018. The percentage of the population in districts under Afghan government control or influence—largely stagnant from May 2017 through July 2018 at around 65%—decreased in October to 63.5%. The Afghan government's control or influence of its districts in October decreased by nearly two percentage points since July to 53.8%.[102] As shown in the box on the left, this quarter, DOD and RS said RS's district-stability data is "not indicative of effectiveness of the South Asia strategy," and reiterated that there is some "uncertainty in models that produce [the data]" and subjectivity in the assessments that underlie it.[103] For more information on how RS assesses government and insurgent control and influence, please see SIGAR's April 2016 *Quarterly Report to the United States Congress*.[104]

Population Control

The Afghan government's control or influence over the population declined this quarter. According to RS, as of October 22, 2018, 63.5% of the population (21.2 million of an estimated 33.3 million total) lived in areas under Afghan government control or influence, down roughly 500,000 people (and 1.7 percentage points) since the previous quarter. However, this quarter's figure represents a slightly smaller decline (0.6 percentage points) in population under government control or influence compared to the same period in 2017.[105]

The insurgency slightly increased its control or influence over areas where 10.8% of the population (3.6 million people) lived, a 0.3 percentage-point increase since last quarter but a decrease from the 12% reported in October 2017. The population living in contested areas increased to 8.5 million people (25.6% of the population), a nearly two percentage-point increase compared to the same period in 2017.[106]

See Figure 3.31 on the next page, for a historical record of population-control data since SIGAR began receiving it in August 2016.[107]

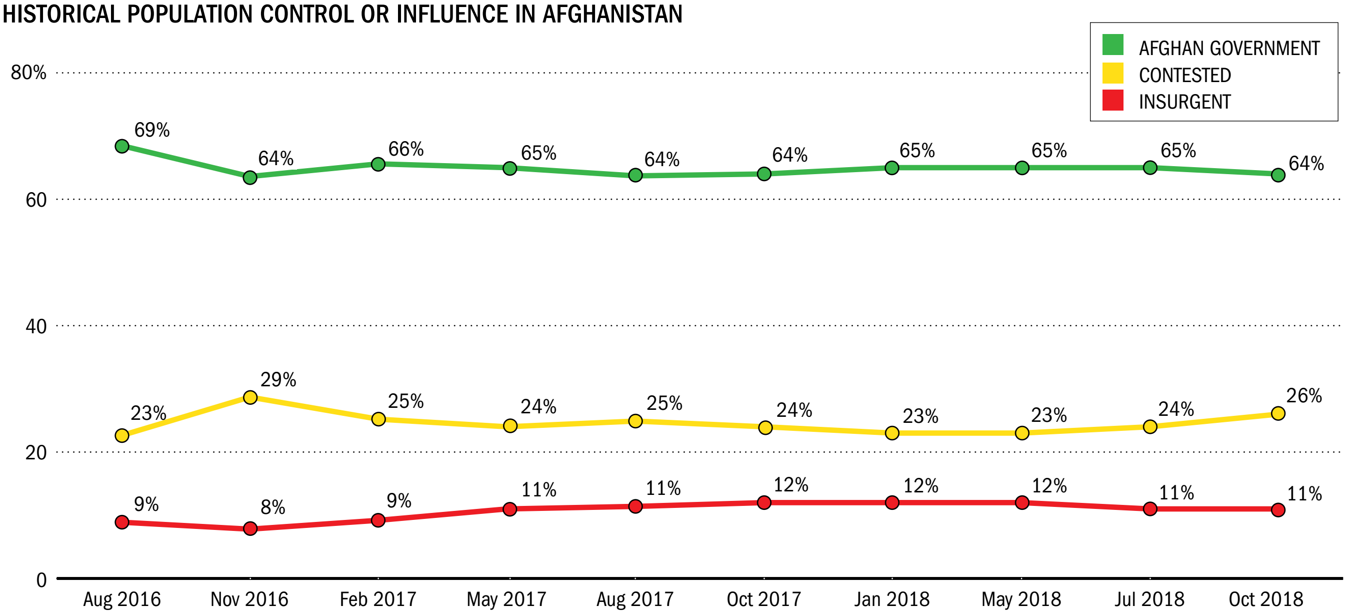
District Control

According to RS, as of October 22, 2018, there were 219 districts under Afghan government control (74) or influence (145), 53.8% of the total number of districts. This represents a decrease of seven government-controlled or influenced districts compared to last quarter and eight since the same period in 2017.[108]

Insurgent control or influence of Afghanistan's districts increased marginally: there were 50 districts under insurgent control (12) or influence (38) this quarter. This is an increase of one district since last quarter, but a decrease of eight compared to the same period in 2017. Therefore, 12.3% of Afghanistan's districts are now reportedly under insurgent control or influence.[109] The number of contested districts—controlled or influenced by neither the Afghan government nor the insurgency—increased by six since last quarter to 138 districts, meaning that 33.9% of Afghanistan's districts are now contested.[110]

FIGURE 3.31

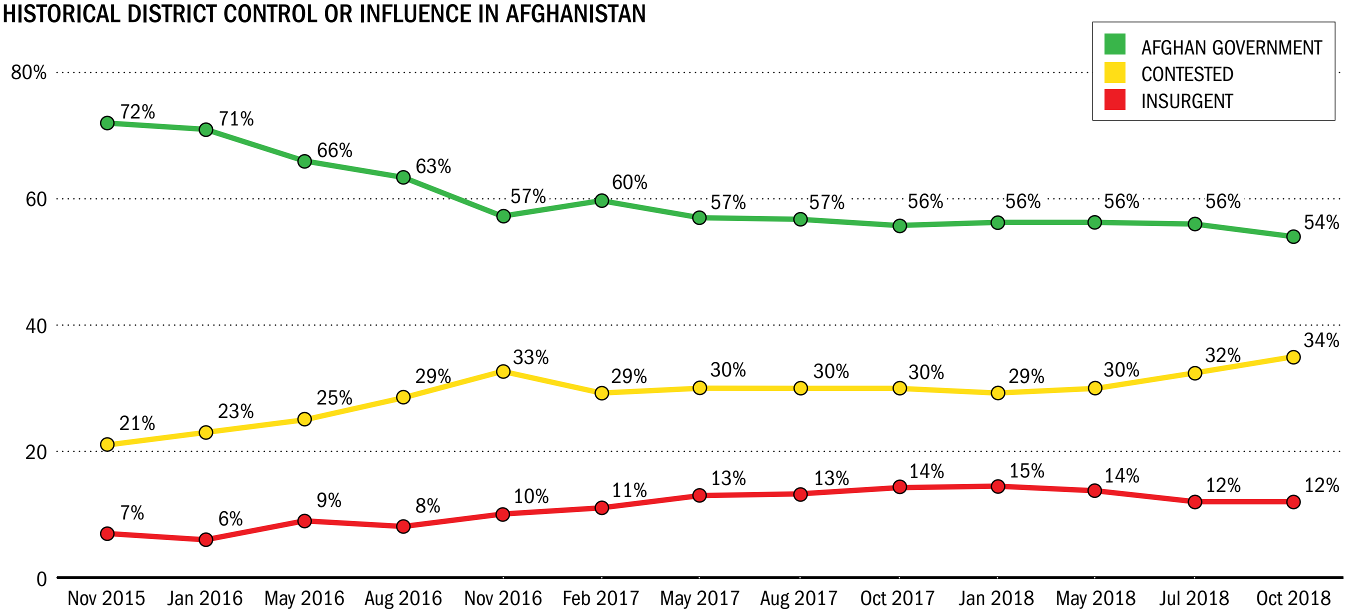
HISTORICAL POPULATION CONTROL OR INFLUENCE IN AFGHANISTAN



Note: Component numbers may not add to 100 due to rounding. Afghan government and insurgent figures include control and influence.

Source: RS, response to SIGAR data call, 8/28/2016, 11/15/2016, 2/20/2017, 5/15/2017, 8/28/2017, 10/15/2017, 3/22/2018, 6/22/2018, 9/19/2018, and 12/20/2018; RS, response to SIGAR vetting, 1/16/2018.

HISTORICAL DISTRICT CONTROL OR INFLUENCE IN AFGHANISTAN

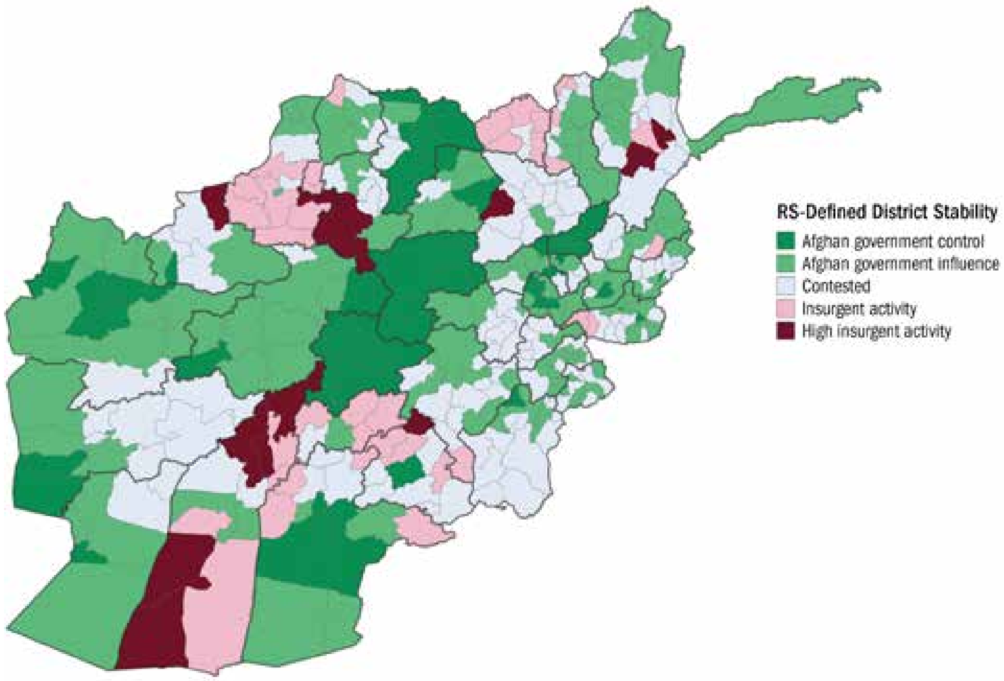


Note: Component numbers may not add to 100 due to rounding. Afghan government and insurgent figures include control and influence.

Source: RS, response to SIGAR data call, 11/27/2015, 1/29/2016, 5/28/2016, 8/28/2016, 11/15/2016, 2/20/2017, 5/15/2017, 8/28/2017, 10/15/2017, 3/22/2018, 6/22/2018, 9/19/2018, and 12/20/2018; RS, response to SIGAR vetting, 1/16/2018.

FIGURE 3.32

STABILITY LEVEL OF AFGHANISTAN'S 407 DISTRICTS AS OF OCTOBER 22, 2018



Note: A district is assigned its district-stability level based on the overall trend of land-area/population control of each district as a whole.
Source: RS, response to SIGAR data call, 12/20/2018.

Since SIGAR began receiving district-control data in November 2015, Afghan government control and influence over its districts has declined by more than 18 percentage points; contested districts have increased by about 13 points; and insurgent control or influence has risen by about five points.[111] A historical record of district control is shown in Figure 3.31.

RS identified the provinces with the most insurgent-controlled or -influenced districts as Kunduz (five of seven districts), and Uruzgan (four of six districts), and Helmand (nine of 14 districts).[112] DOD reported in December that the provincial centers of all of Afghanistan's provinces are under Afghan government control or influence.[113] See Figure 3.32, for an RS-provided map showing Afghan government and insurgent control or influence by district.

Territorial Control

As seen in Table 3.3 on the next page, RS reported that the Afghan government controlled or influenced 360,000 square kilometers (56.1%) of

Afghanistan's total land area of roughly 644,000 square kilometers, down less than half a percentage point since last quarter. The insurgency controlled or influenced 111,000 square kilometers (17.3%) of the total land area, also down by roughly half a percentage point since last quarter. The remaining 171,000 square kilometers (26.6%) was contested by the government and insurgents, a one percentage-point increase since last quarter.[114]

TABLE 3.3

GOVERNMENT AND INSURGENT CONTROL WITHIN AFGHANISTAN AS OF OCTOBER 2018

Control Status	Districts		Population		Territory	
	Number	%	In Millions	%	Sq Km	%
GOVERNMENT						
Control	74	18%	11.3	34%	104,000	16%
Influence	145	36%	9.9	30%	258,000	40%
CONTESTED	138	34%	8.5	26%	171,000	27%
INSURGENT						
Control	12	3%	0.6	2%	40,000	6%
Influence	38	9%	3.0	9%	71,000	11%
Total	**407**	**100%**	**33.3**	**100%**	**644,000**	**100%**

Note: Sq Km = square kilometers. Component numbers may not add to 100 because of rounding. Territory figures have been rounded by RS.

Source: RS, response to SIGAR data call, 12/20/2018; RS, response to SIGAR vetting, 10/11/2018.

What is ACLED?
The Armed Conflict Location & Event Data Project (ACLED) is "a disaggregated conflict collection, analysis, and crisis-mapping project" funded by the State Department. The project collects the dates, actors, types of violence, locations, and fatalities of all political violence and protest events across Africa, South Asia, South East Asia, and the Middle East reported in open, secondary sources.

ACLED codes the event data it collects as "violent events" or "nonviolent events." It defines a violent event as "a single altercation where often force is used by one or more groups toward a political end, although some nonviolent instances—including protests and strategic developments—are included in the dataset to capture the potential precursors or critical junctures of a violent conflict."

The types of violent events ACLED codes include: (1) Battle–No Change in Territory, (2) Battle–Non-State Actor Overtakes Territory, (3) Battle–Government Regains Territory, (4) Violence against Civilians, and (5) Remote Violence (such as bombings, IED attacks, mortar and missile attacks, etc.).

Source: ACLED, "About ACLED: What is ACLED?", "ACLED Methodology," and "Armed Conflict Location & Event Data Project (ACLED) Codebook, Version 8 (2017)," pp. 6–8, accessed online on 7/10/2018, available at https://www.acleddata.com/.

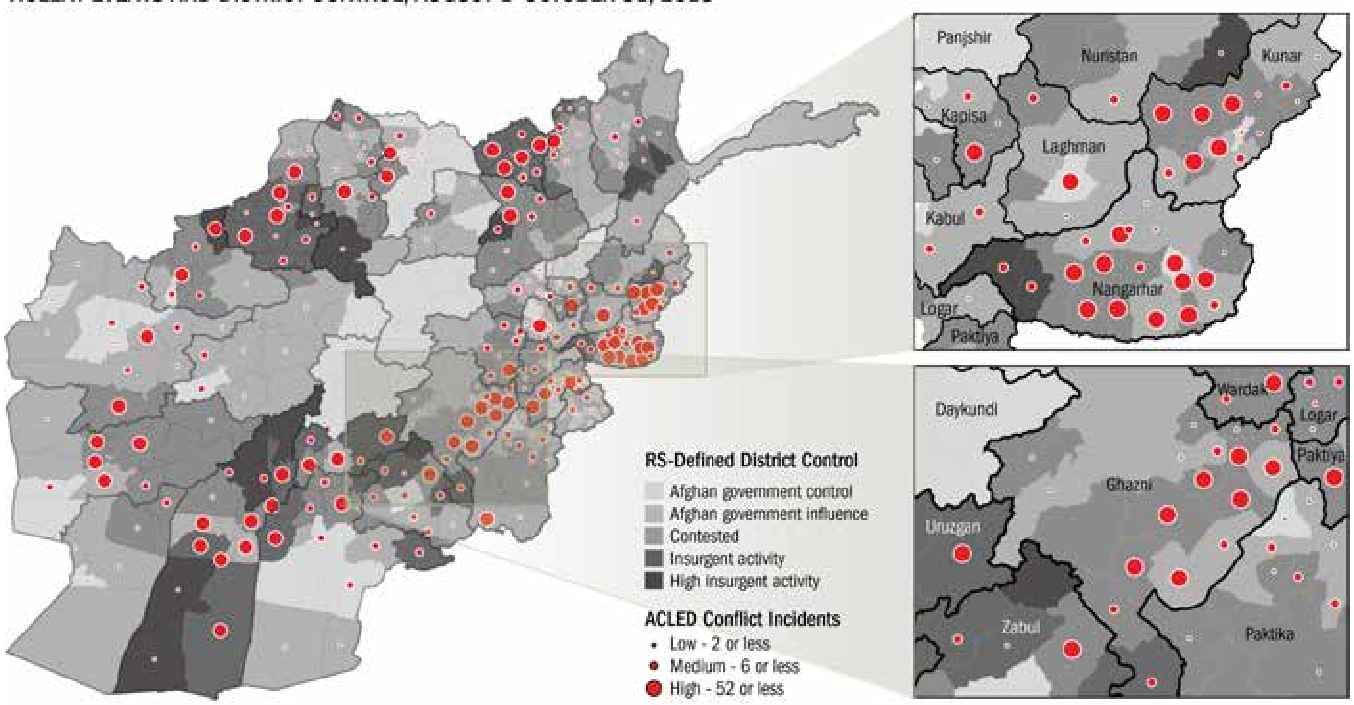
Violent Events and District Stability

SIGAR analyzes violent-event data from Armed Conflict Location & Event Data Project (ACLED), which records district-level data of violent incidents across Afghanistan, to track security-related events. SIGAR overlays its ACLED analysis with the RS-provided district-stability data (which is a snapshot reflecting district stability as of October 22, 2018) and has chosen the date range of August 1, 2018, through October 31, 2018, to align with RS's reporting period. The results are presented in map form in Figure 3.33.

SIGAR found that there were 1,658 violent events in Afghanistan from August 1 to October 31, 2018, a roughly 7% decrease since last quarter (1,792 events from May 16, 2018, to July 31, 2018). The breakdown of this quarter's violent events by district-stability level is little changed since last quarter: about 7.1% of ACLED-recorded incident-days from August through October were in districts RS assessed as Afghan government-controlled (as of October 22), 27.6% were in districts assessed as Afghan government-influenced, 46.2% were in districts assessed as contested, 16.5% were in districts assessed as having insurgent activity, and 2.5% were in districts assessed as having high levels of insurgent activity.[115]

FIGURE 3.33

VIOLENT EVENTS AND DISTRICT CONTROL, AUGUST 1–OCTOBER 31, 2018



Note: The district map was adapted from the 2012 Afghan Geodesy and Cartography Head Office (AGCHO) shapefile that included 399 districts. Adjustments, some approximate, were made to data for districts that were whole in AGCHO's 399-district set but that were split in RS's 407-district set. See R.L. Helms, *District Lookup Tool*, https://arcg.is/1bOjGv, accessed 10/14/2018, for differences amongst district sets. This 407-district set was used to aggregate RS-provided district control data and Armed Conflict Location and Event Data Project (ACLED) incident data. SIGAR used ArcGIS Pro 2.2 for this analysis and all layers were projected to UTM 42N. ACLED data showing political conflict and protest data between 8/1/2018, and 10/31/2018 was used in order to match RS's district-control reporting period. ACLED data was sorted to the district-level by using a geo-precision code of 1 or 2 and incidents were summed. This left 1,658 district-level incidents for analysis. To create the map, incidents were categorized into three classes using the quantile method. The quantile method produces an equal number of observations per class to facilitate comparative analysis, but the interval of the class must therefore be variable.

Source: RS, response to SIGAR data call, 12/20/2018; ACLED, South Asia 2016-Present dataset, 8/1/2018–10/31/2018, available online at https://www.acleddata.com/; SIGAR, analysis of ACLED- and RS-provided data, 1/2019.

Enemy-Initiated Attacks

According to RS, there were 18,295 enemy-initiated attacks (EIA) in Afghanistan from January 1–October 31, 2018, with 4,355 (roughly 24%) of them occurring this reporting period (August 16–October 31, 2018). This reporting period's figures reflect an average of 1,742 EIA per month, which is 6% lower than the average of 1,859 EIA per month from January 1–August 15, 2018.[116]

As seen in Figure 3.34, most of the attacks that occurred in 2018, (10,698, or 58.5%), occurred in eight of Afghanistan's 34 provinces; Badghis, Farah, Faryab, Ghazni, Helmand, Kandahar, Uruzgan, and Herat. Of these provinces, Herat and Badghis experienced the greatest increase in EIA since August 15 (43% and 37%, respectively). The most violent province in terms of EIA shifted this reporting period, with the most EIA reported

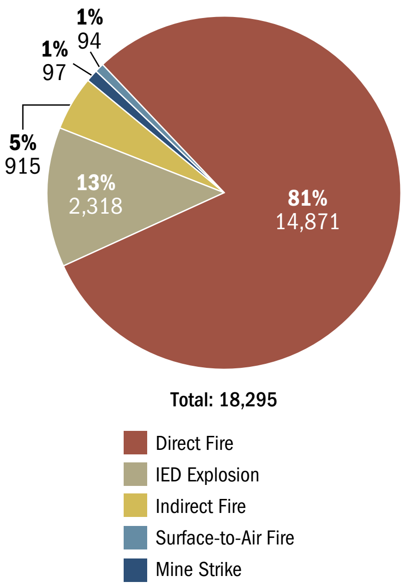
IS-K Attacks Continue to Decrease

The number of IS-K-claimed attacks decreased this quarter. According to ACLED, the group claimed three attacks in Afghanistan this quarter (October 2, 2018, to January 15, 2018) that killed 20 people, compared to 14 claimed attacks last quarter (July 16 to October 1, 2018) that killed 96 people. However, there were 74 attacks this quarter conducted by unidentified armed groups—some of which could have been IS-K—that killed 220 people. These unclaimed attacks included the major attack on a gathering of Sunni clerics in Kabul on November 20 that killed 55 people and wounded 94.

Source: ACLED, South Asia 2016-Present dataset, 10/1/2018-1/15/2019, and South Asia 2016–Present dataset, 8/1/2018–10/31/2018, available online at https://www.acleddata.com/; SIGAR, analysis of ACLED data, 1/2019.

FIGURE 3.35

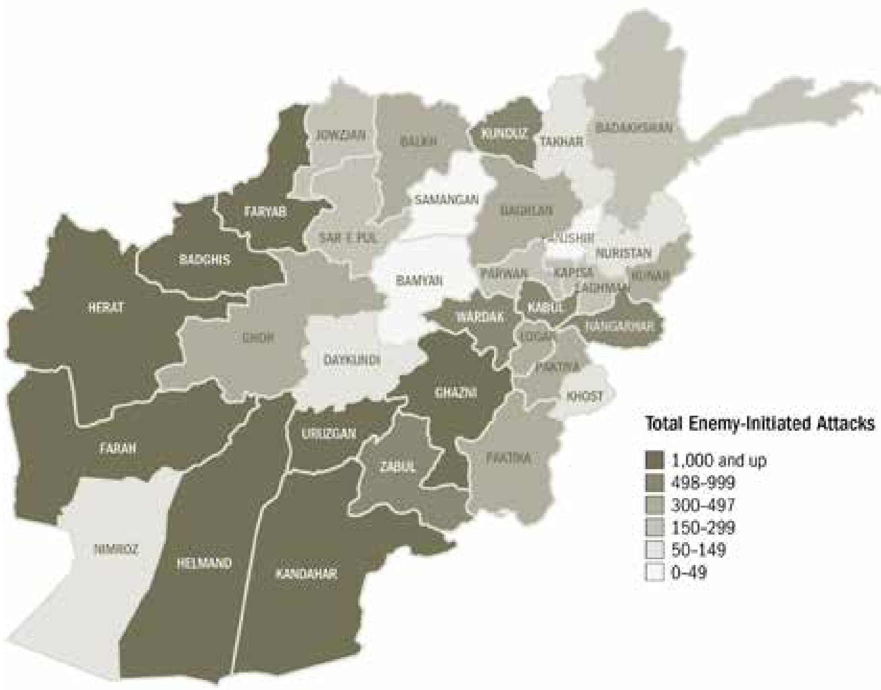
ENEMY-INITIATED ATTACKS BY ATTACK TYPE, JANUARY 1–OCTOBER 2018



Source: RS, response to SIGAR vetting, 1/22/2019 and 1/25/2019.

FIGURE 3.34

ENEMY-INITIATED ATTACKS BY PROVINCE, JANUARY–OCTOBER 2018



Source: RS, response to SIGAR vetting, 1/22/2019 and 1/25/2019.

in Farah (1,546), followed by Helmand (1,460), and Faryab (1,448) Provinces. Last quarter, Faryab had the most EIA, followed by Farah and Uruzgan Provinces.[117]

Figure 3.35 shows that the most common methods of attack for the EIA in 2018 were direct fire (81% of EIA), followed by IED explosions (13%), and indirect fire (5%).[118] For RS's full data of EIA by province, see Appendix F. SIGAR will continue to monitor EIA to track trends over time.

Security incidents: reported security-related incidents by all parties to the conflict that include armed clashes, air strikes, IED attacks, targeted killings, abductions, suicide attacks, criminal acts, and intimidation.

Source: SIGAR, analysis of the Report of the UN Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 12/9/2014.

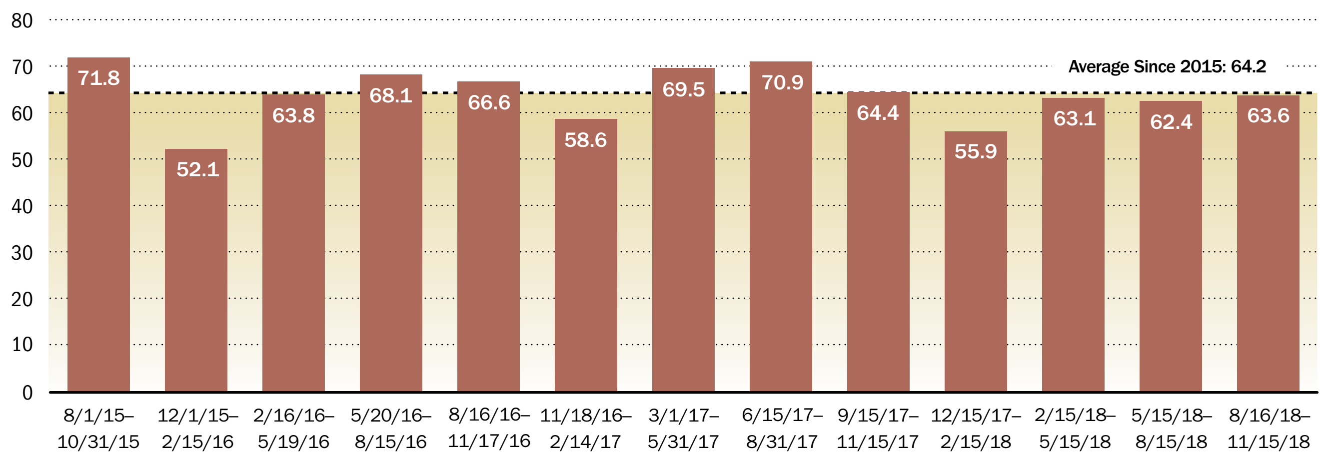
UNITED NATIONS SECURITY REPORTING

Security Incidents Decline Slightly Since 2017

According to the United Nations Secretary-General, overall security incidents reported in Afghanistan from August 16 to November 15, 2018, decreased compared to roughly the same period in 2017. The UN reported 5,854 security incidents between August 16, 2018, and November 15, 2018, a 1% increase from last quarter, but a 2% decrease from the same period in

FIGURE 3.36

AVERAGE DAILY SECURITY INCIDENTS BY UN REPORTING PERIOD, SINCE 2015



Note: UN reporting periods occasionally vary, leading to some gaps in data.

Source: UN, *The situation in Afghanistan and its implications for international peace and security*, reports of the Secretary-General, 12/10/2015, p. 5; 3/7/2016, p. 6; 6/10/2016, p. 4; 9/7/2016, p. 5; 12/13/2016, p. 4; 3/3/2017, p. 4; 6/15/2017, p. 4; 9/15/2017, p. 4; 12/15/2017, p. 5; 2/27/2018, p. 5; 6/6/2018, p. 5; 9/10/2018, p. 5; 12/7/2019, p. 5; SIGAR, analysis of UN-provided data, 12/2018.

2017. The UN also noted that this quarter saw very low levels of violence around the Eid al-Adha holiday period (August 20–24), but very high levels on the first day of parliamentary elections on October 20.[119]

As reflected in Figure 3.36, the reporting period saw an average of 63.6 incidents per day, a slight decrease in average incidents per day compared to roughly the same period in 2017 (64.4). This quarter's average daily incidents is the highest of any quarter in 2018, but it remains slightly lower than the daily average over roughly the last three years (64.2). According to the UN, armed clashes continued to cause the most security incidents (63%). The UN also said that suicide attacks this quarter decreased by 37% compared to the same period 2017, which they said possibly reflects successful interdiction efforts in Kabul and Jalalabad. However, the UN reported that AAF and U.S. air strikes increased by 25% compared with the same period in 2017. U.S. Air Force figures show an even higher increase in air strikes this year compared to previous years.[120]

U.S. Air Strikes

According to U.S. Air Forces Central Command (AFCENT), U.S. air assets in Afghanistan dropped 6,823 munitions in the first 11 months of 2018. This year's figure was already 56% higher than the total number of munitions released in 2017 (4,361), and is more than five times the total released in 2016. AFCENT reported the greatest number of munitions released in November (841), September (831), and October (769) of this year.

Source: AFCENT, "AFCENT Airpower Summary," 11/30/2018, p. 1.

TABLE 3.4

RS-REPORTED CIVILIAN CASUALTIES: JANUARY–NOVEMBER 16, 2018

Province	Population	Total Casualties	Casualties Per Thousand
Badakhshan	1,165,960	46	0.04
Badghis	607,825	81	0.13
Baghlan	1,120,511	253	0.23
Balkh	1,633,048	141	0.09
Bamyan	549,243	0	0.00
Daykundi	561,651	9	0.02
Farah	620,552	187	0.30
Faryab	1,226,475	307	0.25
Ghazni	1,507,262	251	0.17
Ghor	845,018	90	0.11
Helmand	1,112,152	427	0.38
Herat	2,326,261	333	0.14
Jowzjan	656,187	72	0.11
Kabul	5,452,652	1,703	0.31
Kandahar	1,512,293	248	0.16
Kapisa	540,051	134	0.25
Khost	704,149	218	0.31
Kunar	551,469	287	0.52
Kunduz	1,237,001	240	0.19
Laghman	552,694	186	0.34
Logar	481,271	195	0.41
Nangarhar	1,864,582	1,517	0.81
Nimroz	202,488	22	0.11
Nuristan	173,222	28	0.16
Paktika	532,953	105	0.20
Paktiya	677,465	326	0.48
Panjshir	187,856	4	0.02
Parwan	817,955	78	0.10
Samangan	475,655	42	0.09
Sar-e Pul	690,566	56	0.08
Takhar	1,208,745	165	0.14
Uruzgan	429,415	218	0.51
Wardak	729,983	162	0.22
Zabul	374,440	129	0.34
Total	**33,329,050**	**8,260**	**0.25**

Note: Casualties include killed and wounded.

Source: RS, response to SIGAR data call, 12/20/2018; SIGAR, analysis of RS-provided data, 1/2019.

As in previous quarters, the UN said the eastern, southern, and southeastern regions of Afghanistan experienced the most security incidents during the reporting period.[121]

UNAMA: No Update on Civilian Casualties

The United Nations Assistance Mission in Afghanistan (UNAMA) did not issue a civilian casualty update this reporting period. For the latest available UNAMA data and analysis (as of September 30, 2018), see pages 77–79 of SIGAR's October 2018 *Quarterly Report to the United States Congress*.[122]

RS Civilian Casualty Data

From January 1 through November 16, 2018, RS recorded 8,260 civilian casualties in Afghanistan, with the highest number of casualties occurring in October (1,268), September (946), and January (875).[123] As seen in Table 3.4, RS reported that the provinces with the highest number of civilian casualties by far were Kabul (1,703) and Nangarhar (1,517), which together accounted for 39% of total casualties nationwide.[124]

RS Collection Methodology

According to DOD, the RS Civilian Casualty Management Team relies primarily upon operational reporting from RS's Train, Advise, and Assist Commands (TAACs), other Coalition force headquarters, and ANDSF reports from the Afghan Presidential Information Command Centre to collect civilian-casualty data.

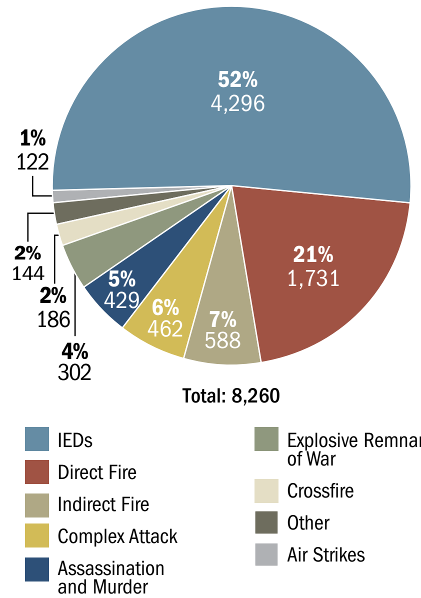
Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 27.

From January 1 through November 16, RS recorded a total of 122 civilian casualties due to U.S. (47 casualties, 27 killed and 20 wounded) and AAF (75 casualties, 10 killed and 65 wounded) air strikes.[125] Last quarter SIGAR reported that RS said there had been no civilian casualties due to U.S. or Afghan air strikes during May or August 2018, when both forces conducted heavy air operations to counter the Taliban's assault on Farah in May and on Ghazni in August. However, this quarter their figures are updated to show two civilian casualties in May (one death, one injury, both by U.S. strikes), five civilian deaths from U.S. strikes in August, and one civilian wounded by an AAF strike in August. When asked about the updated civilian casualties, RS said that USFOR-A operations in Farah or Ghazni during May and August did not cause those casualties, but RS could not confirm anything about the AAF air strike casualty in August.[126]

While RS's overall civilian-casualty data is difficult to compare accurately with UNAMA's due to their different reporting periods and methodologies, one difference is easily discernible. When examining both data sets' casualty figures by incident type, particularly air strikes, it is clear that RS's data reflects far fewer civilian casualties than UNAMA's. As of September 30, UNAMA reported that it verified 210 civilian casualties (69 deaths and 141 injuries) occurring in Ghazni City between August 10–15, the majority of which they attributed to ground fighting between Taliban and pro-government forces, but also from pro-government aerial operations.[127] For the breakdown of RS's civilian-casualty data by incident type, see Figure 3.37.

FIGURE 3.37

RS: CIVILIAN CASUALTIES BY INCIDENT TYPE



Note: The reporting period for this data is January 1–November 16, 2018. Casualties include dead and wounded.

Source: RS, response to SIGAR data call, 12/20/2018.

U.S. AND COALITION FORCES IN AFGHANISTAN

According to DOD, as of December 2018, approximately 14,000 U.S. military personnel were serving as part of the United States' Operation Freedom's Sentinel (OFS) mission in Afghanistan, the same number reported for the last year. An additional 861 DOD civilian personnel and 10,698 U.S. citizens who serve as contractors are also in Afghanistan.[128] Of the 14,000 U.S. military personnel, 8,475 U.S. personnel are assigned to the NATO RS mission to train, advise, and assist Afghan security forces, unchanged since last quarter.[129] The remaining U.S. military personnel serve the OFS mission in support roles or in conducting air operations, training the Afghan special forces, and conducting counterterror operations.[130]

As of December 2018, the RS mission included roughly 8,444 military personnel from NATO allies and non-NATO partner nations, bringing the current total of RS military personnel to 16,919 (a 690-person increase since last quarter). The United States contributes the most troops to the RS mission, followed by Germany (1,300 personnel) and the United Kingdom (1,100).[131]

Medics from 3rd Security Force Assistance Brigade completing pre-hospital life support training at Fort Hood in November. (DOD photo by Photo by Maj. Jefferson Grimes)

U.S. Forces Casualties

According to DOD, seven U.S. military personnel were killed in action (KIA) and 39 were wounded in action (WIA) in Afghanistan from October 16, 2018, through January 15, 2019. As of January 15, 2019, a total of 61 U.S. military personnel have died in Afghanistan (44 KIA and 17 in non-hostile circumstances) and 369 military personnel were WIA since the start of Operation Freedom's Sentinel on January 1, 2015. Since the beginning of U.S. operations in Afghanistan in October 2001, 2,409 U.S. military personnel have died (1,888 KIA and 520 in non-hostile circumstances) and 20,461 were WIA.[132]

Insider Attacks on U.S. Forces

USFOR-A reported that from August 27 to November 3, 2018, ANDSF personnel turned on U.S. personnel in four confirmed "green-on-blue" insider attacks, bringing the 2018 total through November 3 to five insider attacks. Three U.S. soldiers were killed and six were wounded during this quarter's attacks, bringing the 2018 total to four soldiers killed and eight wounded. The same period in 2017 saw six confirmed green-on-blue insider attacks that killed three U.S. military personnel and wounded 11.[133]

For more information about USFOR-A's green-on-blue attack mitigation policies, see SIGAR's January 2018 *Quarterly Report to the United States Congress*.[134]

AFGHAN NATIONAL DEFENSE AND SECURITY FORCES

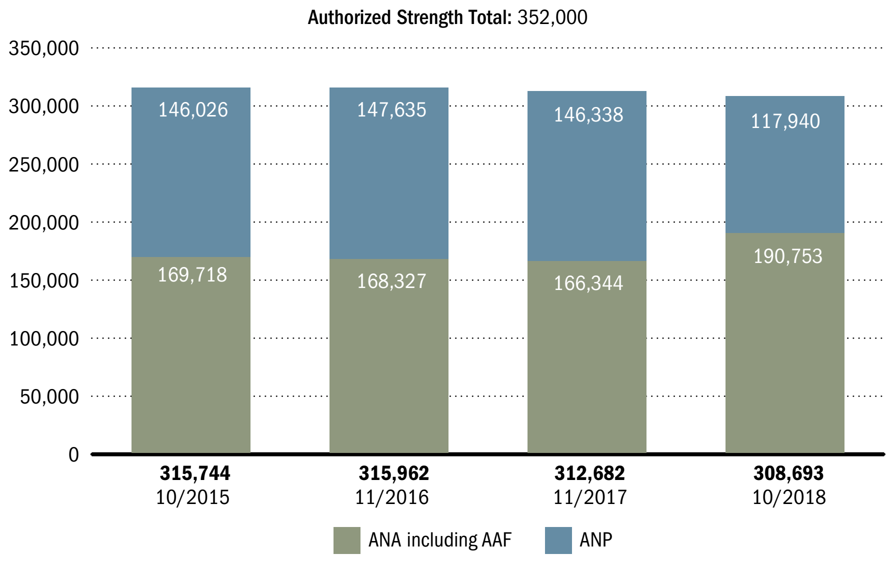
ANDSF Personnel Strength

USFOR-A reported that the assigned (actual) personnel strength of the ANDSF as of October 31, 2018, (not including civilians) was 308,693 personnel, which includes 190,753 personnel in the ANA and AAF and 117,940 in the ANP.[135] ANDSF strength this quarter is the lowest it has been since the RS mission began in January 2015. ANDSF strength decreased by 3,635 since last quarter and by 3,983 since the same period in 2017. CSTC-A always caveats that ANDSF strength numbers are Afghan-owned and that RS cannot validate the data for accuracy.[136] See Figure 3.38 for a historical record of fourth-quarter ANDSF strength since 2015.

According to DOD, the ANDSF's total authorized (goal) end strength in December remained 352,000 personnel, which includes 227,374 ANA and 124,626 ANP personnel, but excludes 30,000 Afghan Local Police, who are under MOI's command.[137] Seen in Table 3.5 on the next page, this quarter's assigned strength puts the ANDSF at 87.7% (43,307 personnel short) of its authorized strength, down from 88.8% during the same period in 2017.[138]

FIGURE 3.38

FOURTH QUARTER ANDSF ASSIGNED STRENGTH SINCE 2015



Note: ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. ANA strength numbers include the AAF and trainees, transfers, holdees, and student personnel. No civilians are included. ANP strength numbers do not include "standby" personnel, generally reservists, personnel not in service while completing training, or civilians. The change in the individual strengths of the ANA and ANP from 2017 to 2018 is due to the transfer of two force elements from the MOI to MOD, but this change did not impact the overall strength of the ANDSF. The strength numbers reported here should not be viewed as exact: CSTC-A and SIGAR have long noted many data consistency issues with ANDSF strength numbers, and CSTC-A always caveats that ANDSF strength numbers are Afghan-owned and that RS cannot validate the data for accuracy.

Source: CSTC-A response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/16/2018 and 1/12/2019; SIGAR, *Quarterly Reports to the United States Congress*, 1/30/2013, 1/30/2014, 1/30/2015, 1/30/2016, 1/30/2017; SIGAR, analysis of CSTC-A-provided data, 1/2019.

TABLE 3.5

ANDSF ASSIGNED AND AUTHORIZED STRENGTH, AS OF OCTOBER 31, 2018

ANDSF Component	Authorized Strength	Assigned Strength	% of Target Authorization	Difference Between Assigned and Authorized	Difference
ANA including AAF	227,374	190,753	83.9%	(36,621)	(16.1%)
ANP	124,626	117,940	94.6%	(6,686)	(5.4%)
ANDSF Total without Civilians	**352,000**	**308,693**	**87.7%**	**(43,307)**	**(12.3%)**

Note: ANDSF = Afghan National Defense and Security Forces; ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police. CSTC-A always caveats that ANDSF strength numbers are Afghan-owned and that RS cannot validate the data for accuracy.

Source: CSTC-A, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/16/2019; DOD, *Enhancing Security and Stability in Afghanistan*, 12/2018, p. 41; SIGAR, analysis of CSTC-A-provided data, 1/2019.

ANDSF Casualties – Data Classified

USFOR-A continued to classify ANDSF casualty data this quarter at the request of the Afghan government.[139] SIGAR's questions about ANDSF casualties can be found in Appendix E of this report. ANDSF casualties are reported in the classified annex for this report.

Nevertheless, Afghan President Ashraf Ghani, speaking at the World Economic Forum on January 24, said that about 45,000 Afghan security personnel have "paid the ultimate sacrifice" since Ghani became president in September 2014. That number indicates that in those roughly 53 months, around 849 Afghan security personnel have been killed per month on average. He previously said on November 12 that from 2015 to November 2018, 28,529 Afghan security personnel had been killed. That figure reflects an average of at least 620 Afghan security personnel killed per month over those 46 months. These figures are higher than some previous years' data reported to SIGAR. RS stopped providing unclassified data on ANDSF casualties in July 2017, and the most recent, unclassified figures they reported were 2,531 ANDSF killed in action in roughly the first five months of 2017. This figure represents a much lower monthly KIA average of 506 personnel than President Ghani indicated. ANDSF reported to SIGAR casualties in 2015 averaged 525 KIA per month but were higher in 2016, at an average of 667 KIA per month.[140]

Insider Attacks on the ANDSF Increase

"Green-on-green" insider attacks in which ANDSF personnel are attacked from within their own ranks, sometimes by an insurgent infiltrator, remain a significant problem for the ANDSF.[141] According to USFOR-A, there were 18 reported green-on-green insider attacks against ANDSF personnel from August 27, 2018, to October 31, 2018, bringing this year's total to 74 insider attacks. This is an increase of 22 insider attacks compared to roughly the same period in 2017.[142]

The ANDSF incurred 60 casualties (34 killed and 26 wounded) as a result of this quarter's insider attacks, and a total of 181 ANDSF casualties (119 killed and 62 wounded) from January 1 to October 31, 2018. This year's increase in attacks also corresponded to an increase in ANDSF casualties compared to the same period in 2017, when 102 ANDSF were killed and 53 were wounded in 52 insider attacks.[143]

ANDSF Force Element Performance – Data Classified

USFOR-A continued to classify ANDSF performance assessments. SIGAR's questions about ANDSF performance can be found in Appendix E of this report. ANDSF performance assessments are reported in the classified annex for this report.

Ministry Performance Assessments – Data Classified

USFOR-A continued to classify MOD and MOI performance assessments. SIGAR's questions about the ministries' performance can be found in Appendix E of this report. SIGAR will report on the MOI and MOD performance assessments in the classified annex for this report.

AHRIMS and APPS

The MOD and MOI, with RS assistance, are implementing and streamlining several systems to accurately manage, pay, and track their personnel—an effort DOD expects will greatly improve protection of U.S. funds. The United States pays the ANA and ALP personnel costs through the unilateral ASFF and the ANP by contributing to the multilateral LOTFA.[144]

The Afghan Personnel Pay System (APPS) is currently being fielded and when fully implemented, will integrate personnel data with compensation and payroll data to process authorizations, record unit-level time and attendance data, and calculate payroll amounts.[145] The APPS data is also used to provide background information on ANDSF personnel to assist with assignment, promotions and other personnel actions.[146]

As USFOR-A has reported previously, three ongoing efforts aim to ensure that accurate personnel data exist in APPS: (1) "slotting" or matching a person to an authorized position; (2) "data cleansing" or correcting and completing key personnel data; and (3) the personnel asset inventory (PAI), biometrically enrolling personnel. All three efforts result in the continuous process of physically counting personnel and correcting the employment status of personnel retired, separated, or killed in action.[147]

This quarter, CSTC-A reported that both the MOD and MOI are now "fully operationally capable" in APPS as of November 30, 2018, meaning that the APPS system has been delivered and both ministries have the ability to fully employ the system and maintain it to meet their operational

APPS Data-Input Requirements for ANDSF Payroll

There are 20 data points that all ANDSF personnel must have in their APPS record in order to be paid. These include:

- ID card number
- Date of birth
- Enrollment date
- Gender
- Biometric verification number
- Actual rank
- Military education
- Blood type
- First/full name
- Tashkil rank
- Bank account number
- Contract expiration date
- Father's name
- Date of rank
- AHRIMS ID
- Paragraph number
- Grandfather's name
- Unit identification code
- Civilian education
- Line number

Note: AHRIMS (the Afghan Human Resource Information System) was the Afghan personnel accountability system prior to APPS. Where possible, records were migrated for personnel enrolled in AHRIMS to APPS.

Source: CSTC-A, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/12/2019.

needs. However, neither the ANA nor the ANP have slotted 100% of their personnel into APPS. As of December 2018, only 83.6% of ANA personnel (including civilians) were slotted into the system and met the minimum data-input requirements to be paid. For the ANP, only 60.9% of the force is slotted into APPS and meet the requirements to be paid. Both forces' enrollment rates increased when compared to last quarter: the ANA slotted nearly 11% more of its personnel, and the ANP about 4% more. CSTC-A said they calculate the percentage of ANDSF personnel slotted into APPS as the number of personnel slotted in APPS divided by the number of personnel the Afghans report to be on hand in each force (their assigned strength figures). CSTC-A also said the full transition to APPS for strength reporting is dependent upon the Afghans' progress; however, CSTC-A's estimate is that it will take six more months for the ANA and another year for the ANP.[148]

On the effort to continue to physically account for and enroll MOD and MOI personnel into APPS (the continuous PAI process), CSTC-A said that the MOD reported 82% completion of the latest PAI, which took place from October 2016 through May 2018 at all corps, brigades, and battalions. MOD is now staffed with permanent biometric teams to conduct PAI throughout the ANA. MOI reported 54% completion of its current PAI (up from 44.9% last quarter).[149]

A senior U.S. military official expressed concern to SIGAR in October 2018 about whether the APPS was succeeding in rooting out all "ghost," or non-existent soldiers, especially from the rolls of the MOI. SIGAR is planning to audit ANP personnel and payroll systems.[150]

Afghanistan Compact – Not Publicly Releasable

This quarter, RS continued to designate unclassified but not publicly releasable much of the detailed security-related data about Afghanistan Compact progress. SIGAR's security-related questions about the Compact can be found in Appendix E of this report.

According to DOD, the security milestones in the Compact are a bilateral U.S.-Afghan effort designed to commit senior MOD and MOI leadership to maintain pressure on their respective ministries to track progress toward and achieve reform goals. The Afghan National Security Council is responsible for monitoring and reporting ministerial progress to President Ghani, and the Afghan President's "personal oversight of the Compact provides his [national security advisor] and ministers with incentive to achieve positive progress."[151]

CTSC-A reported this quarter that the purpose of the tracker that assesses progress on the Compact's security milestones will not change, but that a review is under way of the corresponding RS train, advise, and assist (TAA) work tracker (which monitors Coalition TAA efforts with the security ministries). The Compact's milestone change process will also be reevaluated to eliminate milestones that describe broad, strategic-level policy goals, rather than tangible and measurable outcomes.[152]

Counterthreat-Finance: Disrupting Insurgent Revenue Streams

According to DOD, air operations targeting narcotics operations have denied an estimated $200 million to those involved in the illegal drug trade in Afghanistan, and more than $42 million to the Taliban specifically.[153] DOD uses estimated amounts because, as DOD officials have stated in multiple press briefings, no ground verification takes place to weigh and assess the amounts of the precursors or products actually destroyed by an air strike. According to DOD, the numbers represent a sufficient and consistent measure of performance (not effect, which is measured in intelligence reports).[154] DOD does not consider its counterthreat finance (CTF) campaign part of the counternarcotics mission in the country. Prior quarterly reports have raised concerns about DOD's methodology regarding the campaign's financial impact on drug-trafficking organizations, resources and the potential risk to civilian populations.[155]

AFGHAN NATIONAL ARMY

As of December 31, 2018, the United States had obligated $47.4 billion and disbursed $46.9 billion of ASFF funds to build, train, equip, and sustain the ANA.[156]

ANA Personnel Strength – Some Data Classified

This quarter, USFOR-A continued to classify unit-level ANA authorized-strength figures. Detailed assigned- and authorized-strength information will appear in the classified annex for this report. SIGAR's questions about ANA strength can be found in Appendix E of this report.

According to DOD, the ANA's total authorized (goal) end strength as of December 2018 was 227,374.[157] USFOR-A reported that the assigned (actual) strength of the ANA and AAF as of October 31, 2018, (not including civilians) was 190,753 personnel, a decrease of 3,264 personnel since last quarter. This quarter's ANA strength represents a 24,415-person increase from the same period in 2017, but this figure is skewed due to the transfer of 30,689 personnel from two MOI force elements (ANCOP and ABP) to MOD.[158] When adjusting for that transfer, the ANA lost 6,274 personnel compared to the same period in 2017. CSTC-A always caveats that ANDSF strength numbers are Afghan-owned and that RS cannot validate the data for accuracy.[159]

The ANA's 190,753 personnel consisted of 83,534 soldiers, 72,456 noncommissioned officers, and 34,763 officers. The ANA's soldier ranks experienced the vast majority of attrition since last quarter (1,827 soldiers), followed by noncommissioned officers (908), and officers (529).

An AAF airman mans a base-perimeter guardhouse in December. (U.S. Air Force photo by Staff Sgt. Clayton Cupit)

This quarter's assigned strength puts the ANA at 83.9%, or 36,621 personnel short, of its goal strength. This is a 1.4 percentage-point drop from the 85.3% reported last quarter and in 2017.[160]

ANA Attrition – Some Data Classified

USFOR-A continued to classify detailed ANA attrition information this quarter but declassified limited attrition information. SIGAR's questions about ANA attrition can be found in Appendix E. A full analysis of attrition by ANA force element is provided in the classified annex for this report.

According to CSTC-A, ANA attrition rates averaged approximately 2.5% over the quarter. This percentage accounts for attrition alone, not the total decrease in force strength listed on the previous page as that percentage change includes any gains made from recruitment occurring over the quarter. CSTC-A reported that attrition figures are calculated by taking an average of monthly ANA attrition rates over the last three months. CSTC-A noted this figure was calculated from Afghan-owned and -reported data provided by the MOD.[161]

ANA Sustainment

As of December 31, 2018, the United States had obligated $23.5 billion and disbursed $23 billion of ASFF for ANA sustainment.[162]

CSTC-A reported that the total amount expended for on-budget ANA sustainment requirements thus far for Afghan FY 1397 (December 2017–December 2018) was $685.1 million through November 13, 2018. The vast majority of these funds was spent on ANA salaries and incentive pay ($582.8 million, of which roughly $217.7 million was for incentive pay).[163]

The United States contribution for ANA salary and incentive pay has increased substantially over the last two years: this year's spending reflects a $73.3 million increase compared to the same period in 2017, and a $122.1 million increase compared to 2016.[164] CSTC-A noted that while it does not conduct year-on-year salary and incentive-pay comparisons, the major contributor to this year's increase in ANA salaries and incentives was the growth of the ANA due to the transfer of two MOI force elements (ANCOP and ABP) to MOD.[165]

Roughly $102.4 million was spent on nonpayroll sustainment requirements, the costliest of which were energy-generating equipment ($25.4 million), the construction of building and non-building structures ($17.7 million), and office equipment and computers ($17.6 million). This amount reflects a $41.1 million increase in nonpayroll expenses compared to the same period in 2017.[166] Previously, fuel was a large, on-budget nonpayroll sustainment expense, but CSTC-A reported that fuel for ANDSF vehicles is now part of the off-budget funds that CSTC-A manages for the Afghans.[167]

CSTC-A said this quarter that the estimated funding required for ANA base salaries, bonuses, and incentives for FY 2019 is estimated at $743 million, but noted that the U.S. contribution to ANA personnel sustainment over the next few years is contingent on congressional appropriations.[168]

ANA Equipment and Transportation

As of December 31, 2018, the United States had obligated and disbursed $13.7 billion of ASFF for ANA equipment and transportation.[169]

Seen in Table 3.6 on the next page, CSTC-A reported that the highest-cost items of equipment provided to the ANA this quarter (September 1 through November 20, 2018) included 443 HMMWVs (Humvees) valued at a total of about $97 million, five MD-530 helicopters (valued at a total of $32.6 million), two UH-60 helicopters ($23.3 million), and other equipment (valued at a total of about $14.8 million).[170]

M1151 HMMWVs being issued to the ANDSF in October. (Contractor photo provided by DOD)

ANA Equipment Operational Readiness – Data Classified

This quarter, USFOR-A continued to classify data on ANA equipment readiness. SIGAR's questions about ANA equipment readiness can be found in Appendix E of this report. ANA equipment readiness is reported in the classified annex for this report.

ANA Infrastructure

The United States had obligated and disbursed $5.9 billion of ASFF for ANA infrastructure projects as of December 31, 2018.[171]

This quarter, CSTC-A reported an increase in the estimated U.S.-funded annual facilities-sustainment costs for all ANA facility and electrical

TABLE 3.6

MAJOR EQUIPMENT ITEMS PROVIDED TO ANA, SEPTEMBER 1–NOVEMBER 20, 2018				
Equipment Type	**Equipment Description**	**Units Issued in Quarter**	**Unit Cost***	**Total Cost***
Vehicle	M1152 HMMWV (Humvee)	253	$283,000	$71,599,000
Aircraft	MD-530 Helicopter	5	6,518,000	32,590,000
Vehicle	M1151 HMMWV (Humvee)	190	134,000	25,460,000
Aircraft	UH-60 Helicopter	2	11,670,000	23,340,000
Vehicle	Medium Tactical Vehicle	33	167,000	5,511,000
Weapon	Heavy Machine Gun Pods (HMP 400)	29	143,000	4,147,000
Vehicle	Medium Tactical Vehicle Refueller	8	294,000	2,352,000
Weapon	M224 Mortar	18	91,000	1,638,000
Weapon	M2 .50 Caliber Machine Gun	100	12,000	1,200,000
Total Cost of Equipment				**$167,837,000**

Note: *Figures were rounded by CSTC-A.

Source: CSTC-A, response to SIGAR vetting, 1/12/2019.

generator requirements. CSTC-A said that for FY 2019, these costs will reach $110.8 million, a roughly $43 million increase from the $68 million reported last quarter for FY 2018. According to CSTC-A, of the $110.8 million, $74.7 million will be provided directly to the Afghan government and $36.1 million will be spent by CSTC-A for the Afghan government. CSTC-A said the increase in the annual facility-sustainment costs projected for the ANA in 2019 is due to the number of new construction projects slated for completion in 2019.[172]

As of November 15, 2018, the United States completed 456 ANA infrastructure projects in Afghanistan valued at a total cost of $5.4 billion.[173] CSTC-A reported that two projects were completed this quarter, costing $1.7 million. Another 36 projects (valued at $182.5 million) were ongoing, 11 projects were awarded (valued at $28.5 million), and 30 projects (valued at $406 million) were being planned.[174] See Table 3.7 for a description of the highest-value awarded, ongoing, completed, and planned ANA infrastructure projects.

Included in the projects described above are eight ANA Women's Participation Program (WPP) projects valued at a total of $21.9 million, comprising one completed project ($984,873), four ongoing projects ($16.5 million), and three projects in the planning phase ($4.4 million).[175] See Table 3.8 on page 88 for a description of these projects.

Women's Participation Program: An initiative that seeks to advance and promote women's participation in Afghan security institutions. The program promotes safe and secure facilities, proper equipment, training, and opportunities for women to increase their membership in the ANDSF.

Source: OUSD-P, response to SIGAR vetting, 4/15/2016.

ANA and MOD Training and Operations

As of December 31, 2018, the United States had obligated and disbursed $4.3 billion of ASFF for ANA, AAF, and MOD training and operations.[176]

TABLE 3.7

MAJOR ANA INFRASTRUCTURE PROJECTS

Project Description	Project Location	Agency / Contractor	Estimated Cost	Estimated Completion Date
Awarded Projects				
Mobility School of Excellence, Phase II	Pul-e Charki, Kabul Province	USACE/Assist Consultants Inc.	$4,199,727	2/2/2020
Parwan Prison Waste Water Treatment Plant	Bagram, Parwan Province	USACE/Technologists Inc. Afghanistan	6,054,153	4/3/2020
8th Special Operations Kandak, Forward Operating Base Shank Forward, Operating Center	Pul-e Alam, Logar Province	USACE/Assist Consultants Inc.	6,799,756	2/2/2021
Ongoing Projects				
Northern Electrical Interconnect at Camp Shaheen	Marmal, Balkh Province	USACE/Venco-Imtiaz Construction Company	30,405,888	10/21/2019
Special Operations Brigade North, Camp Pratt Forward Operating Center	Mazar-e Sharif, Balkh Province	USACE/Builtek Construction	25,353,848	9/22/2021
Northern Electrical Interconnect at Kunduz / Asqalan	Kunduz, Kunduz Province	USACE/Builtek Construction	9,497,029	7/15/2019
Completed Projects				
MOD Daycare Expansion	Kabul, Kabul Province	NPSA/Builtek Construction	984,873	11/10/2018
Fixed Aircraft Maintenance Building Modification at Kandahar Airfield	Kandahar, Kandahar Province	USACE/Assist Consultants Inc.	718,171	10/15/2018
Planned Projects				
Afghan Air Force Aviation Enhancement, Mazar-e Sharif Airfield	Mazar-e Sharif, Balkh Province	N/A	47,000,000	N/A
Afghan Air Force Aviation Enhancement, Kandahar Airfield	Kandahar, Kandahar Province	N/A	30,000,000	N/A
Special Mission Wing Ramp Growth at Kandahar Airfield	Kandahar, Kandahar Province	N/A	15,900,000	N/A
Special Mission Wing Ramp Growth at Kabul Airfield	Kabul, Kabul Province	N/A	13,600,000	N/A

Note: All data is as of November 15, 2018.

Source: CSTC-A, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/12/2019.

At the request of DOD, SIGAR will await the completion of the Government Accountability Office's (GAO) forthcoming audit on the cost of ASFF-funded ANDSF training contracts before reporting on the status of those contracts.[177] For more information about this and other GAO audits related to Afghanistan, see Section 4.

ANA Territorial Force

Last year, President Ghani issued an order establishing the ANA Territorial Force (ANA-TF), a locally recruited, nationally trained, and nationally led force that was created to play a key role in holding terrain that ASSF and conventional forces have cleared of enemy combatants. According to DOD, ANA-TF soldiers provide some short-term cost savings because they receive only 75% of the salary conventional ANA soldiers receive and occupy existing bases and facilities.[178]

TABLE 3.8

MAJOR ANA WPP INFRASTRUCTURE PROJECTS

Project Description	Project Location	Estimated Cost	Estimated Completion Date
Awarded Projects			
Women's Training Center in Kabul*	Kabul, Kabul Province	$2,605,200	11/1/2019
Daycare and Kitchen at Camp Zafar	Herat, Herat Province	1,014,000	TBD
Female Tactical Platoon Facility at Camp Scorpion*	Kandahar, Kandahar Province	805,200	TBD
Ongoing Projects			
Women's Facilities at Marshal Fahim National Defense University*	Kabul, Kabul Province	5,278,818	11/30/2018
Women's Facilities at North Hamid Karzai International Airport Afghan Air Force Airbase*	Kabul, Kabul Province	1,537,747	12/8/2018
Women's Barracks at South Hamid Karzai International Airport / Afghan Air University	Kabul, Kabul Province	1,143,739	1/1/2019
Pediatrics and Obstetrics/Gynocology Clinic at Kabul National Military Hospital	Kabul, Kabul Province	8,500,000	3/15/2019
Completed Projects			
MOD WPP Daycare Expansion	Kabul, Kabul Province	984,873	11/10/2018

Note: * Projects are being funded through the multilateral NATO ANA Trust Fund. All data is as of November 15, 2018.

Source: CSTC-A, response to SIGAR data call, 12/20/2018.

One key aim of the ANA-TF model is to refocus the ANA and ASSF on conducting more offensive operations and allow the ANA to eventually transition to a smaller, more affordable force. The ANA-TF has been described as a force similar to the ALP, except that it is recruited, trained, and operated by the MOD and not the MOI. ANA-TF units are not equipped or intended to deploy away from their home district to conduct offensive operations.[179]

The pilot phase of the ANA-TF implementation plan began in summer 2018, and the first three companies completed training in September and began serving in their home districts under ANA leadership. DOD OIG reported that as of September the ANDSF was able to recruit enough soldiers for six of its eight planned companies in five provinces: Paktika, Laghman, Kapisa, Kandahar, and Herat. It also established three "emergency" ANA-TF companies in Nangarhar Province to improve the volatile security situation there.[180]

According to DOD, RS ordered a pause in ANA-TF recruiting in September to evaluate the pilot ANA-TF companies and incorporate lessons learned into the program before moving forward. DOD said, "specific emphasis is being placed on determining the conditions that must be established in a community before an ANA-TF [unit] will be allowed to thrive."[181] As with the conventional forces, one of the greatest challenges the ANDSF is currently facing in standing up the ANA-TF is the chronic inefficiency of the Kabul Military Training Center, (where MOD recruits are centrally trained) which struggles with infrastructure, manning, and organizational problems.[182]

It is unclear what schedule and conditions will permit the future recruiting and deployment of more ANA-TF forces. According to USFOR-A, the Afghan government intends to expand the ANA-TF program after the assessment of the ANA-TF's pilot phase. The expansion would occur over two more phases, with the goal of training 21,000 ANA-TF soldiers by 2020. It was reported in Afghan media in mid-January that the ANDSF deployed 300 new ANA-TF personnel to serve under the ANA's 207th Corps in Herat after they had completed their training. There may be many more ANA-TF personnel already in the pipeline for deployment. DOD said in December that more than 20 companies were in the process of completing their training.[183]

Afghan Air Force

Funding

As of November 23, 2018, the United States had appropriated approximately $6.7 billion to support and develop the AAF (including the SMW) since FY 2010. Roughly $1.7 billion of those funds were appropriated in FY 2018, a $326.5 million increase from the appropriated funds reported last quarter.[184] A large portion of FY 2018 funds ($982.1 million) is earmarked for AAF sustainment costs, which is primarily used to maintain an in-country inventory of seven air platforms: UH-60, MD-530, Mi-17, PC-12, A-29, C-208, and C-130.[185] According to DOD's FY 2018 budget-justification document, the appropriated funds for FY 2018 include $709.8 million for the second year of the ANDSF Aviation Modernization (AAM) plan, a major part of which is the transition from Russian-manufactured Mi-17 helicopters to U.S.-manufactured UH-60 Black Hawk helicopters.[186]

Also as of November 23, nearly $5.1 billion had been obligated for the AAF and SMW in FYs 2010–2018, a roughly $1.3 billion increase since last quarter. About $1.4 billion of those funds were obligated in FY 2018. The majority of the funding obligated since FY 2010 continues to be for AAF sustainment, which accounts for 46.8% of obligated funds, followed by equipment and aircraft at 35.5%.[187]

Aircraft Inventory and Status

As seen in Table 3.9 on page 94, the AAF's current inventory of aircraft, as of December 13, 2018, includes:[188]

- 47 Mi-17 helicopters (21 unavailable, four fewer unavailable than last quarter)
- 35 MD-530 helicopters (all available, one more than last quarter)
- 24 C-208 utility airplanes (one unavailable, same as last quarter)
- 4 C-130 transport airplanes (all available, one more than last quarter)
- 12 A-29 light attack airplanes (one unavailable, one more than last quarter, nine more in the United States for training)
- 26 UH-60 utility helicopters (one unavailable, one more than last quarter)

Train, Advise, Assist Command-Air (TAAC-Air) reported this quarter that the AAF received five more MD-530s and seven UH-60s in Afghanistan, and one more A-29 in the United States (a total of nine A-29s are in the United States and 12 are in Afghanistan) for U.S.-based AAF training that will eventually transfer to Afghanistan. One UH-60 was irreparably damaged this quarter when a HMMWV crashed into it. TAAC-Air said there is currently no plan to replace it. One A-29 was severely damaged during battle but was deemed reparable.[189] Four of the AAF's Mi-17s, one MD-530, and one C-130 were returned to service this quarter.[190]

Several aircraft have been purchased for the AAF but not yet fielded, including four A-29s, 10 AC-208s, 20 MD-530s, and 27 UH-60s.[191] According to DOD, the current near-term schedule for aircraft delivery to Afghanistan is two UH-60s per month, five MD-530s per quarter, and seven AC-208s by spring 2019, with three AC-208s remaining in the United States for AAF training. Further deliveries are currently being planned. The final four A-29s to be delivered to the AAF are scheduled to arrive at Moody Air Force Base for AAF training by March 2019. DOD noted that the delivery schedules could vary depending on factors such as availability of trained air crews and maintainers to conduct operations and changes in requirements for numbers of aircraft needed to support training activities.[192]

AAF Operations and Task Availability

TAAC-Air reported that the AAF flew 13,056 sorties from August 1, 2018, through November 30, 2018. A sortie is defined as one takeoff and one landing. There were an average of 3,264 sorties per month this quarter, with the most sorties (3,665) flown in October 2018. This is a 13% decrease from the 3,733 average sorties per month reported last quarter but a 5% increase in average sorties per month compared to the same period in 2017.[193] As in previous quarters, the Mi-17 flew the greatest number of sorties (5,346) followed by the C-208 (2,854).[194]

According to TAAC-Air, two of six AAF airframes failed to meet their task availability benchmarks this quarter, one more than last quarter. The MD-530's average task availability from August through November was 72.2% against a goal of 75%, and the C-208's was an average of 73.8% against a goal of 80%.[195]

According to TAAC-Air, the AAF flew an average of roughly 2,936 hours this quarter (August 1 through November 30, 2018), a 7% decrease in the average number of hours flown last quarter but a 3% increase compared to the same period in 2017. The Mi-17 continued to fly the most hours of any airframe, an average of 800 hours per month this reporting period, followed by the MD-530 at 695.5 average hours per month. This was a decrease compared to the Mi-17's 965.7 hour-per-month average and the MD-530's 805.7 hour-per-month average flown during the preceding reporting period (May through July 2018).[196] USFOR-A said the AAF's flight-hours data include all

AAF Task Availability: The task availability rate is defined as the number of aircraft serviceable and ready to be tasked, for combat or training, compared to the number of aircraft in the operational fleet (excluding those in depot). For example, if a 12-aircraft fleet has five serviceable aircraft, two aircraft in the maintenance depot, and five in other status, this calculation yields a 50% task availability (i.e., five of the 10 airframes not undergoing maintenance) for that aircraft type. Task availability is a capabilities-based measurement for senior leadership mission planning, rather than a measurement of how contractors are performing in maintaining AAF aircraft.

Source: USFOR-A, response to SIGAR data call, 3/22/2018.

hours flown by all aircraft, whether the hours flown were for operations, maintenance, training, or navigation.[197]

Of the six AAF airframes, only one (the Mi-17) exceeded its recommended flight hours, one fewer than last quarter. The Mi-17's average of 800 hours per month was 123% over its recommended flying time of 650 hours per month, an improvement from 176% over its recommended hours per month recorded over the previous reporting period.[198] However, the Mi-17's overutilization is improving: the airframe flew 27.3% of the total hours flown by the AAF from August through November, an 8.5 percentage-point decrease from the 35.7% of the AAF's total hours the Mi-17 flew six months prior. The Mi-17's average task availability over the reporting period also met its task availability benchmark.[199]

Training and Manning

Critical for the success of the AAM plan is the timely training of pilots, aircrew, and maintainers to ensure those personnel are capable of operating and maintaining the new aircraft procured for the AAF as it arrives in country. According to TAAC-Air this quarter, the AAF's training of UH-60 and MD-530 pilots, aircrew, and maintainers began to lag behind schedule to produce the required number of aircrew for the fielded aircraft and for planned fleet expansions. However, DOD says that steps have already been taken to increase training capacity for these platforms. TAAC-Air reported that the U.S.-based training for the AC-208 and the A-29 platforms is progressing well.[200]

TAAC-Air provided the following updates on the training effort for each AAF platform:

- **UH-60:** The UH-60 training program is designed to accommodate 16 pilots and special mission operators from each course. Since the first class (February 2018), there has been difficulty filling all the seats due to the time required for matriculating students to complete initial rotary-wing training outside of the country. Currently, due to attrition and available qualified pilots, only one of four classes had a maximum capacity of students. A large portion of the early UH-60 graduates were Mi-17 transfers, which allowed for the start of UH-60 operational missions ahead of schedule and eliminated the time constraint of out-of-country training. However, the current mission demands on Mi-17 crews have reduced the crossflow of capable pilots to the UH-60 platform. There are currently no technical-school-trained maintainers for the UH-60 fleet because of the short period the UH-60 has been in the AAF inventory (just over a year); it takes several years to fully train expert maintainers. Technical training is set to begin in 2019. Additionally, since fall 2018 there has been an accelerated demand for Night Vision Goggle (NVG) capable crews. Initially, NVG training was anticipated for late 2019, but UH-60 advisors have since redirected their TAA efforts

SIGAR RELEASES UH-60 AUDIT

This quarter, SIGAR released an audit on the status of the AAF's UH-60 program. Among the key findings of the audit:

- The Army met CSTC-A's request for an initial operational capability date of June 1, 2018, by beginning training early, sending training version helicopters in October 2017, and using contractors to provide refurbishment, logistic support, and training. (The first operational UH-60 mission was flown in May 2018.)
- Pilot production has already begun to fall behind the aircraft delivery schedule and is likely to persist.
- DOD has not established benchmarks for when aircraft deliveries should slow or stop based on pilot production, an advantage cited by DOD when selecting the refurbished UH-60 platform for the Afghans.
- No organic ANDSF maintenance training course for the UH-60 has begun, creating a necessity for contractor-provided maintenance that increases the cost to the United States of supporting the UH-60 program.
- Lack of trained ANDSF maintainers also limits the effective area that UH-60s can operate in due to Coalition security restrictions on where Western maintainers can work.

Source: SIGAR, 19-18-AR, *Afghan Air Force: DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s*, 1/30/2019.

An AAF special mission operator watches for threats during a training mission in December. (U.S. Air Force photo by Staff Sgt. Clayton Cupit)

and flight training to accommodate the increased demand for NVG training for the UH-60 crews. It is now expected that the UH-60 will have a limited NVG capability by the end of 2018 (almost 10 months ahead of earliest anticipated date). The current plan and projection for aircrew development is on track to create 32 UH-60 crews by the end of 2019, with 29 of these crews NVG-qualified and three day-only qualified.[201]

- **AC-208:** The Kabul Air Wing is expected to receive its first seven AC-208s in the second quarter of 2019. The Kabul Air Wing is also expected to have all the crew needed to man its full fleet of 10 aircraft by April 2019, provided all remaining trainees arrive back in Kabul from Fort Worth. The Kandahar Air Wing is not scheduled to receive its first AC-208 until the first quarter of 2020. The current AC-208 training is progressing well, with two AC-208 courses currently underway in the United States. The unit is fully capable of receiving, planning and executing mobility, casualty evacuation, and human-remains missions. They are growing their instructor pilot force—fully qualified Afghan pilots who can go on to train fellow Afghan pilots and trainees—and the unit is projected to have four instructor pilots for a squadron of 17 personnel by February 2019. The unit is beginning to undertake its own mission-qualification training with advisors conducting quality checks at various points of the syllabus. Advisors' focus has now shifted to more advanced capabilities, such as NVG and airdropping, and Afghan instructor pilots have taken more ownership in current and basic qualification sorties. Advisors believe the AC-208 squadron will be able to complete and manage all training requirements with advisor oversight and input as long as it is no longer poached for manpower to source other platforms (A-29 and C-130).[202]

- **A-29:** All the A-29 initial qualification and mission-qualification training is currently completed in the United States at Moody Air Force Base. TAAC-Air projects the first shared Afghanistan-based mission qualification training program to start in November 2019, and a fully operational training program will start in country in January 2021. Local area "spin-up," or familiarization with Afghanistan's environmental hazards that are not duplicable in U.S. training environments (like terrain, air quality, etc.), and qualification training is conducted at Kabul Airfield, and includes basic surface-attack and close-air-attack training. TAAC-Air said 2.5 night-employment qualified crews that have completed their training have recently been employed in night combat missions. The program forecast is to have 11.5 night-employment crews qualified by the end of 2019. Future night training is likely to be conducted at Kandahar and Mazar-e Sharif airfields (once the latter has the lighting capability). Under current plans, Mazar-e Sharif will be the center focus for training and Kandahar and Kabul Airfields will be utilized for combat missions. The projected, full A-29 fleet will require 38 pilots (there are currently 15), and TAAC-Air expects there will be 34 qualified pilots by the end of 2020. The A-29 program is not projected to have the required number of qualified maintainers until the end of 2024.[203]
- **MD-530:** Currently, the MD-530 fleet is facing some training and manning issues. At this time, TAAC-Air reports that the Air Academy and initial entry rotary-wing training course are producing the required number of pilot-training candidates to fill the required number of pilot positions for the MD-530 fleet, but the mission-qualification portion of the MD-530 program has become a choke point stalling the qualification of MD-530 pilots. The plan is to have 103 of 104 required pilots created by the end of 2020 (there are currently 50 pilots). TAAC-Air also reported that there are pilots who have no previous experience coming from undergraduate training that are supposed to be basic commercial instrument-rated pilots, but do not meet that level of experience, knowledge, and training. Therefore, the time required to train these individuals exceeds what is currently programmed. If the number of pilots received from undergraduate training does not increase, TAAC-Air said it will be unable to keep pace with projected MD-530 expansion rates at the current aircraft-delivery schedule. There is also limited maintenance training for this platform in Kandahar, and most of the maintainers and their training are in Kabul. In Kandahar, there are four or five trained maintainers, not enough for 15 aircraft.[204]

- **C-130:** TAAC-Air reported that the number of qualified pilots and aircrew is currently lagging behind the C-130 program's requirements for a fleet of four aircraft. There are currently 11 pilots of a required 16 to support the four aircraft. TAAC-Air is programming to create more pilots and aircrew to meet the requirement. The plan is to have at least 14 pilots fully mission-qualified by the end of 2020. Personnel are still being recruited to fill maintenance positions: a fully qualified maintenance force for the C-130 is projected for 2024.[205]
- **Mi-17:** According to TAAC-Air, the Mi-17 program would need minimal additions to future force numbers, including maintainers, depending on the number of Mi-17s added to the AAF's inventory. However, the main thrust of the AAM plan is to move the AAF away from Mi-17s and replace them with UH-60s.[206]

TAAC-Air provided the following information on how many fully mission-qualified, or certified mission-ready (CMR) aircrew and pilots the AAF has for each of its airframes, which can be seen in Table 3.9. For more information about the specific training involved for crew members attaining CMR status, please see SIGAR's April 2017 *Quarterly Report to the United States Congress*.[207]

TABLE 3.9

AFGHAN AVIATION SUMMARY, AS OF DECEMBER 2018

AIRCRAFT	Total	Usable	Command Pilots	Co-Pilots	Other Aircrew
A-29	12	11	15	0	8
Mi-17	47	26	25	33	7
UH-60	26	25	11	26	35
MD-530	35	35	50	30	0
C-130	4	4	8	3	15
C-208	24	23	27	22	0

Note: Only qualified pilots and aircrew are listed in this table. "Other Aircrew" includes loadmasters, flight engineers, and special mission operators and vary by airframe. These figures do not include the aircraft or personnel for the Special Mission Wing, which are classified.

Source: TAAC-Air, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 10/3/2018; SIGAR, analysis of TAAC-Air-provided data, 12/2018.

TAAC-Air also provided information about the number of qualified maintenance personnel on hand for each AAF platform. For more information about the qualifications training involved for AAF maintainers, see SIGAR's October 2018 *Quarterly Report to the United States Congress*. Table 3.10 shows the current number of authorized and assigned AAF maintenance personnel by airframe and other maintenance function, as well as the projected authorizations for AAF maintenance personnel for 2023.[208]

TABLE 3.10

AAF MAINTENANCE PERSONNEL STRENGTH, AS OF NOVEMBER 26, 2018

	2018 AUTHORIZED STRENGTH					2018 ASSIGNED STRENGTH					2023 PROJECTED AUTHORIZATIONS				
Maintenance Positions	**Kabul**	**Kand**	**MeS**	**Shind**	**Total**	**Kabul**	**Kand**	**MeS**	**Shind**	**Total**	**Kabul**	**Kand**	**MeS**	**Shind**	**Total**
A-29	51	55	0	0	106	51	23	0	0	74	51	57	76	0	**184**
AC-208	52	0	0	0	52	51	0	0	0	51	67	74	60	0	**201**
C-208	43	61	0	39	143	40	45	0	35	120	42	47	30	31	**150**
C-130	66	0	0	0	66	65	0	0	0	65	66	0	0	0	**66**
MD-530	81	82	0	0	163	81	47	0	0	128	68	157	111	0	**336**
Mi-17	185	61	13	26	285	185	50	12	23	270	0	0	0	0	**0**
UH-60	68	69	0	36	173	68	18	0	34	120	97	117	50	36	**300**
UH-60 FFF	0	0	0	0	0	0	0	0	0	0	80	89	76	0	**245**
Maintenance Operations	209	194	39	132	574	206	155	38	122	521	256	259	214	121	**850**
Munitions Squadron	36	34	0	0	70	35	34	0	0	69	49	49	39	0	**137**
Maintenance Staff	10	11	4	12	37	10	11	3	11	35	12	12	12	12	**48**
Total	**801**	**567**	**56**	**245**	**1,669**	**792**	**383**	**53**	**225**	**1,453**	**788**	**861**	**668**	**200**	**2,517**

Note: All personnel listed above are trained and fully mission-capable. The locations on the table refer to AAF airbases. Kand = Kandahar, MeS = Mazar-e Sharif, and Shind = Shindand. Maintenance Operations = non-mechanical functions like quality assurance, analysis, plans, scheduling, documentation, training, and logistics; Munitions Squadron = a squadron that stores, maintains, inspects, assembles, and issues aircraft munitions; Maintenance Staff = staff that handle command, support, and finance; FFF= Fixed Forward Firing.

Source: TAAC-Air, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 10/5/2018, 10/11/2018, and 10/22/2018.

The Special Mission Wing – Some Data Classified

NATO Special Operations Component Command-Afghanistan (NSOCC-A) continued to classify much of the data on the Special Mission Wing (SMW). SIGAR's questions on this data can be found in Appendix E of this report and information about the SMW is reported in the classified annex for this report.

A component of the AAF, the SMW's mission is to support the ASSF in operations, though recently the SMW has been more frequently tasked by the ANA and ANP to support conventional ground forces.[209] This quarter, NSOCC-A provided an unclassified narrative assessment of the challenges the SMW currently faces. They reported that demand for the SMW remains high across the MOD, MOI, and the National Directorate of Security (NDS) despite its primary mission to support the ASSF. This has led to aircrew fatigue, and in the worst case, a total-loss aircraft accident this year on September 29, 2018. NSOCC-A said that there were no AAF casualties during this incident. NSOCC-A previously expressed concern that the SMW needed to get approval for more personnel to help meet its operational requirements. As of January 2019, the SMW amended force-authorization document (the tashkil) was approved for 144 additional positions, for a total of roughly 1,100 personnel. This is expected to aid in the SMW's transition to the UH-60 in the first quarter of 2020.[210]

Afghan Special Security Forces (ASSF) Misuse and Overuse

Both DOD and CSTC-A reported increasing concerns in December about the misuse and overuse of the ASSF, which includes the SMW, whose main mission is to conduct high-risk offensive missions to pressure the Taliban. CSTC-A said that the ASSF continue to be tasked by MOD's chief of general staff to conduct missions meant for conventional ANDSF units, such as replacing conventional infantry units to hold or regain ground.

DOD characterized ASSF misuse as having "increased to unsustainable levels" over the last six months. They said that in many cases, ASSF units, especially ANA Special Operations Corps (ANASOC) commandos, were deployed for extended periods of time after ANA Corps commanders refused to relieve them with conventional forces. This has caused many ASSF units to be overused and unable to rest, train, or reequip, lowering the overall readiness of the force. It has also reduced the number of offensive operations executed by the ASSF over the summer, which is a key part of this year's military strategy. DOD said that continued misuse of ASSF to provide security at static checkpoints or district centers, or as holding forces, will pose a challenge to future ASSF operations against the Taliban.

To address these issues, NSOCC-A, MOD, and MOI, in coordination with RS, authored "concept of employment" documents to outline roles, coordination, and responsibilities for employing ASSF. The concepts have been signed and are currently being implemented, and associated financial penalty letters based on the type and frequency of ASSF misuse have been issued through CSTC-A to MOD and MOI. From August through December 2018, seven penalty letters were executed. The financial penalty for ANASOC misuse is $1 million per week and for SMW misuse is $150,000 per flight hour for the Mi-17 and $60,000 per flight hour for the PC-12. DOD said these fines have been effective in dropping ASSF misuse levels since September, with CSTC-A withholding about $3.6 million from MOD and MOI for ANASOC misuse and $582,306 for SMW misuse.

Source: CSTC-A, response to SIGAR data call, 12/20/2018; DOD, *Enhancing Security and Stability in Afghanistan*, 12/2018, pp. 43–45.

AFGHAN NATIONAL POLICE

As of December 31, 2018, the United States had obligated $21.3 billion and disbursed $21 billion of ASFF funds to build, train, equip, and sustain the ANP.[211]

ANP Personnel Strength – Some Data Classified

This quarter, USFOR-A continued to classify unit-level ANP authorized-strength figures. Detailed assigned and authorized-strength information appears in the classified annex for this report. SIGAR's questions about ANP strength can be found in Appendix E of this report.

According to DOD, the ANP's total authorized (goal) end strength in December 2018 was unchanged at 124,626.[212] The assigned (actual) strength of the ANP, as of October 31, 2018, was 117,940 personnel. This figure represents a decrease of 371 personnel since last quarter, and a 28,398-person decrease since October 2017, most of which was due to the transfer of

30,689 ANCOP and ABP personnel to MOD. When adjusting for that transfer, the ANP actually gained 2,291 personnel since 2017. CSTC-A always caveats that ANDSF strength numbers are Afghan-owned and that RS cannot validate the data for accuracy.[213]

This quarter's strength puts the ANP at 94.6% (or 6,686 personnel below) of its authorized strength up about one percentage point since October 2017.[214]

ANP Attrition – Some Data Classified

USFOR-A continued to classify detailed ANP attrition information this quarter but declassified limited attrition information. SIGAR's questions about ANP attrition can be found in Appendix E. A full analysis of attrition by ANP force element is provided in the classified annex for this report.

According to CSTC-A, ANP attrition rates averaged approximately 2.2% over the quarter. This percentage accounts for attrition alone, not the total decrease in force strength listed on the previous page as that percentage change would include any gains made from recruitment occurring over the quarter. CSTC-A reported that attrition figures are calculated by taking an average of monthly ANP attrition rates over the last three months. CSTC-A noted this figure was calculated from Afghan-owned and -reported data provided by the MOI.[215]

ANP Sustainment

As of December 31, 2018, the United States had obligated $9.4 billion and disbursed $9.2 billion of ASFF for ANP sustainment.[216]

According to CSTC-A, the total estimated annual ANP salary and incentive costs for FY 2019 will be the same as last year at $140.1 million. These funds will primarily be paid to the ANP via LOTFA, a multilateral fund to which the United States has recently contributed relatively little funds (only about $1 million from December 21, 2017, through November 13, 2018). The United States will pay an estimated $42.2 million through ASFF for ALP salaries and incentives in FY 2019.[217]

CSTC-A reported this quarter that the total on-budget ASFF funds expended for ANP sustainment requirements for Afghan FY 1397 (December 2017–December 2018) through November 13, 2018, was $101.1 million. The United States contribution for ANP sustainment has decreased by $61.4 million since the same period in 2017, which comes from a decrease in funding given for ALP salaries and ANP services (about $40 million) and the U.S. contribution to LOTFA for ANP salaries (about $20 million).[218]

The majority of the $101.7 million of ANP sustainment funds spent this year was spent on non-payroll-related services and assets such as electricity, fuel, security services, and repairing and maintaining energy-generating equipment ($47.1 million) as well as ALP salaries and incentives ($44.5 million; $28.9 million of which was for incentives). The rest of the funds went to subsidies and grants ($9.5 million).[219]

TABLE 3.11

MAJOR EQUIPMENT ITEMS PROVIDED TO ANP, SEPTEMBER 1–NOVEMBER 20, 2018				
Equipment Type	**Equipment Description**	**Units Issued in Quarter**	**Unit Cost***	**Total Cost***
Vehicle	M1151 HMMWV (Humvee)	194	$233,000	$45,202,000
Vehicle	M1152 HMMWV (Humvee)	260	196,000	50,960,000
Weapon	PKM Machine Gun	830	4,000	3,320,000
Weapon	M224 Mortar	19	80,000	1,520,000
Weapon	DsHK Machine Gun	90	16,000	1,440,000
Vehicle	Medium Tactical Vehicle Fuel Tanker	6	202,000	1,212,000
Vehicle	Medium Tactical Vehicle Water Tanker	5	240,000	1,200,000
Vehicle	M1152 Ambulance	3	215,000	645,000
Total Cost of Equipment				**$105,499,000**

Note: * Figures were rounded by CSTC-A. CSTC-A said that ambulances issued to the ANP did not include medical equipment or supplies.

Source: CSTC-A, response to SIGAR vetting, 1/12/2019.

ANP Equipment and Transportation

As of December 31, 2018, the United States had obligated and disbursed $4.7 billion of ASFF for ANP equipment and transportation.[220]

Seen in Table 3.11, CSTC-A reported that the highest-cost items of equipment provided to the ANP this quarter included 454 HMMWVs (Humvees) valued at a total of $96.2 million, 830 PKM machine guns valued at $3.3 million, and other equipment valued at about $5.5 million.[221]

Equipment Operational Readiness – Data Classified

This quarter USFOR-A continued to classify the data concerning the ANP's equipment readiness. The questions SIGAR asked about ANP equipment readiness can be found in Appendix E of this report. ANP equipment readiness is reported in the classified annex for this report.

ANP Infrastructure

The United States had obligated $3.2 billion and disbursed $3.1 billion of ASFF for ANP infrastructure projects as of December 31, 2018.[222]

This quarter, CSTC-A reported a slight increase in the estimated U.S.-funded annual facilities-sustainment costs for all ANP facility and electrical generator requirements. CSTC-A said that for FY 2019, these costs will be $78.8 million, a roughly $7 million increase from the $71.7 million reported last quarter for FY 2018. According to CSTC-A, of the $78.8 million, $45.4 million will be provided directly to the Afghan government and $33.4 million will be spent by CSTC-A for the Afghan government.[223]

As of November 15, 2018, the United States completed 768 ANA infrastructure projects in Afghanistan valued at $3 billion.[224] CSTC-A reported

TABLE 3.12

MAJOR ANP INFRASTRUCTURE PROJECTS

Project Description	Project Location	Agency/Contractor	Estimated Cost	Estimated Completion Date
Awarded Projects				
Joint Regional ANP Center Water Purification Unit	Kandahar, Kandahar Province	RCC-A	$40,751	TBD
General Command of Police Special Units (GCPSU) Fence at Gambieri	Laghman Province	USACE/Herat Ayber Construction	153,243	1/12/2019
Special Police Advanced Training Wing Ammunition Holding Area	Mazar-e Sharif, Balkh Province	RCC-A	67,053	TBD
Ongoing Projects				
WPP Police Town, Phase II	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	32,831,000	3/31/2021
WPP Police Town, Phase I	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	23,646,225	11/23/2018
WPP Women's Facilities at Kabul Police Academy	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	7,072,803	6/23/2019
Completed Projects				
Joint Regional ANP Center Low-Water Crossing	Kandahar, Kandahar Province	USACE/Assist Consultants Inc.	896,720	10/7/2018
GCPSU Special Police Advanced Training Wing	Nangarhar, Jalalabad Province	USACE/Assist Consultants Inc.	798,922	9/30/2018
Planned Projects				
WPP Police Town, Phase III	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	30,000,000	6/30/2021
WPP Police Town, Phase IV	Kabul, Kabul Province	USACE/Macro Vantage Levant DMCC	40,000,000	8/30/2021

Note: All data are as of November 15, 2018. All WPP Police Town projects listed above are being funded through the multilateral NATO ANA Trust Fund. The estimated cost of the two WPP Police Town projects in the planning phase are rough estimates based upon recent contract awards.

Source: CSTC-A, response to SIGAR data call, 12/20/2018 and response to SIGAR vetting, 1/12/2019.

that two projects were completed this quarter, costing $1.7 million. Another 21 projects (valued at $78.2 million) were ongoing, eight projects were awarded (valued at $821,388), and six projects (valued at $113 million) were being planned.[225] See Table 3.12 for a description of the highest-value awarded, ongoing, completed, and planned ANP infrastructure projects.

Included in the projects described above are 14 ANP Women's Participation Program (WPP) projects valued at a total of $144.4 million, comprising 12 ongoing projects ($74.4 million), and two projects in the planning phase ($70 million). The vast majority of these ANP WPP projects are being funded by the NATO ANA Trust Fund.[226]

ANP Training and Operations

As of December 31, 2018, the United States had obligated $4 billion and disbursed $3.9 billion of ASFF for ANP and MOI training and operations.[227]

At the request of DOD, SIGAR will await the completion of GAO's forthcoming audit on the cost of ASFF-funded ANDSF training contracts before reporting on the status of those contracts.[228] For more information about this and other GAO audits related to Afghanistan, see Section 4.

Afghan Local Police

ALP members, known as "guardians," are usually local citizens selected by village elders or local leaders to protect their communities against insurgent attack, guard facilities, and conduct local counterinsurgency missions. While the ANP's personnel costs are paid via the LOTFA, only DOD funds the ALP, including its personnel and other costs. Funding for the ALP's personnel costs is provided directly to the Afghan government.[229] Although the ALP is overseen by the MOI, it is not counted toward the ANDSF's authorized end strength.[230]

NSOCC-A reported the estimated amount of ASFF needed to fund the ALP for FY 2019 (assuming an ALP force authorization of 30,000 personnel) is about $60 million. This is a substantial decrease from the $90 million allocated for FY 2018. NSOCC-A said the reason for the decrease was that the ALP left more than $60 million unspent last year, leading CSTC-A to amend the force's budget.[231] NSOCC-A reported that according to the ALP Staff Directorate, the ALP had roughly 28,000 guardians on hand as of November 11, 2018, roughly 23,000 of whom were fully trained. The ALP's strength declined by roughly 400 personnel since last quarter, and by about 800 since the same period in 2017. The number of trained personnel also dropped this quarter by about 700 personnel, causing the percentage of the force that is untrained or in training to increase to 19%, up two percentage points since last quarter.[232] NSOCC-A said last quarter that even if training centers are full for the year, the number of ALP personnel losses and new (untrained) recruits is so high that there probably will not be an appreciable increase in the number or percentage of ALP personnel trained.[233]

This quarter, NSOCC-A reported on the ALP's continuing efforts to enroll personnel in APPS, to transition ALP salary payments to an electronic funds-transfer (EFT) process, and to inventory materiel. According to NSOCC-A, as of November 11, 2018, roughly 85.7% have been slotted into APPS, an increase from the 70% reported last quarter.[234]

NSOCC-A said that ALP reform efforts are progressing slowly but consistently. After multiple delays driven by external forces, ALP enrollment in APPS is once again progressing and the ALP Staff Directorate has put every asset at its disposal to accelerate the enrollment process. Additionally, the staff directorate's analysis and assessments branch continues to travel the country as much as their limited personnel allows to investigate powerbroker influence over ALP guardians and UNAMA reports and accusations of criminal behavior by ALP personnel, prosecuting and removing them as required. According to NSOCC-A, the new ALP staff director has been "extremely effective" since he assumed the role in September. He is initiating an effort to optimize ALP locations and the tashkil to take better advantage of areas in which the ALP are performing well and to remove ALP billets from areas with chronic recruitment, defection, and ghost-soldier issues.[235]

This quarter, NSOCC-A provided SIGAR with ALP powerbroker-influence reports that list ALP personnel determined to be under the influence of local powerbrokers, such as village elders, parliamentarians, and other individuals outside the proper chain of command. The latest report as of September 10, 2018, lists 70 ALP personnel under the influence of powerbrokers across nine provinces. This a significant decrease in the number of ALP personnel under the influence of powerbrokers (down from 219 personnel in July 2018 across 12 provinces). Most provinces have only a couple of ALP under powerbroker influence, but three provinces—Nangarhar (15 personnel), Takhar (15) and Kunar (14) have 63% of those personnel.[236]

WOMEN IN THE ANDSF

RS declassified the exact strength data for female personnel in the ANDSF this quarter. As of November 2018, the ANDSF had 4,735 female personnel or less than 2% of current assigned strength. The number of women in the ANDSF increased by about 200 since last quarter and 101 personnel since the same period in 2017. As in the past, the ANP has the vast majority of ANDSF female personnel (3,218), with 1,517 in the ANA. Included in the ANA and ANP numbers are 138 women serving in the Afghan Special Security Forces and 85 in the AAF. Noncommissioned officers account for the greatest number of females in the ANDSF (1,739), followed by soldiers and police (1,455), and commissioned officers (1,406).[237] For a full breakdown of ANDSF female strength, see Table 3.13.

The RS Gender Advisory Office provided an update on the status of women in the ANDSF this quarter. They reported that the women serving in the ANDSF continue to be challenged by cultural resistance. RS said that

TABLE 3.13

ANDSF FEMALE PERSONNEL ASSIGNED STRENGTH, AS OF OCTOBER 2018

	Officers	Noncommissioned Officers	Soldiers/ Patrolmen	Cadets	Total
ANP	742	1,198	1,278	0	**3,218**
ANA	664	541	177	135	**1,517**
Total					**4,735**
Afghan Air Force (AAF)					
AAF	45	26	9	5	**85**
Afghan Special Security Forces (ASSF)					
ANP	18	81	9	0	**108**
ANA	12	12	6	0	**30**

Note: The AAF strength is included in the ANA's total strength number. The ASSF numbers are included in the ANP and ANA numbers, respectively.

Source: RS Gender Integration Advisory Office, response to SIGAR data call, 12/20/2018.

A female ANP lieutenant colonel delivers remarks at a ceremony in October marking the rededication of a facility for special forces policewomen in Logar Province. (NSOCC-A Photo by Martha Schaeffer)

there is no change this quarter to the generally on-hold status of MOD and MOI recruitment of female personnel as each ministry works to realign or create positions that allow for female personnel to have career progression. RS continued to stress that recruitment is not the only factor defining success of ANDSF women, and that recruitment as a metric to reflect increased female integration into the ANDSF is meaningless without a formalized strategy to recruit and employ women into meaningful roles and safe working environments. As such, current RS advisory efforts focus on training and recruiting women to be effectively utilized in positions with a clear career progression and ensuring they have the necessary skills for those positions, and are afforded opportunities for career development and promotion. RS pointed out that recruiting women ad hoc could lead to possible marginalization and even harassment.[238]

Recent successes for women in the ANDSF include the appointment of the first female deputy minister within the MOI, Deputy Minister for Strategy and Policy Hussna Jahil. Another woman who is the director of the Family Response Units (FRU) was recently appointed to command and control over 205 FRU offices in all 34 of Afghanistan provinces. MOI also nominated and sent the first two ANP women to the leadership development capstone course, and 23 ANP women were accepted into the four-year bachelor's program at the ANP Academy. The first female ANA officer was sent to train at Royal Military Academy Sandhurst, where all officers in the British Army are trained.[239]

ANDSF MEDICAL AND HEALTH CARE

As of December 12, 2018, the total cost of CSTC-A-procured medical items for the ANDSF since the beginning of the FY 1397 (December 2017) was $29.5 million, the same amount reported last quarter.[240]

There were 881 physicians and 2,469 other medical staff (the same as last quarter) in the ANDSF health care system, as of November 20, 2018. Of the non-physician staff, 714 were nurses and 379 were medics. The remaining medical staff include dental, medical administration, bioenvironmental and preventive medicine, laboratory, and radiology staff. A number of medical positions in the ANDSF remained unfilled, including 92 physician positions (9.5% of those required) and 699 other medical positions (22.1%), no change since last quarter.[241]

CSTC-A provided a short update on the status of training ANDSF personnel to prevent combat deaths and injuries. CSTC-A reported that there has been increased effort to ensure combat medics receive the necessary training, but this has varied by location and with unit operational tempo. The most remote and isolated areas receive the least training and the ANP is impacted more than ANA. Medical personal assigned within medical facilities received training on disease and non-battle injuries. There were also multiple campaigns over the reporting period to promote the wearing of personal protection equipment and the use of individual first-aid kits in conjunction with continued self-aid and buddy-care training for conventional ANDSF forces. There was also an increase in coordinated mass-casualty training prior to the elections.[242]

REMOVING UNEXPLODED ORDNANCE

According to the United Nations (UN), Afghanistan is one of the countries most affected by landmines and explosive remnants of war (ERW) such as live shells and bombs.[243] The UN said the country is averaging 180 casualties per month from ERW and improvised landmines by anti-government forces. The National Disability Survey of Afghanistan estimates at least 2.7% of the population are severely disabled, including 60,000 landmine and ERW survivors.[244]

The Department of State's (State) 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 provided $380 million in weapons-destruction and humanitarian mine-action assistance to Afghanistan. (An additional $11.6 million was provided between 1997 and 2001 before the current U.S. reconstruction effort.) PM/WRA has two-year funding and has so far obligated $20 million in FY 2017 funds. Additional funding will be captured in subsequent SIGAR reports.[245]

TABLE 3.14

DEMINING PROGRAM PERFORMANCE METRICS, FISCAL YEARS 2010–2018

Fiscal Year	Minefields Cleared (m²)	AT/AP Destroyed	UXO Destroyed	SAA Destroyed	Fragments Cleared	Estimated Contaminated Area Remaining (m²)*
2010	39,337,557	13,879	663,162	1,602,267	4,339,235	650,662,000
2011	31,644,360	10,504	345,029	2,393,725	21,966,347	602,000,000
2012	46,783,527	11,830	344,363	1,058,760	22,912,702	550,000,000
2013	25,059,918	6,431	203,024	275,697	10,148,683	521,000,000
2014	22,071,212	12,397	287,331	346,484	9,415,712	511,600,000
2015	12,101,386	2,134	33,078	88,798	4,062,478	570,800,000
2016	27,856,346	6,493	6,289	91,563	9,616,485	607,600,000
2017	31,897,313	6,646	37,632	88,261	1,158,886	547,000,000
2018**	25,233,844	5,299	30,924	158,850	(No Data)	558,700,000
Total	**261,985,463**	**75,613**	**1,950,832**	**6,104,405**	**83,620,528**	**558,700,000**

Note: AT/AP = antitank/antipersonnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition.
Fragments are reported because clearing them requires the same care as other objects until their nature is determined. There are about 4,047 square meters (m^2) to an acre.
* Total area of contaminated land fluctuates as clearance activities reduce hazardous areas while ongoing survey identifies and adds new contaminated land in the Information Management System for Mine Action (IMSMA) database.
** Data as of 9/30/2018.

Source: PM/WRA, response to SIGAR data call, 12/19/2018.

State directly funds seven Afghan nongovernmental organizations (NGOs), six international NGOs, and one U.S.-based higher-education institution that help with clearing areas in Afghanistan contaminated by ERW and conventional weapons used by insurgents to construct roadside bombs and other improvised explosive devices (IEDs). From 1997 through September 30, 2018, State-funded implementing partners have cleared more than 262 million square meters of land (101 square miles, or 1.7 times the land area of Washington, DC) 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 3.14 shows conventional weapons destruction figures, FY 2010–2018.[246]

The estimated total area of contaminated land continues to fluctuate: clearance activities reduce the extent of hazardous areas, but ongoing survey activities find new contaminated land. At the beginning of July 2018, there were 538 square kilometers (207 square miles) of contaminated minefields and battlefields. As of September 30, the total known contaminated area was 558.7 square kilometers (215.7 square miles) in 3,729 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines, whereas a contaminated area can include both landmines and other ERW.[247]

In August, more than 1,000 insurgents mounted a siege on Ghazni City in Ghazni Province, killing 100 to 150 Afghan police officers and army forces, as well as up to 150 civilians, according to various media reports.[248] The UN deployed teams after the Ghazni assault to remove 106 explosive remnants of war that threatened community safety and security, and helped educate more than 8,000 people on the risks. From January to September 2018, the teams visited 188 communities, removing 1,611 ERW, surveying hazardous areas, and providing risk education.[249]

USAID's Conflict Mitigation Assistance for Civilians (COMAC) is a $40 million, five-year, nationwide program that began in March 2018 and supports Afghan victims 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:[250]

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

Victim-assistance activities began in mid-April 2018. By the end of September, over 1,250 families had received assistance such as psychosocial counseling, medical assistance, and income-generation packages.[251] As of January 12, 2019, USAID has disbursed $5.45 million for this program.[252]

GOVERNANCE CONTENTS

GOVERNANCE

KEY ISSUES AND EVENTS

On December 30, 2018, the Independent Election Commission (IEC) announced a three-month delay of Afghanistan's presidential elections from the originally announced date of April 20, 2019, to July 2019. The IEC said that weather, transportation, security, and budget issues were causing the delay. According to the IEC's new election timeline, the elections for the president, provincial councils, district councils, and the lower house of parliament for Ghazni Province will all be held on July 20, 2019.[253] As of January 20, 2019, 18 candidates registered to run for president including President Ashraf Ghani and Chief Executive Abdullah Abdullah.[254]

In December, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad confirmed to Afghan media that government delegations from the U.S., Pakistan, the United Arab Emirates, and Saudi Arabia had met with a Taliban delegation in Abu Dhabi this quarter. The Taliban, however, refused to meet with an Afghan government delegation.[255]

On November 27 and 28, 2018, delegations from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan.[256] Participants at the conference noted that progress that has been made on Afghanistan's path to self-reliance, but recognized serious, persistent challenges including insecurity, poverty, and corruption.[257]

Delegates from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan in November 2018. (Afghan government photo)

In an interview with the *New York Times* published on January 28, 2019, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad summarized six days of talks in Doha, Qatar, with the Taliban on peace in Afghanistan, saying the United State and Taliban "have a draft of the framework that has to be fleshed out before it becomes an agreement." Further, "the Taliban have committed, to our satisfaction, to do what is necessary that would prevent Afghanistan from ever becoming a platform for international terrorist groups or individuals." However, he said the "details need to be worked out." He clarified what the framework does not include, saying "there are a lot of reports that we have discussed an interim government: No, I have not gotten into any of that discussion." He also clarified that "I have not entered into what [a final settlement] could look like with the Taliban—they would like to talk to me about it, but I have not."

Source: Khalilzad, Zalmay. (@US4AfghanPeace), "1/3 After six days in Doha, I'm headed to #Afghanistan for consultations. Meetings here were more productive than they have been in the past. We made significant progress on vital issues," 1/26/2019, https://twitter.com/US4AfghanPeace/status/1089194660218785792; *New York Times*, "U.S. and Taliban Agree in Principle to Peace Framework, Envoy Says," 1/28/2019.

In December, two nation-wide surveys were released: The Asia Foundation's (TAF) annual *Survey of the Afghan People* and Integrity Watch Afghanistan's (IWA) biennial *National Corruption Survey*.

The TAF survey polled 15,012 Afghan respondents across the country aged 18 years and older between July 6 and 27, 2018.[258] The survey was conducted one month after the three-day, Eid-ul-Fitr ceasefire agreement between the government and the Taliban (but before the Taliban publicly rejected President Ghani's offer of a second ceasefire).[259] Optimism remains below the high point of 2013 (when 58.2% of respondents said Afghanistan was moving in the right direction), but remained flat at 32.8% compared to 2017. For those who expressed optimism, the rebuilding of the country and improved security were cited as the most frequent reasons. Conversely, insecurity, economic concerns, and governance issues were the most frequently cited reasons for pessimism.[260]

The IWA survey polled 8,130 Afghan respondents across the country aged 18 and older. The survey was held between July 7 and August 10, 2018.[261] According to IWA, 61% of their respondents said they were either very satisfied or satisfied with the overall situation in their home province. This is an increase from the 54% who responded similarly in 2016.[262]

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of December 31, 2018, the United States had provided nearly $33.9 billion to support governance and economic development in Afghanistan. Most of this funding, more than $20.5 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).[263]

ELECTIONS OCCUR WITH SOME DIFFICULTIES

Elections for Lower House of Parliament Held in October

On October 20, 2018, the elections for the lower house of parliament began in 32 provinces (except Ghazni and Kandahar). Later that day, the Independent Election Commission (IEC) announced that voting would extend to the next day in response to a number of closed polling centers and reports of missing electoral materials. The elections for Kandahar Province, which were delayed in response to the October 18 assassination of the Kandahar police chief, were held on October 27.[264] Elections were not held in Ghazni Province due to insecurity.[265]

The UN said more civilian casualties were recorded on October 20, 2018, than on any election day since 2009.[266] However, the Department of Defense (DOD) reported that election violence was lower than anticipated.[267]

According to the UN Secretary-General, the elections were characterized by high voter enthusiasm. However, late polling center openings, confusion over the use of biometric voter verification (BVV) devices, and errors in the newly introduced polling center-based voter lists caused lengthy delays in many areas, leading some voters to leave polling centers without casting their ballots.[268]

According to the IEC, 4,040,549 people voted, representing 45% of the 8.8 million who registered. Of the 5,074 polling centers that were planned to be open, 95% were open on one of the three election days, while 261 were closed.[269]

Prior to the election, the IEC accredited at least 475,147 individuals (41,085 domestic observers, 11,011 political party monitors, 1,087 individuals from domestic media, 395 individuals from international organizations, and 421,569 candidate's agents) to observe, monitor and report on the elections.[270] The UN reported that approximately 120,000 teachers augmented IEC staff in running the polling centers.[271]

According to the UN, a number of Afghan civil-society organizations described their observations from the election, including:[272]

- the absence of biometric voter verification (BVV) devices at polling stations
- low IEC polling staff capacity to operate BVV devices
- absence of voter lists, inaccurate lists (including missing or incorrect names or information), and the inability of polling staff to identify voters on the lists
- late opening of polling centers, absence of polling staff, and absence of election materials
- lack of impartiality and undue interference by polling staff
- denial of observers access to polling centers, especially during the vote count
- overcrowding of polling centers by candidates' agents, instances of voter intimidation, and vote buying

Despite the challenges, the UN reported that a number of observer organizations perceived the introduction of polling center-based voter lists (which requires voters to cast their ballots at the polling center at which they register) and BVV devices as positive developments.[273]

State previously told SIGAR that polling-center-based registration would allow the IEC to predetermine the number of ballots required at each polling center during elections, greatly reducing the number of potentially excess ballots available at each polling center. State also said elections experts assessed that polling-center-based registration was the critical reform necessary to reduce ballot-box stuffing, the principal method of fraud in the 2014 election.[274]

Of the 22,000 BVV devices ordered by the Afghan government, the UN reported that 17,576 BVV devices were retrieved after polling centers closed. According to the UN, the total number of vote records registered by the retrieved BVV devices was 3.2 million (though this amount could contain duplicates).[275]

After the election, the two Afghan election-management bodies engaged in public disputes over the elections.

On October 27, the Electoral Complaints Commission (ECC) issued a statement declaring that all votes cast without the use of biometric voter verification should be nullified. However, the UN Secretary-General said the ECC does not have the authority to make such a decision. Regardless, political parties and many candidates echoed the ECC's statement, claiming that discarding ballots without biometric verification was the only way to ensure that fraudulent votes were not counted towards the election results. The ECC and the IEC later issued a joint statement that nonbiometric-verified ballots would be counted, provided that printed voter lists had been used and verified in the polling centers.[276] Then, during an election forum on November 2, the IEC chair criticized the BVVs, saying that the BVV devices were "useless" though they had "some psychological effect."[277]

On December 6, the ECC ruled that all of the more than one million votes in Kabul Province were invalid due to irregularities including pressure from political parties and a high percentage of errors on result forms. The IEC immediately dismissed this decision, labeling it "a political, sentimental, unrealistic decision and [one] not based on credible evidence."[278] Prior to the public dispute over the results in Kabul Province, a recount for the entire province was already under way (as of November 14).[279] On January 14, 2019, the IEC announced the preliminary results for Kabul Province, more than two months after the originally scheduled date of November 10. According to the IEC, the announcement was delayed due to "widespread irregularities," including problems with incomplete voter lists.[280]

The State Department has said that credible parliamentary elections in 2018 and presidential elections in 2019 are critical for demonstrating that the Afghan government is "inclusive" and has the necessary political coherence to achieve and implement a peace settlement by potentially sapping support for the insurgency.[281] As State described the situation in September, the 2018 parliamentary and 2019 presidential elections are "both a threat and an opportunity given [Afghanistan's present] political fragility."[282]

State declined to offer its assessment of where the October 2018 parliamentary elections stood in relation to the opportunities and threats described above. Instead, State said that while the elections reflected some of the proposed 2014 reforms, technical problems did plague them.[283] Former U.S. Ambassador to Afghanistan Ronald Neumann, however, described the mechanics of the elections as "a disaster."[284]

A more comprehensive discussion of State's perspectives on the October 2018 elections is presented in the classified annex of this report.

Presidential Elections Delayed to July 2019

On December 30, 2018, the Independent Election Commission (IEC) announced a three-month delay of Afghanistan's presidential elections from the originally announced date of April 20, 2019, to July 2019. The IEC said that weather, transportation, security, and budget issues were causing the delay.[285] According to the United Nations Secretary-General, a palace spokesman confirmed that President Ashraf Ghani will run for reelection.[286]

The UN, saying that there were major and avoidable irregularities in the preparations and implementation of the parliamentary elections, urged the IEC and the ECC to undertake a number of reforms, including cleaning the voters' registry, establishing a clear division of responsibilities between the IEC Commission and the IEC Secretariat, ensuring a fully staffed and trained professional IEC secretariat, and making any needed changes to their own structures, well ahead of the July 2019 election.[287] U.S. Ambassador to Afghanistan John Bass said the United States fully supported the UN's call for critical reforms of Afghanistan's election bodies.[288]

U.S. Funding Support to Elections

The U.S. government supports Afghan elections in 2018 and planned elections in 2019 through a grant of up to nearly $79 million to the United Nations Development Programme (UNDP). Through this grant, UNDP provides support to Afghanistan's electoral management bodies—the IEC and the ECC.[289]

As shown in Table 3.15, USAID has had three active elections-related programs this quarter, the largest of which is their support to the UNDP.[290]

On August 8, 2018, USAID signed a three-year, $14 million cooperative agreement with the Consortium for Elections and Political Process Strengthening (CEPPS) to support domestic Afghan observation of the 2018 parliamentary elections, the 2019 presidential elections, and to promote longer term electoral reforms. CEPPS awarded more than $600,000 to five

TABLE 3.15

USAID ELECTION-RELATED PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	$78,995,000	$15,268,528
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	14,000,000	2,355,974
Global Elections and Political Transitions Program	1/1/2018	12/30/2018	222,445	222,445

Source: USAID, response to SIGAR data call, 1/12/2019.

domestic observation groups.[291] According to USAID, 6,510 of the promised 6,817 domestic monitors actually deployed.[292]

Two of the organizations that contributed domestic monitors for the election—Transparent Election Foundation of Afghanistan (TEFA) with 2,500 domestic monitors and the Fair Election Forum of Afghanistan (FEFA) with 986 domestic monitors—criticized the performance of the IEC.[293]

TEFA said it is "highly concerned about the future of democracy and democratic structures" in Afghanistan. TEFA said it observed widespread electoral fraud and misconduct. TEFA recommended that all members of the IEC should be terminated and the international community "break their silence" regarding the election's problems.[294] FEFA was quoted in Afghan media expressing concern that the IEC's actions could be "very harmful."[295]

RECONCILIATION AND REINTEGRATION

Peace Efforts with the Taliban

In an interview with the *New York Times* published on January 28, 2019, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad summarized six days of talks in Doha, Qatar, with the Taliban on peace in Afghanistan, saying the United State and Taliban "have a draft of the framework that has to be fleshed out before it becomes an agreement." Further, "the Taliban have committed, to our satisfaction, to do what is necessary that would prevent Afghanistan from ever becoming a platform for international terrorist groups or individuals." However, he said the "details need to be worked out." He clarified what the framework does not include, saying "there are a lot of reports that we have discussed an interim government: No, I have not gotten into any of that discussion." He also clarified that "I have not entered into what [a final settlement] could look like with the Taliban—they would like to talk to me about it, but I have not."

Source: Khalilzad, Zalmay. (@US4AfghanPeace), "1/3 After six days in Doha, I'm headed to #Afghanistan for consultations. Meetings here were more productive than they have been in the past. We made significant progress on vital issues," 1/26/2019, https://twitter.com/US4AfghanPeace/status/1089194660218785792; *New York Times*, "U.S. and Taliban Agree in Principle to Peace Framework, Envoy Says," 1/28/2019.

On December 20, 2018, U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad confirmed to Afghan media that government delegations from the U.S., Pakistan, the United Arab Emirates, and Saudi Arabia met with a Taliban delegation in Abu Dhabi this quarter. The Taliban did not, however, meet with the Afghan government delegation that was present, something Ambassador Khalilzad described as "a mistake on [the Taliban's] part."[296] According to Ambassador Khalilzad, the Taliban acknowledged that they lack a military solution to the conflict.[297] The issue of Taliban prisoners was discussed and a ceasefire was proposed by Emirati and Saudi delegates. The Taliban, however, demurred on a ceasefire, saying they would need to consult with their leadership.[298] Ambassador Khalilzad said the Taliban discussed their critical demands regarding the presence of foreign forces in Afghanistan.[299] While Ambassador Khalilzad said, "it would be great if a peace deal occurs before the [presidential] elections," he insisted there was no discussion of any political issues, including elections, the Afghan government system, changes in constitution, or an interim government.[300]

On December 30, Reuters quoted a member of the Taliban's leadership council who rejected an Afghan government proposal for talks in Saudi Arabia in January 2019. The unnamed Taliban official was quoted saying they would meet with U.S. officials but not representatives of the Afghan government.[301] On January 8, 2019, Reuters again quoted an unnamed Taliban official who said the group had canceled peace talks with U.S. officials that had been planned to take place in Qatar.[302] The U.S. Embassy in Kabul said the Taliban account was "clearly false" and accused the Taliban of "manufacturing an event" to gain publicity for its negotiating position.[303]

At the November 27–28 Geneva Conference on Afghanistan, President Ghani announced his "roadmap for peace negotiations" which he said would take a minimum of five years to implement. According to President Ghani, the Afghan government seeks a peace agreement in which the Afghan Taliban would be included in a democratic and inclusive society, respecting the following tenets:[304]

- The constitutional rights and obligations of all citizens, especially women, are ensured.
- The constitution is accepted, or amendments proposed through the constitutional provision.
- The Afghan National Defense and Security Forces and civil service function according to law.
- No armed groups with ties to transnational terrorist networks or transnational criminal organizations, or with ties to state or nonstate actors, seeking influence in Afghanistan will be allowed to join the political process.

President Ghani announced a 12-person Afghan government peace negotiating team, a peace advisory board, and said the High Peace Council would be redirected toward post-peace work and advice.[305]

A more comprehensive discussion of State's perspectives on reconciliation is presented in the classified annex of this report.

U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad during his November 2018 visit to Kabul. (U.S. Embassy Kabul photo)

Afghan Perceptions of Reconciliation

According to The Asia Foundation's survey, 53.5% of respondents believed that reconciliation between the Afghan government and the Taliban is possible (a 1.1% increase over the same response in 2017). When it comes to offering assistance to former insurgents, however, respondents were noticeably less generous than 10 years ago, with 68.7% saying they "strongly agree" or "somewhat agree" that antigovernment elements should be provided with government assistance, jobs, and housing. In 2010, 80.6% of respondents supported such post-conflict assistance.

According to IWA's survey, respondents were optimistic on the potential outcomes of a peace agreement between the Afghan government and the Taliban, with 71% of respondents agreeing that a successful completion of peace talks will result in the strengthening of good governance and 80% believing that reconciliation efforts between the government and armed opposition groups can help stabilize Afghanistan.

Source: The Asia Foundation, *Afghanistan in 2018: A Survey of the Afghan People*, 12/4/2018, p. 5; Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, pp. 24–25.

U.S. Support to Peace and Reconciliation

State provided $3.9 million to the UNDP to support reconciliation, including the activities of the High Peace Council (HPC) in September 2017. While this support was originally intended to last only through 2017, the initial pilot was extended to October 30, 2018.[306]

According to State, these funds have supported the HPC to build consensus for peace throughout the country and develop Afghanistan's institutional capacity to facilitate reconciliation. HPC activities include outreach activities at the national, provincial, and district levels to assess social attitudes toward reconciliation, document challenges, mobilize support for reconciliation, and develop the capacity to facilitate reconciliation.[307]

This quarter, State did not respond to SIGAR's request for information for the latest status of their support to peace and reconciliation.

MUTUAL ACCOUNTABILITY

Afghanistan Compact

In August 2017, the U.S. and Afghan governments announced the launch of the "Afghanistan Compact." The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government's commitment to reforms.[308] The Afghan government does not appear to face any direct financial consequences if it fails to meet the Afghanistan Compact reform commitments.[309]

According to State, the Afghan government made notable progress against the following Compact benchmarks this quarter:[310]

- The Afghan government registered the assets of 16,000 officials.
- The Ministry of Interior (MOI) made "slow but real progress" in executing arrest warrants issued by the Anti-Corruption Justice Center (ACJC), prompting some senior officials to appear before MOI investigators and ACJC prosecutors.
- The Ministry of Finance pledged to make asset confiscations more transparent. A DOJ and State priority for the quarter included developing Afghan government asset-forfeiture tools to help sustain financial support of prosecutorial and law-enforcement entities. While the Afghan system allows for the seizure and confiscation of criminally derived assets, DOJ says that those assets disappear into the MOF general-government account, with little or no accountability. Further, DOJ says there are no regulations or procedures in place for law-enforcement entities (including the AGO, the ACJC, or the MOI police and detection entities) to request post-judicially confiscated assets for use in law enforcement.[311]
- The Attorney General's Office (AGO) continued investigating the individuals named in the Farooqi Report on fuel-related corruption. According to DOJ, the investigation that produced this report in October 2015 uncovered collusion, price fixing, and bribery related to bids for fuel contracts totaling nearly $1 billion. The investigation concluded that crimes were committed and specific individuals should be prosecuted, including a former minister who was a Ghani supporter. DOJ cited the case as an example of an important corruption case that has languished. According to DOJ, the report for the case has been completed for over a year but has not been made public, nor has it been transferred to the ACJC for prosecution. Instead, DOJ says President Ghani still holds the original investigative file. DOJ reported that their sources said President Ghani's office refused to release the investigative report and MOD refused to cooperate with the ACJC in the case. As a result, the ACJC—following international pressure—took the initiative to reconstruct the case file, DOJ says. This required obtaining copies of MOD fuel contracts. However, despite repeated requests, the MOD refused to turn over the needed documents.[312]

State says that Afghan self-reporting is the primary means for determining Afghan government progress in meeting Compact benchmarks. The U.S. Embassy tries to verify this progress when possible.[313]

For background information on the Afghanistan Compact, see pages 122–123 of SIGAR's April 30, 2018, *Quarterly Report to the United States Congress*.

Mutual Accountability Frameworks

On November 27 and 28, 2018, delegations from 61 countries and 35 international organizations met for the Geneva Conference on Afghanistan.[314] While the conference did not focus on new donor pledges, it was an opportunity for participants to measure the Afghan government's development and reform results against the $15.2 billion committed by the international community for Afghanistan in 2016.[315] Participants in the conference noted the progress that has been made on Afghanistan's path to self-reliance, but recognized serious, persistent challenges including insecurity, poverty, and corruption.[316]

The Afghan government presented its final progress report on the status of the 24 deliverables for 2017 and 2018 outlined at the October 2016 Brussels Conference.[317] Participants acknowledged progress in many of the reform areas but said that much remains to be done, including: enhancing inclusive economic growth, reducing poverty, creating employment, fighting corruption, empowering women, and improving governance, rule of law, and human rights.[318] During the Geneva Conference, U.S. Ambassador to Afghanistan John Bass said it was important to invest in improving legal education and court administration to ensure that Afghanistan's new legal frameworks result in tangible benefits. He also referenced the widespread problem of Afghans having to pay bribes.[319]

The reform results called for in the Brussels Conference, labeled "SMART" (Specific, Measurable, Achievable, Realistic, and Time-bound) deliverables of the Self-Reliance through Mutual Accountability Framework (SMAF), were one in a series of mutual accountability agreements between the international community and the Afghan government, including the July 2012 Tokyo Mutual Accountability Framework (TMAF) and the September 2015 SMAF. The TMAF, SMAF, and SMART SMAF agreements articulated a number of Afghan government reform targets, but did not define financial consequences (often used as disincentives) for failing to meet these goals. For example, when asked about the practical consequences of Afghan government noncompliance with the reform targets outlined in the TMAF and its successor the SMAF, USAID responded that Afghan government noncompliance could erode donor confidence and potentially impact donor contributions. No specific donor funds were identified, however.[320] At the Geneva Conference, participants said that the Afghan government's delivery of its commitments will be key for sustaining international support.[321]

With the conclusion of SMART SMAF, the Afghan government presented the Geneva Mutual Accountability Framework (GMAF). The GMAF has 24 deliverables for 2019 and 2020, including the following governance-related goals:[322]

- holding free, fair, transparent and participatory presidential elections that incorporate lessons from the October 2018 parliamentary elections

- approving new indicators for the 2017 Anti-Corruption Strategy and a concrete and time-bound action plan by June 2019 to improve prosecution by detailing case-flow, timelines, and clear functions and responsibilities for anticorruption-relevant bodies
- tracking, reporting, and increasing year-on-year the percentage of (presumably corruption-related) cases that move from referral to investigation and investigation to trial
- implementing the asset declaration law by 2020
- implementing the access to information law in 2019

The series of accountability frameworks (TMAF, SMAF, SMART SMAF, and now GMAF) differ from other agreements—such as USAID's concluded New Development Partnership (NDP) and the World Bank's Incentive Program Development Policy Grant and Fiscal Stability Facility—which define specific financial incentives in return for policy reforms or other results. These reform- and result-based incentive programs are discussed in the civilian on-budget assistance section on page 117.

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 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.

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

At the Brussels Conference in October 2016, the United States and other international participants confirmed their intention to provide $15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities.[323] 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 up to 2024.[324]

In several conferences since the 2010 Kabul Conference, the United States and other international donors have supported an increase to 50% in the proportion of civilian development aid delivered on-budget through the Afghan government or multidonor trust funds to improve governance, cut costs, and align development efforts with Afghan priorities.[325]

At the November 2018 Geneva Conference on Afghanistan, the Afghan government proposed that donors commit to delivering 60% of aid on-budget.[326] However, international donors committed only to continue channeling aid on-budget "as appropriate" with no specific target.[327] USAID said it does not target or commit to a specific percentage of funds to be used for on-budget programming.[328]

As shown in Table 3.16, USAID's active, direct bilateral-assistance programs have a total estimated cost of $392 million. USAID also expects

3.16

USAID ON-BUDGET PROGRAMS

Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Bilateral Government-to-Government Projects					
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	1/1/2013	12/31/2018	$ 316,713,724	$187,132,786
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	75,000,000	-
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	1,900,000,000	1,475,686,333
Afghanistan Reconstruction Trust Fund (ARTF) (New Development Partnership)**	Multiple	9/1/2015	7/31/2019	800,000,000	380,000,000
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

Note:
*USAID had a previous award to the ARTF that concluded in March 2012 and totaled $1,371,991,195 in disbursements. Cumulative disbursements from all ARTF awards is currently $3,227,677,528.
**USAID formally ended the New Development Partnership on July 11, 2018.

Source: USAID, response to SIGAR data call, 1/12/2019.

to contribute $2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) from 2012 through 2020 in addition to $1.37 billion disbursed under the previous grant agreement between USAID and the World Bank (2002–2011). USAID has disbursed $154 million to the Afghanistan Infrastructure Trust Fund (AITF).[329]

On July 11, 2018, participants in the NATO Brussels Summit committed to extend "financial sustainment of the Afghan forces through 2024." The public declaration did not specify an amount of money or on-budget targets.[330]

Civilian On-Budget Assistance

USAID has 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).[331] According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.[332]

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.[333] The AITF coordinates donor assistance for infrastructure projects.[334]

As of October 2018, the United States remains the largest cumulative donor to the ARTF (29.9% of actual, as distinct from pledged, contributions) with the next-largest donor being the United Kingdom (17.4% of actual contributions).[335]

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of October, the ARTF recurrent-cost window has cumulatively provided the Afghan government $2.6 billion for wages, $600 million for operations and maintenance costs, $1.1 billion in incentive program funds, and $717 million in ad hoc payments since 2002.[336]

In 2018, the Afghan government, World Bank, and ARTF donors agreed to restructure the recurrent-cost window to make funds contingent upon policy reforms and fiscal stability-related results. Within the recurrent-cost window, there are two instruments: (1) the Incentive Program Development Policy Grant (IP DPG), a policy-based budget support program, and (2) the Fiscal Stability Facility (FSF), a results-based, recurrent-cost financing program.[337] The status of these two instruments is described below.

In October, USAID requested that $210 million of its $300 million ARTF contribution go to the IP DPG.[338] The three-year, $900 million IP DPG program is meant to incentivize Afghanistan's timely implementation of reforms to improve its economic and fiscal self-reliance.[339] For USAID, IP DPG replaced its own mechanism for providing reform-based financial incentives, the New Development Partnership (NDP) program. Through NDP, USAID agreed to provide $20 million through the ARTF recurrent-cost window for each development result the Afghan government achieved. Between 2015 and 2017, USAID disbursed $380 million before formally ending NDP in July 2018. USAID said they ended NDP because (1) the Afghan government requested that donors consolidate and align their incentive-based development assistance programs and (2) the World Bank modified their ARTF incentive program to better align with USAID's development objectives in Afghanistan.[340]

In December, the World Bank recommended to ARTF donors that they approve the disbursement of $210 million to the Afghan government for the IP DPG. According to the World Bank, the Afghan government had successfully met all seven incentive program conditions on schedule and was therefore eligible for the full disbursement of incentive funds (the Afghan government had already received $90 million in 2018 incentive funds).[341] The seven reform conditions, each worth $30 million, reviewed by the World Bank included:[342]

- **E-payment and Mobile Money.** In April 2018, President Ghani issued a decree defining responsibilities for integrating the information technology infrastructure necessary for an e-payment and digital payment system. In January 2016, President Ghani announced the transition to mobile money payments of civil servants. Since then, in 2017, two ministries piloted mobile salary payments. The Afghan government then established an authority within the Ministry of

Communications and Information Technology responsible for mobile money. According to the World Bank, President Ghani's decree satisfied the reform benchmark.[343]

- **Power Utility Reform.** In November 2018, the Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national electric utility, and the MOF signed a partnership agreement that included annual performance targets for DABS and a restructuring of DABS's debt to the MOF, conditional on performance improvements. According to the World Bank, DABS's outstanding debt service obligations to the MOF are around $1.86 billion in principal and interest payments. As SIGAR reported in April 2018, DABS's debts to the MOF reflect on-budget donor assistance provided to the Afghan government by the Asian Development Bank (ADB). Most of that assistance appears to have come in the form of grants provided to MOF, which then loaned grant proceeds to DABS in return for a modest interest fee. DABS then uses the grant proceeds towards power infrastructure projects specified in the ADB grant agreements.[344] Further, the World Bank said that significant commercial and technical losses and overdue payment of electricity bills add to DABS's financial stress. The partnership agreement defines 40 reform actions to be taken by DABS and the MOF. These actions include converting DABS's debt into equity for the MOF.[345]
- **Water Productivity and Climate Resilience.** The Afghan government approved a National Irrigation Policy and a National Drylands Agriculture Policy. According to the World Bank, the Ministry of Agriculture, Irrigation, and Livestock will translate these policies into strategies and programs that aim to increase the productivity of irrigated and rain-fed wheat areas.[346]
- **Improving Planning and Appraisal of Projects.** In July, the MOF issued guidance that, according to the World Bank, clearly defined the time-bound process and requirements for project proposal submissions from ministries and agencies and required all proposals to include cost estimates for operating and capital expenses needed for the project life cycle. The World Bank said the reforms associated with this new budget guidance should improve the execution of the Afghan government's development budget and increase the efficiency of public resources.[347]
- **Improving Tax Administration: Electronic Taxpayer Management.** The Afghanistan Revenue Department (ARD) rolled out an internet-accessible system for large taxpayers to file tax declarations. According to the World Bank, the previous paper-based process of filing tax returns often resulted in transcription and calculation errors, and numerous penalties.[348]
- **Improving Tax Administration: Taxpayer Registry.** The ARD established criteria for assigning taxpayers to the appropriate Kabul or province taxpayer office (large, medium, or small). The ARD also

developed a plan to transfer the cases of all large taxpayers to a single large-taxpayer office based in Kabul. According to the World Bank, large taxpayers could previously register in provinces to avoid the greater scrutiny imposed by a central large-taxpayer office.[349]

- **Strengthened Expenditure Control.** In November, the Afghan government approved an operations and maintenance policy with four ministries planned to pilot the policy in 2019. According to the World Bank, the overall goal of the policy is to improve asset preservation, reduce premature asset failures, and enhance the reliability of public assets that will contribute to improved service delivery.[350]

In November, the ARTF Monitoring Agent (MA) assessed the Afghan government's performance against the three FSF targets. According to the MA, the Afghan government satisfied all three targets (and was therefore eligible for $100 million in FSF funds), including:[351]

- Collect at least 80% of the domestic revenue target for Afghan fiscal year 1397 (2018) agreed to with the International Monetary Fund (IMF). The target was 137.6 billion afghani (approximately $1.86 billion) and the MA reported that the Afghan government collected 147.78 billion afghani (approximately $2 billion).[352]
- Maintain an average treasury cash balance not less than the 10 billion afghani (approximately $135 million) floor agreed to with the IMF. According to the MA, the average cash balance was 21.46 billion afghani (approximately $290 million).[353]
- Ensure there were no civil servant's salary claims pending with the treasury for more than 10 working days (as of November 10, 2018). The MA verified that there were no outstanding salary payments.[354]

On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.[355] DOD provides on-budget assistance to the Afghan government 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, and through ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).

According to DOD, most of the ASFF appropriation is not on-budget as it is spent on equipment, supplies, and services for the Afghan security forces using DOD contracts.[356] LOTFA is administered by the UNDP and primarily funds Afghan National Police salaries and incentives.[357] Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.[358]

The U.S. Combined Security Transition Command-Afghanistan (CSTC-A) monitors and formally audits the execution of those funds. The aim is to assess ministerial capability and to ensure proper controls and compliance with documented accounting procedures and provisions of annual commitment letters used to enforce agreements with the Afghan government.[359]

For Afghan fiscal year (FY) 1397 (December 2017–December 2018), DOD planned to provide the Afghan government the equivalent of $779.5 million to support the MOD and $156.3 million to support the MOI.[360]

As of November 13, CSTC-A had provided the Afghan government the equivalent of $627.7 million to support the MOD for FY 1397. The majority of these funds (85%) went to pay for salaries.[361]

Additionally, as of November 13, CSTC-A provided the equivalent of $92.9 million to support the MOI. Of these funds, $1 million was delivered via the LOTFA, while $91.9 million was provided directly to the Afghan government.[362]

CSTC-A Imposes Financial Penalties on MOD and MOI for Failing to Meet Commitment Letter Conditions

After three quarters of imposing no conditions-based financial penalties on the MOD or MOI, this quarter, CSTC-A imposed financial penalties on the MOD and MOI and provided incentive funds to the MOI.[363]

In November, CSTC-A praised the MOD for making sufficient progress in its investigations and prosecution of gross violations of human rights. Further, CSTC-A recognized the MOD for conducting assessments using expeditionary sustainment advisory teams.[364]

However, CSTC-A found that the MOD failed to meet a number of conditions, resulting in financial penalties of approximately $3 million and a reduction in professional military education and travel opportunities for senior MOD officials.[365] CSTC-A imposed these penalties because the MOD failed to achieve the following conditions: (1) provide the required weapons and vehicle inventory data, (2) identify qualified Afghan candidates for senior-level educational and travel opportunities, (3) prevent a number of MOD personnel from going absent without leave, (4) create a policy to identify female facilities at every level and enforce penalties for the misuse of facilities designated for females, (5) appoint women to designated staff positions, (6) create a career-development plan for women and send women to advanced training, (7) publish CSTC-A-approved policies for the MOD construction and property management department, and (8) provide monthly equipment readiness reports.[366]

CSTC-A further found that the MOD was making insufficient progress in a number of areas, but did not impose financial penalties in November. The areas of insufficient progress included: (1) personnel accountability and transparency, (2) merit-based promotions and appointments, (3) recruitment and integration of women, (4) divestment of MOD facilities, (5) MOD facility status reporting, (6) the management of pharmaceuticals, and (7) network cyber security.[367]

Also in November, CSTC-A complimented the MOI for its progress in making sufficient progress for a number of conditions and provided MOI incentive funds worth the equivalent of $420,000. According to CSTC-A, the MOI made progress in divesting and repurposing MOI facilities, adjusting its staffing of facility managers and associated equipment, reconciling payroll, dispatching "extremely competent" logistics personnel as members of expeditionary sustainment advisory teams, and improving the reporting of disease, injuries, and combat casualties.[368]

CSTC-A found that the MOI failed to meet a number of conditions, resulting in financial penalties of approximately $720,000. CSTC-A imposed these penalties because of the following failures: (1) the MOI Inspector General failed to chair two transparency, accountability, and law enforcement meetings; (2) MOI logistics did not provide the required weapons and vehicle inventories; (3) MOI did not publish policies requiring that female-only facilities be occupied solely by women; (4) MOI Facilities Department failed to publish CSTC-A approved policies; (5) MOI Logistics was too slow in reconciling the inventory of fuel and ammunition; and (6) MOI did not establish accurate readiness reports for all weapons, vehicles, and radios.[369]

CSTC-A further found that the MOI was making insufficient progress in a number of areas, but did not impose financial penalties in November. The areas of insufficient progress included: (1) sensitive equipment inventory control; (2) personnel accountability and transparency; (3) merit-based promotions and appointments; (4) the allocation of staff for the Human, Child, and Women's Rights Directorate; (5) training, education, and career development for women; (6) recruitment of women; (7) furnishing and equipping Family Response Units (FRU); (8) staffing of FRUs; and (9) fuel and ammunition consumption reports.[370]

NATIONAL GOVERNANCE

Capacity-Building Programs

As shown in Table 3.17, USAID capacity-building programs seek to improve Afghan government stakeholders' ability to prepare, manage, and account for on-budget assistance. These programs also provide general assistance to support broader human and institutional capacity building of Afghan government entities such as civil-society organizations and the media.[371]

TABLE 3.17

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL

Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/4/2019	$79,120,000	$68,939,636
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	4,147,200

Source: USAID, response to SIGAR data call, 1/12/2019.

Civil Society and Media

The Afghan Civic Engagement Program's (ACEP) goal is to promote civil-society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as advocates for political reform.[372] In July, USAID approved the extension and modification of ACEP to focus its civil-society organization (CSO) support on civic and voter education for the 2018 and 2019 elections.[373]

This quarter, the ACEP-affiliated Afghanistan Institute for Civil Society (AICS) issued a report on the impact of insecurity on CSOs. According to the report, CSO staff are targeted by insurgents, government officials, and local powerbrokers. Insecurity has impeded CSO access to the majority of districts and their populations, slowed down implementation of CSO activities, and put the lives of CSO staff at risk. AICS said insecurity has specifically affected the outreach of media organizations and women-led CSOs, and that the Afghan government does not sufficiently follow up on cases of CSO security threats, and has not created effective mechanisms to reduce CSO vulnerability to security threats.[374]

In March 2017, USAID launched the $9 million Rasana program. According to USAID, Rasana, which means "media" in Dari, provides support to women journalists and women-run or women-owned media organizations. The program has four program areas: (1) support and training for women journalists, (2) investigative journalism initiatives, (3) advocacy and training for the protection of journalists, and (4) expanding the outreach of media through small grants for content production in underserved areas.[375]

This quarter, USAID's third-party monitor for Rasana reported its findings from interviews with Rasana beneficiaries in Herat, Kunduz, Nangarhar, and Kandahar Provinces.[376] In general, the monitor reported that while there was substantial variation in trainee education, aspirations, and work experience, beneficiaries generally praised the training they had received.[377] For Herat, the monitor reported that trainees were either (1) young university students in the first years of their undergraduate studies who had little experience, but high career expectations or (2) high school graduates with several years of journalism experience.[378] University students said it is difficult to find paid jobs and many local radio stations appear to hire interns with only a high school education who are paid less. Some of the respondents from the second group said they immediately began applying their new skills in their work.[379] Whereas previous monitoring found that only a limited number of journalists were able to cite examples of using Rasana-provided training in their work, the most recent data collection showed clear examples of situations where training advice was put into practice.[380]

The monitor reported that street harassment of female journalists, though decreasing, remains a concern for most of the interviewed female journalists. One respondent said that in July 2018, a cleric in Herat issued a religious edict against journalists that did not improve the situation. However, the efforts of a Rasana-affiliated organization led the cleric to reverse himself.[381]

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 3.18 summarizes total program costs and disbursements to date.

USAID now explicitly contributes a portion of its ARTF funds to the Citizen's Charter Afghanistan Project (CCAP), for the first time since the program began in 2016.[382] In October, USAID requested that $34 million of its $300 million contribution to the World Bank's ARTF be spent on CCAP.[383] According to the Afghan government, CCAP is the centerpiece of the government's national inclusive-development strategy for rural and urban areas. As of November 1, 2018, the government reported that CCAP had been rolled out in 10,000 communities (700 urban and 9,300 rural) in all 34 provinces.[384] CCAP works through Community Development Councils (CDC) to implement community projects. Over 14 years, CCAP's predecessor—the National Solidarity Program (NSP)—established 35,000 CDCs and implemented nearly $2 billion of infrastructure projects. USAID contributed $900 million to NSP. CCAP differs from NSP, however, by defining a suite of minimum basic services for each community covering health, education, and a choice of infrastructure investments (such as road access, electricity, or small-scale irrigation for rural communities).[385]

According to USAID's internal justification for contributing funds to the program, CCAP aims to break the cycle of fragility and violence in Afghanistan by deepening the legitimacy of the Afghan state and reducing extreme poverty through the provision of universal access to basic services in rural communities.[386] (USAID's language is nearly identical to that presented by the World Bank in 2016 when the program first launched.)[387] When CCAP first began, the World Bank and Afghan government discussed a number of potential evaluations of CCAP, including one seeking to answer the question, "What is the relationship between improved service delivery and citizens' trust and belief in the state?" Another proposed evaluation topic sought to examine the relationship between conflict and service delivery, with questions on the role CDCs could play in addressing conflict in communities.[388] These questions are central to USAID's recent justification for providing funds to CCAP.

As of April 2018, the last time SIGAR asked, USAID did not provide a response for how CCAP would be assessed, particularly regarding its

TABLE 3.18

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	$72,000,000	$48,623,817
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	48,000,000	32,348,915

Source: USAID, response to SIGAR data call, 1/12/2019.

political objectives.[389] A World Bank review of CCAP in September 2018 did not mention the objectives of increasing state legitimacy or breaking the cycle of violence. Instead, the World Bank cited statistics such as the number of CDCs, the number of Community Development Plans, the number of planned or ongoing rural and urban projects, and the percent of female, disabled, internally displaced persons, and refugee returnees participating in CDC elections to justify their conclusion that the program is making satisfactory progress.[390]

A conflict and fragility study of the CCAP appears to have been initiated sometime in early 2017; however, USAID only provided the terms of reference describing the scope of work and initial plan of the study when asked for additional details.[391] As the World Bank wrote in 2016, "the Citizens' Charter provides a rich environment for testing various hypotheses important for development effectiveness in Afghanistan as well as other fragile and conflict situations."[392]

Initiative to Strengthen Local Administrations

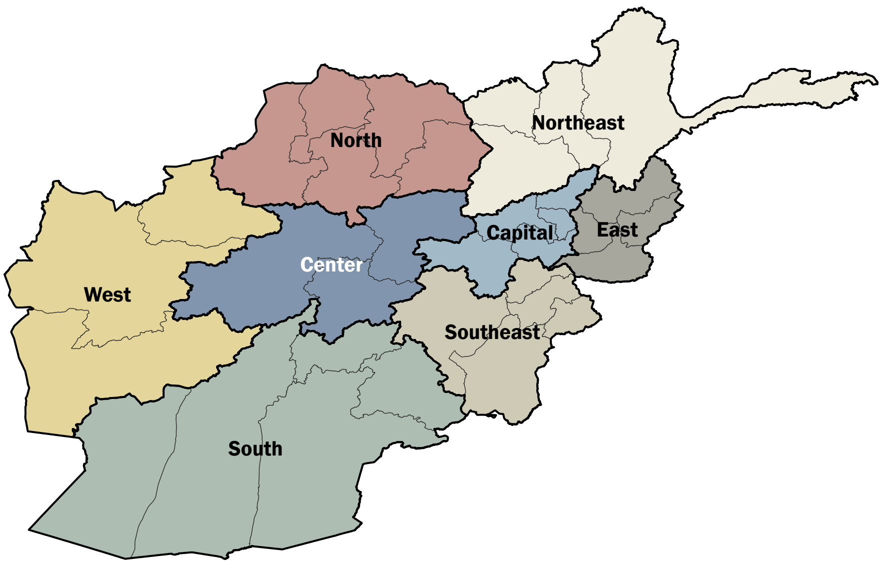
The $48 million ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement, leading to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.[393]

According to USAID, one of the key provisions of the Afghan government's provincial budget policy is to link the provincial development plans (PDP) with the Afghan budget. USAID said it is critical to ensure that budgets are linked to and defined by development needs and priorities at the provincial level. As of December, USAID said that of the 126 projects in the Afghan FY 1397 (December 2017–December 2018) budget that are being implemented through the $1 million per province unconditional funds, 123 were derived from province development plans.[394]

In May 2018, the Afghan government released a subnational governance policy that placed responsibility for the design, planning, implementation, and monitoring of development projects at a new regional level (existing

FIGURE3.39

AFGHANISTAN'S REGIONS
(ACCORDING TO THE MAY 2018 SUBNATIONAL GOVERNANCE POLICY)



Source: Islamic Republic of Afghanistan, *Citizen-Centered Governance: A Roadmap for Subnational Reform*, 5/2018, p. 5.

between the national and province levels). Figure 3.39 shows the geographic distribution of the proposed regions. According to the policy, central ministries should no longer spend the majority of their time and resources implementing projects. Instead, the policy envisions creating eight regional development authorities that will be structured as state-owned corporations and serve as project owners for the government.[395] The new policy makes no reference to a province role in development planning or PDPs.

In light of the proposed changes in the new subnational governance policy, USAID says ISLA will continue to support PDPs, but will also support revising PDP guidelines once a UNDP study on the PDP process is completed. In addition, ISLA plans to support the Afghan government in revising the provincial strategic plan structure to focus on regional development plans instead of provincial plans. Additionally, ISLA will assist the Ministry of Economy to develop a pilot regional profile for the western region.[396]

This quarter, SIGAR examined expenditures of the PDP-proposed and non-PDP-proposed projects ISLA identified as being reflected in the FY 1397 national budget. For FY 1397, PDP-proposed projects had expenditures equivalent to approximately $29 million. Non-PDP-proposed projects, however, had expenditures equivalent to approximately $311 million. The Ministry of Public Works spent the most in these two categories, reportedly spending $10 million on PDP-proposed projects and $114 million on non-PDP-proposed projects.[397]

Strong Hubs for Afghan Hope and Resilience

The objective of the $72 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. SHAHAR partners with municipalities to, among other things, deliver capacity-building for outreach and citizen consultation, improved revenue forecasting and generation, and budget formulation and execution.[398]

SHAHAR's geographic coverage has changed several times during the life of the program. For the first two years of the program, SHAHAR worked with 20 municipalities (16 small- and medium-sized provincial capitals and four regional hub provincial capitals of Kandahar City, Herat, Jalalabad, and Mazar-e Sharif). A budget reduction in the third year caused SHAHAR to reduce its presence to 14 municipalities (dropping two regional hub province capitals of Herat and Jalalabad). In the fourth year, SHAHAR stopped providing direct support to all municipalities but Kabul City, Kandahar City, Herat, Jalalabad, and Mazar-e Sharif.[399]

For Afghan FY 1397 (December 2017–December 2018), USAID reported that 14 municipalities that have received SHAHAR support collected the equivalent of approximately $22 million in revenues, an increase of 17% over the previous year (a difference of approximately $3 million).[400] Charikar City, Parwan Province and Feroz Koh City, Ghor Province saw the largest revenue decrease (minus 15% and 14% respectively), followed by Kandahar City, Kandahar Province (minus 9%).[401] Maimanah City, Faryab Province, Qalah-ye Now City, Badghis Province, Pul-e Alam City, Logar Province, and Mehtar Lam City, Laghman Province all increased their revenue collection by over 50% compared to the previous year.[402]

RULE OF LAW AND ANTICORRUPTION

Rule of Law and Anticorruption Programs

The United States has assisted the formal and informal justice sectors through several mechanisms. These include State's Justice Sector Support Program (JSSP) and Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.19 on page 129.

USAID has a cooperation arrangement with the UK's Department for International Development to fund the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.[403]

Afghan Perceptions of the Courts

According to The Asia Foundation's survey, most respondents (50.08%) reported that they had no contacts with the judiciary or courts. Of the 7,477 respondents who said they did contact the judiciary, 8.84% said they had to give cash, gifts, or perform a favor all of the time, 16.54% said they did this most of the time, 25.83% said they did this some of the time, and 46.74% said they did this none of the time. Of the 1,898 respondents who said they had to give cash, gifts, or perform a favor for members of the court either all of the time or most of the time, 77% did not express an opinion when asked whether they agreed or disagreed with the statement that state courts are fair and trusted.

According to IWA's survey, 14% of respondents consider the courts to be the most corrupt government institution. However, only 20% of respondents said they based their perceptions on personal experience with the institution. Most perceptions were informed by family and friends (37%) or media (32%).

Source: SIGAR analysis of The Asia Foundation's *2018 Afghan Survey Data* (downloaded 12/14/2018); Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, p. 32.

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 $22 million. The previous JSSP contract, which began in 2010, cost $280 million.[404] JSSP provides technical assistance to the Afghan justice-sector institutions through (1) building the capacity of justice institutions to be professional, transparent, and accountable; (2) assisting the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) supporting a 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.[405]

In February 2018, State launched the $8 million Continuing Professional Development Support (CPDS) program. According to State, CPDS will respond to an urgent need by the Afghan government to train legal professionals on the newly revised penal code and build the organizational capacity of the nascent professional training departments of Afghan legal institutions.[406] As of September 2018, CPDS reported that it had completed the initial development of databases for the management of training records. The databases automatically produce a report card that outlines the number of training courses disaggregated by subject, number of participants by gender and geographic location, participants' level of satisfaction, and percentage of knowledge increase.[407] CPDS reported this quarter that it is now seeking commitments from Afghan government counterpart professional training departments to staff and operate the databases.[408]

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.[409]

This quarter, USAID reported that ADALAT assisted the Supreme Court in processing the recruitment of 160 human resource, administrative, and finance positions, reportedly the first package of the merit-based recruitments following an agreement between the Supreme Court and the Independent Administrative Reform and Civil Service Commission. ADALAT provides financial support to 26 grantees to increase citizen demand for quality legal services and strengthen linkages between the formal and traditional justice sectors. These grants funded outreach and public education, advocacy campaigns, traditional dispute resolution, trainings, and court observations. Also, ADALAT developed an online-test server database for the Supreme Court's Inspections Directorate.[410]

In ADALAT's work plan for April 2018 to March 2019, ADALAT proposed to improve judicial inspections and discipline. According to ADALAT, the

TABLE 3.19

RULE OF LAW AND ANTICORRUPTION PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	$68,163,468	$19,651,056
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	2,604,350
Corrections System Support Program (OASIS CSSP)*	6/1/2017	5/31/2022	25,187,257	13,772,680
Justice Sector Support Program OASIS Contract**	8/28/2017	8/28/2022	26,044,546	10,359,811
Continuing Professional Development Support (CPDS)**	2/6/2018	4/6/2020	7,938,401	7,938,401
Delegated Cooperation Agreement (DCAR) with the Department for International Development (DFID) for Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)	5/19/2015	8/31/2020	4,600,000	2,000,000

Note:
*Disbursements as of 12/20/2018.
**Disbursements as of 12/26/2018.

Source: State, INL, response to SIGAR data call, 12/20/2018 and 12/26/2018; USAID, response to SIGAR data call, 1/12/2019.

Supreme Court's Department of Inspections is expected to regularly inspect Afghan courts and follow-up on complaints regarding judicial misconduct. As of April 2018, the department employed 37 inspectors. One expected result is that these inspectors conduct standardized and consistent inspections, analyze relevant data, and prepare quality reports on how to improve court operations.[411] USAID said it does not yet know how ADALAT will determine the quality of these reports. According to USAID, ADALAT's efforts related to judicial inspections and discipline are presently contingent on an international study tour to Jordan by the members of the inspections directorate who wanted to explore international best practices on judicial inspections.[412] According to ADALAT, USAID's approval of the Jordan study tour has reestablished ADALAT's positive working relationship with the director of inspections.[413]

In August 2017, USAID awarded the Afghanistan's Measure for Accountability and Transparency (AMANAT) contract to support the Afghan government's efforts to reduce and prevent corruption in government public services.[414] As of October 30, 2018, (the latest reporting USAID provided), AMANAT's first year of project operations mostly involved mobilization and setup.[415] According to AMANAT, in the second year of programming, the program plans to conduct vulnerability to corruption assessments of the Ministry of Higher Education—focusing on the accreditation systems of private universities and the administration of student affairs offices in public universities—and the Ministry of Public Health, focusing on the licensing of private hospitals.[416]

In September 2018, AMANAT reported on its assessment of the current status of the MEC and its discussions for potential AMANAT support for the MEC. According to AMANAT, MEC leadership said they do not require specific capacity building support for conducting vulnerability-to-corruption assessments. Instead, the MEC requested AMANAT training in critical thinking, interviewing, notation, analysis, process-mapping, and database development and usage. However, MEC indicated that it has limited resources to collaborate actively on these activities and that AMANAT should not expect MEC to dedicate resources, other than regular consultative meetings, to support these efforts.[417]

According to USAID, AMANAT, and the MEC will consult (at least quarterly) in order to avoid duplication of efforts. AMANAT will conduct two vulnerability-to-corruption assessments and follow-up on two ministries the MEC has already assessed.[418]

Afghan Correctional System

As of October 31, 2018, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 29,268 males and 795 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 666 male and 19 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to their data.[419] The average growth rate of adult prisoner and detainee populations held by the GDPDC over the last five years is 5.03% per year, as calculated in October of each year.[420]

According to State, overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adults, despite stagnant prison population numbers. As of October 31, the total male provincial-prison population was at 183.7% of capacity, as defined by the International Committee of the Red Cross's (ICRC) minimum standard of 3.4 square meters per inmate. The total female provincial-prison population was at 102.1% of the ICRC-recommended capacity.[421]

According to State, the major corrections-related accomplishment this quarter was the Ministry of Labor, Social Affairs, Martyrs and Disabled donation of a building to the Children Support Center (CSC) program. State said the building will significantly reduce overhead costs for the State-funded program. State currently funds four CSCs across Afghanistan, which provide secure alternative care for children of incarcerated parents. According to State, without CSC programming, these children would likely reside in prison, substandard government orphanages, or on the street.[422]

SIGAR AUDIT

As directed by the Consolidated Appropriations Act, 2018, SIGAR will submit an updated assessment of the Afghan government's implementation of its national anticorruption strategy to Congress this year that includes an examination of whether the Afghan government is making progress toward achieving its anticorruption objectives. The Afghan attorney general has recently provided information concerning their activities to implement this strategy that SIGAR staff is translating and reviewing as part of this assessment. SIGAR staff is seeking further input.

Anticorruption

This quarter, DOJ said in vetting comments that it has seen some progress in pursuing major crimes as a result of the U.S. Embassy demanding accountability through the Afghanistan Compact meetings, the November 2018 Geneva Conference, and RS pressure. DOJ says the Afghan government is still slow to prosecute stalled corruption cases and has a poor record of prosecuting powerful and influential actors.[423] In a report to State covering the period July 2018 to September 2018 and dated January 2019, DOJ says that many corruption cases are not prosecuted or adjudicated in a standardized, transparent, or timely manner because of political connections to senior Afghan government leaders. DOJ said that in late December 2018 the AGO reported that it had made progress in three prominent corruption cases.[424] DOJ said the Afghanistan Compact calls for corruption-related reforms.[425]

DOJ said the AGO's recent renewed attention to corruption was likely the result of pressures created by the Geneva Conference and SIGAR's recent reports. Despite this progress, however, DOJ says the Afghan government has not yet demonstrated sufficient motivation or action to deter future corrupt actors, or to convince the Afghan people that the government is serious about combating corruption.[426]

President Ashraf Ghani, U.S. Ambassador to Afghanistan John Bass, and other Afghan and international officials celebrate International Anti-Corruption Day in Kabul, Afghanistan. (Afghan government photo)

For the Geneva Conference, the Afghan government said that it had achieved the corruption-related reform outlined at the July 2018 meeting of the Joint Coordination and Monitoring Board.[427] Corruption was described as an endemic and systemic problem in Afghanistan. According to a joint UN/Afghan government document, the indicators for Afghanistan's good progress included the adoption of a new National Anticorruption Strategy (25 of the 66 indicators have been achieved by September 2018), the endorsement of the new Anticorruption Law by President Ghani in September 2018, the trials held by the Anti-Corruption Justice Center (ACJC), and the registration of 15,000 public officials' assets. Additional anticorruption efforts/issues cited at the Geneva Conference's anticorruption side meeting included:[428]

- merit-based and transparent civil service recruitment
- the Access to Information Law, said to be among Afghanistan's "well-crafted" but not uniformly implemented laws
- addressing impunity and the role of the ACJC, described as a "long term process" with the 2016 establishment of the ACJC as an important step
- the role of citizens in accountability monitoring of Afghan government service delivery, with Afghanistan's national anticorruption strategy including opportunities for civil society to participate to address identified weaknesses or corruption in the provision of services

Last quarter, State reported to SIGAR that the U.S. Embassy prioritized the corruption-related Compact benchmarks including targeting drug kingpins for money laundering prosecutions, high-profile corruption prosecutions, and recovering stolen Kabul Bank funds. According to State, the Afghan government made progress on all of these priorities this quarter. State reported that the Attorney General's Office (AGO) prosecuted three high-level drug targets for money laundering.[429]

The one high-profile corruption prosecution that State reported this quarter involved the former Minister of Communications and Information

Afghan Perceptions of Corruption

According to The Asia Foundation's survey, a record 70.6% of Afghans in 2018 said corruption is a "major problem" in their daily life, just slightly more than in 2017 (69.8%). Perceptions of corruption as a major problem in Afghanistan, however, have fallen slightly, from a high of 83.7% in 2017 to 81.5% this year.

According to IWA's estimates, the number of people who have paid a bribe as well as the average size of reported bribes paid has decreased. Extrapolating the survey results on bribe frequency and cost onto the entire population, IWA estimated approximately $1.65 billion in bribes were paid in 2018, down from the $2.88 billion IWA estimated in 2016.

Source: The Asia Foundation, *Afghanistan in 2018: A Survey of the Afghan People*, 12/4/2018, p. 7; Integrity Watch Afghanistan, *National Corruption Survey 2018: Afghans' Perceptions and Experiences of Corruption*, 12/10/2018, p. 38.

Technology, Abdul Razaq Wahidi. According to DOJ, Wahidi was suspended from his post on January 2, 2017, based on allegations of nepotism, overpayments, illegally contracted workers, embezzlement, and misappropriation of tax revenue. Further, DOJ said the Attorney General's Office (AGO) substantiated these allegations in an investigation that concluded in February 2017. Despite this previous investigation, the case was subsequently returned to the AGO.[430] This quarter, State said the AGO concluded its prosecution of Wahidi. The first-ever Special Court was formed to hear Wahidi's corruption case. However, State says Wahidi was acquitted by the Special Court but no opinion was published.[431]

After SIGAR received State's response, Afghan media reported that the AGO referred Wahidi's case to the Supreme Court for further investigation.[432]

This quarter, State says the U.S. Embassy in now prioritizing increased transparency at Afghan special courts, the Anticorruption Justice Center (ACJC), the Counter Narcotics Justice Centre (CNJC), and the Justice Center in Parwan (JCIP). Additionally, the U.S. Embassy is emphasizing (similarly to last quarter) warrants execution, the prosecution of high-profile corruption cases, and collecting on Kabul Bank cases.[433]

In a report to State covering the period July 2018 to September 2018 and dated January 2019, DOJ says that the Afghan government has made insufficient progress to investigate and prosecute corruption cases. DOJ attributed the lack of progress to a number of factors, including:[434]

- acts by high-level Afghan officials
- failure of MOI to execute ACJC warrants (according to AGO officials)
- failure of ACJC prosecutors to present cases supported by sufficient evidence (according to judicial sources)
- ACJC staff having numerous corrupt and incompetent personnel
- ACJC's lack of legal authority to unilaterally pursue acts of corruption committed by high-level officials such as ministers, members of parliament, and judges
- lack of ACJC transparency, including secret proceedings and not notifying media of developments
- ACJC's overall weakness that prevents the institution from arresting powerful individuals, who move freely around the country
- poor case preparation by the Major Crimes Task Force (MCTF) (according to AGO and ACJC officials)
- slow movement or rejection of cases by courts (according to AGO and ACJC officials)
- failure of prosecutors to prosecute cases submitted by the MCTF (according to MCTF investigators)

A more comprehensive discussion of State's perspectives on corruption challenges is presented in the classified annex of this report.

Attorney General's Office

In January 2019, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) published its third monitoring report on the implementation of its anticorruption recommendations for the Afghan justice sector. According to the MEC, the AGO made progress in a number of anticorruption-reform areas, including:[435]

- developing a five-year strategic plan, effective June 20, 2018
- finalizing conflict of interest forms for prosecutors
- reactivating 38 provincial prosecution offices in 16 provinces
- increasing the percentage of female staff from 3% to 21%
- entering the information for 5,050 staff into their human resource management information system

According to DOJ, the AGO made some reform progress this quarter, including agreeing to polygraph AGO prosecutors and investigators who work at the ACJC.[436] Further, following U.S. Embassy pressure, DOJ observed AGO changing its position on use of the State-funded Case Management System (CMS). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal justice institutions, from the moment a case is initiated to the end of confinement. Last quarter, SIGAR reported DOJ's concern at the attorney general's resistance to making CMS functional in the AGO. However, DOJ now reports that AGO officials are said to have received instructions from the attorney general to embrace CMS. CMS terminals were installed this quarter at the ACJC.[437]

Additional details on AGO-related corruption challenges are reported in the classified annex of this report.

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).[438] At the ACJC, Major Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption.[439] The ACJC's jurisdiction covers major corruption cases committed in any province involving senior officials or substantial monetary losses of a minimum of five million afghani (approximately $73,000).[440]

This quarter, CSTC-A said it considered the following ACJC cases noteworthy:

- The ACJC primary court convicted Major General Abdul Razaq Amiri, the former acting deputy of the Afghan Public Protection Force, of being an accomplice to the misuse of authority, and sentenced him to eight years in prison. A colonel and a civilian were also found guilty of the same crime and similarly sentenced to eight years in prison while a colonel, lieutenant colonel, and lieutenant were acquitted.[441]

- The ACJC primary court convicted a number of defendants for the unlawful printing of upwards of 30,000 business licenses. In relation to these cases, the ACJC ordered the investigation of the head of treasury at the Ministry of Finance.[442]
- The ACJC appeal court convicted MOI Major General Mohammad Anwar Kohistani of misuse of authority, embezzlement, and check forgery, but acquitted him of neglect of his duties. Kohistani was sentenced to nine years and three months in prison and ordered to pay the equivalent of approximately $9.8 million. Last quarter, the ACJC primary court sentenced Kohistani to 11 years in prison. According to DOJ, this case demonstrated that the AGO is able to investigate and prosecute a corruption case in the face of adverse political pressure when AGO has the will and is supported by the Afghan government.[443] Additionally, this quarter the ACJC appeal court acquitted one of Kohistani's coconspirators, MOI deputy minister Brigadier General Ghulam Ali Wahadat. Last quarter, the ACJC primary court had sentenced Wahadat to three years in prison.[444]

According to DOJ, the ACJC has successfully prosecuted a handful of cases against what it referred to as "B Team" criminals. However, DOJ says the ACJC has not had a noticeable impact on the country's rampant graft.[445]

According to DOD, the ACJC lacks a credible warrant-enforcement mechanism.[446] As of the November 19 meeting of the Warrant Action Group (WAG), the top five outstanding warrants for individuals convicted by the ACJC included a former deputy minister of finance, the former head of the Afghan Civil Order Police, a former deputy minister of interior, a former MOI procurement official, and a criminal investigation directorate chief.[447] The WAG is a biweekly forum where the ACJC, MCTF, MOI's Criminal Investigation Directorate, and CSTC-A coordinate warrant priorities and execution.[448] The top outstanding ACJC civilian arrest warrants included a former acting province governor, five former province governors, two former deputy ministers of labor, social affairs, martyrs and disabled, and a former deputy minister of counternarcotics.[449] The top outstanding ACJC military arrest warrants include one former MOD deputy minister, two former MOI deputy ministers, a former MOD logistics director, two colonels, a major, a second lieutenant, and two civilians.[450]

Afghanistan Security Forces

According to CSTC-A, corruption remains pervasive throughout the Afghan security forces. This corruption harms the battlefield effectiveness of the Afghan security forces by diverting resources meant for fighting units and creating negative perceptions of the Afghan government, undermining the Afghan government's legitimacy and reconciliation efforts, CSTC-A says.[451]

CSTC-A observed that security-related corruption is primarily associated with high-volume support, including food and rations, petroleum and oil, ammunition and weapons, and, to a lesser degree, payroll.[452] CSTC-A has found that regional logistics centers are focal points of corruption where ammunition, uniforms, and other commodities are easily pilfered and sold.[453] Logistics at all levels of the Afghan army and police have weak oversight and accountability controls. CSTC-A says that it continually tries to identify the corrupt actors to reduce supply-chain spillage.[454]

Of this support, CSTC-A considers fuel to be the most at risk as fuel is in high demand and is easy to access and sell.[455] While CSTC-A acknowledges that some senior Afghan security leaders still abuse and circumvent fuel accountability processes mandated by President Ghani, large-scale fuel theft has been disrupted through a combination of more robust supply-chain controls and the removal of corrupt actors.[456] CSTC-A claimed one of its investigations (begun around October 2017) nearly ended fuel theft in the 209th Corps in northern Afghanistan. As evidence for the success of the investigation, CSTC-A said the corps could no longer accept its full fuel allocation since all the corps' fuel storage space was filled with the windfall of fuel delivered following the investigation. According to CSTC-A, the fuel allocation for 209th Corps was reduced as a result of the investigation.[457]

Narcotics trafficking remains a widespread problem, with CSTC-A observing senior Afghan security force leaders and civilian provincial authorities often controlling narcotics trafficking networks in the western, southwestern, and northern regions.[458]

In April 2018, CSTC-A reported that the Afghan government's implementation of the Inherent Law encouraging the retirement of more than 3,000 senior MOD and MOI leaders should help fight corruption.[459] This quarter, CSTC-A reported that it is too early to accurately assess the effects of the Inherent Law on corruption and patronage networks. CSTC-A says it has observed significant quantifiable progress in implementing the law, namely 1,141 persons have retired from the MOD and 1,021 persons have retired from the MOI. However, CSTC-A acknowledges that it is not possible for CSTC-A to determine whether the majority of those retired to date were suspected of corruption. Retirements per the Inherent Law are based on factors, such as time-in-service, the age of the individual, and performance in the present position.[460]

Also in April 2018, CSTC-A described how it planned to vet Afghan candidates for senior MOD and MOI positions.[461] This quarter, CSTC-A said that its principal method for supporting Afghan efforts to replace, retire, and relocate corrupt senior Afghan security leaders is through such vetting. According to CSTC-A, they provide a holistic assessment of Afghan security officials by reviewing classified intelligence reports, sensitive advisor reports, and unclassified data gathered in the course of train, advise, and assist activities. CSTC-A believes these efforts are helpful given the weaknesses in the Afghan government's oversight of Afghan security forces deployed to the geographic periphery.[462]

While CSTC-A believes that the Afghan security forces are making progress in their efforts to combat corruption, this progress is usually at the insistence of foreign officials.[463] Further, CSTC-A expects Afghan government officials to remain complicit in corruption for both personal benefit and the benefit of larger patronage networks. CSTC-A observed during the election season that powerbrokers vying for political power often play a role in Afghan security force corruption.[464]

Security Ministry Inspectors General

CSTC-A provides training, advice, and assistance to the inspectors general for the MOD (MOD IG) and MOI (MOI IG). When asked for its assessment of the quality of MOD IG and MOI IG inspection reports this quarter, CSTC-A only responded that the MOI IG is developing a standardized inspection report format to improve the effectiveness and clarity of inspection reports.[465] CSTC-A insists that the MOD IG and MOI IG are continuing to make marked improvements in their report detail, format, and recommendations.[466]

In an effort to determine the effectiveness of MOD IG and MOI IG reporting, for the past three quarters SIGAR has asked CSTC-A for examples of actions taken by senior MOD and MOI leadership in response to the issues identified in MOD IG and MOI IG reports. In March 2018, the CSTC-A element that partnered with MOD IG and MOI IG suggested that SIGAR pursue this line of inquiry because it, too, was interested in learning the answer.[467]

For the past three quarters, the CSTC-A elements that advise senior officials of the MOD and MOI did not identify any actions that were taken by senior Afghan officials in response to issues identified in MOD IG and MOI IG reports. These CSTC-A elements explained their lack of response by saying they employ "a holistic [train, advise, and assist] methodology rather than focusing on single issues/topics."[468] The failure of these CSTC-A elements to identify a single instance of senior MOD or MOI response to MOD IG or MOI IG reported findings raises questions on the ministries' political will for reform and the utility of MOD IG and MOI IG reports. CSTC-A disagreed with this conclusion but did not provide additional detail for how one can determine the utility of MOD IG and MOI IG reports.[469]

MOD and MOI Anti- and Countercorruption Efforts Either Not Implemented or Focused Primarily on Inputs

In December 2017, the then-new MOI strategic policy identified combating corruption as one of the ministry's objectives. This policy mandated that the ministry define indicators and baselines to monitor progress against this objective every six months.[470] This MOI strategic policy stood out for its monitoring and evaluation requirements and SIGAR has requested updates each subsequent quarter in the hope that this aspect of the policy was being implemented. However, as of December 2018, CSTC-A reports that it has not received any monitoring and evaluation data for the anti- and countercorruption objective.[471] It is unclear, then, how the MOI is tracking its anti- and countercorruption progress since it does not appear to be implementing its own policy on the matter. CSTC-A responded in vetting that the originally provided MOI strategic plan does articulate indicators and baselines, and recommended SIGAR review the document again. SIGAR reviewed the document again and saw only the requirement to develop anti- and countercorruption indicators and baselines, but could not locate any defined indicators and baselines.[472]

Instead of providing the requested monitoring and evaluation data, CSTC-A highlighted how the MOI inspector general held a seminar during the quarter that covered, among various topics, the MOI strategic plan and revised anti- and countercorruption policy. Further, CSTC-A pointed to the MOI inspector general hosting a meeting chaired by the minister of interior.[473]

CSTC-A said it tracks a number of conditions for the MOD and MOI to demonstrate progress in meeting their anti- and countercorruption-related high priority performance requirements. These conditions include holding and attending high-level meetings to discuss corruption issues, implementing annual MOD IG and MOI IG inspection plans, issuing inspection and investigation reports, collecting asset declarations from senior MOD and MOI personnel, and developing trainings. CSTC-A reported that both the MOD IG and MOI IG are on track to implement the annual inspection plans, with the MOI IG having completed 160 of the planned 227 inspection reports. Further, CSTC-A noted that a number of high-level meetings were either canceled outright or missed. Asset declarations have also been collected for 178 of 182 senior MOI officials. For MOD asset declarations, CSTC-A reported that a committee established for asset declarations is no longer functioning and responsibility has been transferred back to the MOD IG. Of the 3,774 required MOD asset declarations due in FY 1398 (December 2018–December 2019), 867 have reportedly been submitted.[474]

Major Crimes Task Force in Flux

The Major Crimes Task Force (MCTF) is an elite MOI unit chartered to investigate corruption by senior government officials and organized criminal networks, and high-profile kidnappings committed throughout Afghanistan.[475] This quarter, CSTC-A reported that the MCTF's internal political will and overall effectiveness is "in a state of flux."[476]

CSTC-A says that while senior MCTF leaders have a passion for effective and efficient law enforcement and work hard to achieve their mission, the overall morale of the unit is low following the large number of staff terminations and transfers. These terminations and transfers are the result of staff failing polygraph examinations. According to CSTC-A, as of November 18, 33 of the 77 members of the MCTF corruption investigation unit failed their polygraph exams. Of the 33 staff who failed their exams, 20 have been terminated. CSTC-A reports that the MCTF is implementing terminations in phases to avoid an instant 40% reduction of its corruption investigations workforce. A negative consequence of this approach, CSTC-A says, is that the remaining employees do not know if they are going to be terminated or transferred.[477]

As MCTF staff are terminated or transferred, the MCTF is slowly refilling its ranks with inexperienced investigators who require extensive amounts of CSTC-A training, advice, and assistance.[478] CSTC-A has a team of around 15 law enforcement professionals and financial advisors providing one-on-one mentorship to MCTF leadership and investigators, advising active MCTF investigations, and leading training classes.[479]

According to CSTC-A, the unclear and often contradictory lines of authority within the MOI present challenges to the MCTF. For example, while a September 2018 presidential decree established the purview of the MCTF, the decree is not clear on how the MCTF's mandate relates to mandates of other agencies. This leads to the duplication of efforts, CSTC-A says. The decree also says that the MCTF reports directly to the minister. However, CSTC-A says the MOI has failed to fully implement this portion of the decree, resulting in an ambiguous and often contradictory chain-of-command above the MCTF Director.[480]

CSTC-A reported that the "relentless pressure" of the international community on the MCTF to execute outstanding arrest and conviction warrants is negatively affecting the MCTF. According to CSTC-A, the MCTF is an investigative agency that lacks the personnel and resources to robustly execute warrants. CSTC-A would prefer that the MOI's General Command of Police Special Units (GCPSU) assist in the execution of warrants, as the GCPSU is already tasked with conducting high-risk warrant arrests. However, CSTC-A will explore the possibility of increasing MCTF personnel to accommodate a full-time warrant execution section.[481]

This quarter, CSTC-A reported notable improvement in the collaboration between the MCTF and AGO's chief ACJC prosecutor. Both the MCTF director and the ACJC chief prosecutor are relatively new to their positions. CSTC-A says that the previous incumbents regularly blamed each other for the lack of collaboration and refused to communicate directly. As evidence of the improved working relationship, CSTC-A cited how both leaders cooperated to determine priorities at Warrant Action Group (WAG) meetings and in holding a joint six-day training seminar.[482] The WAG is a biweekly forum where the ACJC, MCTF, MOI's Criminal Investigation Directorate, and CSTC-A coordinate warrant priorities and execution.[483]

REFUGEES AND INTERNAL DISPLACEMENT

Afghan Refugees

According to State, the Pakistan government extended the validity of Proof of Registration (POR) cards, which confer refugee status on 1.4 million Afghans, until June 30, 2019.[484]

As of December 25, 2018, the United Nations High Commissioner for Refugees (UNHCR) reported that 15,665 refugees have voluntarily returned to Afghanistan in 2018. The majority (13,584) of these refugee returns were from Pakistan.[485] As shown in Figure 3.40, far fewer refugees have returned to Afghanistan this quarter than the high in October 2016.[486]

Undocumented Afghan Returnees

As shown in Figure 3.41 on the next page, as of December 22, IOM reported that 757,292 undocumented Afghans returned from Iran and 32,027 undocumented Afghans returned from Pakistan in 2018. So far, 789,319 undocumented Afghans have returned in 2018.[487]

According to DOD, the collapse of Iran's currency has effectively cut remittances from Afghan migrant workers in Iran to almost zero. DOD says that 96% of the Afghan returnees from Iran are unskilled or semiskilled single male laborers under age 30, a population that could be vulnerable to recruitment into extremist groups or the illicit economy.[488]

State, however, disagreed with DOD's conclusion, saying "there is no basis to assert that [the Afghan returnee population] is more vulnerable to [extremist] recruitment than other populations."[489]

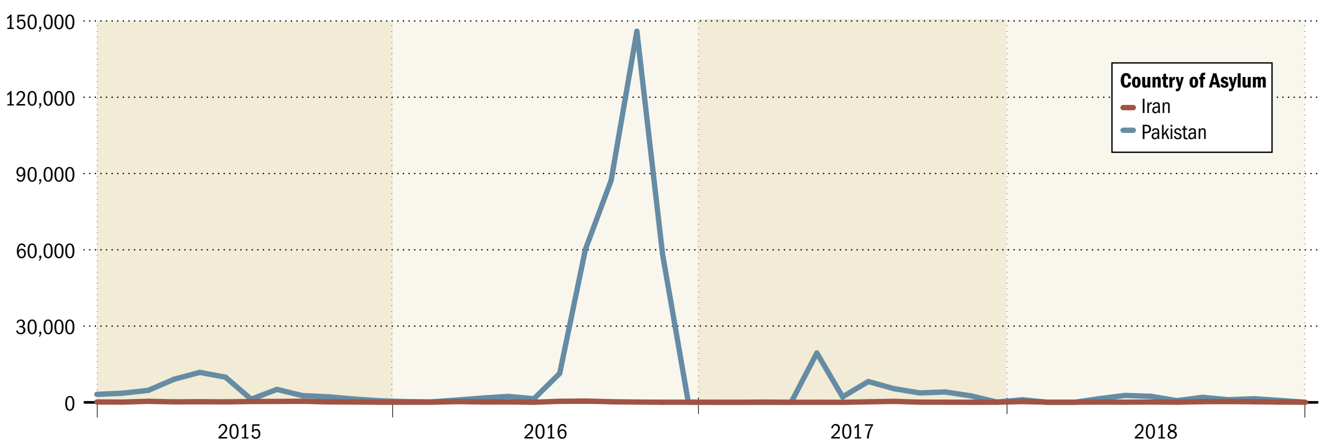
Refugees: Registered Afghan refugees in Pakistan hold Proof of Registration Cards (POR) and registered refugees in Iran hold Amayesh cards. Holding these cards means the person is recognized as a registered refugee.

Undocumented Afghans: Afghans in Pakistan who do not hold a POR card are considered undocumented. Afghans who reside irregularly in Iran (those without an Amayesh card or valid visa) are also viewed as undocumented.

Source: Ministry of Refugees and Repatriation, *Return and Reintegration Response Plan–2018*, 1/27/2018, p. 5.

FIGURE 3.40

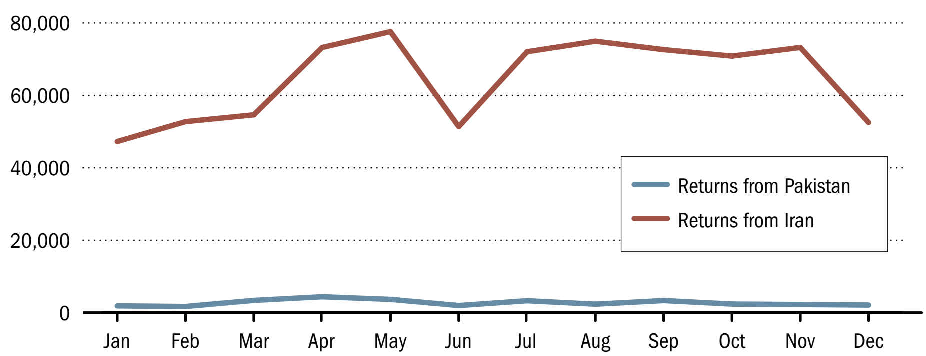
NUMBER OF AFGHAN REFUGEES RETURNING TO AFGHANISTAN (2015 THROUGH DECEMBER 25, 2018)



Source: SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2015," 1/1/2018; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2016," 11/8/2017; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2017," 9/12/2018; SIGAR analysis of UNHCR, "Afghan Voluntary Repatriation 2018," 12/25/2018.

FIGURE 3.41

NUMBER OF UNDOCUMENTED RETURNEES PER MONTH IN 2018



Source: IOM, "Weekly Situation Report: Jan–Dec 2018," 1/5/2019.

Internal Displacement

As shown in Figure 3.42, there has been less conflict-induced internal displacement this year than in 2017. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), as of December 14, the conflicts of 2018 had induced 343,341 people to flee. The office recorded 437,907 persons in the same period last year.[490]

Of the conflict-induced internally displaced persons recorded up to October 20, 2018, 18.92% reported being displaced from districts Resolute Support recorded as under Afghan government influence (as of October 22, 2018), 46.72% were from districts that are contested, and 32.65% were from districts with insurgent activity.[491]

Afghan Asylum Seekers in Europe

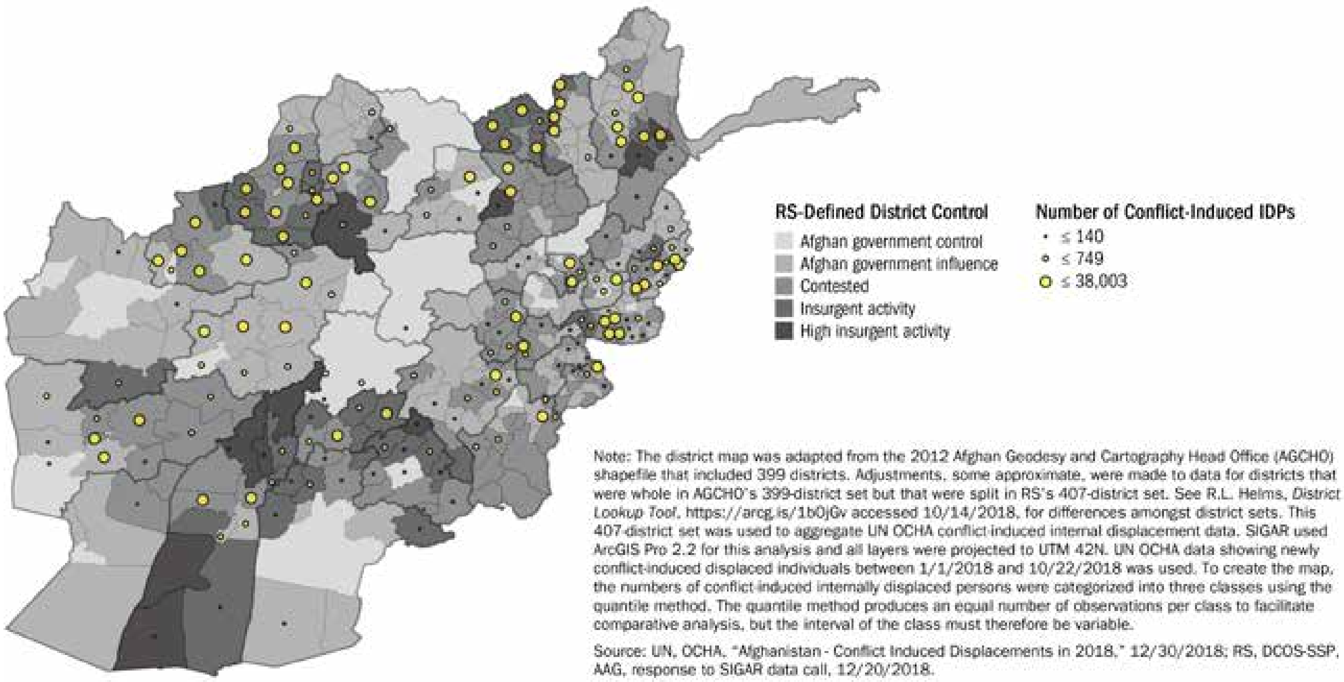
Eurostat, the statistical office of the European Union (EU), reported 31,320 first-time Afghan asylum seekers in the EU in the first eleven months of 2018. As shown in Figure 3.43, the number of first-time Afghan asylum seekers to the EU has decreased significantly since the high point in 2015/2016.[492] The Afghanistan Analysts Network said that stronger border controls and tightened asylum laws in Europe are the primary cause for the decrease in the number of Afghan asylum seekers.[493]

GENDER

USAID's 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

FIGURE 3.42

2018 CONFLICT-INDUCED INTERNALLY DISPLACED PERSONS (IDP) BY DISTRICT

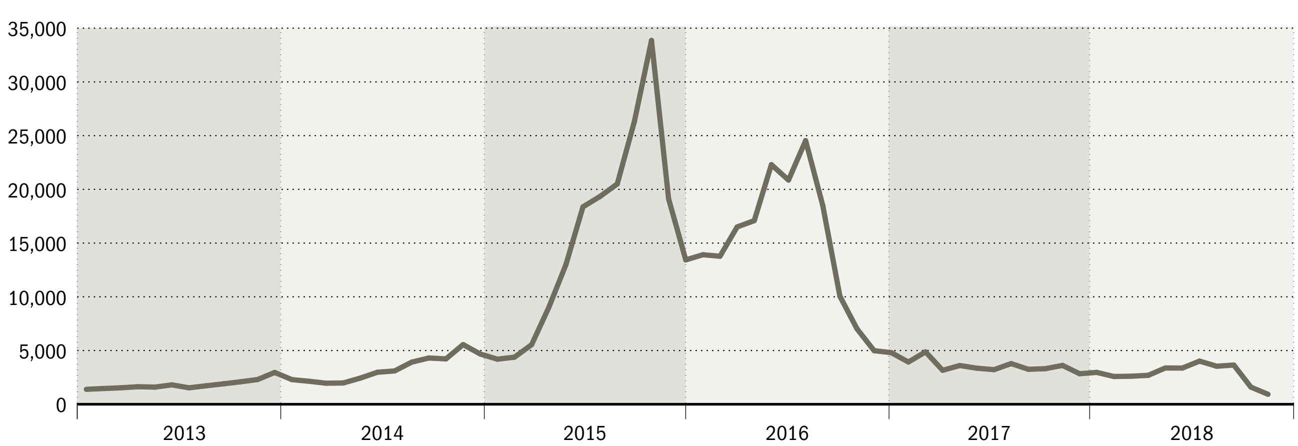


Note: The district map was adapted from the 2012 Afghan Geodesy and Cartography Head Office (AGCHO) shapefile that included 399 districts. Adjustments, some approximate, were made to data for districts that were whole in AGCHO's 399-district set but that were split in RS's 407-district set. See R.L. Helms, *District Lookup Tool*, https://arcg.is/1b0jGv accessed 10/14/2018, for differences amongst district sets. This 407-district set was used to aggregate UN OCHA conflict-induced internal displacement data. SIGAR used ArcGIS Pro 2.2 for this analysis and all layers were projected to UTM 42N. UN OCHA data showing newly conflict-induced displaced individuals between 1/1/2018 and 10/22/2018 was used. To create the map, the numbers of conflict-induced internally displaced persons were categorized into three classes using the quantile method. The quantile method produces an equal number of observations per class to facilitate comparative analysis, but the interval of the class must therefore be variable.

Source: UN, OCHA, "Afghanistan - Conflict Induced Displacements in 2018," 12/30/2018; RS, DCOS-SSP, AAG, response to SIGAR data call, 12/20/2018.

FIGURE 3.43

FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION (2013 THROUGH DECEMBER 2018, BY MONTH)



Source: EUROSTAT, "Asylum and first time asylum applicants by citizenship, age and sex monthly data (rounded)," 12/30/2018.

TABLE 3.20

USAID GENDER PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Promote: Women in the Economy	7/1/2015	6/30/2019	$71,571,543	$39,507,386
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	36,684,522
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	28,182,879
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	15,820,485
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	3,802,703
Combating Human Trafficking in Afghanistan	1/11/2016	6/30/2019	7,098,717	5,456,452
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	1,485,875
Countering Trafficking in Persons (CTIP) II–Empowerment and Advocacy to Prevent Trafficking	1/10/2018	1/9/2020	1,483,950	641,521
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/12/2019.

government, and help women gain business and management skills.[494] USAID has committed $280 million to Promote.[495] Table 3.20 show the current Promote programs.

As of December 23, USAID reports that 7,243 female Promote beneficiaries have secured full-time jobs. According to USAID, the Women's Leadership Development program has benefited 24,624 females. Of these, 874 have been subsequently hired by the Afghan government, 510 have been hired by nongovernmental organizations, and 301 have been hired in the private sector. The Women in the Economy (WIE) program has benefited 24,393, with 5,313 of these beneficiaries hired for permanent positions. The Women in Government (WIG) program has benefited 3,901 women, with 411 hired for permanent positions in the government.[496]

According to USAID, 1,919 WIE graduates found new or better jobs in the last quarter. USAID attributed this increase to WIE's focus on market-driven skills training and internships in female-friendly sectors including dentistry, ultrasound technology, taxation, retail sales, health, education, accounting, and management. Additionally, 494 teachers in 19 provinces received teaching contracts following training.[497]

Promote has benefited 55,202 women through leadership training, civil service training and internships, civil society advocacy work, and economic growth activities USAID says.[498]

In September, USAID's third-party monitor for Promote issued a midterm evaluation of the WIG program. The evaluation focused on the WIG internship program, a capacity-building effort to prepare selected university and high school graduates for jobs in the government. Interns receive six months of classroom-based civil service training, three months of

SIGAR AUDIT

Last quarter, SIGAR released a performance audit of Promote that assessed contract compliance, program performance, and implementation challenges for the five Promote programs. The audit found that, after three years and $89.7 million spent, USAID/Afghanistan has not fully assessed the extent to which Promote is meeting its overarching goal of improving the status of more than 75,000 young women in Afghanistan's public, private, and civil society sectors.

classroom-based leadership training, and three months internship at a government office. Relying on data from April 2018, the monitor said only 126 WIG graduates (15% of the total graduates) received subsequent employment.[499] (As shown above, this number has since increased to 411 graduates or 20% of WIG graduates.)[500] The evaluators wrote that while WIG has provided skills relevant to obtaining employment and working in the government, the program faces major challenges in reaching the target of 2,100 WIG graduates being employed by the government.[501]

The evaluators attributed the lower-than-expected employment numbers to a number of factors. One was an Afghan government policy change to centralize civil service recruitment in July 2017 that forced WIG to rethink its employment strategy. The evaluation observed that there are few government jobs in general, with the majority filled by men. For example, 15 times as many candidates as there were vacant positions took exams for the 18,000 vacant positions announced in early 2018. Further, the evaluators found that many WIG trainees assumed that they were guaranteed jobs with the government, leading some graduates not to seek employment on their own.[502]

This quarter, USAID reports that 122 Promote-supported teacher trainers trained 28,576 female teachers. Also this quarter, Promote held what USAID claimed was the first national conference on women and the peace process. Chief Executive Abdullah, U.S. Ambassador Bass, and the High Peace Council Vice Chairperson Dr. Habiba Sorabi spoke at the event.[503]

ECONOMIC AND SOCIAL CONTENTS

ECONOMIC AND SOCIAL DEVELOPMENT

KEY ISSUES AND EVENTS

U.S. sanctions on Afghanistan's neighbor, Iran, were fully reimposed this quarter. The sanctions, which had previously been suspended under the 2015 Iran nuclear deal, target more than 700 Iranian-linked individuals, entities, aircraft, and vessels. Although Afghanistan received several exemptions, the country continued to feel secondary effects.[504] A sanctions waiver granted under the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) permits Afghanistan to continue importing petroleum from Iran.[505]

A separate waiver granted under IFCA provided an exemption for the development of the Chabahar Port in southeastern Iran, including the construction of an associated railway.[506] The Chabahar Port has been used to ship humanitarian goods, such as wheat, to Afghanistan and could in the future allow Afghanistan to increase exports to India while circumventing frequent trade impasses at its border with Pakistan.[507]

The exemption for fuel imports was a significant development (according to State, Afghanistan may import more than 50% of its fuel from Iran), but did not compensate for other effects of the sanctions.[508] According to the International Organization for Migration (IOM), more than 720,000 Afghans have returned from Iran since January 1, 2018.[509] IOM noted this was a massive increase over previous years, driven by substantial depreciation of the Iranian rial and lower demand for labor in the informal sector, where Afghans in Iran generally work.[510] According to State, Afghan remittances from Iran have dropped to "almost zero" as a result.[511]

Afghanistan jumped 16 spots in the World Bank's annual *Doing Business* rankings (released October 31, 2018), from 183rd to 167th among the 190 economies measured.[512] According to the Bank, the jump in the rankings was due to improvements to Afghanistan's legal framework for businesses.[513] Its improvement was both relative and absolute: Afghanistan's aggregate *Doing Business* score rose by more than 10 points, from just over 36 in the 2018 rankings to nearly 48 in the 2019 rankings—a 32% increase.[514] While this is a positive development for Afghanistan, the improvement in the rankings should be viewed in light of the *Doing Business* report's limitations. For example, the report does not address macroeconomic stability, security, corruption, human capital, the strength of an economy's financial system, or the underlying quality of infrastructure or institutions.[515] For more on Afghanistan's jump in the *Doing Business* rankings, see the quarterly highlight on pages 161–163.

According to the USAID-funded Famine Early Warning Systems Network (FEWS NET), food insecurity persisted across large swathes of Afghanistan this quarter, due in part to the ongoing drought.[516] The Integrated Food Security Phase Classification (IPC), on whose food-security analyses USAID relies, anticipated that 10.6 million people would face severe food insecurity—meaning they would face food consumption gaps leading to acute malnutrition or would be forced to deplete household assets in order to meet minimum needs—between November 2018 and February 2019.[517] Although this figure was attributed to a variety of factors, including poverty and conflict, the IPC said that Afghanistan was experiencing a "major livelihood crisis," primarily due to the drought (the agricultural sector directly employs approximately two out of every five Afghans in the labor force, according to the World Bank).[518] In September 2018, USAID contributed approximately $44 million to the UN World Food Programme (WFP) to support the provision of critical food assistance to people affected by drought in Afghanistan.[519]

The International Monetary Fund (IMF) released its latest macroeconomic appraisal of Afghanistan this quarter. The IMF said the outlook for near-term licit economic growth had deteriorated due to the ongoing drought that cut into farm output. As a result, the IMF lowered its real economic-growth forecast for 2018 by 20 basis points (100 basis points equal one percentage point), to 2.3%.[520] This figure was 40 basis points lower than the IMF's 2017 growth estimate of 2.7%.[521]

According to press reporting, the U.S. may withdraw approximately half—or more than 7,000—of about 14,000 U.S. troops currently deployed to Afghanistan in coming months.[522] However, the commander of U.S. and NATO forces in Afghanistan said he had received no orders regarding a possible withdrawal, and DOD said there had been no announcement.[523] While this development is not overtly related to the Afghan economy, uncertainty surrounding the timing and implications of a material withdrawal of forces could increase investor uncertainty and dampen economic activity.

SIGAR analysis showed that the Afghan government's aggregate domestic revenues grew by approximately 9.3%, year-on-year, from Fiscal Year (FY) 1396 (December 21, 2016–December 21, 2017) to FY 1397 (December 22, 2017–December 21, 2018).[524] Afghanistan's Ministry of Finance (MOF) classifies domestic revenues into sustainable and one-off categories.[525] In FY 1397, several large transfers of funds to Afghanistan's central bank, totaling AFN 7.9 billion (approximately $106.8 million), were classified as one-off transfers.[526] These transfers corresponded to domestic debt obligations incurred by the MOF during the resolution of the Kabul Bank crisis and are scheduled to be repaid in full by the end of 2019, according to the MOF (for more on the Kabul Bank crisis, see pages 156–157 of this section).[527] The transfers reduced aggregate revenues.[528] It is not clear

Sustainable Domestic Revenues: According to Afghanistan Ministry of Finance (MOF) officials, these are revenues like customs, taxes, and non-tax fees. Multilateral institutions such as the World Bank and the 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.

why the MOF accounts for such transfers as revenues given that they appear to be essentially expenditures.

Because the transfers were categorized as one-offs, sustainable domestic revenues (which do not include one-off transactions) grew by the higher rate of 14.0%, year-on-year, from FY 1396–FY 1397.[529] Both the aggregate and sustainable domestic revenue growth rates appear to have recovered from nadirs in Month 8 of FY 1397.[530] Expenditures, meanwhile, grew by 8.2%.[531]

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE AND ECONOMIC AND SOCIAL DEVELOPMENT

As of December 31, 2018, the U.S. government has provided approximately $33.9 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly $20.5 billion—were appropriated to USAID's Economic Support Fund (ESF). Of this amount, $19.2 billion has been obligated and $16.2 billion has been disbursed.[532]

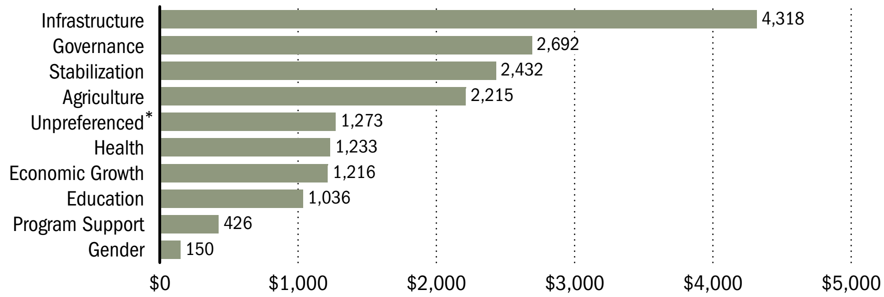
USAID's approach to economic development in Afghanistan is set forth in its latest multiyear assistance agreement with the Afghan government, signed on September 6, 2018. The agreement details the agency's strategic Development Objectives (DOs) for Afghanistan as well as intended results, among other information.[533] The DOs mirror those of USAID's Country Development Cooperation Strategy (CDCS) for Afghanistan, which has been finalized but not yet publicly released.[534] A CDCS defines a given USAID Mission's development approach in a country, providing the context for USAID-implemented programs and expected results.[535] Figure 3.44 shows USAID assistance by sector.

Development Objectives (DOs): correspond to specific development challenges that a mission aims to address. A Country Development Cooperation Strategy cannot have more than four DOs. DOs are typically the most ambitious results to which a USAID Mission in a particular country (e.g., the USAID/Afghanistan Mission), in conjunction with its development partners, can contribute.

Source: USAID, *ADS Chapter 201: Program Cycle Operational Policy*, 5/24/2018, p. 29.

FIGURE 3.44

USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF JANUARY 12, 2019
($ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. USAID gender programs presented as a separate category. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and other programs that build health and education facilities. OFM activities (e.g. audits and pre-award assessments) included under Program Support funds. In line with last quarter, additional OFM activities added due to increased data coverage.
*Unpreferenced funds are U.S. contributions to the ARTF that can be used for any ARTF-supported initiatives.

Source: SIGAR analysis of USAID, response to SIGAR data call, 1/12/2019; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of 10/22/2018.

Per the articles of the $2.5 billion agreement, which extends to December 31, 2023, the agency intends its assistance to:[536]

- accelerate private-sector-driven, export-led economic growth (DO 1)
- advance social gains in health, education, and gender equality (DO 2)
- increase the Afghan government's accountability to its citizens (DO 3)

The CDCS links to the updated U.S. Integrated Country Strategy (ICS) for Afghanistan released in late September 2018. According to the ICS, the U.S. policy goal in Afghanistan is to prevent any further attacks on the United States by terrorist groups that enjoy support or safe haven in Afghanistan. Accomplishing this policy objective, the ICS said, will not be possible without a growing Afghan economy. One goal of the U.S. mission in Afghanistan, therefore, is to create economic prosperity in Afghanistan by advancing private-sector-led export growth and job creation, and by bolstering social gains in health, education, and women's empowerment.[537] Whether this is achievable without a peace agreement and with a deteriorating security situation is unclear.

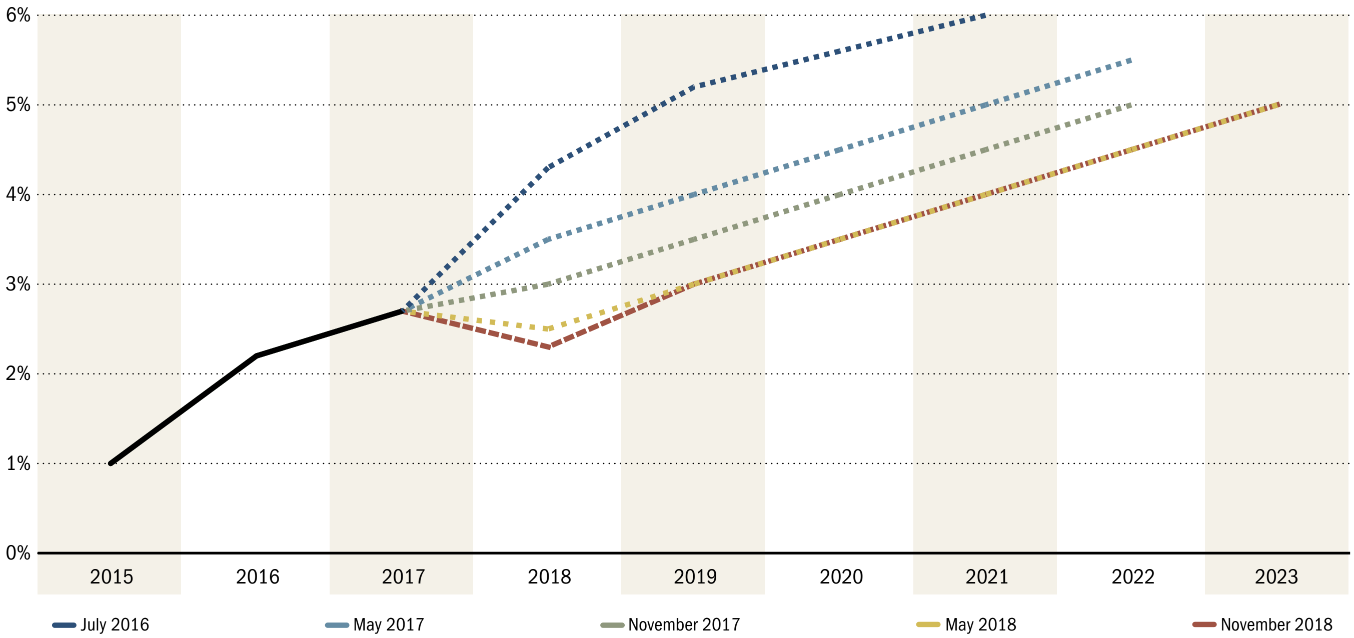
ECONOMIC PROFILE

Bolstered by high levels of donor spending, a large international military presence, and initial post-conflict economic recovery, Afghanistan's licit economic growth rate averaged close to double digits for the first decade of reconstruction. Since the 2014 security transition and drawdown of most foreign combat troops, however, growth has been substantially more subdued, despite continuing high levels of foreign assistance.[538] While Afghanistan is in the midst of a modest, post-security-transition recovery, with growth rising to 2.7% in 2017 following 1.3% growth 2014 and 1.5% growth in 2015, the World Bank said in August 2017 that momentum appeared to be at risk, with growth projected to slip to 2.4% in 2018.[539] Neither the Bank's analysis, nor the IMF's (described in the next paragraph) account for the opium economy to any real extent. Pages 150–152 explain why that is significant.

In November 2018, the IMF offered a similar appraisal, describing the near-term growth outlook as "weakened" due to the combined impact of the ongoing drought, political uncertainty surrounding the upcoming presidential elections (initially slated for April 2019, but now delayed by at least three months), and continued violence.[540] Accordingly, the IMF projected modest 2.3% growth in 2018, down 20 basis points from its previous projection of 2.5%.[541] While the IMF expected a recovery in 2019 due to rebounding agricultural output (with growth expected to jump to 3%), the IMF's growth-rate projections have been consistently revised downward, possibly reflecting overly optimistic views of Afghanistan's expected near-term economic performance.[542] Figure 3.45 presents IMF growth scenarios since early 2017.

FIGURE 3.45

IMF REAL ECONOMIC-GROWTH PROJECTIONS FOR AFGHANISTAN



Note: The IMF conducts periodic reviews of Afghanistan's macroeconomic situation through its Extended Credit Facility (ECF) program. The figure above displays the IMF's real economic growth projections for Afghanistan, as presented in five sequential reviews for, or under, its ECF arrangement. The ECF provides modest amounts of financing to the Afghan government in exchange for implementing various reforms. The IMF generally enters into ECF arrangements with countries experiencing protracted balance of payment problems. Some ECF real growth projections stopped short of 2022 or 2023. In those cases, the lines above terminate in the final year for which a projection was provided. For example, the ECF Request (July 2016) projections terminated in 2021, with a projection of 6% real growth for that year. Growth rates for 2015–2017 are from the IMF's fourth review under the ECF.

Source: IMF, *Fourth Review Under The Extended Credit Facility Arrangement, Request For Modification Of Performance Criteria, And Request For Extension And Rephasing Of The Arrangement*, 11/20/2018, p. 24; IMF, *Third Review Under The Extended Credit Facility Arrangement And Request For Modification Of Performance Criteria*, 5/9/2018, p. 24; IMF, *Staff Report For The 2017 Article IV Consultation And Second Review Under The Extended Credit Facility Arrangement, And Request For Modification Of Performance Criteria*, 11/21/2017, p. 36; IMF, *First Review Under The Extended Credit Facility Arrangement And Request For Modification Of Performance Criteria,* 5/8/2017, p. 26; *IMF, Request For A Three-Year Arrangement Under The Extended Credit Facility*, 7/1/2016, p. 27.

Fiscal Situation: Revenue Gains Remain Strong in FY 1397

The Afghan government's revenue gains have been quite strong in recent years.[543] In August 2018, the World Bank said Afghanistan's revenue performance was at a record high, reaching 12.3% of GDP in 2017, above the previous peak of 11.7% observed in 2011.[544] According to the Bank, revenue gains were attributable to improved customs enforcement and administration as well as new non-tax charges and fees.[545] However, the Bank said revenue gains attributable to improved administration and enforcement were "near exhaustion."[546] Apparently reflecting this conclusion, customs collections were up only 3.5%, year-on-year, through the first 10 months of 2018, according to the Afghanistan Customs Department.[547] The Bank indicated revenue gains could further moderate as a result of the upcoming presidential elections, based on historical election cycle trends.[548]

ECONOMIC IMPLICATIONS OF THE OPIUM ECONOMY

Balance of Payments (BOP): a record of transactions carrying economic value between the residents of one country and the rest of the world.

Aggregate Demand: the total demand for all goods and services within an individual economy.

Multiplier Effect: a phenomenon whereby a change or increase in a single economic variable results in changes or increases to numerous other variables.

Farm-Gate Price: the unit price of opium product available at farms at the time of harvest, which excludes value added by transport and delivery. The total farm-gate value of opium is equal to national potential production multiplied by the weighted average of farm-gate prices.

Source: UNODC, *Afghanistan Opium Survey 2017 Cultivation and Production*, 11/2017, p. 8; OECD, *Glossary of Statistical Terms*, "Farm Gate Price," 7/8/2005, https://stats.oecd.org/glossary/detail.asp?ID=940, accessed 1/24/2019; OECD, Glossary of Statistical Terms, "Balance of Payments," n.d., https://stats.oecd.org/glossary/detail.asp?ID=940, accessed 1/24/2019; Investopedia, "Aggregate Demand," 4/4/2018, https://www.investopedia.com/terms/a/aggregatedemand.asp, accessed 1/24/2019; Investopedia, "Multiplier," 7/13/2018, https://www.investopedia.com/terms/m/multiplier.asp, accessed 1/24/2019.

Any presentation or analysis of Afghanistan's economic output (and by extension its growth rate) without accounting for the opium trade provides an incomplete picture of the Afghan economy. By value, opium poppy is the most important crop in Afghanistan, generating between $4–6.5 billion of potential exports in 2017—the equivalent of 20–32% of Afghanistan's licit GDP—according to the United Nations Office on Drugs and Crime (UNODC).[549]

The drug trade's impact on the political economy of Afghanistan has been deeply corrosive. Corruption associated with the opium economy undermines state legitimacy and public institutions, particularly in the security and justice sectors.[550] Opium production has also directly worked against security goals by financing insurgent groups.[551]

Nevertheless, from a purely economic perspective, it has also brought significant benefits, supporting Afghanistan's balance of payments and bolstering aggregate demand (although it does not directly contribute to Afghan government revenues).[552] Additionally, from a livelihoods perspective, opium-poppy cultivation can substantially impact rural households through both employment and increased purchasing power.[553] According to the UNODC, opium-poppy weeding and harvesting provided up to 354,000 jobs in rural areas in 2017.[554] In poppy-growing areas, opium has a strong multiplier effect, creating secondary jobs as farmers accrue capital to spend on food, medical care, and other consumer products.[555]

Setting aside the various ways in which it undermines the Afghan state, the opium economy's sheer size renders it highly relevant to assessments of Afghanistan's economic performance. However, the World Bank, IMF, and others exclude the value of opium production from their reported GDP estimates, as SIGAR has reported previously.[556] In contrast to these multilateral institutions, since 2015–2016, Afghanistan's National Statistics and Information Authority (NSIA) has reported the country's GDP and GDP growth rates with two figures: one that includes, and one that excludes the opium economy.[557] Due to what the UNODC described as "record-high" opium production in 2017, Afghanistan's total economy, including the opium sector, grew by a robust 7.2% in 2017, according to the NSIA, compared to 2.9% excluding opium.[558] More or less in line with the NSIA's licit growth estimate for 2017, the IMF and the Bank reported that Afghanistan's growth rate in 2017 was 2.7%.[559]

With limited visibility into the opium sector, the NSIA appears to account only for the farm-gate value of opium and therefore does not include the

The sun rises over a poppy field in Maywand District, Kandahar Province. (U.S. Army photo by Sgt. Daniel P. Shook)

value added through refinement and trafficking. Although much of the income generated by the opium economy above the level of the farm does not enter or remain in Afghanistan, the NSIA may still understate opium's contribution to the Afghan economy, in part because that income presumably provides financing for imports. Additionally, some portion of the export value returns downstream to the domestic economy, further multiplying the income effects from opium production and increasing the opium economy's impact on the licit economy.[560] Extrapolating from UNODC estimates, the net value of the total opium economy in 2017—which includes value added during production and trafficking but excludes the value of imported precursor substances—was $3.9–6.3 billion, the equivalent of 19.1–30.5% of GDP.[561]

The magnitude of the opium economy raises significant questions about how to evaluate Afghanistan's macroeconomic performance. On the one hand, donors seek to increase licit growth, which perhaps lends some degree of legitimacy to the notion of excluding opium from economic reporting. On the other, Afghanistan's true economic performance may be substantially obscured by omitting opium. In fact, it is possible to derive wildly different conclusions about the state of economic affairs in the country through that omission. As shown in Table 3.21 on the following page, adding the contributions of the opium economy leads to polar-opposite conclusions about the health of the economy.

Precursor Substances: substances that may be used in the production, manufacture, and/or preparation of narcotic drugs and psychotropic substances.

Source: UNODC, *Multilingual Dictionary of Precursors and Chemicals*, 2008, viii.

TABLE 3.21

CONTRASTING MACROECONOMIC OBSERVATIONS, INCLUDING AND EXCLUDING THE OPIUM ECONOMY

Observation Including the Opium Economy	Observation Excluding the Opium Economy
Afghanistan's 2017 economic growth rate was a robust 7.2%.	Afghanistan's 2017 economic growth rate was a modest 2.7%.
Depending on the level of opium exports, Afghanistan's 2017 merchandise trade deficit may have been between zero and $2.3 billion.	Afghanistan's merchandise trade deficit in 2017 was $6.3 billion.
Afghanistan's real growth rate in 2015 was -2.4%. By 2017, it had risen to 7.2%, an average annual growth rate increase of nearly five percentage points.	From 2015–2017, Afghanistan's economic growth rate gradually rose from 1.0% to 2.7%.

Source: IMF, *Fourth Review Under The Extended Credit Facility Arrangement, Request For Modification Of Performance Criteria, And Request For Extension And Rephasing Of The Arrangement*, 11/20/2018, p. 23; NSIA, *Afghanistan Statistical Yearbook 2017–2018*, p. 110; UNODC, *Afghanistan Opium Survey 2017: Challenges to Sustainable Development, Peace and Security*, 5/2018, p. 14; NSIA, *Afghanistan Statistical Yearbook 2016–17*, 5/10/2017, p. 163; NSIA, *Afghanistan Statistical Yearbook 2015–16*, 5/31/2016, p. 139; SIGAR analysis.

While visiting Kabul this quarter, SIGAR's Research and Analysis Directorate asked USAID's Office of Economic Growth whether it accounts for opium in evaluating the performance of Afghanistan's economy. Despite the potential for the inclusion of opium to generate contradictory conclusions about Afghanistan's growth and trade picture, OEG stated it does not, claiming that opium statistics are speculative.[562] But the extent to which opium-related economic figures are actually speculative, relative to other economic data from Afghanistan is debatable. One economic expert on Afghanistan—a former World Bank economist—wrote in 2008, "data on the opium economy are generally no worse, and in many respects better, than the data available on the rest of Afghanistan's economy."[563] While this statement may be dated, the World Bank readily compares the size of the opium economy with the size of the licit agricultural economy in its most recent (August 2018) macroeconomic update on Afghanistan, implying data quality equivalency (though again, the Bank does not incorporate the opium economy into its GDP estimates and projections for Afghanistan).[564] On the topic of licit economic figures, the IMF said in May 2018, "Data provision has significant shortcomings, hampering evidence-based policy decisions. The national accounts, the BOP, CPI, and inter-sectoral consistency are areas of concern."[565] In other words, poor data quality pervades many areas of the licit macroeconomy.

Consumer Price Index (CPI): an index that measures price changes over time for a specified "basket" of goods and/or services. A CPI can be used to measure inflation.

Source: "Consumer Price Index," n.d., https://stats.oecd.org/glossary/search.asp, accessed 1/24/2019.

The opium economy contracted in 2018: due to high levels of supply that resulted in price reductions, income earned by farmers fell from an estimated $1.4 billion in 2017 to just over $600 million in 2018—a 56% reduction, according to the UNODC.[566] The UNODC added that the area under opium-poppy cultivation declined by 20% in 2018, year-on-year—a decrease of approximately 65,000 hectares—driven in part by the ongoing drought.[567] Nonetheless, the estimated 2018 figure of 263,000 hectares was the second-highest number recorded since systematic monitoring began in 1994.[568] Opium, in other words, is not going away. Ultimately, the significance of narcotics to Afghanistan's economy is far from speculative and is likely to complicate assessments of Afghanistan's macroeconomy for years to come.

SIGAR analysis showed that, despite these concerns, the Afghan government's revenue performance remained strong in Fiscal Year (FY) 1397 (December 22, 2017–December 21, 2018). Aggregate domestic revenues grew by approximately 9.3%, year-on-year, from FY 1396 (December 21, 2016–December 21, 2017) to FY 1397.[569] Afghanistan's Ministry of Finance (MOF) classifies domestic revenues into sustainable and one-off categories (see page 146 for definitions).[570] In FY 1397, several large transfers of funds to Afghanistan's central bank, totaling AFN 7.9 billion (approximately $106.8 million), were classified as one-off transfers.[571]

These transfers corresponded to domestic debt obligations incurred by the MOF during the resolution of the Kabul Bank crisis and are scheduled to be repaid in full by the end of 2019, according to the MOF.[572] Following the near-collapse of Kabul Bank and the withdrawal of approximately $500 million from nervous depositors within the span of just a few days, the Afghan government organized an $825 million bailout financed by central bank reserves (for more on the Kabul Bank crisis, see pages 156–157 of this section).[573] The bailout was underwritten by the MOF, which incurred associated repayment obligations to the central bank.[574] The transfers reduced aggregate revenues.[575] It is not clear why the MOF accounts for such transfers as revenues given that they appear to be essentially expenditures. Because the transfers were categorized as one-offs, sustainable domestic revenues (which do not include one-off transactions) grew by the higher rate of 14.0%, year-on-year, from FY 1396–FY 1397.[576]

Both the aggregate and sustainable domestic revenue growth rates appear to have recovered from nadirs in Month 8 of FY 1397.[577] At this juncture, aggregate revenue growth stood at just 2.6%, while sustainable revenue growth was 6.5%.[578] Total sustainable revenues through month 12 were 74.5% higher than total sustainable revenues through Month 8.[579] Improvements to revenue gains in Months 9–12 of FY 1397 were driven primarily by a substantial increase in unspecified "Other revenue" (also referred to as "Miscellaneous" revenue), which accounted for 25.4% of the overall increase in revenues in Months 9–12, compared to the total at the end of Month 8. According to MOF officials, the "Miscellaneous" category is sometimes used as a catch-all category for uncategorized revenues prior to the MOF's reconciliation.[580] Other revenue categories with significant contributions to the year-end sustainable revenue total, compared to the total at the end of Month 8, were income taxes (which accounted for 14.9% of sustainable revenue growth over the final four months of the year), customs duties and import taxes (14.9%), sales taxes (13.3%), and administrative fees (11.2%).[581]

Expenditures, meanwhile, grew by 8.2%, driven primarily by increased costs for the purchase and improvement of government assets, which increased by 33.4%, year-on-year.[582] Outlays for wages and salaries, which rose by 5.3% year-on-year and were nearly 48% of total expenditures for FY 1397 (consistent with recent trends), also contributed to the overall

TABLE 3.22

EXPENDITURES, FISCAL YEARS 1396 AND 1397 COMPARED (IN AFGHANIS)

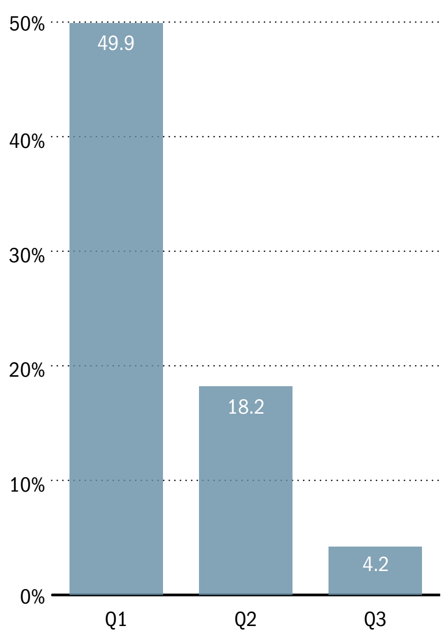
Category	FY 1396	FY 1397	% Change
Wages and Salaries[a]	174,563,039,363	183,829,117,199	5.3%
Goods and Services[b]	87,899,778,371	80,497,776,280	(8.4%)
Subsidies, Grants, and Social Benefits[c]	25,344,447,509	30,059,074,921	18.6%
Acquisition of Assets[d]	67,952,536,266	90,642,757,910	33.4%
Interest and Repayment of Loans[e]	1,830,762,840	2,002,475,994	9.4%
Total	**357,590,564,348**	**387,031,202,304**	**8.2%**

Note:
[a] Compensation of government employees.
[b] Includes: (1) payments to private firms in return for goods and/or services, and (2) payments to other government units or agencies in return for services performed.
[c] Includes: (1) expenditures made to entities in return for development assistance and promotional aid, or reimbursement for losses caused by equalization of commodity tariffs, price controls, and other similar purposes that are not repayable; (2) grants to other government units for which unequal value is provided in return; and (3) social assistance benefits not covered by social security.
[d] Expenditures related to the purchase, improvement, or construction of assets.
[e] Interest, principal payments, and fees related to government debt.

Source: SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019; SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; Government of Afghanistan, MOF, *Chart of Account Guide Fiscal Year: 1397*, Version 1, "Object Exp Long Des," 1/7/2018.

FIGURE 3.46

AFGHANISTAN'S 2017/2018 YEAR-ON-YEAR MERCHANDISE-EXPORT GROWTH



Source: SIGAR analysis of NSIA quarterly and annual export data, 2017–2018, accessed 9/25/2018 and 12/20/2018.

rise.[583] Table 3.22 shows a comparison of expenditures for FY 1397, compared to FY 1396.

Trade: Exports Have Grown but Air Exports Have Been Subsidized

Afghanistan maintains a large licit merchandise-trade deficit, equivalent to more than 30% of GDP, according to the IMF.[584] Nonetheless, air exports have been growing at a rapid rate. As SIGAR reported last quarter, exports by air rose from $230 million in 2015 to $391 million in 2017, according to USAID—an increase of over 70%.[585] USAID has heavily emphasized its support to Afghanistan's recent surge in air exports: in January 2018, USAID said exports were "set to soar" as a result of that support.[586] Speaking at the inauguration of a new customs center at Hamid Karzai International Airport in Kabul, Ambassador John Bass said the new infrastructure would help to boost air exports and "give the world a different vision of Afghanistan and its future."[587] Despite this promotion, however, the IMF said Afghanistan's trade deficit remained "very large," noting that recent efforts to increase exports did not yet appear to have had a material effect.[588] In fact, the IMF projected the trade deficit to rise substantially in 2018, from the equivalent of 31.2% of GDP to 39.7% of GDP.[589]

Moreover, overall gains in Afghanistan's exports appear to be slowing. While SIGAR analysis of recent data from Afghanistan's National Statistics and Information Authority showed that overall export growth over the first nine months of 2018, year-on-year, stood at 18.5%, quarter-to-quarter growth has slowed significantly, as Figure 3.46 shows.[590] The total value of exports through the first three quarters of 2018 was $581.2 million, while the total

TABLE 3.23

AFGHANISTAN'S AIR EXPORTS BY DESTINATION (10 MONTHS), 2017–2018

Country of Destination	2018 Customs Value (AFN MILLIONS)	Share of FY 1397 Total
India	6,237.50	79.8%
Pakistan	480.24	6.1%
Saudi Arabia	330.03	4.2%
Germany	191.20	2.4%
United Arab Emirates	100.48	1.3%
Others	476.57	6.1%
Total	**7,816.03**	**100%**

Source: SIGAR, communications with ACD officials, 11/21/2018, 12/20/2018, and 12/21/2018.

value of imports over the period was $5.5 billion, putting Afghanistan's running nine-month 2018 trade deficit at $4.9 billion.[591]

Furthermore, based on discussions with both Afghan and USAID officials in Kabul this quarter, Afghanistan's air exports have been, and are currently being, subsidized.[592] According to State, those subsidies are substantial: up to 90% for flights to India, 75% for flights to Europe, and up to 80% for flights to other destinations.[593] This means that seemingly encouraging air export gains could be unsustainable and the net income to Afghans is lower than export income would suggest. Table 3.23 shows an Afghanistan Customs Department (ACD)-provided breakdown of air exports by destination through October 2018. There appeared to be discrepancies between air export figures provided by the ACD and those provided by USAID. SIGAR aims to resolve these discrepancies in future quarters.

U.S. Ambassador to Afghanistan John Bass and Chief Executive Abdullah Abdullah attend a January 2018 ribbon-cutting ceremony for a one-stop customs facility at Hamid Karzai International Airport in Kabul. (USAID photo)

Iran Sanctions Have been Fully Reimposed but Afghanistan Granted Waivers

In May, President Donald J. Trump announced that the United States was withdrawing from the Joint Comprehensive Plan of Action (JCPOA)—more commonly known as the "Iran nuclear deal" of 2015—that lifted sanctions on Iran in return for Iran's limiting its nuclear-power activity to ensure that it is unable to produce nuclear weapons. According to Secretary of State Michael R. Pompeo, the President withdrew from the Iran deal because it failed to guarantee the safety of the American people.[594]

This quarter, the U.S. fully reimposed sanctions on Iran, targeting more than 700 Iranian-linked individuals, entities, aircraft, and vessels.[595] However, under a sanctions waiver granted under the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA), Afghanistan is permitted to continue to import petroleum from Iran. A separate waiver granted under IFCA provided an exemption for the development of the Chabahar Port in southeastern Iran, including the construction of an associated railway.[596] The Chabahar Port has been used to ship humanitarian goods, such as wheat, to Afghanistan and could in the future allow Afghanistan to increase exports to India while bypassing Pakistan.[597] However, the extent to which the port will be developed further given the current sanctions regime is not readily apparent. According to State, commercial enterprises (including banks) were not yet clear on the nuances of the Chabahar-related exceptions. As a result, businesses remained somewhat wary about engaging with financial business that flowed through Iran.[598] State said that while Iran had announced a $40 million investment to develop fuel-storage facilities at the port since the announcement of the sanctions exception, no third-country investment had been committed, as of December 13, 2018.[599]

Additionally, although the exemption for fuel imports was a significant development (according to State, Afghanistan may import more than 50% of its fuel from Iran), Afghanistan continued to feel secondary effects from the sanctions this quarter.[600] According to the International Organization for Migration (IOM), more than 720,000 Afghans have returned from Iran since January 1, 2018.[601] IOM noted this was a massive increase over previous years, driven by substantial depreciation of the Iranian rial and lower demand for labor in the informal sector, where Afghans in Iran generally work.[602]

Reintegrating returnees has created a heavy economic and social burden for the less-stable western provinces of Afghanistan, according to State.[603] State said that Afghan remittances from Iran have dropped to "almost zero," adding that the loss of remittance incomes to families already stressed by the ongoing drought poses a significant challenge to local economies and communities in western Afghanistan.[604]

BANKING AND FINANCE

Afghanistan's modest financial sector consists of 14 banks—three state-owned institutions, eight Afghan private banks, and three branches of foreign banks.[605] Arian Bank, a subsidiary of Iran's state-owned Bank Melli with a presence in Afghanistan, was recently subjected to U.S. sanctions as a result of the U.S. withdrawal from the Iran nuclear deal.[606]

Overall, the banking sector remains weak and underdeveloped, which constrains investment and growth, according to the World Bank.[607] While the sector's total assets were equivalent to 23% of GDP, the value of credit extended to Afghanistan's private sector was equivalent to a mere 3.3% of GDP, reflected by extremely high asset-to-deposit ratios.[608]

Kabul Bank Theft: Progress Remains Marginal

In September 2010, embezzlement and fraud by a handful of politically connected individuals and entities left Kabul Bank—a systemically important Afghan financial institution—at the brink of collapse.[609] The Afghan government's subsequent $825 million bailout (an amount equivalent to approximately 5–6% of the country's GDP at the time) rendered the scam one of the largest banking catastrophes in the world, relative to GDP.[610]

The scandal involved an elaborate fraud and money-laundering scheme orchestrated by Kabul Bank founder Sherkhan Farnood (who recently died while serving time in Bagram Prison), chief executive officer Khalilullah Ferozi, and other key shareholders and administrators. Years later, the legacy of Kabul Bank remains a striking symbol of the extensive corruption and criminality that undermines the Afghan government's legitimacy, according to the United States Institute of Peace (USIP).[611] Every quarter, SIGAR requests an update from relevant agencies on Kabul Bank Receivership (KBR) efforts to recover funds stolen from the Kabul Bank. The KBR was established to manage Kabul Bank's bad assets.[612]

According to State, based on information provided by the KBR, some progress on recoveries has been made since November 2018. Specifically, as of December 15, $4 million had been collected since last quarter, including $1.8 million in cash and $2.2 million in properties seized.[613] However, as of September 23, 2018, the KBR appeared to have already counted the majority of these funds as recoveries in the form of collateralized loans. Rather than adding to total recoveries, the "recoveries" reported by State (which relies on the KBR for its figures) this quarter appear to simply represent shifts of funds between recovery categories, as collateralized assets already counted as "recovered" by the KBR were either sold or seized by the Afghan government.[614] Reflecting otherwise stagnant progress, total recoveries reported by the KBR increased by only $170,000 from September 23, 2018–January 6, 2019.[615] More than $535 million in missing funds remain outstanding.[616]

ECONOMIC GROWTH

Given the centrality of USAID's current objective to accelerate private-sector driven, export-led growth, the agency's Office of Economic Growth (OEG) will play an important role in the agency's Country Development Cooperation Strategy (CDCS).[617] Within the context of the new strategy, OEG's efforts will focus on:[618]

- supporting export-ready Afghan firms
- improving airport infrastructure to facilitate exports by air
- linking Afghan traders to new markets

U.S. Ambassador to Afghanistan John Bass and Chief Executive Abdullah Abdullah, among others, participate in a lamp-lighting ceremony to kick off the USAID-sponsored Passage to Prosperity 2 trade show held in Mumbai, India, on September 12–15, 2018. (USAID photo)

As described on page 148, accelerating Afghanistan's economic growth rate amid heightened uncertainty and ongoing conflict is likely to be difficult. USAID has cumulatively disbursed over $1.2 billion for economic-growth programs in Afghanistan.[619] USAID's active economic-growth programs have a total estimated cost of $119 million and can be found in Table 3.24.

TABLE 3.24

USAID ACTIVE ECONOMIC-GROWTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Multi-dimensional Legal Economic Reform Assistance (MELRA)	2/7/2018	2/6/2023	$19,990,260	$0
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	979,204
INVEST	9/28/2017	9/27/2020	15,000,000	777,625
Afghanistan Investment Climate Program	3/27/2015	3/26/2020	13,300,000	5,203,601
Commercial Law Development Program	3/1/2014	9/30/2019	13,000,000	9,759,661
Goldozi Project	4/5/2018	4/4/2022	9,718,763	694,351
Livelihood Advancement for Marginalized Population (LAMP)	5/27/2018	5/25/2022	9,491,153	8,889
Establishing Kabul Carpet Export Center (KCEC)	6/6/2018	6/5/2021	9,416,507	922,000
Trade Show Support (TSS) Activity	6/7/2018	12/6/2020	3,999,174	1,792,626
Development Credit Authority (DCA) with Ghazanfar Bank	Not provided	Not provided	2,163,000	0
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	0
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	0
Reduce Disaster Risks through Mitigation	Not provided	Not provided	150,000	150,000
Total			**$119,078,883**	**$20,808,758**

Source: USAID, response to SIGAR data call, 1/12/2019.

Natural Resources: An Untapped Source of Government Revenue and Licit Economic Growth

One largely untapped economic area identified as having the potential to generate substantial revenue for the government is Afghanistan's extractives sector. According to President Ghani, "The economic development and prosperity of Afghanistan depends on its mining sector, which will enable Afghanistan to pay its military expenditure and achieve self-reliance."[620]

Nevertheless, despite hopeful rhetoric about the promises mineral riches mining currently represents only a small share of Afghan economic activity. [621] SIGAR analysis of Afghanistan National Statistics and Information Authority data shows that, in 2017, mining contributed only 0.97% of added value to the country's licit GDP. Including the opium economy, value-added from the mining sector was even lower: 0.92% of GDP. [622]

Though licit mining languishes, illegal mining—broadly defined—has flourished in Afghanistan. According to USIP, most mineral extraction in the country is either illicit or unregulated. While some local communities have operated for decades under informal agreements brokered before the current regulatory regime took effect, the Taliban and various criminal networks control other sites.[623]

2018 Mining Law Update

Afghanistan has been working on a new mining law. According to the Afghan government, the law is intended to provide a transparent bidding process for the sector and help form the foundation of a market economy. [624] Through an interagency agreement with USAID, the Commerce Department's Commercial Law and Development Program (CLDP) has been assisting the Afghan government with revisions to several successive drafts of the new mining law (also referred to as the "2018 mining law").[625]

There was considerable confusion throughout the quarter regarding whether the new 2018 law was in force. Afghanistan's Ministry of Mines and Petroleum (MOMP) informed CLDP that the new law was signed on September 5, 2018, by President Ghani and was currently in force.[626] State said the law was enacted by Presidential decree on October 1, 2018.[627] State, too, said the law was currently in force.[628] However, CLDP also said that according to MOMP, the law will not come into force until it is published in the Official Gazette after it is approved by the Parliament.[629]

According to an unofficial English translation of a draft version of the law dated September 5, 2018, "This Law shall enter into force as of the date of promulgation in the Official Gazette," apparently meaning that publication in the Official Gazette alone would put the law into force.[630] Because the law has not yet been published in the Official Gazette, it is not clear whether or not the law was actually in force, statements to the contrary notwithstanding. SIGAR will continue to follow this issue.

Afghanistan Suspended from Extractive Industries Transparency Initiative

According to Integrity Watch Afghanistan, an Afghan nongovernment organization (NGO), Afghanistan was suspended from the Extractives Industries Transparency Initiative (EITI) on January 18, 2019.[631] The EITI is an international standard designed to ensure transparency in the extractives sector.[632] In countries that have committed to implementing the EITI standard, governments are required to publish revenues received from extractives companies. The companies, in turn, must publish what they pay to governments.[633] Each EITI implementing country has a multistakeholder group consisting of representatives from industry, civil society, and the government that oversees the EITI process.[634]

IWA called the EITI the "most prominent international mechanism against abuses linked to natural resources."[635] While there appeared to be no official announcement of the suspension, the EITI website now displays Afghanistan's status as "Inadequate progress/suspended."[636] The United

States withdrew from the EITI as an implementing country in November 2017, citing conflict between U.S. laws and the EITI standard.[637]

Although IWA acknowledged that Afghanistan had made significant progress in implementing transparency initiatives in recent years, IWA emphasized that "serious gaps and weaknesses" remained and said it had anticipated the suspension.[638] According to IWA, those gaps included a protracted delay in appointing a new national EITI coordinator and a "missed opportunity" with the new 2018 mining law to use a single account for all extractives revenues flowing to the Afghan government, which IWA said would facilitate simpler, more transparent accounting of those revenues.[639] According to Global Witness, an international NGO that aims to expose corruption and increase government transparency, the Afghan government already has committed to take the necessary measures to lift its EITI suspension by summer 2019.[640]

Debate Regarding Two Recently Awarded Mining Contracts Continues

Two mining contracts for large concessions that had previously been stalled were signed last quarter—one for the Balkhab copper mine in Sar-e Pul and Balkh Provinces, and the other for a gold mine in Badakhshan (see pages 144–147 of SIGAR's October 2018 *Quarterly Report to the United States Congress* for more).[641] Both contracts have received heavy scrutiny from Afghan civil society organizations due to the involvement of former minister of Urban Development and Housing Sadat Naderi.[642] Naderi resigned from his position as minister in June 2018.[643] Naderi owns the Afghan Krystal Mining Company, which has a 50.1% ownership stake in the Balkhab concession and a 24.5% ownership stake in the Badakhshan concession, according to contract documents.[644]

Global Witness, a nongovernmental organization (NGO) that aims to expose corruption and human rights abuses, and Integrity Watch Afghanistan (IWA) contend that Naderi, as a former minister, is ineligible for the contracts. This is because Global Witness and IWA interpret the 2014 mining law as setting a five-year "cooling off" period before companies owned by former ministers are allowed to obtain mining contracts or licenses.[645] Under this interpretation, Naderi would be ineligible for the contracts because his resignation occurred in June 2018, placing him well within the cooling off period. Countering this contention, State said this quarter that the views of Global Witness and Afghan civil society organizations were "without substantive legal basis."[646] State's view is that Naderi bid for and won these contracts in good faith while he was a private citizen.[647]

Beyond potential conflict-of-interest issues, there was some confusion this quarter as to whether any U.S.-based firms were involved in the projects. According to contract documents, a company named Centar Ltd.,

AFGHANISTAN IMPROVES ITS *DOING BUSINESS* RANKING

A big leap. Afghanistan jumped 16 spots in the World Bank's annual *Doing Business* rankings (released October 31, 2018), from 183rd to 167th among the 190 economies measured.[648] According to the Bank, the jump in the rankings was due to improvements to Afghanistan's legal framework for businesses.[649] Its improvement was both relative and absolute: Afghanistan's aggregate *Doing Business* score rose by more than 10 points, from just over 36 in the 2018 rankings to nearly 48 in the 2019 rankings—a 32% increase.[650]

According to the Bank, the jump in Afghanistan's ranking was driven by the following reforms:[651]

- lower costs for starting a business
- new electronic tax declarations for large taxpayers
- a new limited liability company law strengthening protections for minority investors
- a new insolvency law that, among other effects, streamlined insolvency proceedings and promoted reorganization of distressed companies
- improved access to credit, facilitated by the same new insolvency law, which ensured that secured creditors are the first to be repaid during insolvency proceedings

What does it mean? Afghanistan's jump in the rankings and its score increase represent an apparently positive development. In the past, SIGAR has used Afghanistan's performance on the *Doing Business* measures to underscore the challenges of the country's business climate.[652] However, it is not clear how material this improvement really is, given the rankings do not reflect actual business activity. Rather, they are merely a loose proxy for future activity. Moreover, the rankings omit many factors of great significance to the business environment, such as security and corruption. Ultimately, it is unlikely that Afghanistan will see immediate or perhaps even mid-term economic gains as a result of the reforms.

What is the *Doing Business* report? Published every October, the World Bank's *Doing Business* report ranks 190 economies against one another, based on laws and regulations that may have an effect on business activity, such as protection of property rights and the cost of electricity access. The 2019 report provides rankings of economics based on 10 regulatory areas that theoretically impact each stage of the life of a business:[653]

- starting a business
- dealing with construction permits
- getting electricity
- registering property
- getting credit
- protecting minority investors
- paying taxes
- trading across borders
- enforcing contracts
- resolving insolvency

The premise of the report is that improvements in these areas assist private-sector development and performance, with higher-ranked economies better positioned to support private-sector (and hence gross domestic product) growth.[654] For example, reforms that increase access to credit within a certain economy theoretically position entrepreneurs in that economy to finance the creation of new firms, and existing businesses in that economy to invest. Such investments, the logic goes, can create jobs, increase productivity, and raise a country's economic potential.

How are the scores and rankings determined? Subscores for each measure above are combined to form an aggregate score that allows economies to be ranked against one another. The rankings are determined by simply sorting aggregate scores. An economy's ranking is a relative measure of performance, while an economy's score is an absolute measure of performance.[655]

An economy's ease of doing business score reflects the gap between that economy's performance and a benchmark measure of best practice over the complete sample of 41 indicators that collectively cover the 10 topics presented above.[656] An economy's aggregate score is referred to as the "distance to the frontier" score.[657] Each indicator is normalized using the "worst" and "best" performance for a five-year period.[658] Assuming that no measures or indicators are added, this helps ensure some degree of data consistency across time. This is why the World Bank considers score changes to be absolute, rather than relative, measures of reform.

What the *Doing Business* Report doesn't measure. The *Doing Business* report assesses and benchmarks domestic regulatory environments against one another.[659] While the report assumes that effective and efficient business regulation is an important input to economic prosperity, it does not measure actual business activity.[660] Consequently, improvements in the rankings may not necessarily reflect the expectation of improved economic performance, particularly in the short and mid-term.

China and India—both "top-improvers" according to the 2019 *Doing Business* report—are good examples of this phenomenon. According to the most recent report, China increased the efficiency of its business processes. However, by the Bank's own analysis, the country's real economic growth rate is expected to continue to slow over the course of the next few years.[661] Likewise, India is listed as a top improver by the Bank. Yet, again according to the Bank's own analysis, India's real economic growth rate is expected to remain more or less unchanged through 2020.[662]

Even significant improvements in the rankings, therefore, are not necessarily correlated with growth expectations. A country can simultaneously improve in the rankings and be expected to underperform economically, relative to prior years. The regulatory environment measured by the report is but one factor among many that determines the performance of an economy's private sector.

Along these lines, a 2013 external panel review of the *Doing Business* report expressed concerns that the report had "the potential to be misinterpreted."[663] According to the review, "Empirical evidence on the results of the business-regulation reforms captured by the report is mixed and suggestive at best. Correlations between the report's topics and developmental outcomes often do point to a negative association between the regulatory burden and economic development and growth. However, such correlations do not justify a causal interpretation."[664]

This is because, by the World Bank's own admission, the rankings do not capture a variety of measures that significantly affect the business climate. According to the Bank, one of the most common misconceptions about the *Doing Business* report is that the rankings reflect a comprehensive measure of the business climate. However, the rankings overtly omit a wide range of factors relevant to firms—particularly those operating in frontier markets like Afghanistan. For example, the report does not address macroeconomic stability, security, corruption, human capital, the strength of an economy's financial system, or the underlying quality of infrastructure or institutions.[665] In other words, the rankings represent only one, arguably small, lens through which to analyze the business environment in many, if not most, of the compared economies.

Which reforms drove Afghanistan's improved performance in the latest report? Some of the reforms listed on the previous page appear to have had an outsized effect on Afghanistan's aggregate *Doing Business* ranking. For example, Afghanistan's score on the protecting minority investors measure jumped by nearly 62 points—or more than six times its 2018 score—due to passage of the new limited liability company law. This resulted in a ranking bump of 163 places on the measure (economies are ranked against one another for each individual measure in addition to the aggregate score).[666] Reforms related to the new insolvency law, meanwhile, resulted in a nearly 30-point—or 119%—increase in Afghanistan's score on the resolving insolvency measure, shifting Afghanistan up 87 places in the rankings.[667] Finally, by lowering the cost of starting a business from 82.3% of income per capita to 6.4% of income per capita, Afghanistan increased its score for starting a business by nearly eight points—or 9%—resulting in a ranking bump for the measure of 58 places.[668]

TABLE 3.25

AFGHANISTAN: COMPARISON OF *DOING BUSINESS* SCORES AND RANKINGS, 2018–2019

	Score				Rank		
Measure	**2018 Report**	**2019 Report**	**Change**	**% Change**	**2018 Report**	**2019 Report**	**Change**
Starting a business	84.28	92.04	7.76	9%	107	49	58
Dealing with construction permits	22.54	34.54	12.00	53%	185	184	1
Getting electricity	44.58	44.51	(0.07)	0%	163	168	(5)
Registering property	27.50	27.50	0.00	0%	186	186	0
Getting credit	45.00	50.00	5.00	11%	105	99	6
Protecting minority investors	10.00	71.67	61.67	617%	189	26	163
Paying taxes	41.97	43.27	1.30	3%	176	177	(1)
Trading across borders	30.63	30.63	0.00	0%	175	177	(2)
Enforcing contracts	31.76	31.76	0.00	0%	181	181	0
Resolving insolvency	23.62	51.78	28.16	119%	161	74	87

Source: World Bank, *Doing Business 2019: Training for Reform*, 10/31/2018, p. 152; World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, p. 142.

Changes on other measures were less significant: while Afghanistan did notch a 12-point—or 53%—score increase on the dealing with construction permits measure by, among other changes, dramatically decreasing the amount of time required to obtain a construction permit, this improvement was insufficient to offset advances made across other economies for the measure's rankings.[669] Table 3.25 presents a comparison of Afghanistan's performance on the *Doing Business* measures in 2018 and 2019.

Conclusion. The numerous limitations of the *Doing Business* rankings render them an incomplete measure for Afghanistan's current and future economic performance. By the World Bank's own admission, the report does not address a variety of factors that have substantial effects on the business environment in Afghanistan, such as security, corruption, and the underlying quality of the country's institutions.[670] Nonetheless, Afghanistan's jump in the rankings is not without at least some significance. In the past, SIGAR has used Afghanistan's performance on the *Doing Business* measures to underscore the challenges of the country's business climate.[671] Afghanistan's improvement is a positive development. However, it seems unlikely that the jump in the rankings will spur much, if any, near- or mid-term economic growth.

based in Guernsey in the Channel Islands of the UK, owns 24.5% of the Badakhshan concession and 49.9% of the Balkhab project.[672] The October 5, 2018, signing ceremony for the contracts, at which representatives from Centar Ltd. were present, occurred in the United States at the Afghan embassy in Washington, DC.[673] Nevertheless, while there is a Delaware-registered limited liability company doing business under the name "Centar American LLC Mining Services Company," without further information, SIGAR cannot confirm that this company is related to Centar Ltd.[674]

At this stage, SIGAR has drawn no conclusions regarding the legality or ownership of these two contracts. SIGAR will examine the contracts and other matters through an ongoing audit assessing the Afghan government's progress in implementing its anticorruption strategy.

AGRICULTURE: A BIG FACTOR IN BOTH THE ILLICIT AND LICIT ECONOMY

More than half of the rural labor force works in the agricultural sector, which employs about 40% of Afghans overall, according to the World Bank. While the sector's share of the overall economy has declined since the 2001 intervention in Afghanistan due to the rise of the service sector, historically, agriculture has made substantial contributions to Afghanistan's licit economic growth.[675]

Illicit opium-poppy cultivation thrives in Afghanistan. In 2017, opium production reached a new peak. While the Bank projected the value of licit agricultural output in 2018 at 18% of officially reported GDP, the United Nations Office on Drugs and Crime (UNODC) estimated the value of the opium economy in 2017 to be the equivalent of 20–30% of licit GDP.[676] Reflecting the spectacular (approximately 90%) growth of opium production in 2017, Afghanistan's National Statistics and Information Authority reported that GDP growth inclusive of the opium economy was 7.2%.[677]

The opium economy contracted in 2018: due to high levels of supply that resulted in price reductions, income earned by farmers fell from an estimated $1.4 billion in 2017 to just over $600 million in 2018—a 56% reduction, according to the UNODC.[678] The UNODC added that the area under opium-poppy cultivation declined by 20% in 2018, year-on-year—a decrease of approximately 65,000 hectares—driven in part by the ongoing drought.[679] Nonetheless, the estimated 2018 figure of 263,000 hectares was the second-highest number recorded since systematic monitoring began in 1994.[680]

Since 2002, USAID has disbursed more than $2.2 billion to improve agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production.[681] Pages 193–203 of this quarterly report discuss USAID's agriculture alternative-development programs. USAID's active agriculture programs have a total estimated cost of $449 million and can be found in Table 3.26.

TABLE 3.26

USAID ACTIVE AGRICULTURE PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	$87,905,437	$10,612,109
Regional Agriculture Development Program (RADP North)	5/21/2014	5/20/2019	78,429,714	61,503,804
Commercial Horticulture and Agriculture Marketing Program (CHAMP)	2/1/2010	12/31/2019	71,292,850	59,687,955
Afghan Value Chains - Livestock activity	6/6/2018	6/5/2021	55,672,170	2,287,598
Afghanistan Value Chains- High Value Crops	8/2/2018	8/1/2023	54,958,860	867,575
RADP East (Regional Agriculture Development Program - East)	7/21/2016	7/20/2021	28,126,111	10,428,478
Grain Research and Innovation (GRAIN)	3/13/2017	9/30/2022	19,500,000	7,753,212
Promoting Value Chain - West	9/20/2017	9/19/2020	19,000,000	3,599,769
ACE II (Agriculture Credit Enhancement II)	6/23/2015	6/30/2019	18,234,849	16,372,201
Catalyzing Afghan Agricultural Innovation	5/28/2018	5/27/2023	8,000,000	404,281
Famine Early Warning System Network (FEWS NET)	1/1/2011	12/31/2018	5,000,000	2,000,000
SERVIR	9/14/2015	9/30/2020	3,100,000	1,538,075
Total			**$449,219,991**	**$177,055,057**

Note: Some of the USAID programs listed receive both Alternative Development and Agriculture Development funds. For more information on Alternative Development programs, see pages 193–203 of this report.

Source: USAID, response to SIGAR data call, 1/12/2019.

Effects of Drought Remain, but Above-Average Precipitation During Current Wet Season

According to the USAID-funded Famine Early Warning Systems Network (FEWS NET), food insecurity persisted across large swathes of Afghanistan this quarter, due in part to the ongoing drought.[682] The Integrated Food Security Phase Classification (IPC), on whose food-security analyses USAID relies, anticipated that 10.6 million people would face severe food insecurity—meaning they would face food consumption gaps leading to acute malnutrition or would be forced to deplete household assets in order to meet minimum needs—between November 2018 and February 2019.[683] Although this figure was attributed to a variety of factors, including poverty and conflict, the IPC said that Afghanistan was experiencing a "major livelihood crisis," primarily due to the drought.[684] Western Afghanistan, also experiencing an influx of returnees from Iran, has been among the hardest-hit areas.[685]

As of November 30, 2018, approximately 260,000 Afghans had been displaced by the drought, according to the UN.[686] The UN reported this quarter that child marriages had spiked due to the drought, with families selling their daughters into marriage in exchange for dowries in order to survive economically.[687]

According to FEWS NET, precipitation during the current wet season had been above average, as of late December 2018—meaning the drought appeared to have ended.[688] Nevertheless, FEWS NET said the drought's lingering effects would continue to have a significant impact on food security, as described above.[689] In September 2018, USAID contributed approximately $44 million to the UN World Food Programme (WFP) to support the provision of critical food assistance to people affected by drought in Afghanistan.[690] Among other activities, the WFP provides food assistance and cash transfers to cover the basic needs of those displaced by the drought.[691]

ESSENTIAL SERVICES AND DEVELOPMENT

For an extensive treatment of the status of Afghanistan's energy sector, see pages 154–155 of SIGAR's October 2018 *Quarterly Report to the United States Congress*. SIGAR's October 2018 report includes downloadable maps of Afghanistan's planned and existing energy grid, and U.S.-funded power infrastructure projects, available at www.sigar.mil/.

The United States has provided reconstruction funds to increase the electricity supply, build roads and bridges, and construct and improve health and education facilities in Afghanistan since 2002.[692] This section addresses key developments in U.S. efforts to improve the government's ability to deliver these essential services, focusing specifically on ongoing projects intended to increase access to electricity in Afghanistan.

Power Supply: Lack of Access to Electricity Remains a Key Challenge

According to USAID, only about 30% of Afghans had access to grid-based electricity, as of August 2017.[693] Lack of access constitutes a crucial barrier to progress on a wide range of development indicators, including poverty reduction, education, health, livelihoods, and food security, according to the World Bank.[694] Overall, many enduring challenges in the power sector remain, according to USAID. Those challenges include insufficient supply to meet growing demand, Afghanistan's near-complete (80%) dependence on electricity imports, and weak sector governance.[695]

Although insecurity also presents obstacles to power-infrastructure projects, in an interview conducted by SIGAR in Kabul this quarter, USAID Office of Infrastructure (OI) officials stated that the Taliban rarely attack power infrastructure directly once it is completed. Rather, in OI's experience, infrastructure is damaged as a result of crossfire.[696]

According to The Asia Foundation's *2018 Survey of the Afghan People* released this quarter, perceptions of access to electricity appear to have improved slightly from last year, with 16.4% of respondents to the 2018 survey stating that their electricity supply had improved, relative to the previous year.[697] In contrast, only 12.2% of respondents to the Foundation's 2017 survey said their electricity supply had improved relative to the prior year.[698] Still, 20.1% of respondents cited lack of access to electricity as the biggest problem in their local area.[699]

U.S. Power-Sector Assistance: Large-Scale Projects to Expand the National Power Grid Predominate

Large capital projects represent the majority of the U.S. government's current work in the Afghan power sector. A top priority has been expanding and connecting islanded power grids, with both USAID and DOD working to connect Afghanistan's Northeast Power System (NEPS) with its southeastern counterpart, the Southeast Power System (SEPS).[700] USAID is funding the construction of a 511-kilometer transmission line connecting the two networks and improvements to SEPS.[701]

DOD, meanwhile, has funded a significant expansion of NEPS, the expansion and improvement of infrastructure associated with SEPS, and a "bridging solution" for power in Kandahar City, designed to provide power to key industrial parks to buy time for other infrastructure to be built.[702]

Both DOD and USAID power-infrastructure projects are funded through the Afghanistan Infrastructure Fund (AIF), with monies appropriated by Congress in FYs 2011–2014. USAID is also using the Economic Support Fund to cover some project costs.[703] No additional AIF monies have been appropriated since FY 2014.[704] However, up to $50 million of Title IX Overseas Contingency Operations (OCO) funds appropriated in later acts may be used to complete these projects.[705]

DOD Power-Infrastructure Projects Near Completion; USAID Provides Some Data on Results; Implementation Risks Remain

DOD has completed the majority of its AIF power-infrastructure projects. Only two remain: a combined project involving the improvement of three substations in SEPS (now complete) and the construction of substations and a transmission line from Sangin to Lashkar Gah in Afghanistan's restive Helmand Province; and another project to build transmission lines from Paktiya Province to Khost Province. Approximately $190.1 million has been obligated for those two projects, of which $160.0 million has been disbursed. In total, $603.6 million has been obligated for DOD's AIF-funded power infrastructure projects (including $141.7 million for the aforementioned Kandahar Power Bridging Solution project), with $565.4 million disbursed.[706]

Cumulatively, USAID has disbursed more than $1.5 billion in Economic Support Funds since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector.[707] The agency's active power-infrastructure programs have a total estimated cost of more than $626 million and are listed in Table 3.27.

Both DOD and USAID power-infrastructure projects have faced substantial delays over the years, raising questions about whether or not they will achieve their intended economic development effects.[708] For USAID, those delays continued this quarter. In new documents submitted to SIGAR,

SIGAR SPECIAL PROJECT

In December 2018, SIGAR released the results of site visits to six DOD-funded bridge projects in Kabul province that were constructed or rehabilitated using funds from the Commander's Emergency Response Program (CERP) between 2009 and 2012. While SIGAR found that all six bridges were open for use and in generally good condition, it is concerned that without sustained maintenance, there is reasonable risk that the bridges will fall into disrepair and U.S. investment in this infrastructure will not be sustained over the long-term.

TABLE 3.27

USAID ACTIVE POWER-INFRASTRUCTURE PROJECTS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Power Transmission Expansion and Connectivity (PTEC)	1/1/2013	12/31/2020	$316,713,724	$187,132,786
Contributions to the Afghanistan Infrastructure Trust Fund (AITF)	3/7/2013	3/6/2023	153,670,184	153,670,184
Engineering Support Program	7/23/2016	7/22/2019	125,000,000	54,344,874
Kandahar Solar Project	2/23/2017	8/25/2019	10,000,000	1,000,000
Design and Acquisition of SEPS Completion and NEPS-SEPS Connector	3/7/2018	6/27/2022	20,151,240	686,975
Power Sector Governance and Management Assessment	1/12/2019	3/2/2019	567,330	567,330
Total			**$626,102,478**	**$397,402,148**

Source: USAID, response to SIGAR data call, 1/12/2019; USAID, "Status of USAID-funded Power Projects," 7/24/2018.

USAID quality-assurance contractor Tetra Tech warned that ongoing insurgent activity in the areas surrounding the agency's projects continued to pose risks to project implementation, primarily through security threats and incidental damage via crossfire incidents.[709]

Tetra Tech reported that Afghan security forces have been using the USAID-funded Salang substation as a as a temporary fighting position. As a result, Tetra Tech site inspectors no longer stay overnight at the worksite.[710] Tetra Tech also reported that project documents related to USAID's power-infrastructure programming remain with DABS for review for prolonged periods, which "may have a significant impact on project status and completion date if not resolved."[711]

When power-infrastructure projects can be completed, they provide nearly immediate benefits to local populations, according to USAID. In an interview in Kabul this quarter, USAID officials told SIGAR that its construction of substations and transmission lines from Arghandi to Ghazni (the first segment of the USAID's NEPS-SEPS Connector) had resulted in increased access to electricity for Afghans in Ghazni City and Sayyidabad (located in Ghazni and Wardak Provinces, respectively). According to data provided to USAID by Da Afghanistan Breshna Sherkhat (DABS, Afghanistan's national utility), Sayyidabad draws 2.3 MW of power at peak load as a result of the project. Ghazni City, meanwhile, draws 4.1 MW of power at peak load as a result of the project.[712]

The project had resulted in 1,500 new connections in Sayyidabad and 2,600 new connections in Ghazni. DABS also claimed to have transferred 7,000 connections in Ghazni that previously depended on diesel power to the new transmission line and substation. USAID officials said that, overall, according to data from DABS, in areas covered by the project, the cost of electricity had decreased from 56 cents per kilowatt-hour to seven cents per kilowatt-hour.[713] However, SIGAR has not independently verified this information, and some data from DABS may not be reliable. For example, evaluators conducting a mid-term assessment of USAID efforts to commercialize DABS "observed significant fluctuations in the power loss data for billing cycles [provided by DABS], implying inconsistency in reporting that could lead to inaccurate data.[714]

EDUCATION

Decades of intermittent conflict had devastated Afghanistan's education system prior to the U.S.-led military intervention of 2001. While the war continues, donors have generally highlighted Afghanistan's progress in the education sector as a significant success story.[715] However, given poor data quality, it is difficult to ascertain the extent of that success. Figures for the number of children and youth in school vary widely.[716] Afghanistan's Ministry of Education counts students who have been absent for up to three years as enrolled because, it says, they might return to school.[717] This treatment limits the usefulness of government data to determine attendance rates.

Numerous challenges plague the education sector. They include insecurity, shortages of school buildings and textbooks, rural access issues, poor data reliability, and the alleged appointment of teachers on the basis of cronyism and bribery.[718]

USAID, which aims to improve access to and quality of education in Afghanistan, as well as build capacity at the MOE, has disbursed more than $1 billion for education programs in Afghanistan, as of January 12, 2019.[719] USAID's active education programs have a total estimated cost of $500 million and can be found in Table 3.28.

The Taliban periodically disrupt the education system in Afghanistan. However, unverified reports paint a more complicated portrait of negotiation and compromise between the Afghan government and its adversary. For example, according to the Afghanistan Analysts Network, a district education director in Obeh District, Herat Province, was able to keep his job even after alleged involvement in corruption because he was seen as a key official able to work and deal with the Taliban to keep schools running.

Source: *Pajhwok Afghan News*, "Taliban shut 39 schools in Logar," 7/7/2018; UN, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 9/10/2018, p. 8; Afghanistan Analysts Network, "One Land, Two Rules (2): Delivering public services in insurgency-affected Obeh District of Herat Province," 12/9/2018.

TABLE 3.28

USAID ACTIVE EDUCATION PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
Afghanistan University Support and Workforce Development Program	1/1/2014	9/30/2019	$93,158,698	$82,465,347
Increasing Access to Basic Education and Gender Equality	9/17/2014	12/31/2019	77,402,457	77,402,457
Textbook Printing and Distribution II	9/15/2017	12/31/2019	75,000,000	0
Afghans Read Program (ARP)	4/4/2016	4/3/2021	69,547,810	26,552,026
Support to the American University of Afghanistan (AUAF)	8/1/2013	11/29/2019	64,400,000	59,627,755
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2020	44,835,920	31,549,247
Let Girls' Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	5,000,000
Capacity Building Activity at the Ministry of Education	2/1/2017	1/31/2022	23,212,618	8,535,239
Afghanistan's Global Partnership for Education	10/11/2012	6/30/2019	15,785,770	12,874,968
Assessment of Learning Outcomes and Social Effects in Community-Based Edu.	1/1/2014	12/31/2018	6,288,391	6,251,143
Financial and Business Management Activity with AUAF	7/5/2017	6/4/2019	4,384,058	1,959,660
PROMOTE Scholarships PAPA	3/4/2015	3/3/2020	1,247,522	1,247,522
Total			**$500,263,244**	**$313,465,365**

Source: USAID, response to SIGAR data call, 1/12/2019.

Status of Girls' Education in Afghanistan

USAID, the World Bank, and other donors consistently highlight the extent to which their projects have improved education for girls in Afghanistan.[720] While poor data quality hinders efforts to quantify the extent of this improvement, it seems likely that donor spending has increased prospects for girls' education in Afghanistan, possibly to a large extent.[721]

Unfortunately, a SIGAR review of available literature and data shows that progress in girls' education is at least stagnating, and possibly eroding. Data from the Afghanistan Living Conditions Survey (ALCS)—conducted every two years by Afghanistan's National Statistics and Information Authority (NSIA)—show that net attendance rates (NARs) for girls dropped slightly, or remained virtually stagnant, from the 2013–2014 survey to the 2016–2017 survey.[722] The NAR expresses the number of students attending school within a given age cohort as a percentage of the estimated total number of children in the same age cohort.[723] The data point therefore represents one way of quantifying the issue of out-of-school children.

ALCS survey results show that for girls, the NAR for primary education (ages 7–12) was the same—45.5%—in 2013–2014 as in 2016–2017. The NAR for girls of secondary-school age (13–18), meanwhile, dropped by nearly three percentage points between the last two ALCS surveys, from 26.9% in 2013–2014 to 24.1% in 2016–2017. Although the NAR for girls (and women) of tertiary-school age (19–24) increased by 10 basis points, from 4.7% to 4.8%, it appears the change was statistically insignificant: different respondent pools for the respective surveys likely caused the change, as opposed to any underlying difference in attendance or enrollment.[724] According to USAID, a lack of female teachers and school buildings contributed to the drop in the NAR for Afghan girls of secondary school age.[725] However, USAID did not clarify why these issues might have had relatively more substantial effects on girls' secondary education than on girls' primary education.

Relying on 2013–2014 ALCS data, a June 2018 United Nations Children's Fund report on out-of-school children in Afghanistan found that 3.7 million children aged 7–17 were out of school, of whom 2.2 million were girls.[726] According to the more recent 2016–2017 ALCS survey results, the number of out-of-school children ages 7–18 was more than 4.2 million, of whom nearly 2.6 million were girls.[727] Commenting on the overall stagnation in the NAR for children of primary-school age between the 2011–2012 and 2016–2017 ALCS surveys, the NSIA said, "This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country."[728]

Donors and others are beginning to sound the alarm. In a briefing delivered to U.S. Embassy officials in December 2018, the World Bank said progress against development outcomes had slowed or reversed, citing a range of data points, including declining primary attendance rates and a

TABLE 3.29

GIRLS' PRIMARY-SCHOOL ATTENDANCE RATES IN THE MOST AND LEAST VIOLENT PROVINCES (APRIL 2016–MARCH 2017)

Violence Rank (Deaths/1,000 People)	Province	Girls' Net Primary Attendance Rate
Most Violent		
1	Helmand	Less than 15.0
2	Uruzgan	Less than 15.0
3	Nangarhar	30.0–44.9
4	Farah	30.0–44.9
5	Kunduz	30.0–44.9
6	Zabul	15.0–29.9
7	Ghazni	45.0–59.9
8	Paktika	Less than 15.0
9	Kandahar	Less than 15.0
10	Paktiya	30.0–44.9
Least Violent		
25	Wardak	15.0–29.9
26	Takhar	60.0–74.9
27	Herat	45.0–59.9
28	Balkh	60.0–74.9
29	Kabul	60.0–74.9
30	Parwan	45.0–59.9
31	Samangan	45.0–59.9
32	Daykundi	45.0–59.9
33	Bamyan	60.0–74.9
34	Panjshir	75.0 and over

Note: Provinces ranked using population estimates from Afghanistan's National Statistics and Information Authority and the number of deaths recorded by the Uppsala Conflict Data Program (UCDP) during the 2016–2017 Afghanistan Living Conditions Survey period (April 2016–March 2017). To capture violence concentration, provinces were ranked by the number of deaths per 1,000 people rather than the total number of deaths. UCDP collects and aggregates data on organized violence. It is housed in Sweden's Uppsala University.

Source: SIGAR analysis of Government of Afghanistan, NSIA, *Afghanistan Living Conditions Survey 2016–17*, 8/29/2018, p. 144; SIGAR analysis of Uppsala Conflict Data Program, "Number of Deaths: Afghanistan," http://ucdp.uu.se/#country/700, downloaded 12/23/2018.

growing gender gap in school attendance.[729] In a report on girls' education released in October 2017, Human Rights Watch had said that progress in Afghanistan could be reversing.[730]

Some posit that deterioration of security conditions may be driving the apparent reversal. In an overview of Afghanistan on its website last updated in October 2018, the World Bank said progress had been threatened by the security situation, pointing to declining secondary education attendance, driven by lower rates of attendance among girls.[731] Human Rights Watch also pointed to worsening security as a factor that could lead to a decline in girls' education in Afghanistan.[732]

Some evidence, while anecdotal and by no means authoritative, suggests this could be the case. For example, SIGAR analysis of open-source violent incident data and 2016–2017 ALCS results shows that four of the five provinces where the NAR for primary-school age girls is less than 15% are also some of the most violent provinces in the country, as measured by the number of deaths per 1,000 people during the survey period (April 2016–March 2017).[733] The two provinces with the highest rates of deaths due to violent incidents during the survey period were Helmand and Uruzgan, both of which had NARs for primary school-age girls that were less than 15% (Table 3.29 on page 171 compares the NAR for primary-school age girls in the most and least violent provinces over the period of the 2016–2017 ALCS survey).[734] Moreover, ranking provinces by the highest number of violent deaths per 1,000 people during the survey period shows a fairly clear association between higher rates of violent deaths and lower girls' primary-age NARs (see Figure 3.47).[735]

The results of the latest Asia Foundation *Survey of the Afghan People* are also suggestive: respondents residing in inaccessible, insecure areas typically controlled by militants were significantly more likely to report (at a rate of 42.3%) that the quality of educational services in their area had grown worse in the last year, compared to main-sample respondents (25.9%).[736] According to Human Rights Watch, insecurity has a disproportionate impact on girls' education, with families "clamp[ing] down first on girls going to school, even while boys continue to attend."[737]

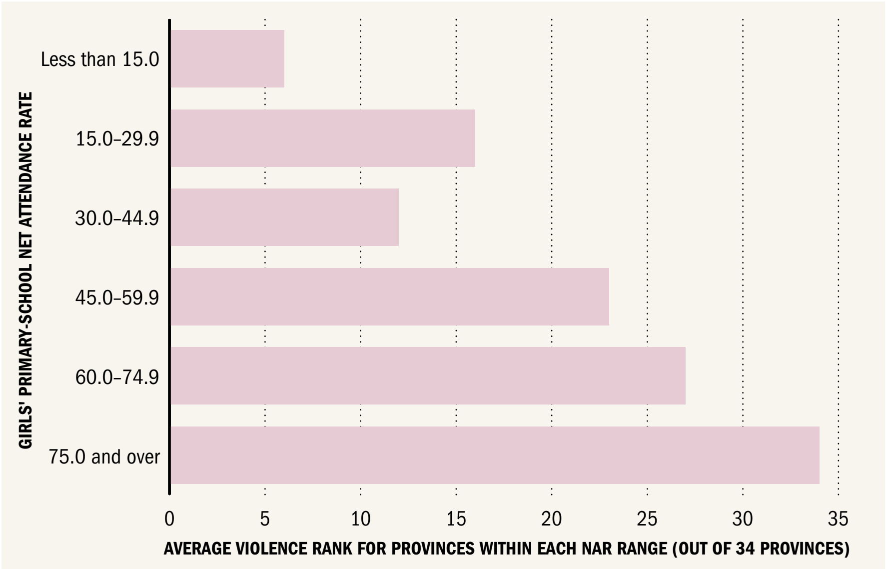
Other intertwined factors may also be playing a role, including structural shifts in how donors fund projects. For example, according to Human Rights Watch, the drawdown of international troops in 2014 resulted in a pullback from provinces where Provincial Reconstruction Teams previously provided funding—including funding for education. As a result, Human Rights Watch reported that provinces like Helmand, where U.S. forces surged during the high-water mark of the U.S. intervention in Afghanistan, have experienced a significantly reduced nongovernmental organization presence since 2014.[738]

According to Human Rights Watch and others, expanding community-based education (CBE) may represent an effective means of increasing educational access for girls in rural areas of Afghanistan.[739] CBE is a form of non-formal education designed to serve children—particularly girls and young women in the case of USAID's programming—who are otherwise unable to attend school due to distance, insecurity, or other constraints in areas where government schools do not exist.[740] While they have teachers and generally follow standard curricula, CBE schools are not run directly by the Ministry of Education and are located in remote locations that lack government schools.[741]

USAID also supports Accelerated Learning Centers specifically designed for young women whose education has been interrupted.[742] As of December

FIGURE 3.47

AVERAGE VIOLENCE RANK FOR PROVINCES WITHIN EACH PRIMARY-SCHOOL GIRLS' NAR RANGE (APRIL 2016–MARCH 2017)



Note: Figure displays the average rank for level of violence (measured by deaths per 1,000 people, with provinces ranked from highest to lowest) for provinces with a girls' primary-school net attendance rate (NAR) falling within a specified range. The NAR expresses the number of students attending school within a given age cohort as a percentage of the estimated total number of children in the same age cohort. Provinces ranked using population estimates from Afghanistan's National Statistics and Information Authority and the number of deaths due to violence recorded by the Uppsala Conflict Data Program (UCDP) during the 2016–2017 Afghanistan Living Conditions Survey period (April 2016–March 2017). To capture violence concentration, provinces were ranked by the number of deaths per 1,000 people rather than the total number of deaths. UCDP collects and aggregates data on organized violence. It is housed in Sweden's Uppsala University.

Source: SIGAR analysis of Government of Afghanistan, NSIA, *Afghanistan Living Conditions Survey 2016-17*, 8/29/2018, pp. 142, 144; SIGAR analysis of Uppsala Conflict Data Program, "Number of Deaths: Afghanistan," http://ucdp.uu.se/#country/700, downloaded 12/23/2018.

2017, through its $77.4 million Increasing Access to Basic Education and Gender Equity project, USAID had enrolled nearly 82,000 out-of-school children and youth in community-based schools (50% of which were girls) in 13 provinces—including in provinces such as Helmand and Uruzgan where the primary NAR for girls is very low.[743] In an interview with SIGAR in Kabul that touched on the issue of girls' education, USAID told SIGAR this quarter that, across its education portfolio in Afghanistan, 142,000 students were enrolled, half of whom were girls (implying that USAID projects reached approximately 71,000 girls).[744]

While the agency's projects likely have positive effects on a subset of girls, given the staggering number of girls not attending school (nearly 2.6 million, according to the 2016–2017 ALCS) it is not so clear that USAID-administered education programming alone, at this particular juncture, has the capacity to substantially raise overall educational prospects for girls in Afghanistan.[745] USAID told SIGAR this quarter that it only tracks girls' education and other outcomes within the context of its own programming in Afghanistan.[746]

Although USAID does contribute to the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF), which provides substantial assistance to Afghanistan's education sector, even the ARTF's recently ended $408 million flagship education project—the Second Education Quality Improvement Program (EQUIP II)—failed to meet every one of its grade-level targets for the ratio of girls to boys in school, as well as its target for overall girls' enrollment.[747] Although overall girls' enrollment did increase by 1.5 million students from 2008–2017, this was achieved over the course of about a decade, the first part of which coincided with an increasing U.S. foreign policy focus on Afghanistan that saw international troop levels in the country rise considerably.[748]

EQUIP II's completion and results report, published by the Bank in July 2018, noted, "by 2011, economic and social progress began to slow down with the withdrawal of international security forces."[749] Consequently, it is difficult to disentangle the effect of the increased troop presence from effects attributable to EQUIP II alone. Deteriorating (or statistically stagnating) enrollment ratios for girls reflected in the 2016–2017 ALCS, compared to the results of the 2013–2014 survey that was conducted in the midst of the international troop drawdown, could be interpreted to mean that security is a prerequisite for effective girls' education programming. Another possible explanation, advanced by the NSIA, is that improvements to education have increasingly marginal impact given rapid improvement from a very low base.[750] The NSIA also hypothesized that it may be "difficult—if not impossible with available resources" for the education system to keep pace with the "ever-increasing" number of children entering school age.[751] USAID's recent assistance agreement with the Afghan government, signed in September 2018, said the agency's education activities would aim to build on gains in the sector and to decrease the number of out-of-school children, especially girls.[752] Recent trends raise questions about the agency's capacity to achieve this aspiration.

USAID told SIGAR this quarter that it does not operate in areas controlled by the Taliban and that its implementing partners deal with the Taliban only "on the margins."[753] Given the strength of the insurgency, rising numbers of school-age children, and stagnant improvement to Afghan government district and population control over the last year and a half, the future of girls' education in Afghanistan is very much uncertain.[754]

HEALTH

Despite Afghanistan's lack of security, the country's health outcomes have improved since 2001. Nevertheless, due to fairly serious data limitations,

TABLE 3.30

USAID ACTIVE HEALTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursement, as of 1/12/2019
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/11/2016	5/10/2021	$75,503,848	$16,865,874
Helping Mothers and Children Thrive (HEMAYAT)	1/7/2015	1/06/2020	60,000,000	47,976,646
Disease Early Warning System Plus (DEWS Plus)	7/1/2014	6/30/2022	41,773,513	28,988,615
Health Sector Resiliency (HSR)	9/28/2015	9/27/2020	27,634,654	15,409,440
Medicines, Technologies and Pharmaceuticals Services (MTaPS)	9/20/2018	9/20/2023	20,000,000	0
Challenge Tuberculosis	1/1/2015	9/29/2019	15,000,000	11,699,395
Enhance Community Access, Use of Zinc, Oral Rehydration Salts for Management of Childhood Diarrhea	7/21/2015	7/20/2020	13,000,000	13,000,000
Sustaining Health Outcomes through the Private Sector (SHOPS) Plus	10/11/2015	9/30/2020	12,000,000	4,584,957
Provide Family Planning Health Commodities for USAID Health Programs (GHSCM-PSM)	4/20/2015	4/19/2020	2,343,773	1,599,999
Global Health Supply Chain Quality Assurance (GHSC-QA)	1/2/2015	12/31/2019	1,500,000	1,500,000
Global Health Supply Chain Management (GHSCM-PSM)	4/20/2015	4/19/2020	176,568	176,568
Total			**$268,932,356**	**$141,801,493**

Source: USAID, response to SIGAR data call, 1/12/2019.

precise estimates regarding the magnitude of successes in the health sector are elusive (for more, see page 161 of SIGAR's October 2018 *Quarterly Report to the United States Congress*).[755]

In early 2018, the World Bank emphasized there was still significant room for improvement.[756] Afghanistan's newborn-mortality rate, for example, still ranks the second-highest among those of 31 low-income countries. Meanwhile, the total number of newborn deaths in 2016—about 46,000—places Afghanistan tenth highest among all countries, according to estimates from the UN. Afghanistan has a lower population than the other nine countries in the top 10. With a population 58% larger than Afghanistan's, Tanzania experienced approximately the same number of newborn deaths in 2016, according to the UN.[757]

USAID believes that continuing to improve health outcomes will help achieve stability by bolstering Afghans' confidence in the government's capacity to deliver services.[758] However, there is reason to doubt this theory of change. Although SIGAR cannot independently verify them, some reports indicate that the Taliban and the Afghan government sometimes cooperate in the health-care sector. For example, a June 2018 report published by the Overseas Development Institute (ODI) found that when problems with the Taliban emerge, health providers usually resolve them through shuras (formal or informal consultative assemblies that typically involve local and tribal leaders). The report also noted that most government officials and NGO workers did not believe that the Taliban impeded access to health care. Instead, "most pointed to government interference and corruption and occupation of and theft from clinics by Afghan security forces and militias as being more problematic than Taliban interventions."[759] More recent reporting from the Afghanistan Analysts Network indicated that in some districts, the Taliban do not interfere with health services (although they do demand privileged use of health-care facilities, including at night).[760]

U.S. on- and off-budget assistance to Afghanistan's health sector totaled more than $1.2 billion as of January 12, 2019.[761] USAID's active health programs have a total estimated cost of $269 million, and are listed in Table 3.30 on the previous page.

Initiative for Hygiene, Sanitation, and Nutrition: Corrective Notice Issued for Failure to Meet Indicators

USAID's $75.5 million Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) aims to improve nutrition of women of reproductive age and children under the age of five. Over its five-year programmatic life, the project expects to reduce the 40% baseline incidence of anemia among women of reproductive age by a minimum of four percentage points and decrease the incidence of stunting among children by at least two points from the baseline rate of 41%. IHSAN expects to achieve these outcomes by bolstering capacity to institutionalize nutrition programs, improving nutritional and hygiene behavior in communities and households, and increasing the availability of sanitation, hygiene, and nutritional products and services.[762] IHSAN programming commenced in May 2016 and is implemented by Family Health International (FHI 360).[763]

Stunting: refers to the physical characteristic of being at least two standard deviations below the median height for one's age in a reference population. Children whose mothers have poor nutrition during pregnancy, whose parents engage in poor infant feeding practices, and who experience repeated infections can become stunted. Afghanistan has one of the highest rates of stunting in the world.

Source: UNICEF, "Definitions: Nutrition," n.d., accessed 12/28/2017, https://www.unicef.org/infobycountry/stats_popup2.html; UNICEF, National Nutrition Survey Afghanistan (2013) Survey Report, 8/2014, p. 9; Maternal and Child Nutrition, *Stop stunting: situation and way forward to improve maternal, child and adolescent nutrition in Afghanistan*, 4/2016, p. 237.

This quarter USAID informed SIGAR that it had issued a corrective notice to FHI 360 due to FHI 360's poor performance and its failure to achieve the majority of essential nutrition and water, sanitation, and hygiene (WASH) indicators in fiscal years 2017 and 2018. FHI 360 provided a remedial plan to address these issues; USAID said it is closely overseeing the plan's implementation and progress.[764]

Polio: Number of Confirmed Cases in 2018 Continues to Rise

Pakistan and Afghanistan, which share a 1,500-mile border, are the only two countries in which polio remains endemic or "usually present," according to the Centers for Disease Control.[765] A fatwa issued by the Pakistani Taliban targeting polio workers complicates vaccination outreach, while large-scale population movements between the two countries increase the risk of cross-border transmission.[766] The Taliban have falsely referred to polio-vaccination drops as "poison," and began targeted killings of polio workers in June 2012—one year after the U.S. military raid that killed Osama bin Laden in Abbottabad, Pakistan.[767] (Media reports that SIGAR cannot confirm indicate that Pakistani doctor Shakil Afridi assisted the Central Intelligence

Agency in tracking bin Laden down while leading a hepatitis B vaccination campaign. The association between the campaign and the May 2011 bin Laden raid reportedly set back polio-vaccination efforts.)[768]

As of December 22, 2018, the total number of new polio cases reported in Afghanistan stood at 21.[769] According to the United Nations Children's Fund and the World Health Organization, there were 13 officially reported cases in Afghanistan in 2017—unchanged from 2016.[770] However, UNAMA reported that the total number of cases in Afghanistan in 2017 was 14, as of February 27, 2018.[771] Either way, the current number of confirmed cases of wild poliovirus in Afghanistan represents at least a 50% increase over the number of cases reported last year.[772] USAID previously informed SIGAR it expected the number of polio cases to rise in 2018.[773] SIGAR continues to echo the agency's concerns, particularly because the situation appears to have worsened substantially. In November 2018, the World Health Organization said it was "very concerned" by the increase in polio cases worldwide, particularly by the increase in Afghanistan, where more than one million children under the age of five were not accessible during recent polio immunization campaigns.[774]

As of August 31, 2017, (which was the most recent data provided to SIGAR), USAID had obligated approximately $28.5 million and disbursed about $28.4 million for polio-eradication efforts in Afghanistan since 2003.[775]

COUNTERNARCOTICS CONTENTS

COUNTERNARCOTICS

KEY ISSUES AND EVENTS

Afghanistan's Ministry of Counter Narcotics (MCN) will likely be disbanded, according to the State Department. President Ashraf Ghani announced his intention in November 2018 to consolidate several ministries. State predicted that consolidating MCN's responsibilities into the other ministries should have minimal effect on programs.[776]

After years developing a stand-alone counternarcotics strategy, the U.S. government has abandoned that endeavor. State informed SIGAR last quarter that U.S. counternarcotics efforts are now interwoven into the Administration's South Asia strategy.[777] SIGAR is concerned about the impact of MCN's dissolution on counternarcotics programs and the lack of a stand-alone U.S. government counternarcotics strategy.

The United Nations Office on Drugs and Crime (UNODC) released its annual Afghanistan opium survey in November 2018. The area under poppy cultivation decreased 20% from 2017 levels to 263,000 hectares due to a prolonged drought and significantly lower market prices following 2017's record crop. The 2018 result was still the second-highest measurement since UNODC began monitoring the country's opium poppy in 1994. Potential opium production decreased 29% in 2018 to 6,400 tons as a result of decreases in area under poppy cultivation and opium yield per hectare.[778]

Opium-poppy cultivation and production decreases do not stem from law-enforcement activity. Despite interdictions, arrests, prosecutions and narcotic seizures, the cumulative opium seizures for the past decade are equivalent to merely 7.5% of 2018's total opium production as reported by UNODC.[779] While the Counter Narcotics Justice Center (CNJC)'s conviction rate exceeds 90%, the CNJC has not prosecuted high-level individuals; the majority of its cases focus on poor, low-level offenders who are caught transporting drugs.[780]

Between October 1 and December 20, 2018, DOD reported seizures of 626 kilograms (kg) of opium, 7 kg of morphine, 1,442 kg of heroin, 2,742 kg of hashish, and 1,040 kg of precursor chemicals. A kilogram is about 2.2 pounds. Afghan specialized units conducted 20 operations, compared to 24 operations reported last quarter.[781]

USFOR-A carries out interdiction missions against drug-trade-related targets as part of a broader counterthreat finance (CTF) campaign targeting

Precursor chemical: a substance that may be used in the production, manufacture, and/or preparation of narcotic drugs and psychotropic substances.

Source: UNODC, *Multilingual Dictionary of Precursors and Chemicals*, 2008, viii.

insurgents' revenue generation.[782] DOD does not consider its CTF campaign part of the counternarcotics mission in the country.[783] Between July 1 and September 30, Coalition forces struck 62 targets, including 34 narcotics production facilities. The bombing campaign against those revenue streams seems to have abated this quarter. Only two targets were struck by Coalition forces between October 1 and December 20.[784] According to USFOR-A, the campaign remains effective at destroying the enemy's resources, causing it to make tactical changes to avoid strikes.[785]

According to DOD, operations targeting narcotics have denied an estimated $200 million to those involved in the illegal drug trade in Afghanistan, including more than $42 million to the Taliban specifically.[786] DOD uses estimated amounts because, as DOD officials have stated in multiple press briefings, no ground verification takes place to weigh and assess the amounts of the precursors or products actually destroyed by a strike. According to DOD, the numbers represent a sufficient and consistent measure of performance (not effect, which is measured in intelligence reports).[787] Prior quarterly reports have raised SIGAR's concerns about DOD's methodology regarding the campaign's financial impact on drug trafficking organizations resources and the potential risk to civilian populations.[788]

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of December 31, 2018, the United States has provided $8.87 billion for counternarcotics (CN) efforts in Afghanistan since 2002. Congress appropriated most CN funds for Afghanistan through the Department of Defense Drug Interdiction and Counter-Drug Activities (DICDA) Fund ($3.25 billion), the Afghan Security Forces Fund (ASFF) ($1.31 billion), the Economic Support Fund ($1.45 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account ($2.31 billion).[789]

ASFF is primarily used to develop the Afghan National Army and Police, including the Counter Narcotics Police of Afghanistan (CNPA) and the Special Mission Wing (SMW), which support the counternarcotics efforts of the Ministries of Defense (MOD) and Interior (MOI).[790]

SIGAR AUDIT

An ongoing financial audit is examining a $68.2 million contract for law-enforcement program operations and support services in Kabul by Pacific Architects and Engineers Inc. The audit is examining $32.4 million in costs incurred over the period 3/7/2016 to 3/18/2017. The INL contract provides support services to specialized narcotics law-enforcement units within the CNPA, and support to the CNJC, including operations, maintenance, and life and mission support to seven international zone locations in Kabul. More information is available in Appendix C of this report.

The End of the Ministry of Counter Narcotics?

In November, President Ghani announced his intention to dissolve the Ministry of Counter Narcotics (MCN) as part of a plan to consolidate several ministries. According to State, the dissolution of the MCN would have no significant impact on programs if care is taken not to disrupt counternarcotics policies.[791]

Previous SIGAR quarterly reports have addressed institutional challenges at the Ministry of Counter Narcotics. For instance, State's Bureau of International Narcotics and Law Enforcement Affairs (INL) implemented financial-remediation services in 2016 to address the ministry's financial-management deficiencies identified by a public financial-management risk assessment.[792] INL also ended the Good Performers Initiative program in 2016 because of the ministry's inadequate technical capacity.[793]

Other SIGAR work has highlighted the varying success of prior counternarcotics efforts that have been hampered by security challenges and a poor economy. Afghanistan remains the global leader in opium cultivation and production. However, the fight against illicit narcotics does not appear to be a consistent priority either for the international community or the Afghan government. U.S. funding for CN efforts has decreased in recent years: the interdiction budget, for instance, fell from a peak of $627 million in 2010 to approximately $138 million in 2017.[794] Additionally, counternarcotics scarcely featured among the goals at the Geneva Ministerial Conference on Afghanistan in November 2018 and is absent from the resulting Geneva Mutual Accountability Framework (GMAF): no deliverables relate to counternarcotics efforts or opium-poppy cultivation.[795]

Last quarter, the U.S. government reported its decision to forego a stand-alone counternarcotics strategy for the country. According to the State Department, U.S. counternarcotics efforts are interwoven into the Administration's South Asia strategy. That strategy grants the U.S. military new authorities to target insurgent financial networks, including narcotics production facilities. The bombing campaign against those revenue streams seems to have abated this quarter. Between July 1 and September 30, 2018, Coalition forces bombed 62 targets during the air campaign, including 34 narcotics facilities. Between October 1 and December 20, Coalition forces struck only two targets.[796]

One of the recommendations in SIGAR's 2018 lessons-learned report on counternarcotics efforts in Afghanistan is to develop a counternarcotics strategy whose goals are aligned with and integrated into the larger security, development, and governance objectives of the United States and Afghanistan. A counternarcotics strategy, the report said, should be coordinated between various U.S. agencies and Afghan ministries. SIGAR's report found that counternarcotics efforts lacked sufficient coordination and consistent implementation.[797]

Certain Afghan ministries with counternarcotics responsibilities still exhibit institutional weaknesses and vulnerabilities. According to DOD, the Ministry of Interior's institutional capabilities remain underdeveloped, while SIGAR found the Ministry of Counter Narcotics lacked the political influence, financial resources, and implementing capacity to fight the burgeoning drug trade.[798] The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) in its seventh *Quarterly*

Monitoring Report on recommendations for the Ministry of Public Health (MOPH), released this year, noted improvement in several areas identified in its 2016 analysis of corruption and vulnerabilities. However, the MEC expressed concern about five pending recommendations during the monitoring period; all five concern human-resource management and four are reversals from a previous study.[799] Nonetheless, the State Department maintains that abolishing the MCN and absorbing its responsibilities into other ministries will have no significant impact on current counternarcotics programs.[800]

INL told SIGAR that staffing departures at the MCN are apparent with the Deputy Minister of Policy and Planning and the Provincial Director being the most high profile. INL is working with the MCN and other ministries, and its implementing partners, to prepare for a possible reassignment of CN duties.[801]

Annual Opium-Poppy Cultivation Results Decrease

UNODC's Afghanistan opium survey for 2018 estimates that the total area under poppy cultivation decreased to 263,000 hectares from 328,000 hectares in 2017 due to a prolonged drought and significantly lower market prices following 2017's record crop. The 2018 figure represents a 20% decrease from 2017 levels but remains the second-highest amount since UNODC began recording levels in 1994. Southern Afghanistan accounts for the largest share of opium-poppy cultivation, with Helmand remaining the leading poppy-cultivating province at 136,798 hectares. Kandahar Province ranked second at 23,410 hectares and Uruzgan third at 18,662 hectares. These three provinces account for 68% of the national cultivation total.[802]

Some provinces in the northern region of the country had the highest decreases compared to 2017: Jowzjan at 338 hectares and Sar-e Pul at 660 hectares experienced a 90% and 81% decrease respectively from their 2017 results. Reductions in the north stem from the drought.[803]

The western region ranked second in terms of opium-poppy cultivation totals—the same as last year. Western provinces also experienced cultivation decreases caused by the drought: the two top cultivation provinces of Farah (10,916 hectares) and Nimroz (9,115 hectares) had 15% and 21% decreases from 2017 totals. Levels in Badghis decreased 72% to 6,973 hectares from 2017.[804]

The number of poppy-free provinces remained unchanged from 2017 at 10: Nuristan Province regained its poppy-free status, but Takhar Province, declared poppy-free since 2008, lost it.[805]

Potential opium production decreased 29% in 2018 to 6,400 tons from 9,000 tons the previous year. The opium yield, estimated at 24.4 kg per hectare in 2018, decreased 11% from 27.3 kg per hectare in 2017. According to UNODC, an estimated 5,000–5,300 tons of opium poppy were potentially available for domestic and foreign heroin production in 2018.[806]

The significant decrease of the farm-gate price of dry opium (a 39% decrease to $94 per kg from the 2017 price of $155 per kg) had a significant impact on farmers' earned income from opium cultivation. According to UNODC, the estimated farm-gate value for 2018 at $604 million—equivalent to approximately 3% of the country's estimated licit GDP—decreased 57% compared to 2017's estimated value of $1.4 billion.[807]

Farm-Gate Price: the price of the product available at the farm, excluding any separately billed transport or delivery charge.

Source: OECD, *Glossary of Statistical Terms*, "Farm Gate Price," 7/8/2005, https://stats.oecd.org/glossary/detail.asp?ID=940, accessed 1/25/2019.

Insurgent Districts Account for 48% of Opium-Poppy Cultivation Compared to 26% for Government Districts

This quarter, for the first time, SIGAR analyzed district-level opium poppy cultivation across the 7.3 million hectares of agricultural land devoted to annual crops in Afghanistan using the most recent UNODC data. SIGAR found that while insurgent activity or high-activity areas are far more likely to grow poppy, significant amounts are also grown in government-controlled or -influenced areas.

In 2018, the Afghan government-controlled or -influenced 52% of agricultural land devoted to annual crops. Some 26% of the country's total opium-poppy cultivation takes place within this government-controlled or -influenced agricultural land.[808]

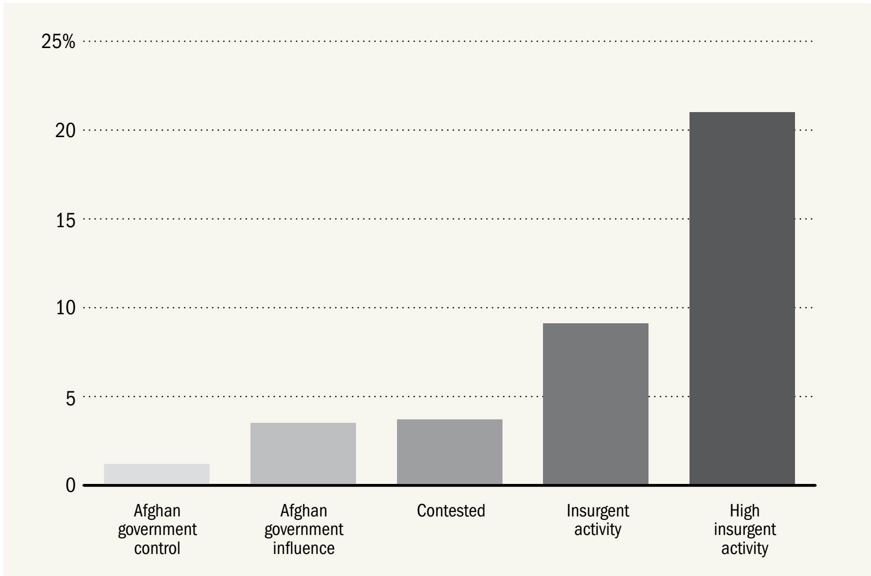
In contrast, districts with insurgent activity and high-insurgent activity encompassed only 18% of agricultural land, yet accounted for 47% of opium poppy cultivation. SIGAR's analysis showed that opium-poppy cultivation is more intense in districts under insurgent activity or high-activity. Whereas only 3% of the available agricultural land in government-controlled or -influenced districts is planted with opium poppy, that figure rises to 12% of available agricultural land in insurgent activity or high-insurgent activity districts.[809]

The difference becomes even more apparent when comparing strictly government-controlled districts to high insurgent activity districts—government-controlled districts plant only 1% of their agricultural area with opium poppy compared to at least 21% for high insurgent activity districts.[810]

For at least a decade, the common wisdom has been that the insurgency controls the vast majority of opium-poppy cultivation land areas. For example, the 2008 UNODC *Afghanistan Opium Survey* stated that "Afghan opium is grown exclusively (98%) in seven south-west provinces, where insurgents control the territory and organized crime groups benefit from their protection."[811] This statistic was subsequently picked up by journalist and *Seeds of Terror* author Gretchen Peters, who later became an advisor to various U.S. government agencies and service members working on counternarcotics in Afghanistan.[812] More recently, the UN's January 2018 International Narcotics Control Board report stated that up to 90% of drug production falls within Taliban-controlled areas.[813] This quarter, DOJ also reported that enforcing the law in Afghanistan is complicated because "over 85% of poppy cultivation occurs in areas currently controlled or contested by the Taliban."[814]

FIGURE 3.48

PERCENTAGE OF AGRICULTURE DEVOTED TO OPIUM-POPPY CULTIVATION BY RS-DEFINED DISTRICT CONTROL



Note: Percentages are unweighted averages.

Source: UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, pp. 61–68; FAO, 2010 *Land Cover Database of the Islamic Republic of Afghanistan* (www.fao.org/geonetwork); RS, response to SIGAR data call, 12/20/2018.

SIGAR analysis shows these claims to be more nuanced.

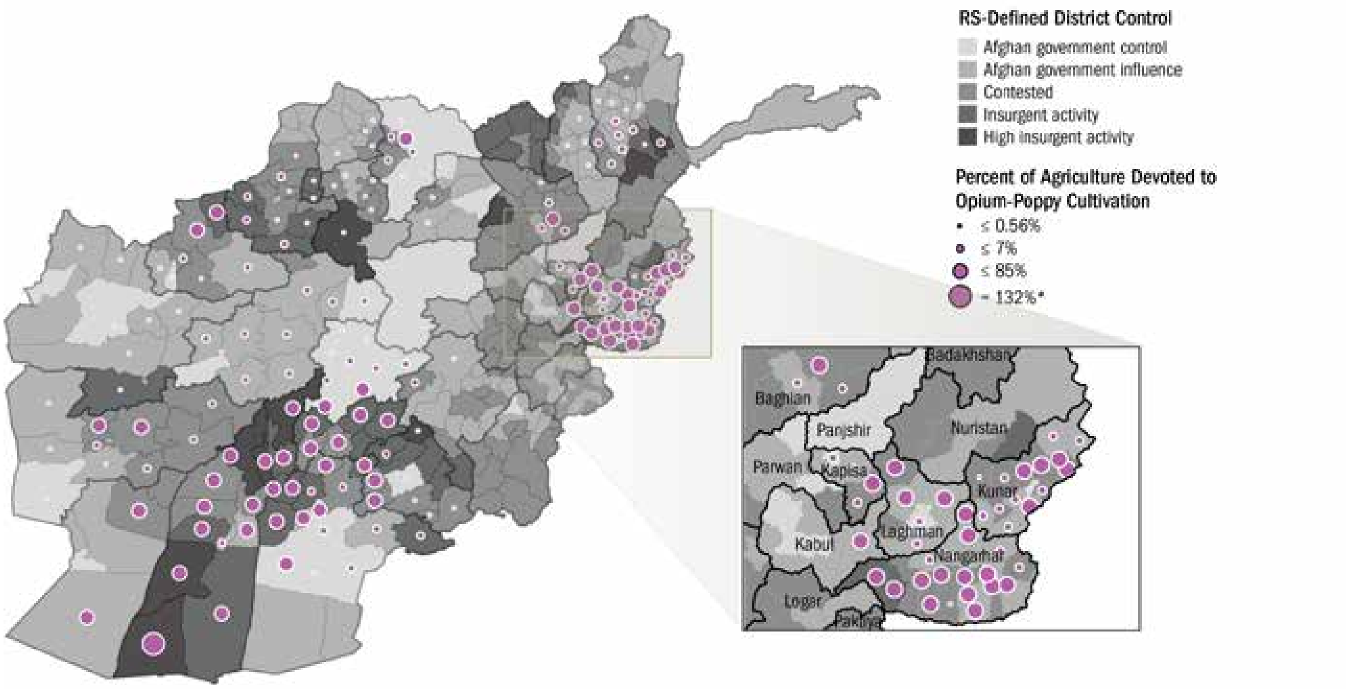
While insurgent activity and high-activity districts account for the majority of opium-poppy cultivation, SIGAR found that only 40% of opium poppy was cultivated in insurgent activity or high-insurgent-districts in 2017; this rose to 48% of opium-poppy cultivation in 2018.[815]

According to the UN Food and Agricultural Organization, Afghanistan has approximately 7.3 million hectares of irrigated or rain-fed agricultural land suitable for cultivating annual crops such as wheat or opium poppy, among others.[816] RS-defined district control data from October 2018 indicates that most agricultural land is in government-influenced districts (145 districts, 2.66 million hectares), followed by contested (138 districts, 2.20 million hectares), government-controlled (74 districts, 1.14 million hectares), insurgent activity (38 districts, 960 thousand hectares), and high insurgent activity districts (12 districts, 374 thousand hectares).[817]

If opium-poppy cultivation were spread evenly across agricultural areas, one would expect that the amount of opium poppy cultivated should be highest in government-influenced districts and lowest in high insurgent activity districts because of the disparity in their respective land areas. However, SIGAR found that most opium poppy is cultivated in contested

FIGURE 3.49

DISTRICT OPIUM-POPPY CULTIVATION RESULTS AND AFGHANISTAN'S DISTRICT STABILITY



Note: The district map was adapted from the 2012 Afghan Geodesy and Cartography Head Office (AGCHO) shapefile that included 399 districts. Adjustments, some approximate, were made to data for districts that were whole in AGCHO's 399-district set but that were split in RS's 407-district set. See R.L. Helms, District Lookup Tool, https://arcg.is/1bOjGv accessed 10/14/2018, for differences amongst district sets. This year, UNODC recognized a total of 406 districts in comparison to RS's 407 districts. Efforts were made to fit UNODC districts and cultivation data into RS's districts in the following manner: UNODC recognizes but RS does not recognize Baghlan and Baghlan-i Jadeed (RS includes Baghlan in Baghlan-i Jadeed), Ghormach in Faryab (RS recognizes Ghormach in Badghis), Kohistan in Kapisa (unable to locate Kohistan; district ignored because it had no opium-poppy cultivation), Ali Kahil and Shamul in Paktiya (ignored due to zero opium-poppy cultivation in Paktiya), and Hisa-i Duwumi in Panjshir (ignored due to zero opium-poppy cultivation in Panjshir). UNODC does not recognize but RS does recognize Marjah in Helmand (UNODC opium-poppy cultivation data split evenly between RS's Nad Ali and Marjah), Dand in Kandahar (all UNODC opium-poppy cultivation data accounted for in RS's Dand instead of Kandahar District), Bad Pash in Laghman (ignored due to zero opium-poppy cultivation in Mehtar Lam from which Bad Pash was separated in 2011), Delaram in Nimroz (a municipality formerly recognized as part of Khash Rod, ignored due to its urban environment), Mirzakah in Paktiya (ignored due to zero opium-poppy cultivation in Paktiya), Abshar in Panjshir (ignored due to zero opium-poppy cultivation in Panjshir), Chinartu in Uruzgan Province (broken off of Tarin Kot, due to the prevalence of agriculture in RS's Tarin Kot, all UNODC opium-poppy cultivation estimates remained in RS's Tarin Kot). In addition to UNODC opium-poppy cultivation estimates and RS-defined district control data, the UN Food and Agricultural Organization's (FAO) 2010 *Land Cover Database of the Islamic Republic of Afghanistan* was used to determine total district-level irrigated and rainfed agricultural area. To produce the map, SIGAR used ArcGIS Pro 2.2, all layers were projected to UTM 42N, and hectares of opium-poppy cultivation were divided by total district agricultural area to derive a percent of district agriculture devoted to opium-poppy cultivation. The percent of opium-poppy cultivation was then symbolized using the quantile method which produces an approximately equal number of observations per class to facilitate comparative analysis, but the interval of the class must therefore be variable.

*Dishu District in the south of Helmand Province registered a seemingly impossible 132% of agriculture devoted to opium-poppy cultivation. This anomaly is most likely due to a rapid increase in total agricultural area between 2010, when FAO collected its land cover data, and 2018 when UNODC recorded their most recent opium-poppy cultivation estimates. Because the percentage of agriculture devoted to opium-poppy in Dishu was approximately 47% higher than the next highest intensity district, Dishu District was excluded from averages, but Dishu opium-poppy and agricultural land area were included in total area calculations.

Source: USFOR-A, data call response as of 12/20/2018; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, pp. 64–70.

districts (71,973 hectares), followed by insurgent activity (64,481 hectares), high insurgent activity (59,449 hectares), and at the bottom, government-influenced (54,557 hectares), and government-controlled districts (12,130 hectares).[818]

The mismatch between expected opium-poppy cultivation and measured opium-poppy cultivation can be explained by the intensity in which high insurgent activity districts cultivate opium poppy. Figure 3.48 on shows that at least 21% of the agricultural area in high insurgent activity districts was planted with opium poppy during the 2018 opium-poppy season. In contrast, only about 1% of the agricultural area in government-controlled districts was sown with opium poppy during the same time period. The remaining control types (insurgent activity, 9%; contested, 4%; and government-influenced, 4%) fall between these two extremes.[819]

In short, the agricultural economy in high insurgent activity districts is about 21 times more specialized in opium-poppy cultivation than in government-controlled districts. The cause of this difference is unknown, but likely factors may include security or governance tactics used on all sides, the more rural character of insurgent districts, and varying types of control along the opium-supply chain (opium-poppy cultivation versus opium export).[820]

The map in Figure 3.49 on page 185, illustrates the intensity of opium-poppy cultivation overlaid on RS's district control assessment as of October 22, 2018. Among the 60 districts in the highest-intensity category, 21 are assessed as being under government control or influence (for instance Chahar Burjak, Tirin Kot, Zharey, Darah-ye-Nur, and Shinwar), 21 are contested districts, and 17 are under insurgent activity or high-activity (for instance Dishu, Musa Qalah, Kajaki, Sangin, and Now Zad).[821]

The medium-intensity category includes 59 districts with 32 under government control or influence, 20 contested, and seven under insurgent activity or high-activity. Districts in the low-intensity grouping include 33 under government control or influence, 19 contested, and seven under insurgent activity or high-activity. The final category of poppy-free districts includes 230 districts, of which 133 are under government control or influence, 19 under insurgent activity or high-activity, and 78 are contested.[822]

INTERDICTION AND ERADICATION

The seriousness of Afghanistan's narcotics problem is underscored by its prohibition in the country's constitution: "The state shall prevent all kinds of terrorist activities, cultivation and smuggling of narcotics, and production and use of intoxicants."[823] The Afghan government's goals in its national drug action plan are to:

- decrease opium poppy cultivation
- decrease production and trafficking of opiates
- reduce domestic demand for narcotics while increasing treatment for users

To achieve these goals, the Afghan government uses law-enforcement entities in attempting to disrupt and dismantle drug production and trafficking organizations. Eradication campaigns aim to discourage poppy cultivation. Alternative-livelihood options are also explored and strengthened to decrease poppy cultivation.[824]

Composition of the Afghan Counter Narcotics Police

The Counter Narcotics Police of Afghanistan (CNPA), comprising regular narcotics police and specialized units, leads counternarcotics efforts by Afghan law-enforcement personnel. The CNPA, authorized at 2,596 personnel, are located in all 34 provinces. Specialized units include the Sensitive Investigation Unit (SIU), the National Interdiction Unit (NIU), and the Intelligence and Investigation Unit (IIU).[825] The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from the U.S. Drug Enforcement Administration (DEA) and U.S. Special Operations Forces. In 2018, the NIU's tashkil was increased by 250 personnel to 783.[826]

The Technical Investigative Unit (TIU) is an individual component consisting of 100 translators who work within the Joint Wire Intercept Platform in support of SIU/NIU investigations. Another SIU component has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.[827]

The SIU's mission is to identify significant drug-trafficking organizations (DTOs) operating in Afghanistan and dismantle them through the Afghan criminal justice system. The Judicial Wire Intercept Program maintains real-time coverage of judicially intercepted lines.[828]

Other Afghan law-enforcement elements such as the General Command of Police Special Units conducts high-risk operations against terrorism, narcotics, and organized crime.[829] The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.[830] The ABP collaborate closely with the counternarcotics elements of the Anti-Crime Police and Ministry of Finance, national and international intelligence agencies, as well as border police of neighboring states.[831]

In December 2017, a majority of the ABP was transferred from the Ministry of Interior to the Ministry of Defense and renamed the Afghan Border Force (ABF).[832] According to United States Forces-Afghanistan (USFOR-A), the reorganization has had no noticeable impact on border security or narcotics smuggling. But mistrust between the Ministries of Interior and Defense has impeded the ABF's integration. Equipment constraints and security threats have also hindered the ABF in conducting its primary mission of border security.[833]

The Special Mission Wing (SMW) is a rotary and fixed-wing aircraft force that supports NIU missions as well as counterterrorism missions conducted by Afghan special security forces. The SMW is the only Afghan National Defense and Security Forces (ANDSF) organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of four squadrons, two located in Kabul, one at Kandahar Airfield, and one in Mazar-e Sharif.[834]

Since its establishment in 2012, the SMW has been used to conduct counterterrorism (CT) and counternarcotics missions. In recent years, CT missions have dominated.[835] DOD reported last year that the majority of SMW missions were counterterrorism operations between December 1, 2017, and May 31, 2018.[836] Of the 1,202 SMW missions flown between June 1 and November 30, 2018, DOD reported that 3.7% supported counternarcotics operations while 77.2% supported CT efforts.[837] The reported mismanagement of SMW assets has also been a continuing problem. According to RS' concept of employment, SMW misuse occurs when officials do not follow the approval process or use assets without appropriate execution planning time, use assets for civilian movements, or evacuate other forces than the Afghan special security forces. CSTC-A began enforcing penalties for misuse in August. Fines increased to $150,000 per Mi-17 flight hour and $60,000 per PC-12 flight hour in September 2018. According to DOD, the penalties were effective in the near term since SMW misuse decreased in September. CSTC-A fines totaled $582,306 from June 1 through November 30, 2018.[838] More information on the SMW is available in the Security section on page 95.

U.S. Funding for Afghan Counternarcotics Elements

INL estimates that it funds approximately $21 million per year for NIU and SIU operations and maintenance. Costs directly attributable to NIU and SIU include $2.47 million to support the Joint Wire Intercept Platform program under an interagency agreement with the DEA and $425,000 per year for NIU salary supplements. SIU supplements are funded separately by DEA.[839] Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. Supplements are provided to all NIU officers, from police officers to unit commanders on the basis of rank.[840]

DOD provided $675,000 for equipment to the NIU for 2017 and $1 million for equipment such as vehicles and communications gear to be delivered in 2019.[841]

Interdiction Results

During the first quarter of FY 2019, most interdiction activities took place in the capital and eastern regions of the country. These activities include routine patrols, vehicle searches, and arrests. Afghan forces performed operations between October 1 and December 20 resulting in 34 detentions and the following seizures:[842]

- 626 kg of opium
- 7 kg of morphine
- 1,442 kg of heroin
- 2,742 kg of hashish
- 1,040 kg of chemicals

Both INL and DOD said the poor security situation in Afghanistan hinders the access of government forces to extensive areas where opium is

TABLE 3.31

INTERDICTION RESULTS, FISCAL YEARS 2009–2019

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19[1]	Total[2]
Number of Operations	282	263	624	669	518	333	270	190	156	195	20	3,656
Detainees	190	484	862	535	386	442	394	301	152	274	34	4,103
Hashish seized (kg)	58,677	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	2,742	1,168,736
Heroin seized (kg)	576	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	1,442	42,263
Morphine seized (kg)	5,195	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	7	183,006
Opium seized (kg)	79,110	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	626	479,247
Precursor chemicals seized (kg)	93,031	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	1,040	851,643

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.
1 Results for period 10/1/2018–12/20/2018.
2 The following FY 2008 results included in the total are not indicated in the table: 136 operations; 49 detainees; 241,353 kg of hash; 277 kg of heroin; 409 kg of morphine; 15,361 kg of opium; 4,709 kg of precursor chemicals.

Source: DOD CD, response to SIGAR data call, 7/29/2015, 7/20/2017, and 12/21/2018.

grown, transported, processed, and sold.[843] According to INL, the support of the U.S. Special Forces advisory team to the NIU has helped overcome security challenges and facilitated NIU access to resources such as rotary-wing lift, and has enabled missions in remote areas. The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat.[844]

DEA did not provide data this quarter due to the partial U.S. federal government shutdown.

Interdiction results have minimal impact on curbing Afghanistan's massive opium production and cultivation. As shown in Table 3.31, the cumulative opium seizures for the approximate past decade is merely 7.5% of this year's total opium production result reported by UNODC.[845]

New Penal Code Enforcement of Counternarcotics Provisions

The Counter Narcotics Justice Center (CNJC) reported that it referred 161 cases to the trial court between July 1 and September 30, 2018, resulting in 228 primary court convictions under Afghanistan's new penal code provisions.[846]

The provinces with the highest number of high-level drug smuggling and trafficking cases in the third quarter of 2018 were Kabul (93 cases) and Nangarhar (25 cases).[847]

While the CNJC's conviction rate exceeds 90%, the CNJC has not prosecuted high-level individuals; the majority of its cases focus on poor, low-level offenders who are caught transporting drugs.[848] The CNJC receives $6 million in annual operations and maintenance funding from INL. As noted in SIGAR's lessons-learned report on counternarcotics, the CNJC is an example of a capacity-building success, but not a strategic one. The CNJC has not prosecuted major traffickers, often connected with the

Afghanistan's political elite.[849] The CNJC prosecuted no money-laundering cases in 2018.[850]

The CNJC prosecution unit was developed to prosecute the highest-level narcotics cases. However, DOJ reported that since the lowering of narcotic quantity thresholds for cases referred to the CNJC, low-level narcotics prosecutions have increased significantly, adding administrative and detention burdens and impacting the CNJC's ability to investigate and prosecute complex cases. According to DOJ, the CNJC's high conviction rate may underscore the assembly line nature of the cases as well as the targeting of poor, low-level offenders.[851] The CNJC is almost totally dependent on donor support and demonstrates little independent sustainability. There is no evidence that the Afghans will support the program after INL funding ceases.[852]

DEA informed SIGAR last quarter that no high-value targets were apprehended—the same as the previous two quarters. Only two high-value targets were apprehended during FY 2017.[853] SIGAR did not receive updated information on high-value targets from DEA this quarter due to the partial U.S. federal government shutdown.

Eradication Results

Governor-Led Eradication

Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors $250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.[854] INL has obligated and disbursed $6.9 million since the program's inception in 2008.[855]

UNODC reported the eradication of 406 hectares during 2018, a 46% decrease from 2017. Eradication took place in Kunar, Nangarhar, Kandahar, and Badakhshan Provinces. No eradication has taken place in Helmand, the highest poppy-cultivating province, since 2016.[856]

INL informed SIGAR last quarter it had provided $75,000 in advance payments to MCN in support of eradication activities in Kunar, Nangarhar, Laghman, Kabul, Kapisa, Samangan, Balkh, Jowzjan, Sar-e Pul, Badakhshan, Herat, and Badghis Provinces. INL will provide funding for the verified hectares of poppy eradicated in 2018, net of advance payments.

According to INL, the MCN has not produced a final eradication strategy containing provincial targets for 2019.[857]

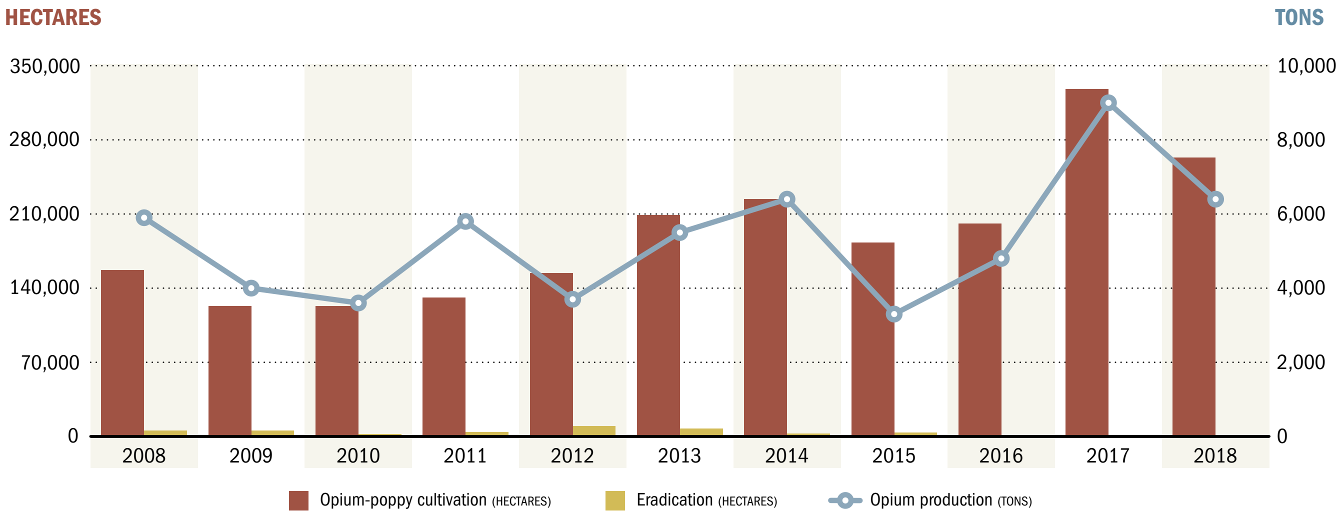
As Figure 3.50 illustrates, eradication efforts have had minimal impact on curbing opium-poppy cultivation. Since 2008, on average, annual eradication results represent 2% of the total yearly opium-cultivation total.[858]

Good Performers Initiative

The now-ended INL-funded Good Performers Initiative (GPI) sought to incentivize provincial governors' counternarcotics and supply-reduction

FIGURE 3.50

AFGHAN OPIUM-POPPY CULTIVATION, ERADICATION, AND PRODUCTION SINCE 2008



Source: UNODC, *World Drug Report 2016*, 5/2016, Annex, vii, ix, xii; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, pp. 5, 61–68.

activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation. According to INL, the program was deemed "ineffectual at curbing opium cultivation" in those provinces receiving awards. MCN's inability to adequately manage the program was also a factor in INL's phasing it out.[859]

GPI projects included schools, roads, bridges, irrigation structures, health clinics, and drug treatment centers.[860] However, no new GPI projects were approved after April 30, 2016, and GPI is not starting new projects.[861]

The number of poppy-free provinces increased from six at the beginning of the program in 2007 to 15 in 2013, the last year GPI funds were awarded.[862]

As of November 2018, INL reported that 286 projects valued at $126.9 million have been contracted. Of those, 282 projects have been completed and four are still in progress.[863]

Ministry of Counter Narcotics Capacity Building

The State Department announced that functions performed by the Ministry of Counter Narcotics (MCN) could be transferred to other ministries as part of President Ghani's fall 2018 announcement of his intention to consolidate several ministries. State predicted that if the merger takes place, it will have little impact on counternarcotics programs.[864]

Colombo Plan: Instituted as a regional intergovernmental organization to further economic and social development, it was conceived at a conference held in Colombo, Sri Lanka (then Ceylon) in 1950 with seven founding-member countries. The organization has since expanded to include 26 member countries. INL supports the Colombo Plan's Universal Treatment Curriculum, a national level training and certification system for drug-addiction counselors aimed at improving the delivery of drug treatment services in Africa, Asia, and Latin America.

Source: Colombo Plan Secretariat website, "History," www.colombo-plan.org, accessed 7/1/2017; INL, *International Narcotics Control Strategy Report, Volume I: Drug and Chemical Control*, 3/2018, p. 19.

INL funds capacity-building programs to strengthen law enforcement, drug prevention, treatment, and recovery.[865] Since 2008, INL has obligated $35.8 million and disbursed $27.7 million to build capacity at the MCN.[866] INL is currently implementing an Asian University for Women (AUW) fellowship, and a Colombo Plan advisors program.[867]

There are currently five advisors. In addition, at the 2018 INL-Afghanistan Bilateral Workshop in Jakarta, Indonesia, INL, MCN, and the Ministry of Public Health (MOPH) agreed to create an advisor position to assist with the transition of drug treatment centers to MOPH responsibility. To date, INL has disbursed $2 million to the Colombo Plan for the AUW fellowship program.[868]

SIGAR questioned INL about the future of capacity-building programs at the ministry and INL informed SIGAR it is evaluating all contracts. If the dissolution of the MCN occurs, INL will work with the Colombo Plan and ministries taking on counternarcotics roles and responsibilities to discuss the placement of advisors and fellows.[869]

U.S.-FUNDED DRUG DEMAND REDUCTION

INL works closely with international partners to coordinate and execute capacity-building and training activities for service providers in drug prevention, treatment, and recovery.[870] The INL-funded 2015 *Afghanistan National Drug Use Survey* conservatively estimated that roughly 11% of the population would test positive for one or more drugs, including 5.3% of the urban population and 13% of the rural population. Drug use among women and children is among the highest documented worldwide, and 30.6% of rural households included at least one member who tested positive for some form of illicit drug.[871]

The United States and the Afghan government are finalizing a transition plan for the transfer of U.S.-funded drug-treatment centers to the Afghan government. As mentioned above, at the Jakarta workshop held December 3–6, 2018, INL, MCN, and the MOPH agreed to create a drug-demand-reduction transition plan advisor position. Revisions to the transition plan made at the Jakarta meeting are not yet final as negotiations continue with MOPH.[872]

According to INL, if the possible dissolution of MCN takes place, the impact on drug-demand-reduction programs would be minimal since MOPH is currently responsible for implementing drug-demand-reduction policy.[873]

To date, 27 drug-treatment centers have fully transitioned to MOPH control. Twenty-one additional centers are expected to transition in 2021. INL has gradually reduced funding to drug treatment centers since 2015.[874]

Most of the patients at the 86 drug-treatment centers supported by INL are adult males. Of the 86 facilities, 67 are inpatient centers and 19 are outpatient centers; 24 are dedicated to women, adolescents, and children.[875] Forty-four of the residential treatment centers also offer home-based services. Six of the 44 home-based programs provide services to adult females.[876]

INL has obligated and disbursed approximately $156.9 million for the Colombo Plan since 2008 on drug demand reduction programs.[877] According to INL, the demand for treatment and prevention services far exceeds the capacity of the centers, most of which have extensive waiting lists for new patients.

The United States supports UNODC's global child-addiction program to develop protocols for treating opioid-addicted children, training treatment staff, and delivering services through nongovernmental organizations. The United States also funds an antidrug curriculum in Afghan schools that has trained over 1,900 teachers and reached over 600,000 students in 900 schools.[878]

In October, INL and the U.S. Embassy's public affairs section delivered nearly 40 drug-themed talks and speeches at Lincoln Learning Centers reaching over 5,200 people. Lincoln Learning Centers provide information about the United States to the general public through book and digital media at host institutions.[879]

During FY 2018, INL provided the following funds to various Colombo Plan drug-treatment programs:

- $346,545 to the Outcome Evaluation of the Drug Treatment Programme
- $4,447,103 to the Assistance to Specialized Substance Use Disorders Treatment Facilities
- $1,457,948 to the Colombo Plan's Afghanistan Field Office Support program

INL also provided $355,271 to UNODC's Preventing Illicit Drug Use and Treating Drug Use Disorders for Children and Adolescents program.[880]

INL has developed a software tool to monitor inventory and procurement at INL-funded drug treatment centers (DTC). In September, INL used the tool to monitor DTCs in Kabul. According to INL, no significant issues have been revealed to date.[881]

ALTERNATIVE DEVELOPMENT

Afghanistan experienced a nationwide drought which impacted not only opium-cultivation yields but some alternative livelihood programs as well.[882] According to the UN, the drought affected 229 of 401 districts as of October 31 and displaced over a quarter-million people from rural to urban areas.[883] U.S.-funded programs are listed in the following Table 3.32 on page 194.

SIGAR AUDIT

An ongoing SIGAR audit of INL's drug-treatment programs in Afghanistan is examining the extent to which INL and its implementers: (1) developed strategies and assessed program achievements; (2) conducted required oversight, and identified and addressed program challenges; and (3) incorporated sustainment into the programs. More information is found in Appendix C of this report.

TABLE 3.32

ALTERNATIVE LIVELIHOOD PROGRAMS						
Project Title	**U.S. Implementing Agency**	**Start Date**	**End Date**	**Total Estimated Cost**	**Cumulative Disbursements, as of 1/12/2019**
Afghanistan Value Chain-High Value Crops (AVC-HVC)	USAID	8/2/2018	8/1/2023	$54,958,860	$867,575
Afghanistan Value Chain-Livestock (AVC-L)	USAID	6/9/2018	6/8/2021	55,672,170	2,287,598
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)	INL	8/12/2016	8/12/2020	20,000,000	20,000,000
Community-Based Agriculture and Alternative Development-East (CBARD-East)	INL	11/11/2017	11/11/2020	22,128,683	22,128,683
Community-Based Agriculture and Alternative Development-West (CBARD-West)	INL	9/1/2016	4/18/2020	24,368,607	24,368,607
Commercial Horticulture and Agricultural Marketing Program (CHAMP)	USAID	2/1/2010	12/31/2019	71,292,850	59,687,955
Promoting Value Chains-Western Afghanistan (PVC-W)	USAID	9/20/2017	9/19/2020	19,000,000	3,599,769
Regional Agricultural Development Program-East (RADP-E)	USAID	7/21/2016	7/20/2021	28,126,111	10,428,478
Regional Agricultural Development Program-North (RADP-N)	USAID	5/21/2014	5/20/2019	78,429,714	61,503,804
Total				**$373,976,995**	**$204,872,468**

Source: USAID, *Quarterly Pipeline Report, as of 1/12/2019*; State, INL, response to SIGAR data call, 12/20/2018; USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP), Quarterly Report, January–March 2018*, 2018, p. 1; USAID, *Promoting Value Chains—Western Afghanistan, Semi-Annual Progress Report, September 20, 2017 to March 31, 2018*, 5/29/2018, i; USAID, *Regional Agricultural Development Program—East (RADP-E), Quarterly Report FY 2018, Quarter 3 (April–June, 2018)*, 7/30/2018, p. 3; USAID, *Regional Agricultural Development Program—East (RADP-E), Activity Monitoring and Evaluation Plan, FY 2018*, 1/20/2018, p. 1; USAID, *Regional Agricultural Development Program (RADP)—North , FY 2018, Quarter 3 (April–June, 2018)*, 7/31/2018, p. 8.

Boost Alternative Development Intervention Through Licit Livelihoods

INL launched the Boost Alternative Development Intervention Through Licit Livelihoods (BADILL) project in August 2016. This alternative-development project is expected to follow through on INL's commitments to those provinces most affected by GPI's cancellation.[884]

According to INL, BADILL offers communities alternatives to poppy cultivation, rather than offering incentives to provinces as with the GPI. The GPI program targeted provincial leadership by providing a political incentive for top-down poppy reduction, and employed a general development approach. BADILL is working directly with small farmers to increase productivity and licit employment opportunities.[885] INL expects that this approach will render the programs more effective than GPI was.

BADILL is implemented in the following provinces: Helmand, Uruzgan, Nimroz, Samangan, Jowzjan, Takhar, Bamyan, Wardak, Parwan, Panjshir, Paktia, Paktika, and Nangarhar.[886] In October, small to medium enterprises from various BADILL provinces participated in the Badam Bagh National Agriculture Fair. They sold alternative-development products such as natural soap, mint oil, tea, saffron, and dairy and poultry products worth about AFN 663,000 ($8,840).[887] All project components (dairy, poultry, and

Farmer harvesting potatoes in Bamyan Province. (USAID Photo)

vegetable production) showed good returns for beneficiaries in Panjshir. In Helmand and Uruzgan, many of the pistachio saplings supplied perished because of the drought. Replacement saplings will be provided to farmers during the 2019 planting season.[888]

To mitigate effects of the drought, implementers will rehabilitate 336 meters of water canals and retaining walls which would irrigate 10,720 hectares in Faizabad District in Jowzjan rather than establishing the remaining 200 of 300 planned grape orchards in the province. One hundred grape orchards had been built by April 2018 before the drought. Canal construction will begin late February–early March 2019.[889]

Community-Based Agriculture and Rural Development

INL has additional alternative-development projects under the Community-Based Agriculture and Rural Development (CBARD) program. The projects are implemented by UNODC and the United Nations Development Programme (UNDP) and aim to improve household income while reducing dependency on illicit poppy cultivation for selected communities.[890]

Irrigation infrastructure is an important component of the CBARD program. SIGAR's counternarcotics lessons-learned report found evidence, based on Geographic Information System imagery, that some US-funded irrigation improvement projects have inadvertently contributed to greater opium-poppy cultivation. The report concluded that it is important that CBARD projects incorporate risk-mitigation strategies—particularly in areas with a history of opium-poppy cultivation—to ensure that irrigation projects do not lead to more cultivation of poppy, and are instead contributing to licit high-value crops.[891]

TABLE 3.33

COMMUNITY-BASED AGRICULTURE AND RURAL DEVELOPMENT (CBARD)

Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost	Cumulative Disbursements, as of 12/31/2018
CBARD-East	11/2017	12/2020	UNDP	$22,128,683	All funds disbursed
CBARD-West	11/2016	4/2020	UNDP	24,368,607	All funds disbursed
Total				**$46,497,290**	**$46,497,290**

Source: INL, response to SIGAR vetting, 1/13/2017 and 1/12/2018; State, INL, *Letter of Agreement with UNDP,* 11/09/2017; INL, response to SIGAR data call, 12/20/2018.

To mitigate the effects of this year's drought, UNDP has prioritized water-conservation trainings and increased projects related to irrigation primarily in drought-affected provinces such as Badghis. CBARD projects will irrigate approximately 4,000 hectares of land.[892] Table 3.33 provides the funding amounts and project duration dates. All funds have been disbursed.

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

Micro greenhouses: 60 square meters and given primarily to women for income diversification and production at the household level. They are often close to the homes to allow access for women and produce seedlings for commercial greenhouses.

Source: USAID, response to SIGAR vetting, 4/12/2015; State, INL, response to SIGAR vetting, 1/15/2019.

CBARD-West

CBARD-West introduces and strengthens community-based local production and marketing of traditional high-value crops in 70 communities of Farah and Badghis Provinces. The project aims to directly benefit an estimated 33,240 households. In addition to supporting local farmers with field schools, CBARD-West will develop and strengthen existing public and private agribusiness infrastructure in the areas of irrigation, transportation, and agricultural value-chain facilities.[893]

As of September 2018, CBARD-West achieved the following in Badghis and Farah Provinces: 20 raisin houses, 165 greenhouses, 110 micro greenhouses, 24 irrigation projects, and 10 cold-storage facilities.[894]

CBARD-East

CBARD-East introduces and strengthens community-based local production and marketing of traditional high-value crops in 100 communities of Nangarhar Province. The program started in January 2018 and will assess alternative livelihoods in communities with high rates of opium cultivation. It aims to directly benefit an estimated 28,500 households. CBARD-East supports local farmers with field schools, and strengthens public and private agribusiness infrastructures such as value-chain facilities, irrigation, and transportation. As of June 2018, CBARD-East has established 46 hectares of orchards, begun construction of 195 greenhouses, trained women in kitchen gardening, and identified 16 additional crop-irrigation projects. An estimated 1,900 hectares will be irrigated; approximately 13,450 households are expected to benefit from these infrastructures.[895]

The program prioritized recruiting female staff and highly encouraged female applicants to apply for positions. However, due to the remoteness and security status of the project, no female candidates have expressed interest. Currently, two of the 21 recruited staff members are female and five female lead farmers have been identified.[896] According to UNDP, security, community traditions, and the location of the target provinces present challenges in working with women. CBARD-East will address this challenge by establishing kitchen gardens and home-based greenhouses to ensure women's involvement in the production of high-value crops.[897]

As of September 2018, CBARD-East has established 200 micro greenhouses since the beginning of the year. CBARD-East has established 230 *jeribs* of orchards (one hectare equals five jeribs). The project has provided business-development training to 330 beneficiaries and conducted farmer field schools.[898]

Afghanistan Value Chains Programs

These programs will cover the regions previously targeted by now-inactive Regional Agricultural Development (RADP) programs.[899] Table 3.34 provides program value, duration, and expenditures to date.

TABLE 3.34

AFGHANISTAN VALUE CHAINS (AVC)

Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost ($)	Cumulative Disbursements, as of 1/12/2019
AVC-Crops	8/2/2018	8/1/2021	DAI	$33,482,672	$867,575
AVC-Livestock	6/9/2018	6/8/2021	DAI	34,714,295	2,287,598
Total				**$68,196,967**	**$3,155,173**

Source: USAID, *Quarterly Pipeline Report*, as of 1/12/2019.

Afghanistan Value Chains-High Value Crops

USAID awarded the $33.5 million Afghanistan Value Chains-High Value Crops (AVC-HVC) contract in August 2018. USAID retitled the program from Afghanistan Value Chains-Crops to Afghanistan Value Chains-High Value Chains in September 2018. The program's goals are to reverse market failures, strengthen linkages, spur growth and job creation for men, women, and youth along value chains for fruit, nuts, high-value horticulture, spices, and medicinal crops. Activities are designed around "anchor firms" and important value-chain service providers such as financial institutions, shipping and transport companies, and management consultant firms.[900] According to USAID, anchor firms have the willingness and potential to create systemic change in their value-chain, with benefits that go beyond the individual firm.[901]

The fourth quarter of 2018 was devoted to project startup activities. Recruitment is ongoing; 40% of the local team has been hired. Forty-six anchor firms at various levels of the value chain were assessed and 30 successfully passed the initial screening process.[902] As of January 12, 2019, USAID has spent $867,575.[903]

Afghanistan Value Chains-Livestock

USAID awarded the three-year $34.7 million contract in June 2018. Afghanistan Value Chains-Livestock (AVC-L) will work with anchor firms in the poultry, small ruminants, dairy products, and other livestock value-chains.[904] Between July and September, the implementer continued startup activities, recruited 31 project staff, and identified livestock value chain anchor firms. Project staff also met with stakeholders.[905] Total disbursements are $2.3 million, as of January 12, 2019.[906]

Promoting Value Chains-Western Afghanistan

This $19 million, Promoting Value Chains-Western Afghanistan (PVC-W) program is implemented by the Food and Agriculture Organization (FAO).[907] PVC-W aims to promote inclusive growth and create jobs in the agriculture sector by strengthening the capabilities of producers and private enterprises by:[908]
- increasing wheat productivity
- improving production and productivity of high-value crops
- enhancing technology utilization in the livestock industry
- building institutional capacity at provincial and district levels

The first year of the project, which launched in January 2018, targeted Herat Province. The project will expand to Badghis, Farah, and Nimroz Provinces in 2019. Sixteen project districts were identified based on the presence of production and processing facilities for targeted crops, accessibility, and security. Nearly 120 beneficiaries such as suppliers, service providers, and associations were selected during the first year.[909]

Private-sector beneficiaries participate in a project innovation fund (PIF). The PIF is a source of co-financing for selected agribusinesses and enterprises. USAID hopes to stimulate investments in private agribusinesses that develop and promote new markets and sales for agricultural inputs, wheat, high-value crops, and dairy products. The PIF intends to improve business performance by addressing some of the key barriers to production and marketing, as well as support farmer and producer groups in adopting and using new technologies and equipment.[910] The initial group of companies were approved for the first round of PIF implementation during the second half of 2018. Proposals from another group were conditionally approved and will likely be accepted for the second round.[911]

As of January 12, 2019, USAID has disbursed $3.6 million.[912]

Commercial Horticulture and Agricultural Marketing Program

The Commercial Horticulture and Agricultural Marketing Program (CHAMP) works with leading Afghan processing and export firms to enhance the supply chain, marketing, and export promotion of Afghan fruits and nuts. CHAMP supports traders through its trade offices in India, United Arab Emirates, and Kazakhstan to boost Afghan agricultural exports.[913] USAID increased the program's contract from $56.3 million to $71.3 million in May 2018.[914]

As of September 2018, CHAMP has exported 92,000 tons of produce valued at $125 million to markets in Pakistan, India, the United Arab Emirates, Canada, and Russia. The program has trained 113,000 farmers, constructed 230 storage facilities, such as cool rooms and raisin drying facilities, and planted 2.85 million saplings. During the last quarter of FY 2018, CHAMP's support of agribusinesses attending the Passage to Prosperity in Mumbai and the Indian Trade Mission event in New Delhi resulted in $152 million in signed and potential contracts. The Almaty Trade Office facilitated the shipment of fruits to the Kazakh market and hosted the minister of Agriculture, Irrigation, and Livestock, resulting in the permanent lowering of the customs tax from 10–15% to 5%.[915]

USAID has disbursed $59.7 million to date as of January 12, 2019.[916]

Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) intends to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects have ended in the western and southern regions, but continue in the eastern and northern regions of Afghanistan. The projects focus on strengthening farmers' productivity in wheat, high-value crops, and livestock. Using a value-chain approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of agricultural value chains.[917]

As shown in Table 3.35, USAID funding for all RADP programs, targeting various regions of the country amounts to approximately $283.6 million and USAID has spent $206.8 million as of January 12, 2019.[918]

TABLE 3.35

USAID REGIONAL AGRICULTURAL DEVELOPMENT PROGRAM (RADP)

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
RADP-East	7/21/2016	7/20/2021	$28,126,111	$10,428,478
RADP-North	5/21/2014	5/20/2019	78,429,714	61,503,804
RADP-South*	10/7/2013	10/6/2017	111,414,339	108,468,215
RADP-West*	8/10/2014	10/25/2016	65,629,170	26,394,196
Total			**$283,599,335**	**$206,794,694**

Note: * Denotes inactive programs. Afghanistan Value Chains—Crops and Afghanistan Value Chains—Livestock target the regions previously served by the inactive RADP programs.

Source: USAID, *Quarterly Pipeline Report*, as of 1/12/2019.

RADP-East

The five-year, $28.1 million RADP-East program seeks to expand sustainable economic growth through the agriculture sector in eight provinces: Ghazni, Kapisa, Laghman, Logar, Nangarhar, Parwan, Wardak, and Kabul. Its goal is to increase the sale of agricultural goods by at least $57 million by the end of the program in July 2021.[919] Some of the program's achievements to date are:[920]

- national sales of targeted commodities valued at $8.5 million
- over 5,600 individuals receiving short-term agriculture sector productivity or food security training
- 232 agro-enterprises and new businesses created and/or benefitting from the project
- 22% of the program participants were female, a result of a U.S. government-assisted program designed to increase access to productive economic resources (assets, credit, income or employment)

USAID has spent $10.4 million as of January 12, 2019.[921]

RADP-North

RADP-North extends food and economic security for rural Afghans of six provinces: Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan. Activities strengthen farmers' capacity through improved production in the wheat, high-value crop, and livestock value chains.[922] The $78.4 million five-year program is in its final year.[923]

In October, laser-land-leveling (LLL) operators conducted 25 demonstration field days to 721 farmers in Balkh and Jowzjan Provinces. Three of the project's LLL operators leveled 69.4 *jeribs* (one hectare equals five jeribs) for seven farmers generating AFN 209,500 ($2,831) in revenue.[924]

In November, RADP-North cultivated plots in 70 villages and distributed and sold wheat seeds to farmers. The program also conducted hygiene and nutrition training for 500 women in Balkh, Jowzjan, and Samangan. Laser-land-leveling operators levelled 305 jeribs of land which generated AFN 847,600 ($12,465) in revenue. RADP-North supported nine agribusinesses at the WorldFood India trade show. Their attendance generated signed contracts valued at $1.6 million.[925] Paravets trained 200 women and 400 men on livestock deworming in five provinces. Additional urea treatment training for 950 beneficiaries (800 men and 150 women) took place in Balkh, Jowzjan, and Samangan.[926]

At the Kabul Ag-Fair, held October 3–5, 2018, the program supported the participation of 11 agribusinesses. The companies reported confirmed sales of $8,570, with additional deals for subsequent delivery of $27,255. The 11 companies also reported potential deals worth $296,232.

RADP-N provided support to four agribusinesses to participate at the WorldFood Kazakhstan trade show held October 31 through November 2, 2018. The participating companies generated confirmed sales of $2,963,100

Paraveterinarian or paravet: a community-based animal health worker who provides initial diagnosis and basic treatment of animals.

Source: A. Catley, T. Leyland, et al., "Para-veterinary professionals and the development of quality, self-sustaining community-based services," Revue scientifique et technique (International Office of Epizootics), 2004, p. 225.

for dried fruit and nut products. The trade show also helped the agribusinesses establish networks with other international buyers and conduct 28 business-to-business meetings.[927]

As of January 12, 2019, USAID has disbursed $61.5 million.[928]

Kandahar Food Zone

The Kandahar Food Zone (KFZ) concluded August 30, 2018. The five-year, $45.4 million program sought to address the drivers of poppy cultivation. In the early years of the program, KFZ collaborated closely with the MCN and conducted capacity building trainings for the ministry in its Kabul and Kandahar offices. The program also conducted assessments, planned canal rehabilitations to increase access to affordable irrigation water, and implemented vocational trainings tied to alternative development.

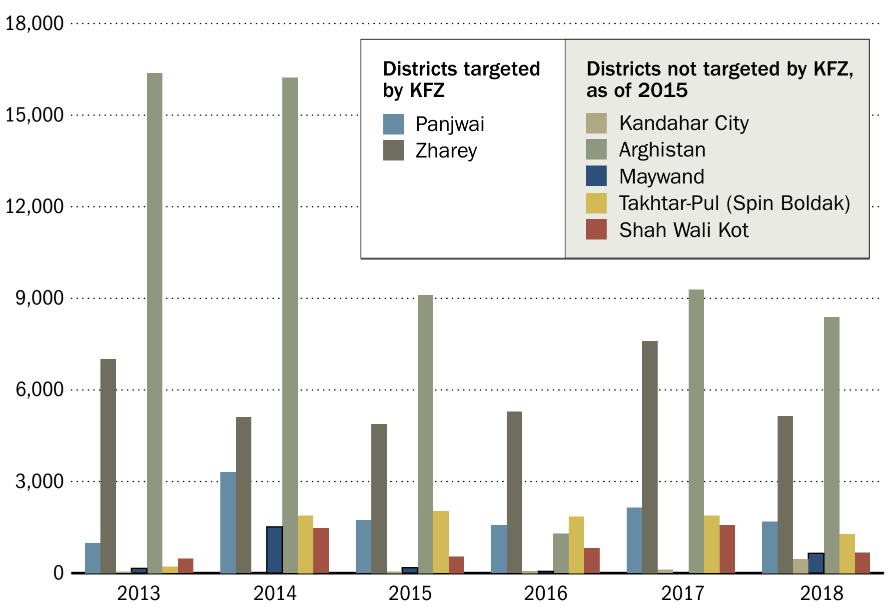
Seven districts were targeted at the start of the program in 2013, but in the final year activities were limited to Panjwai and Zharey Districts.[929] A mid-term evaluation of the program recommended changing KFZ's scope, timeframe (it was initially a two-year program), and funding. The evaluation found that KFZ was not adequately funded to address the drivers of poppy cultivation in each district and recommended concentrating on two

SIGAR FINANCIAL AUDIT

SIGAR announced a financial audit of USAID's RADP-South program in October 2018. SIGAR will examine the $63.2 million-contract with Chemonics International Inc. for costs incurred during the January 1, 2016 to November 20, 2017.

FIGURE 3.51

KANDAHAR FOOD ZONE YEARLY TARGETED-DISTRICT OPIUM-CULTIVATION RESULTS
(HECTARES)



KANDAHAR FOOD ZONE YEARLY SPENDING
($ MILLIONS)

Source: USAID, response to SIGAR vetting, 1/12/2019; USAID, *Kandahar Food Zone Mid-term Performance Evaluation*, 3/2015, pp. 1–4; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, Annex I, p. 65.

TABLE 3.36

KANDAHAR FOOD ZONE SELECT PERFORMANCE INDICATORS

Performance Indicator	Year 1 (7/31/13–7/31/14)	Year 2 (8/1/14–8/30/15)	Year 3 (8/31/15–9/30/16)	Year 4 (8/31/16–9/30/17)	Year 5 (10/1/17–8/30/18)	Cumulative Results	Cumulative Targets (7/31/13–8/30/18)
Capacity Building at MCN							
Number of training person days provided to executive branch personnel with U.S. government assistance	461	1,226	(Program scope funding changed for years 3–5 from seven targeted districts to two districts (Zharey, Panjwai), so comparable cumulative data are not available.)				
Number of Afghans completing U.S. government–led training courses or events. U.S. government officials and Afghan implementing partner employees are not counted by this indicator.	145	331					
Number of Community-Based Planning to Support Alternatives to Poppy Cultivation (CBPSA-PC) sessions conducted for district entities	7	7					
Number of persons who participated in CBPSA-PC Sessions	840	782					
Alternative Livelihood							
Number of activities with community contribution	3	1					
Number of persons employed by stabilization program activities	88	70					
Number of projects completed with community and GIROA involvement	1	20					
Number of activities to increase opportunities for alternative licit livelihoods for women as a result of U.S. government assistance	0	0					
Agriculture Development							
Number of hectares of improved high-value crops			542	349	1.4	893	850
Number of farmers receiving public/private-sector training			2,583	715	1,585	5,660	4,364
Number of farmers and others who have applied new technologies or management practices as a result of U.S. government assistance			2,583	1,023	1,988	6,392	5,373
Number of AD projects designed/implemented for women			2	6	4	19	14
Number of hectares of perennial crops rehabilitated			542	349	1.4	893	850
Irrigation System Management							
Number of hectares of agricultural land with new or improved irrigation and drainage services			5,050	8,890	5,456	38,489	34,093
Number of irrigation canal projects completed			5	11	6	34	31
Number of kilometers of irrigation canal and drainage ditches rehabilitated			50.2	127.0	79.13	424.6	417.4
Government Coordination and Capacity Building							
Number of GIROA staff (MCN, MAIL) completing U.S. government–led training courses or events			40	46	91	537	250
Number of government/organizations/national programs with access to Shamal (management information system)			2	1	5	8	8
Number of projects completed with community and GIROA involvement			22	14	12	91	89

Note: The project was initially a two-year program targeting seven districts. The duration and scope were changed after USAID conducted its midterm evaluation in November 2014.

Source: USAID, *KFZ Annual Report—Year 1, 31 July 2013–30 September 2014*, 9/30/2014, pp. 3, 9–10; USAID, *KFZ Annual Report—Year 2, 1 August 2014–31 August 2015*, 9/30/2015, pp. 12–13; USAID, *KFZ Quarterly Progress Report, Q4 FY2017, July 1–September 30, 2017*, 10/31/2017, pp. 10–11; USAID, *KFZ, Annual Report—Year 2, 1 August 2014–31 August 2015*, 9/30/2015; USAID, *KFZ Quarterly Progress Report, Q4 FY 2018, July 1–August 30, 2018*, 2018, pp. 6–8; USAID, *Kandahar Food Zone (KFZ) Program, Year 3 Annual Report (31 August 2015–30 September 2016)*, 10/30/2016, pp. 8–13; USAID, *Kandahar Food Zone Mid-term Performance Evaluation*, 3/2015, pp. 1–3.

districts annually for the KFZ model to produce higher returns.[930] According to USAID, canal rehabilitation and improvements had significant impact on the cultivation of previously unproductive farmland in Panjwai. In Zharey, which has more water, the program increased the number of new farm households.[931]

KFZ's office in Kandahar closed on May 30, 2018. During July and August 2018, KFZ conducted the final inspections of the Salihan canal rehabilitation in Panjwai and monitored the rising sales of high-value crops it attributed to its interventions.[932]

As of August 30, 2018, KFZ had met, nearly met, or exceeded all but one of available program indicators. Some indicators are shown in Table 3.36. Nearly 6,400 households benefitted from program interventions in the targeted areas, exceeding the 5,373 target. Approximately 900 hectares of perennial crops were rehabilitated and 400 hectares are under cultivation of high-value crops because of U.S. government assistance. KFZ completed 34 irrigation-canal and drainage-ditch rehabilitations. According to USAID, the value of agricultural goods shipped for exports is $7.4 million, and KFZ enabled the creation of 1,500 full-time jobs.[933]

Though all but one of its performance metrics have been met, the five-year program delivered mixed results in curbing opium-poppy cultivation in the targeted districts. As shown in Figure 3.51 on page 201, cultivation levels in Zharey and Panjwai decreased significantly in 2015 from the 2014 levels: Panjwai experienced a 48% decrease from its 2014 total and Zharey a 4% decrease. Poppy cultivation levels continued to fall in 2016 but levels increased once more in 2017—a 37% increase for Panjwai and a 44% rise for Zharey. Levels fell again in 2018. USAID spent more than $45.2 million for the program. At its conclusion, poppy cultivation levels are 72% higher in 2018 for Panjwai than its initial 2013 benchmark (984 hectares) and 27% higher for Zharey (7,017 hectares).[934]

KFZ did not meet the $1.3 million value goal of national sales for targeted commodities: over the life of the program, national sales totaled $273,972. USAID did not approve a cold-storage promotion program proposed by the implementing partner to help increase sales in national markets.[935]

As of December 31, 2018, USAID has disbursed $45.2 million.[936]

4 OTHER AGENCY OVERSIGHT

OTHER AGENCY OVERSIGHT CONTENTS

Photo on previous page
Airmen assigned to the 451st Air Expeditionary Group work on loading munitions into the A-10 Warthog, December 17, 2018, at Kandahar Airfield, Afghanistan. (U.S. Air Force photo by Senior Airman Rito Smith)

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. Publicly available copies of completed reports are posted on the agencies' respective 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)

COMPLETED OVERSIGHT ACTIVITIES

Table 4.1 lists the five oversight reports related to Afghanistan reconstruction that participating agencies completed this quarter.

TABLE 4.1

RECENTLY COMPLETED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF DECEMBER 31, 2018

Agency	Report Number	Date Issued	Report Title
State OIG	ISP-I-19-11	10/25/2018	Inspection of the Bureau of Democracy, Human Rights, and Labor
State OIG	ISP-I-19-12	10/30/2018	Inspection of the Bureau of Democracy, Human Rights, and Labor's Foreign Assistance Program Management
GAO	GAO-19-116	10/15/2018	Afghanistan Security: Some Improvements Reported in Afghan Forces' Capabilities, but Actions Needed to Enhance DOD Oversight of U.S.-Purchased Equipment
GAO	GAO-19-251R	12/19/2018	Security Force Assistance: U.S. Advising of Afghan National Army Has Expanded since 2015, and the U.S. Army Has Deployed a New Advising Unit
GAO	GAO-19-39C	12/20/2018	DOD Vendor Vetting

Source: DOD OIG, response to SIGAR data call, 12/20/2018; State OIG, response to SIGAR data call, 12/20/2018; GAO, response to SIGAR data call, 12/20/2018; USAID OIG, response to SIGAR data call, 12/19/2018; USAAA, response to SIGAR data call, 12/18/2018.

U.S. Department of Defense Office of Inspector General

DOD OIG completed no audits related to Afghanistan reconstruction this quarter.

U.S. Department of State Office of Inspector General-Middle East Regional Operations

During this quarter, State OIG released two reports related to Afghanistan reconstruction.

Inspection of the Bureau of Democracy, Human Rights, and Labor

State OIG completed an inspection of the Bureau of Democracy, Human Rights, and Labor's executive direction, program and policy implementation, resource management, and management controls.

Inspection of the Bureau of Democracy, Human Rights, and Labor's Foreign Assistance Management

State OIG completed an inspection of the Bureau of Democracy, Human Rights, and Labor's foreign assistance program management.

Government Accountability Office

During this quarter, GAO released three reports related to Afghanistan reconstruction.

Afghanistan Security: Some Improvements Reported in Afghan Forces' Capabilities, but Actions Needed to Enhance DOD Oversight of U.S.-Purchased Equipment

Since the Resolute Support mission began in 2015, the Afghan National Defense and Security Forces (ANDSF) have improved some fundamental capabilities, such as high-level operational planning, but continue to rely on U.S. and Coalition support to fill several key capability gaps, according to Department of Defense (DOD) reporting. DOD has initiatives to address some ANDSF capability gaps, such as a country-wide vehicle maintenance and training effort, but DOD reports it does not expect the ANDSF to develop and sustain independent capabilities in some areas, such as logistics, for several years.

While DOD has firsthand information on the abilities of the Afghan Air Force and Special Security Forces to operate and maintain U.S.-purchased equipment, it has little reliable information on the equipment proficiency of conventional ANDSF units. U.S. and Coalition advisors are embedded at the tactical level for the Air Force and Special Security Forces, enabling DOD to directly assess those forces' abilities. However, the advisors have little direct contact with conventional ANDSF units on the front lines. As a result, DOD relies on those units' self-assessments of tactical abilities, which, according to DOD officials, can be unreliable.

GAO's analysis of three critical equipment types illustrated the varying degrees of DOD's information. For example, DOD provided detailed information about the Air Force's ability to operate and maintain MD-530 helicopters and the Special Security Forces' ability to operate and maintain Mobile Strike Force Vehicles; however, DOD had limited information about how conventional forces operate and maintain radios and Mobile Strike Force Vehicles. DOD's lack of reliable information on conventional forces' equipment operations and maintenance abilities adds to the uncertainty and risk in assessing the progress of DOD efforts in Afghanistan.

GAO recommends that DOD develop options for collecting reliable information on conventional ANDSF units' ability to operate and maintain U.S.-purchased equipment. DOD concurred with this recommendation.

Security Force Assistance: U.S. Advising of Afghan National Army Has Expanded since 2015, and the U.S. Army Has Deployed a New Advising Unit

The Department of Defense (DOD) has used a variety of approaches to provide advisors in Afghanistan. For example, the United States has often relied on individual personnel drawn from across the military services to advise Afghan security forces. In 2012, the Army began pulling senior leaders and other personnel with specific ranks and skills from active-duty brigades to form advisor teams. In October 2016, the U.S. Army approved the development of a new force structure to use in advising foreign security forces--the Security Force Assistance Brigade (SFAB).

GAO found that the U.S. advising approach for the Afghan National Army (ANA) under the North Atlantic Treaty Organization (NATO) mission to train, advise, and assist Afghan security forces--known as Resolute Support--has evolved since 2015 from advising the ANA primarily at the corps level, ministries, and institutions to include tactical-level advising with the ability to accompany the ANA on combat operations with certain limitations. This evolution of the advising approach since 2015 has included three key changes over time:

- geographic expansion of advising, and adjustment to originally planned force reductions
- expansion of expeditionary advising and a related increase of U.S. forces
- shift in strategy to allow U.S. forces to accompany and enable ANA tactical units

To support this expanded mission, the military services provided advisors and other personnel, with the Army providing the largest increases. For example, the U.S. Air Force continued to provide advisors from the ministerial down to the tactical level, and the U.S. Marine Corps returned to an advising role in Afghanistan in April 2017, from which it had previously departed in late 2014. The U.S. Army also provided additional personnel as part of an increase in forces approved in 2017, and in early 2018 deployed the first of its new Security Force Assistance Brigades–the 1st SFAB--as part of the over 1,700 Army personnel provided during the year to bolster the advisory mission. DOD's decision to deploy the 1st SFAB resulted in an acceleration of the new unit's planned deployment timelines by at least eight months, which, combined with other decisions, resulted in several challenges. These challenges included issues related to manning and training the SFAB and providing sufficient enabling forces to support the SFAB's mission in Afghanistan. According to Army officials, the Army is collecting lessons learned from experiences manning, training, and deploying the 1st SFAB to inform the continued development and institutionalization of the SFAB.

GAO is not making recommendations in this report.

DOD Vendor Vetting

This classified report addresses the extent to which DOD and its geographic combatant commands have developed guidances on vendor vetting; the extent to which they have established and are implementing vendor vetting processes, including information systems involved in vendor vetting; and the extent to which DOD has internal controls in place to ensure that the information used to make determinations of vendor risk is complete, accurate, and timely. The report also reviews the appeals processes available to vendors and discusses the challenges DOD faces regarding vendor vetting.

U.S. Army Audit Agency

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

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

USAID OIG completed no audits related to Afghanistan reconstruction this quarter.

ONGOING OVERSIGHT ACTIVITIES

As of December 31, 2018, the participating agencies reported 16 ongoing oversight activities related to reconstruction in Afghanistan. The activities reported are listed in Table 4.2 and described in the following sections by agency.

TABLE 4.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF DECEMBER 31, 2018

Agency	Project Number	Date Initiated	Project Title
DOD OIG	D2019-D00SPO-0017.000	10/1/2018	U.S. and Coalition Efforts to Train, Advise, Assist, and Equip Afghan Tactical Air Coordinators and Air Liaison Officers
DOD OIG	D2018-D000JB-0187.000	7/30/2018	Audit of Army Oversight of National Afghan Trucking Services 3.0 Contract
DOD OIG	D2018-D000RG-0170.000	6/25/2018	Audit of the National Maintenance Strategy Contract in Afghanistan
DOD OIG	D2018-DISPA2-0112.000	5/3/2018	Evaluation of Theater Linguist Support for Operation Freedom's Sentinel
DOD OIG	D2018-D000RJ-0135.000	4/30/2018	Audit of the Afghan Personnel and Pay System
State OIG	18AUD066	9/20/2018	Audit of the Office of Overseas Buildings Operations Construction and Commissioning of Staff Diplomatic Apartments in Kabul, Afghanistan
State OIG	18AUD076	7/15/2018	Lessons Learned from Office of Inspector General Audits Concerning the Review and Payment of Contractor Invoices Supporting Overseas Contingency Operations
State OIG	18AUD051	5/24/2018	Audit of Grants and Cooperative Agreements Intended to Counter Violent Extremism
State OIG	18AUD038	3/15/2018	Audit of Embassy Kabul Physical Security Features
State OIG	18SEP044	12/20/2017	Evalution of Camp Eggers Guard Housing Contract Termination
State OIG	17AUD065	6/15/2017	Audit of the Bureau of International Narcotics and Law Enforcement Affairs (INL) Aviation Program
GAO	103066	10/29/2018	Advise and Assist Mission in Afghanistan
GAO	103076	10/1/2018	Afghanistan Reconstruction Projects–Waste, Fraud, and Abuse
GAO	102793	6/18/2018	Afghanistan Security Forces Fund
USAID OIG	8F1C0217	8/9/2017	Follow-Up Audit of USAID's Multi-Tiered Monitoring Strategy in Afghanistan
USAID OIG	FF1C0216	5/11/2016	Audit of USAID/Afghanistan's New Development Partnership

Source: DOD OIG, response to SIGAR data call, 12/20/2018; State OIG, response to SIGAR data call, 12/20/2018; GAO, response to SIGAR data call, 12/20/2018; USAID OIG, response to SIGAR data call, 12/19/2018; USAAA, response to SIGAR data call, 12/18/2018.

U.S. Department of Defense Office of Inspector General

DOD OIG has five ongoing projects this quarter that relate to reconstruction or security operations in Afghanistan.

U.S. and Coalition Efforts to Train, Advise, Assist, and Equip Afghan Tactical Air Coordinators and Air Liaison Officers

The DOD OIG is evaluating whether U.S. and Coalition efforts to train, advise, assist, and equip Afghan Tactical Air Coordinators and Air Liaison Officers meet air-to-ground integration objectives identified in operational plans and applicable policies.

Audit of Army Oversight of National Afghan Trucking Services 3.0 Contract

The DOD OIG is determining whether the Army provided oversight of the National Afghan Trucking Services 3.0 contract.

Audit of the National Maintenance Strategy Contract in Afghanistan

The DOD OIG is determining if the Army developed the National Maintenance Strategy-Ground Vehicle Systems contract requirements to meet user needs to maintain and sustain the Afghan National Defense and Security Forces' vehicles.

Evaluation of Theater Linguist Support for Operation Freedom's Sentinel

The DOD OIG is determining if U.S. Central Command and U.S. Army Intelligence Security Command have developed and implemented processes for satisfying Commander U.S. Forces Afghanistan and Operation Freedom's Sentinel contract linguist requirements.

Audit of the Afghan Personnel and Pay System

The DOD OIG originally announced this audit on April 30, 2018, and then reannounced the audit on May 21, 2018, with a new objective. The DOD OIG is determining whether DOD's planning and implementation of the Afghan Personnel and Pay System will accurately pay and track Afghan forces.

U.S. Department of State Office of Inspector General-Middle East Regional Operations

State OIG has six ongoing projects this quarter related to Afghanistan reconstruction.

Audit of Bureau of International Narcotics and Law Enforcement Affairs Aviation Program

This is an audit to determine whether the Bureau of International Narcotics and Law Enforcement Affairs is administering its aviation program, including key internal controls (including those for inventory management, aviation asset usage, aircraft maintenance, and asset disposal), in accordance with federal requirements and department guidelines.

Evaluation of Camp Eggers Guard Housing Contract Termination

This is an evaluation of the Camp Eggers' guard housing contract termination.

Audit of Embassy Kabul Physical Security Features

The audit will examine the physical security features at Embassy Kabul.

Audit of Grants and Cooperative Agreements Intended to Counter Violent Extremism

This is an audit of grants and cooperative agreements intended to counter violent extremism (CVE) in a number of countries, including Afghanistan.

Lessons Learned from Office of Inspector General Audits Concerning the Review and Payment of Contractor Invoices Supporting Overseas Contingency Operations

This is a review of lessons learned from audits of the role of contracting officer representatives in overseeing invoices for Overseas Contingency Operations contracts.

Audit of the Office of Overseas Buildings Construction and Commissioning of Staff Diplomatic Apartments

The is an audit of the Office of Overseas Buildings Operations construction and commissioning of the Staff Diplomatic Apartment-2 and Staff Diplomatic Apartment-3 in Kabul, Afghanistan.

Government Accountability Office

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

Afghanistan Security Forces Fund

The Afghanistan Security Forces Fund (ASFF) was created for DOD to provide assistance to the security forces of Afghanistan to include the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation and construction, and funding. The Senate Appropriations Committee has expressed concerns about the costs of training contracts awarded under ASFF, citing recent reports from both SIGAR and other auditing agencies that found deficiencies that resulted in tens of millions of dollars potentially lost to fraud, waste, and abuse.

GAO will review DOD's Afghanistan Security Force Fund (ASFF) Training Contracts to include researchable questions on the budgets, funding sources and transactions for all ASFF Training Contracts during FY 2017–2019 and the extent to which DOD has processes and procedures to ensure that ASFF training contracts' pricing and costs are reasonable.

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 assess the overall dollar amount of waste, fraud, and abuse uncovered through these efforts.

Advise and Assist Mission in Afghanistan

In August 2017, the President announced a new South Asia strategy that was accompanied by an increase of U.S. and North Atlantic Treaty Organization (NATO) troops in Afghanistan to support renewed efforts to advise and assist Afghan forces in the NATO Resolute Support Mission. As part of the increase, the Army deployed a Security Force Assistance Brigade (SFAB), a new unit created in October 2016 to advise and assist foreign military forces, including the Afghan National Defense and Security Forces (ANDSF). Development of ANDSF has been a central element of successive U.S. strategies in Afghanistan.

GAO will review the extent to which DOD, in conjunction with NATO, has defined advisor team missions, goals, and objectives and the extent to which advisors were trained and equipped for their specific missions in Afghanistan. GAO will also review the ability of the Army's Security Force Assistance Brigade to meet current and future advisor requirements in Afghanistan and elsewhere; what adjustments, if any, are being made to the manning, training and equipping, and deployment of the second and third SFABs; and any other issues the Comptroller General determines appropriate with respect to the advise and assist mission in Afghanistan.

U.S. Army Audit Agency

This quarter the USAAA has no ongoing audits related to Afghanistan reconstruction.

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

This quarter USAID OIG has two ongoing audits related to reconstruction initiatives.

Follow-Up Audit of USAID's Multi-Tiered Monitoring Strategy in Afghanistan

The objectives of this audit are to determine the extent to which USAID has used its multi-tiered monitoring strategy in Afghanistan to manage projects and to serve as the basis for informed decision making. The entrance conference was held August 9, 2017.

Audit of USAID/Afghanistan's New Development Partnership

The objectives of this audit are to determine if USAID/Afghanistan has adopted internal policies and procedures to adequately verify the achievement of New Development Partnership (NDP) indicators contained in the July 25, 2015, NDP results framework; and if USAID/Afghanistan has adequately verified the achievement of completed indicators under the NDP for any payments made to date. The entrance conference was held May 11, 2016.

APPENDICES AND ENDNOTES CONTENTS

The Official Seal of SIGAR

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 to the semiannual reporting requirements prescribed for inspectors general more generally under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3) (Table A.2) and the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, §1521. (Table A.3)

TABLE A.1

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229

Public Law Section	SIGAR Enabling Language	SIGAR Action	Report Section
Purpose			
Section 1229(a)(3)	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	Ongoing; quarterly report	Full report
Supervision			
Section 1229(e)(1)	The Inspector General shall report directly to, and be under the general supervision of, the Secretary of State and the Secretary of Defense	Report to the Secretary of State and the Secretary of Defense	Full report
Duties			
Section 1229(f)(1)	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	Review appropriated/ available funds Review programs, operations, contracts using appropriated/ available funds	Full report
Section 1229(f)(1)(A)	The oversight and accounting of the obligation and expenditure of such funds	Review obligations and expenditures of appropriated/ available funds	SIGAR Oversight Funding
Section 1229(f)(1)(B)	The monitoring and review of reconstruction activities funded by such funds	Review reconstruction activities funded by appropriations and donations	SIGAR Oversight
Section 1229(f)(1)(C)	The monitoring and review of contracts funded by such funds	Review contracts using appropriated and available funds	Note
Section 1229(f)(1)(D)	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	Review internal and external transfers of appropriated/ available funds	Appendix B

Continued on the next page

TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229			
Public Law Section	**SIGAR Enabling Language**	**SIGAR Action**	**Report Section**
Section 1229(f)(1)(E)	The maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such fund[s]	Maintain audit records	SIGAR Oversight Appendix C Appendix D
Section 1229(f)(1)(F)	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	Monitoring and review as described	Audits
Section 1229(f)(1)(G)	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	Conduct and reporting of investigations as described	Investigations
Section 1229(f)(2)	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)	Establish, maintain, and oversee systems, procedures, and controls	Full report
Section 1229(f)(3)	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	Duties as specified in Inspector General Act	Full report
Section 1229(f)(4)	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	Coordination with the inspectors general of DOD, State, and USAID	Other Agency Oversight
Federal Support and Other Resources			
Section 1229(h)(5)(A)	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	Expect support as requested	Full report
Section 1229(h)(5)(B)	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	Monitor cooperation	N/A

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TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229			
Public Law Section	**SIGAR Enabling Language**	**SIGAR Action**	**Report Section**
Reports			
Section 1229(i)(1)	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 –	Report – 30 days after the end of each calendar quarter Summarize activities of the Inspector General Detailed statement of all obligations, expenditures, and revenues	Full report Appendix B
Section 1229(i)(1)(A)	Obligations and expenditures of appropriated/donated funds	Obligations and expenditures of appropriated/donated funds	Appendix B
Section 1229(i)(1)(B)	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	Project-by-project and program-by-program accounting of costs. List unexpended funds for each project or program	Funding Note
Section 1229(i)(1)(C)	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	Revenues, obligations, and expenditures of donor funds	Funding
Section 1229(i)(1)(D)	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	Revenues, obligations, and expenditures of funds from seized or frozen assets	Funding
Section 1229(i)(1)(E)	Operating expenses of agencies or entities receiving amounts appropriated or otherwise made available for the reconstruction of Afghanistan	Operating expenses of agencies or any organization receiving appropriated funds	Funding Appendix B
Section 1229(i)(1)(F)	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	Describe contract details	Note

Continued on the next page

TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229

Public Law Section	SIGAR Enabling Language	SIGAR Action	Report Section
Section 1229(i)(3)	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	Publish report as directed at www.sigar.mil Dari and Pashto translation in process	Full report
Section 1229(i)(4)	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	Publish report as directed	Full report
Section 1229(j)(1)	Inspector General shall also submit each report required under subsection (i) to the Secretary of State and the Secretary of Defense	Submit quarterly report	Full report

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."

TABLE A.2

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies	Extract pertinent information from SWA/JPG member reports List problems, abuses, and deficiencies from SIGAR audit reports, investigations, and inspections	Other Agency Oversight SIGAR Oversight See Letters of Inquiry at www.sigar.mil
Section 5(a)(2)	Description of recommendations for corrective action...with respect to significant problems, abuses, or deficiencies	Extract pertinent information from SWA/JPG member l reports List recommendations from SIGAR audit reports	Other Agency Oversight SIGAR Oversight See Letters of Inquiry at www.sigar.mil
Section 5(a)(3)	Identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed	List all instances of incomplete corrective action from previous semiannual reports	Posted in full at www.sigar.mil
Section 5(a)(4)	A summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted	Extract pertinent information from SWA/JPG member reports List SIGAR Investigations that have been referred	Other Agency Oversight SIGAR Oversight
Section 5(a)(5)	A summary of each report made to the [Secretary of Defense] under section 6(b)(2) (instances where information requested was refused or not provided)	Extract pertinent information from SWA/JPG member reports List instances in which information was refused SIGAR auditors, investigators, or inspectors	Other Agency Oversight SIGAR Oversight
Section 5(a)(6)	A listing, subdivided according to subject matter, of each audit report, inspection report and evaluation report issued ... showing dollar value of questioned costs and recommendations that funds be put to better use	Extract pertinent information from SWA/JPG member reports List SIGAR reports	Other Agency Oversight SIGAR Oversight

TABLE A.2 (CONTINUED)

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(7)	A summary of each particularly significant report	Extract pertinent information from SWA/JPG member reports Provide a synopsis of the significant SIGAR reports	Other Agency Oversight A full list of significant reports can be found at www.sigar.mil
Section 5(a)(8)	Statistical tables showing the total number of audit reports and the total dollar value of questioned costs	Extract pertinent information from SWA/JPG member reports Develop statistical tables showing dollar value of questioned cost from SIGAR reports	See reports of SWA/JPG members In process
Section 5(a)(9)	Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management	Extract pertinent information from SWA/JPG member reports Develop statistical tables showing dollar value of funds put to better use by management from SIGAR reports	See reports of SWA/JPG members In process
Section 5(a)(10)	A summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period for which no management decision has been made by the end of reporting period, an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision	Extract pertinent information from SWA/JPG member reports Provide a synopsis of SIGAR audit reports in which recommendations by SIGAR are still open	See reports of SWA/JPG members Posted in full at www.sigar.mil
Section 5(a)(11)	A description and explanation of the reasons for any significant revised management decision	Extract pertinent information from SWA/JPG member reports Explain SIGAR audit reports in which significant revisions have been made to management decisions	See reports of SWA/JPG members None
Section 5(a)(12)	Information concerning any significant management decision with which the Inspector General is in disagreement	Extract pertinent information from SWA/JPG member reports Explain SIGAR audit reports in which SIGAR disagreed with management decision	See reports of SWA/JPG members No disputed decisions during the reporting period
Section 5(a)(13)	Information described under [Section 804(b)] of the Federal Financial Management Improvement Act of 1996 (instances and reasons when an agency has not met target dates established in a remediation plan)	Extract pertinent information from SWA/JPG member reports Provide information where management has not met targets from a remediation plan	See reports of SWA/JPG members No disputed decisions during the reporting period
Section 5(a)(14)(A)	An Appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or	SIGAR has posted in full the results of, and reports from, SIGAR's last peer review by NASA OIG for the period ending 9/30/2015	Posted in full at www.sigar.mil
Section 5(a)(14)(B)	If no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General	SIGAR is currently undergoing a peer review of its performance audits by FDIC OIG The report and any recommendations are due 3/31/2019	In process

TABLE A.2 (CONTINUED)

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(15)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	None – all peer review recommendations effectively addressed, and remedial measures implemented, by 9/30/2015	Recommendations and related materials posted in full at www.sigar.mil
Section 5(a)(16)	Any peer reviews conducted by SIGAR of another IG Office during the reporting period, including a list of any outstanding recommendations made from any previous peer review . . . that remain outstanding or have not been fully implemented	SIGAR conducted a modified peer review of the Architect of the Capitol Office of the Inspector General's Inspections and Evaluations unit SIGAR issued its final report on 6/27/2018	SIGAR Oversight

TABLE A.3

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 115-91, §1521

Public Law Section	NDAA Language	SIGAR Action	Report Section
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 (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 Funding
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

APPENDIX B

U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION

Table B.1 lists funds appropriated for Afghanistan reconstruction by agency and fund per year; Table B.2 lists funds appropriated for counternarcotics initiatives, as of December 31, 2018.

TABLE B.2

COUNTERNARCOTICS ($ MILLIONS)

Fund	Cumulative Since FY 2002
ASFF	$1,311.92
DICDA	3,250.46
ESF	1,450.05
DA	77.72
INCLE	2,314.87
DEA[a]	463.65
Total	**$8,868.67**

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. Intitatives include eradication, interdiction, support to Afghanistan's Special Mission Wing (SMW), counternarcotics-related capacity building, and alternative agricultural development efforts. ESF, DA, and INCLE figures show the cumulative amounts committed for counternarcotics intiatives from those funds. SIGAR excluded ASFF funding for the SMW after FY 2013 from this analysis due to the decreasing number of counterternarcotics missions conducted by the SMW.

[a] DEA receives funding from State's Diplomatic & Consular Programs account in addition to DEA's direct line appropriation listed in Appendix B.

Table B.2 Source: SIGAR analysis of counternarcotics funding, 1/23/2019; State, response to SIGAR data call, 1/16/2019; DOD, response to SIGAR data call, 1/17/2019; USAID, response to SIGAR data call, 1/14/2019; DEA, no response to SIGAR data call due to government shutdown.

Table B.1 Note: Numbers have been rounded. DOD reprogrammed $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, and $178 million from FY 2013 ASFF to fund other DOD OCO requirements. DOD reprogrammed $230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, and $150 million from FY 2016 in Pub. L. No. 115-31. DOD transferred $101 million from FY 2011 AIF, $179.5 million from FY 2013 AIF, and $55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.

Table B.1 Source: DOD, response to SIGAR data call, 1/17/2019, 1/15/2019, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 1/17/2019, 1/16/2019, 10/5/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012 and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data call, 1/22/2019, 1/14/2019, 10/8/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/30/2017 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2018," 1/17/2019; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 115-245, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

TABLE B.1

APPROPRIATIONS BY AGENCY AND FUND ($ MILLIONS)

Fund	Agency	Cumulative Since FY 2002	FY 2002–07
Security			
Afghanistan Security Forces Fund (ASFF)	DOD	$77,752.18	$10,309.53
Train & Equip (DOD)	DOD	440.00	440.00
Foreign Military Financing (FMF)	State	1,059.14	1,059.14
International Military Education and Training (IMET)	State	18.33	4.35
Voluntary Peacekeeping (PKO)	State	69.33	69.33
Afghanistan Freedom Support Act (AFSA)	DOD	550.00	550.00
Drug Interdiction & Counter-Drug Activities (DICDA)	DOD	3,250.46	695.36
Total - Security		**83,139.45**	**13,127.71**
Governance & Development			
Commander's Emergency Response Program (CERP)	DOD	3,704.00	600.00
Afghanistan Infrastructure Fund (AIF)	DOD	988.50	0.00
Task Force for Business and Stability Operations (TFBSO)	DOD	822.85	0.00
Economic Support Fund (ESF)	USAID	20,499.44	4,229.19
Development Assistance (DA)	USAID	886.50	735.07
Child Survival & Health (CSH + GHAI)	USAID	554.63	270.82
Commodity Credit Corp (CCC)	USAID	34.95	8.80
USAID (other)	USAID	53.73	5.50
Non-Proliferation, Antiterrorism, Demining & Related (NADR)	State	804.54	258.69
Provincial Reconstruction Team Advisors	USDA	5.70	0.00
Treasury Technical Assistance	Treasury	4.65	3.23
International Narcotics Control & Law Enforcement (INCLE)	State	5,254.53	1,473.67
Drug Enforcement Administration (DEA)	DOJ	254.23	67.97
Total - Governance & Development		**33,868.25**	**7,652.95**
Humanitarian			
Pub. L. No. 480 Title I Program	USDA	5.00	5.00
Pub. L. No. 480 Title II Programs	USAID	1,095.68	436.65
Disaster Assistance (IDA)	USAID	824.43	298.30
Transition Initiatives (TI)	USAID	37.54	32.58
Migration & Refugee Assistance (MRA)	State	1,339.62	408.80
Emergency Refugee & Migration Assistance (ERMA)	State	25.20	25.00
Food for Progress	USDA	109.49	76.85
416(b) Food Aid	USDA	95.18	95.18
Food for Education	USDA	50.49	50.49
Emerson Trust	USDA	22.40	0.00
Total - Humanitarian		**3,605.04**	**1,428.85**
Civilian Operations			
Oversight		536.52	2.50
Other		11,153.01	879.33
Total - Civilian Operations		**11,689.52**	**881.83**
Total Funding		**$132,302.26**	**$23,091.35**

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2,750.00	5,606.94	9,166.77	10,619.28	9,200.00	4,946.20	3,962.34	3,939.33	3,502.26	4,162.72	4,666.82	4,920.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.66	1.40	1.76	1.56	1.18	1.42	1.50	1.05	0.86	0.80	0.80	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
192.81	230.06	392.27	379.83	472.99	255.81	238.96	0.00	138.76	135.61	118.01	0.00
2,944.47	**5,838.40**	**9,560.80**	**11,000.67**	**9,674.16**	**5,203.44**	**4,202.80**	**3,940.38**	**3,641.88**	**4,299.12**	**4,785.62**	**4,920.00**
488.33	550.67	1,000.00	400.00	400.00	200.00	30.00	10.00	5.00	5.00	5.00	10.00
0.00	0.00	0.00	299.00	400.00	145.50	144.00	0.00	0.00	0.00	0.00	0.00
0.00	14.44	59.26	239.24	245.76	138.20	122.24	3.72	0.00	0.00	0.00	0.00
1,399.51	2,077.48	3,346.00	2,168.51	1,836.76	1,802.65	907.00	831.90	633.27	767.17	500.00	0.00
149.43	0.40	0.30	0.00	0.00	0.35	0.00	0.95	0.00	0.00	0.00	0.00
63.04	58.23	92.30	69.91	0.00	0.25	0.01	0.06	0.00	0.00	0.00	0.00
10.77	4.22	4.22	3.09	0.38	0.00	0.00	0.00	0.00	1.95	1.52	0.00
21.96	2.81	3.45	6.25	7.10	1.84	0.80	0.82	2.91	0.29	0.00	0.00
29.72	59.92	70.74	69.30	65.32	52.60	43.20	43.50	37.96	37.00	36.60	0.00
0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.75	0.47	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00
307.56	493.90	589.00	400.00	357.92	593.81	225.00	250.00	210.00	184.50	160.00	9.17
40.59	18.88	19.20	18.70	18.70	17.00	18.70	9.05	3.31	11.03	11.11	0.00
2,511.66	**3,287.12**	**5,184.47**	**3,673.99**	**3,331.93**	**2,952.39**	**1,490.96**	**1,149.99**	**892.44**	**1,006.95**	**714.23**	**19.17**
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
154.73	73.01	58.13	112.55	59.20	46.15	65.97	53.73	26.65	4.69	4.22	0.00
16.84	27.13	29.61	66.23	56.00	21.50	28.13	24.50	39.78	93.84	119.64	2.96
0.00	0.75	0.84	1.08	0.62	0.32	0.82	0.49	0.04	0.00	0.00	0.00
44.25	76.79	80.93	65.00	99.56	76.07	107.89	129.27	84.27	89.24	76.25	1.31
0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20.55	12.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
258.77	**189.97**	**169.51**	**244.85**	**215.38**	**144.04**	**202.82**	**207.99**	**150.74**	**187.76**	**200.11**	**4.27**
14.30	25.20	34.40	37.20	59.00	58.70	62.65	68.60	62.37	55.74	55.65	0.22
435.51	1,065.86	1,761.70	905.10	1,424.75	1,272.24	852.45	909.50	795.20	782.07	69.12	0.18
449.81	**1,091.06**	**1,796.10**	**942.30**	**1,483.75**	**1,330.94**	**915.10**	**978.10**	**857.57**	**837.80**	**124.76**	**0.40**
6,164.70	**10,406.55**	**16,710.87**	**15,861.81**	**14,705.22**	**9,630.81**	**6,811.67**	**6,276.46**	**5,542.63**	**6,331.64**	**5,824.72**	**4,943.83**

APPENDIX C

SIGAR WRITTEN PRODUCTS*

SIGAR Audits

Completed Performance Audit Reports

SIGAR completed one performance audit report during this reporting period.

COMPLETED SIGAR PERFORMANCE AUDIT REPORTS AS OF DECEMBER 31, 2018

Report Identifier	Report Title	Date Issued
SIGAR 19-18-AR	Afghan Air Force UH-60 Implementation: DOD Met the Initial Date for Fielding UH-60 Helicopters, but Program Is at Risk of Not Having Enough Trained Pilots or the Capability to Maintain Future UH-60s	1/2019

New Performance Audits

SIGAR initiated no new performance audits during this reporting period.

Ongoing Performance Audits

SIGAR had 10 ongoing performance audits during this reporting period.

ONGOING SIGAR PERFORMANCE AUDITS AS OF DECEMBER 31, 2018

Project Identifier	Project Title	Date Initiated
SIGAR 131A	American University of Afghanistan	9/2018
SIGAR 130A	Anti-Corruption Strategy Update	8/2018
SIGAR 128A	U.S. Agency for International Development's Power Transmission Expansion and Connectivity Project	7/2018
SIGAR 127A	Department of Defense's Efforts to Train and Equip the Afghan National Army with ScanEagle Unmanned Aerial Vehicles	7/2018
SIGAR 126A	MOD/MOI Anti-Corruption	7/2018
SIGAR 125A	USAID Food Assistance	7/2018
SIGAR 124A	Afghan Business Taxes Assessed on U.S. Government Contractors	4/2018
SIGAR 123A	Department of State's Efforts to Support and Transition Drug Treatment Programs in Afghanistan	11/2017
SIGAR 119A	U.S. Army Corps of Engineers' Local National Quality Assurance Program	3/2017
SIGAR 115A	U.S. Government Efforts to Increase the Supply, Quantity, and Distribution of Electric Power from the Kajaki Dam	4/2016

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after December 31, 2018, up to the publication date of this report.

Completed Financial Audit Reports

SIGAR completed six financial audit reports during this reporting period.

COMPLETED SIGAR FINANCIAL AUDIT REPORTS AS OF DECEMBER 31, 2018		
Report Identifier	**Report Title**	**Date Issued**
SIGAR 19-17-FA	Afghanistan Ministry of Interior and Afghan National Police Mentoring, Training, and Logistics Support Requirement	3/2018
SIGAR 19-15-FA	USAID's Sheberghan Gas Development Project (SGDP): Audit of Costs Incurred by Ministry of Mines and Petroleum	1/2019
SIGAR 19-14-FA	USAID's Afghan Trade and Revenue Project: Audit of Costs Incurred by Chemonics International Inc.	1/2019
SIGAR 19-13-FA	USAID's Support to the Sheberghan Gas Generation Activity: Audit of Costs Incurred by Advanced Engineering Associates International Inc.	1/2019
SIGAR 19-12-FA	Department of State's Support for Corrections System and National Justice System Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support	1/2019
SIGAR 19-06-FA	Department of State's Security Support for Justice Sector, Corrections System, and Counter Narcotics Police Programs in Afghanistan: Audit of Costs Incurred by PAE Justice Support	12/2018

New Financial Audits

SIGAR initiated seven new financial audits during this reporting period.

NEW SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2018		
Project Identifier	**Project Title**	**Date Initiated**
SIGAR-F-170	Ideal Innovations Incorporated - Afghanistan Automated Biometric Identification System (AABIS)	10/31/18
SIGAR-F-169	CH2M HILL Inc.–Cooperative Biological Engagement Program (CBEP)	10/31/18
SIGAR-F-168	Alutiiq Professional Training LLC–Antiterrorism Asistance Program (ATA	10/31/18
SIGAR-F-167	The Columbo Plan–Drug Demand Reduction Project	10/31/18
SIGAR-F-166	Mercy Corps–Introducing New Vocational Educational Skills Training (INVEST 3)	10/31/18
SIGAR-F-165	HALO Trust–Weapons Removal and Mine Clearing	10/31/18
SIGAR-F-164	MDC–Demining Projects	10/31/18

Ongoing Financial Audits

SIGAR had 32 financial audits in progress during this reporting period.

ONGOING SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2018		
Project Identifier	**Project Title**	**Date Initiated**
SIGAR-F-162	New York University–Assessment of Learning Outcomes and Social Effects in Community-Based Education	10/2018
SIGAR-F-161	KNCV Tuberculosis Foundation–Challenge Tuberculosis	10/2018
SIGAR-F-160	Chemonics International Inc.–Regional Agriculture Development Program-South (RADP-South)	10/2018
SIGAR-F-159	Da Afghanistan Breshna Sherkat (DABS)–Power Transmission Expansion and Connectivity (PTEC)	10/2018
SIGAR-F-158	ITF Enhancing Human Security–Various Demining Projects	6/2018

Continued on the next page

ONGOING SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2018 (CONTINUED)

Project Identifier	Project Title	Date Initiated
SIGAR-F-157	Demining Agency for Afghanistan (DAFA)–Various Demining Projects	6/2018
SIGAR-F-156	International Rescue Committee–Supporting Livelihoods and Protection for Afghan Returnees, Internally Displaced People (IDPS) and Vulnerable Host Communities	6/2018
SIGAR-F-155	Stanford Law School–Bureau of International Narcotics and Law Enforcement Affairs (INL) program operations and support services in Kabul, Afghanistan	6/2018
SIGAR-F-154	Science and Engineering Services LLC–Utility Helicopter Program Office (UHPO) UH-60A Enhanced Phase Maintenance Inspection (PMI) Program Afghanistan	6/2018
SIGAR-F-153	Leidos Innovations Corporation (previously Lockheed Martin)–Non-Standard Rotary Wing Aircraft (NSRWA) Contractor Logistics Sustainment (CLS), Afghanistan	6/2018
SIGAR-F-152	Management Sciences for Health–Strengthening Pharmaceutical Systems (SPS)	5/2018
SIGAR-F-151	Michigan State University–Grain Research and innovation (GRAIN)	5/2018
SIGAR-F-150	Tetra Tech Inc.–Engineering Support Program	5/2018
SIGAR-F-149	AECOM International Development (AECOM)–Strengthening Watershed and Irrigation Management (SWIM)	5/2018
SIGAR-F-148	Development Alternatives Inc.–Women in the Economy (WIE)	5/2018
SIGAR-F-147	Aga Khan Foundation U.S.A.–Multi-Input Area Development Global Development Alliance (MIAD-GDA)	5/2018
SIGAR-F-146	Creative Associates International Inc.–Afghanistan Workforce Development Program (AWDP)	5/2018
SIGAR-F-145	FHI 360–Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/2018
SIGAR-F-144	Development Alternatives Inc.–Assistance to Legislative Bodies of Afghanistan (ALBA)	5/2018
SIGAR-F-143	The Asia Foundation–Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	5/2018
SIGAR-F-142	Bridge Contract to Provide and Coordinate Operational Support for INL's Afghan Civilian Advisor Support (ACAS), Camp Gibson and Camp Falcon on the INL Strip Mall in Afghanistan	1/2018
SIGAR-F-141	International Narcotics and Law Enforcement Program's Operations and Support Services in Kabul, Afghanistan, Non-Chief of Mission	1/2018
SIGAR-F-139	Law Enforcement Professionals Program	3/2018
SIGAR-F-138	Afghanistan University Support and Workforce Development Program	1/2018
SIGAR-F-137	Strong Hubs for Afghan Hope and Resilience (SHAHAR)	1/2018
SIGAR-F-136	Regional Agriculture Development Program (RADP North)	1/2018
SIGAR-F-135	Strengthening Education in Afghanistan (SEA II)	1/2018
SIGAR-F-134	Women's Leadership Development (WLD)	1/2018
SIGAR-F-133	Technical Assistance to Ministry of Public Works	1/2018
SIGAR-F-132	Capacity Building and Change Management Program II (CBCMP-II)	1/2018
SIGAR-F-131	Helping Mothers and Children Thrive (HEMAYAT)	1/2018
SIGAR-F-122	USAID's Afghanistan Agriculture Extension Project–II: Audit of Costs Incurred by the University of California, Davis	8/2017

SIGAR Inspections

Completed Inspection Reports

SIGAR completed three inspection reports during this reporting period.

COMPLETED SIGAR INSPECTION REPORTS AS OF DECEMBER 31, 2018

Product Identifier	Report Title	Date Issued
SIGAR 19-16-IP	Marshal Fahim National Defense University Phase III: Phase III Construction Generally Met Contract Requirements, but Five Deficiencies and Inadequate Maintenance Increase Safety Risks for Building Occupants	1/2019
SIGAR 19-09-IP	Afghan National Army Camp Commando Phase III: Facility Construction and Renovation Generally Met Contract Requirements, but Three Construction Deficiencies Increased Safety Risks	12/2018
SIGAR 19-07-IP	Zarang Border Crossing Point: Facilities Generally Met Contract Requirements, but Construction Deficiencies Pose Safety Concerns	12/2018

Ongoing Inspections

SIGAR had 14 ongoing inspections during this reporting period.

ONGOING SIGAR INSPECTIONS AS OF DECEMBER 31, 2018

Project Identifier	Project Title	Date Initiated
SIGAR-I-059	Inspection of the Ministry of Commerce and Industries Building–Kunduz	11/2018
SIGAR-I-058	Inspection of the ANA NEI in Pul-e Khumri	10/2018
SIGAR-I-057	Inspection of the ANA TAAC Air JAF I Demo/New Structure	10/2018
SIGAR-I-056	Inspection of the Women's Compound at ANP RTC Herat	10/2018
SIGAR-I-055	Inspection of the AIF Kajaki Dam Tunnel	10/2018
SIGAR-I-054	Inspection of the Women's Compound at the Afghan National Police Regional Training Center–Jalalabad	4/2018
SIGAR-I-053	Inspection of the Ghulam Khan Road	4/2018
SIGAR-I-052	Inspection of the North East Power System Project Phase 1: Transmission Lines Between Arghandi and Pul-e Alam and Substation at Pul-e Alam	10/2017
SIGAR-I-051	Inspection of the Power Transmission Expansion and Connectivity Project Power Substations at Ghazni and Sayadabad	10/2017
SIGAR-I-050	Inspection of Construction and Utility Upgrades for the ANA Garrison at South Kabul International Airport	9/2017
SIGAR-I-048	Inspection of the Power Transmission Expansion and Connectivity Project Transmission Line Between Arghandi and Ghazni	9/2017
SIGAR-I-043	Inspection of the Kang Border Patrol Company Headquarters	2/2017
SIGAR-I-042	Inspection of the Wardak Prison	2/2017
SIGAR-I-034	Inspection of Construction for the Afghan National Army's Ground Forces Command, Garrison Support Unit, and Army Support Command	8/2015

SIGAR Special Projects
Completed Special Projects Reports
SIGAR completed four special projects reports during this reporting period.

COMPLETED SIGAR SPECIAL PROJECTS REPORTS AS OF DECEMBER 31, 2018

Project Identifier	Project Title	Date Issued
SIGAR 19-11-SP	Information on USAID's Stability in Key Areas (SIKA) Program–Western Region, Afghanistan: USAID Spent $54 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Western Provinces of Afghanistan	1/2019
SIGAR 19-10-SP	Schools in Baghlan Province, Afghanistan: Observations from Site Visits to 14 Facilities	1/2019
SIGAR 19-08-SP	Bridges in Kabul, Afghanistan: Six Bridges Constructed by DOD in Generally Good Condition; Funding for Sustained Maintenance Not in Budget	12/2018
SIGAR 19-05-SP	Information on USAID's Stability in Key Areas (SIKA) Program–Eastern Region, Afghanistan: USAID Spent $140.1 Million Implementing Stabilization Projects Between December 2011 and September 2015 in Eastern Provinces of Afghanistan	11/2018

SIGAR Lessons Learned Program
Ongoing Lessons Learned Projects
SIGAR has four ongoing lessons-learned projects this reporting period.

ONGOING SIGAR LESSONS LEARNED PROJECTS AS OF DECEMBER 31, 2018

Project Identifier	Project Title	Date Initiated
SIGAR LL-12	Reintegration	8/2018
SIGAR LL-11	U.S. Support for Elections	9/2018
SIGAR LL-10	Contracting	8/2018
SIGAR LL-09	U.S. and Coalition Responsibilities for Security Sector Assistance	3/2018

APPENDIX D

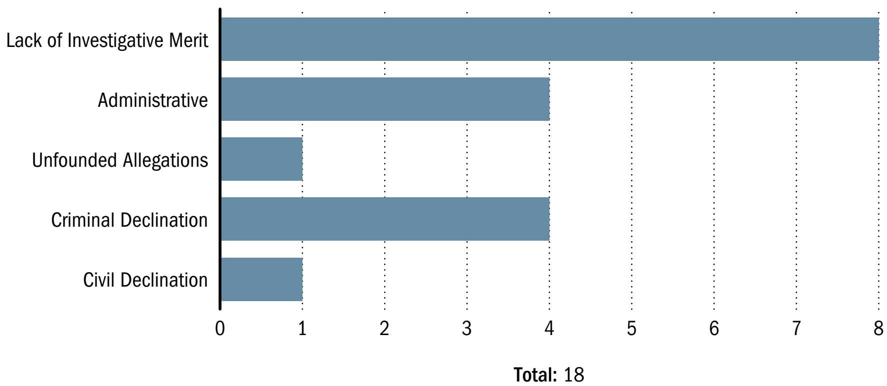
SIGAR INVESTIGATIONS AND HOTLINE

SIGAR Investigations

This quarter, SIGAR opened five new investigations and closed 18, bringing the total number of ongoing investigations to 164. Of the closed investigations, most were closed due to criminal declination, administrative action, or lack of investigative merit, as shown in Figure D.1. Of the new investigations, most were related to corruption and bribery or procurement or contract fraud, as shown in Figure D.2.

FIGURE D.1

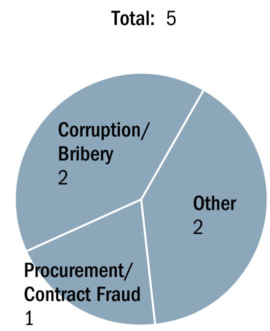
SIGAR'S CLOSED INVESTIGATIONS, OCTOBER 1–DECEMBER 31, 2018



Source: SIGAR Investigations Directorate, 1/9/2019.

FIGURE D.2

SIGAR NEW INVESTIGATIONS, OCTOBER 1–DECEMBER 31, 2018



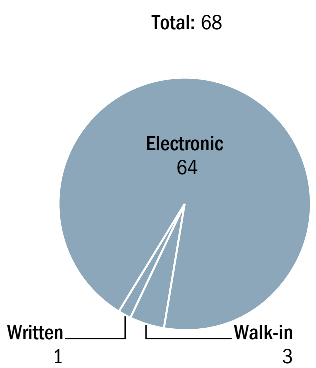
Source: SIGAR Investigations Directorate, 1/9/2019.

SIGAR Hotline

The SIGAR Hotline (866-329-8893 in the USA, 0700107300 via cell phone in Afghanistan) received 68 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 October 1, 2018. This quarter, the directorate processed 157 complaints, most of which are under review or were closed, as shown in Figure D.4.

FIGURE D.3

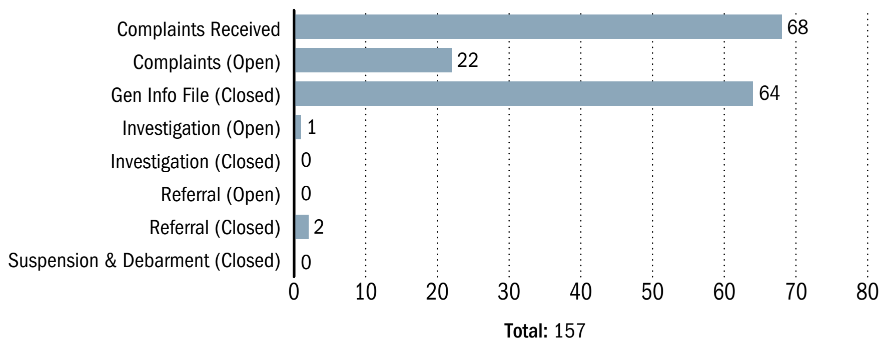
SOURCE OF SIGAR HOTLINE COMPLAINTS, OCTOBER 1–DECEMBER 31, 2018



Source: SIGAR Investigations Directorate, 1/11/19.

FIGURE D.4

STATUS OF SIGAR HOTLINE COMPLAINTS: OCTOBER 1–DECEMBER 31, 2018



Source: SIGAR Investigations Directorate, 1/11/19.

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 December 31, 2018. *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.

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.

TABLE D.1

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2018

Special Entity Designations

- Arvin Kam Construction Company
- Arvin Kam Group LLC d.b.a. "Arvin Kam Group Security," d.b.a. "Arvin Kam Group Foundation," d.b.a. "Arvin Global Logistics Services Company"
- Ayub, Mohammad
- Fruzi, Haji Khalil
- Muhammad, Haji Amir
- Haji Dhost Mohammad Zurmat Construction Company
- Jan, Nurullah
- Khan, Haji Mohammad Almas
- Noh-E Safi Mining Company
- Noor Rahman Company
- Noor Rahman Construction Company
- Nur Rahman Group, d.b.a. "NUCCL Construction Company," d.b.a. "RUCCL Rahman Umar Construction Company," d.b.a. "Rahman Trading and General Logistics Company LLC"
- Rahman, Nur, a.k.a. "Noor Rahman, a.k.a. "Noor Rahman Safa"
- Rhaman, Mohammad
- Saadat, Vakil
- Triangle Technologies
- Wasim, Abdul Wakil
- Zaland, Yousef
- Zurmat Construction Company
- Zurmat Foundation
- Zurmat General Trading
- Zurmat Group of Companies, d.b.a. "Zurmat LLC"
- Zurmat Material Testing Laboratory

Suspensions

- Al-Watan Construction Company
- Basirat Construction Firm
- Naqibullah, Nadeem
- Rahman, Obaidur
- Robinson, Franz Martin
- Aaria Middle East
- Aaria Middle East Company LLC
- Aftech International
- Aftech International Pvt. Ltd.
- Albahar Logistics
- American Aaria Company LLC
- American Aaria LLC
- Sharpway Logistics
- United States California Logistics Company
- Brothers, Richard S.
- Rivera-Medina, Franklin Delano
- Elham, Yaser, a.k.a. "Najibullah Saadullah"
- Everest Faizy Logistics Services
- Faizy Elham Brothers Ltd.
- Faizy, Rohullah
- Hekmat Shadman General Trading LLC
- Hekmat Shadman Ltd., d.b.a. "Hikmat Shadman, Ltd."
- Hikmat Shadman Construction and Supply Company
- Hikmat Shadman Logistics Services Company, d.b.a. "Hikmat Shadman Commerce Construction and Supply Company," d.b.a. "Hikmat Shadman Commerce Construction Services"
- Saif Hikmat Construction Logistic Services and Supply Co.
- Shadman, Hikmatullah, a.k.a. "Hikmat Shadman," a.k.a. "Haji Hikmatullah Shadman," a.k.a. "Hikmatullah Saadulah"
- Autry, Cleo Brian
- Chamberlain, William Todd
- Cook, Jeffrey Arthur
- Harper, Deric Tyron
- Walls, Barry Lee, Jr.
- International Contracting and Development
- Sobh, Adeeb Nagib, a.k.a. "Ali Sobh"
- Stallion Construction and Engineering Group
- Wazne Group Inc., d.b.a. "Wazne Wholesale"
- Wazne, Ayman, a.k.a. "Ayman Ibrahim Wazne"
- Green, George E.
- Tran, Anthony Don
- Vergez, Norbert Eugene
- Bunch, Donald P.
- Kline, David A.
- Farouki, Abul Huda
- Farouki, Mazen
- Maarouf, Salah
- ANHAM FZCO
- ANHAM USA

Debarments

- Farooqi, Hashmatullah
- Hamid Lais Construction Company
- Hamid Lais Group
- Lodin, Rohullah Farooqi
- Bennett & Fouch Associates LLC
- Brandon, Gary
- K5 Global
- Ahmad, Noor
- Noor Ahmad Yousufzai Construction Company
- Ayeni, Sheryl Adenike
- Cannon, Justin
- Constantino, April Anne
- Constantino, Dee
- Constantino, Ramil Palmes
- Crilly, Braam
- Drotleff, Christopher
- Fil-Tech Engineering and Construction Company
- Handa, Sdiharth
- Jabak, Imad
- Jamally, Rohullah
- Khalid, Mohammad
- Khan, Daro
- Mariano, April Anne Perez
- McCabe, Elton Maurice
- Mihalczo, John
- Qasimi, Mohammed Indress
- Radhi, Mohammad Khalid
- Safi, Fazal Ahmed
- Shin Gul Shaheen, a.k.a. "Sheen Gul Shaheen"
- Espinoza-Loor, Pedro Alfredo
- Campbell, Neil Patrick*
- Navarro, Wesley
- Hazrati, Arash
- Midfield International
- Moore, Robert G.
- Noori, Noor Alam, a.k.a. "Noor Alam"
- Northern Reconstruction Organization
- Shamal Pamir Building and Road Construction Company
- Wade, Desi D.
- Blue Planet Logistics Services
- Mahmodi, Padres
- Mahmodi, Shikab
- Saber, Mohammed
- Watson, Brian Erik
- Abbasi, Shahpoor
- Amiri, Waheedullah
- Atal, Waheed
- Daud, Abdulilah
- Dehati, Abdul Majid
- Fazli, Qais
- Hamdard, Mohammad Yousuf
- Kunari, Haji Pir Mohammad
- Mushfiq, Muhammad Jaffar
- Mutallib, Abdul
- Nasrat, Sami
- National General Construction Company
- Passerly, Ahmaad Saleem
- Rabi, Fazal
- Rahman, Atta
- Rahman, Fazal
- Roshandil, Mohammad Ajmal
- Saber, Mohammed
- Safi, Azizur Rahman
- Safi, Matiullah
- Sahak, Sher Khan
- Shaheed, Murad

* Indicate 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.

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2018 (CONTINUED)

Debarments (continued)
Shirzad, Daulet Khan
Uddin, Mehrab
Watson, Brian Erik
Wooten, Philip Steven*
Espinoza, Mauricio*
Alam, 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*
Formid Supply and Services*
Aaria Supply Services and Consultancy*
Kabul Hackle Logistics Company*
Yousef, Najeebullah*
Aaria Group*
Aaria Group Construction Company*
Aaria Supplies Company Ltd.*
Rahimi, Mohammad Edris*
All Points International Distributors Inc.*
Hercules Global Logistics*
Schroeder, Robert*
Helmand Twinkle Construction Company
Waziri, Heward Omar
Zadran, Mohammad
Afghan Mercury Construction Company, d.b.a. "Afghan Mercury Construction & Logistics Company"
Mirzali Naseeb Construction Company
Montes, Diyana
Naseeb, Mirzali
Robinson, Franz Martin
Smith, Nancy
Sultani, Abdul Anas a.k.a. "Abdul Anas"
Faqiri, Shir
Hosmat, Haji
Jim Black Construction Company
Arya Ariana Aryayee Logistics, d.b.a. "AAA Logistics," d.b.a. "Somo Logistics"
Garst, Donald
Mukhtar, Abdul a.k.a. "Abdul Kubar"
Noori Mahgir Construction Company
Noori, Sherin Agha
Long, Tonya*
Isranuddin, Burhanuddin
Matun, Navidullah, a.k.a. "Javid Ahmad"
Matun, Wahidullah
Navid Basir Construction Company
Navid Basir JV Gagar Baba Construction Company
NBCC & GBCC JV
Noori, 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, Esrar
Gul, Ghanzi
Luqman Engineering Construction Company, d.b.a. "Luqman Engineering"
Safiullah, a.k.a. "Mr. Safiullah"
Sarfarez, a.k.a. "Mr. Sarfarez"
Wazir, Khan
Akbar, Ali
Crystal Construction Company, d.b.a. "Samitullah Road Construction Company"
Samitullah (Individual uses only one name)
Ashna, Mohammad Ibrahim, a.k.a. "Ibrahim"
Gurvinder, Singh
Jahan, Shah
Shahim, Zakirullah a.k.a. "Zakrullah Shahim", a.k.a. "Zikrullah Shahim"
Alyas, Maiwand Ansunullah a.k.a. "Engineer Maiwand Alyas"
BMCSC
Maiwand Haqmal Construction and Supply Company
New Riders Construction Company, d.b.a. "Riders Construction Company," d.b.a. "New Riders Construction and Services Company"
Riders Constructions, Services, Logistics and Transportation Company
Riders Group of Companies
Domineck, Lavette Kaye*
Markwith, James*
Martinez, Rene
Maroof, Abdul
Qara, Yousef
Royal Palace Construction Company
Bradshaw, Christopher Chase
Zuhra Productions
Zuhra, Niazai
Boulware, Candice a.k.a. "Candice Joy Dawkins"
Dawkins, John
Mesopotamia Group LLC
Nordloh, Geoffrey
Kieffer, Jerry
Johnson, Angela
CNH Development Company LLC
Johnson, Keith
Military Logistic Support LLC
Eisner, John
Taurus Holdings LLC
Brophy, Kenneth Michael*
Abdul Haq Foundation
Adajar, Adonis
Calhoun, Josh W.
Clark Logistic Services Company, d.b.a. "Clark Construction Company"
Farkas, Janos
Flordeliz, Alex F.
Knight, Michael T., II
Lozado, Gary
Mijares, Armando N., Jr.
Mullakhiel, Wadir Abdullahmatin
Rainbow Construction Company
Sardar, Hassan, a.k.a. "Hassan Sardar Inqilab"
Shah, Mohammad Nadir, a.k.a. "Nader Shah"
Tito, Regor
Brown, Charles Phillip
Sheren, Fasela, a.k.a. "Sheren Fasela"
Anderson, Jesse Montel
Charboneau, Stephanie, a.k.a. "Stephanie Shankel"
Hightower, Jonathan
Khan, Noor Zali, a.k.a. "Wali Kahn Noor"
Saheed, a.k.a. "Mr. Saheed;" a.k.a. "Sahill;" a.k.a. "Ghazi-Rahman"
Weaver, Christopher
Al Kaheel Oasis Services
Al Kaheel Technical Service
CLC Construction Company
CLC Consulting LLC
Complete Manpower Solutions
Mohammed, Masiuddin, a.k.a. "Masi Mohammed"
Rhoden, Bradley L., a.k.a. "Brad L. Rhoden"
Rhoden, Lorraine Serena
Royal Super Jet General Trading LLC
Super Jet Construction Company
Super Jet Fuel Services
Super Jet Group
Super Jet Tours LLC, d.b.a. "Super Jet Travel and Holidays LLC"
Super Solutions LLC
Abdullah, Bilal
Farmer, Robert Scott
Mudiyanselage, Oliver
Kelly, Albert, III
Ethridge, James
Fernridge Strategic Partners
AISC LLC*
American International Security Corporation*
David A. Young Construction & Renovation Inc.*
Force Direct Solutions LLC*
Harris, Christopher*
Hernando County Holdings LLC*
Hide-A-Wreck LLC*
Panthers LLC*
Paper Mill Village Inc.*
Shroud Line LLC*
Spada, Carol*
Welventure LLC*
World Wide Trainers LLC*
Young, David Andrew*
Woodruff and Company
Borcata, Raul A.*
Close, Jarred Lee*
Logistical Operations Worldwide*
Taylor, Zachery Dustin*
Travis, James Edward*
Khairfullah, Gul Agha
Khalil Rahimi Construction Company
Momand, Jahanzeb, a.k.a. "Engineer Jahanzeb Momand"
Yar-Mohammad, Hazrat Nabi
Walizada, Abdul Masoud, a.k.a. "Masood Walizada"
Alizai, Zarghona
Aman, Abdul
Anwari, Laila
Anwari, Mezhgan
Anwari, Rafi
Arghandiwal, Zahra, a.k.a. "Sarah Arghandiwal"
Azizi, Farwad, a.k.a. "Farwad Mohammad Azizi"
Bashizada, Razia
Coates, Kenneth
Gibani, Marika
Haidari, Mahboob
Latifi, Abdul

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2018 (CONTINUED)

Debarments (continued)

McCammon, Christina	Intermaax Inc.	Rahmat Siddiqi Transportation Company
Mohibzada, Ahmadullah, a.k.a. "Ahmadullah Mohebzada"	Karkar, Shah Wali	Siddiqi, Rahmat
Neghat, Mustafa	Sandman Security Services	Siddiqi, Sayed Attaullah
Qurashi, Abdul	Siddiqi, Atta	Umbrella Insurance Limited Company
Raouf, Ashmatullah	Specialty Bunkering	Taylor, Michael
Shah, David	Spidle, Chris Calvin	Gardazi, Syed
Touba, Kajim	Vulcan Amps Inc.	Smarasinghage, Sagara
Zahir, Khalid	Worldwide Cargomasters	Security Assistance Group LLC
Aryubi, Mohammad Raza Samim	Aziz, Haji Abdul, a.k.a. "Abdul Aziz Shah Jan," a.k.a. "Aziz"	Edmondson, Jeffrey B.*
Atlas Sahil Construction Company	Castillo, Alfredo, Jr.	Montague, Geoffrey K.*
Bab Al Jazeera LLC	Abbasi, Asim	Ciampa, Christopher*
Emar-E-Sarey Construction Company	Muturi, Samuel	Lugo, Emanuel*
Muhammad, Pianda	Mwakio, Shannel	Bailly, Louis Matthew*
Sambros International, d.b.a. "Sambros International Ltd." d.b.a. "Sambros-UK JV"	Ahmad, Jaweed	Kumar, Krishan
Sambros JV Emar-E-Sarey Construction Company, d.b.a. "Sambros JV ESCC"	Ahmad, Masood	Marshal Afghan American Construction Company
Antes, Bradley A.	A & J Total Landscapes	Marshal, Sayed Abbas Shah
Lakeshore Engineering & Construction Afghanistan Inc., d.b.a. "Lakeshore General Contractors Inc."	Aryana Green Light Support Services	Masraq Engineering and Construction Company
Lakeshore Engineering Services Inc.	Mohammad, Sardar, a.k.a. "Sardar Mohammad Barakzai"	Miakhil, Azizullah
Lakeshore Engineering Services/Toltest JV LLC	Pittman, James C., a.k.a. "Carl Pittman"	Raj, Janak
Lakeshore Toltest – Rentenbach JV LLC	Poaipuni, Clayton	Singh, Roop
Lakeshore Toltest Corporation, d.b.a. "Lakeshore Group," d.b.a. "LTC Newco d.b.a. "LTC CORP Michigan," d.b.a. "Lakeshore Toltest KK"	Wiley, Patrick	Stratton, William G
Lakeshore Toltest Guam LLC	Crystal Island Construction Company	Umeer Star Construction Company
Lakeshore Toltest JV LLC	Bertolini, Robert L.*	Zahir, Mohammad Ayub
Lakeshore Toltest RRCC JV LLC	Kahn, Haroon Shams, a.k.a. "Haroon Shams"*	Peace Thru Business*
Lakeshore/Walsh JV LLC	Shams Constructions Limited*	Pudenz, Adam Jeff Julias*
LakeshoreToltest METAG JV LLC	Shams General Services and Logistics Unlimited*	Green, Robert Warren*
LTC & Metawater JV LLC	Shams Group International, d.b.a. "Shams Group International FZE"*	Mayberry, Teresa*
LTC Holdings Inc.	Shams London Academy*	Addas, James*
LTC Italia SRL	Shams Production*	Advanced Ability for U-PVC*
LTC Tower General Contractors LLC	Shams Welfare Foundation*	Al Bait Al Amer*
LTCCORP Commercial LLC	Swim, Alexander*	Al Iraq Al Waed*
LTCCORP E&C Inc.	Norris, James Edward	Al Quraishi Bureau*
LTCCORP Government Services - OH Inc.	Afghan Columbia Constructon Company	Al Zakoura Company*
LTCCORP Government Services Inc.	Ahmadi, Mohammad Omid	Al-Amir Group LLC*
LTCCORP Government Services-MI Inc.	Dashti, Jamsheed	Al-Noor Contracting Company*
LTCCORP O&G LLC	Hamdard, Eraj	Al-Noor Industrial Technologies Company*
LTCCORP Renewables LLC	Hamidi, Mahrokh	California for Project Company*
LTCCORP Inc.	Raising Wall Construction Company	Civilian Technologies Limited Company*
LTCCORP/Kaya Dijbouti LLC	Artemis Global Inc., d.b.a. "Artemis Global Logistics and Solutions," d.b.a. "Artemis Global Trucking LLC"	Industrial Techniques Engineering Electromechanically Company*
LTCCORP/Kaya East Africa LLC	O'Brien, James Michael, a.k.a. "James Michael Wienert"	Pena, Ramiro*
LTCCORP/Kaya Romania LLC	Tamerlane Global Services Inc., d.b.a. "Tamerlane Global LLC," d.b.a. "Tamerlane LLC," d.b.a. "Tamerlane Technologies LLC"	Pulsars Company*
LTCCORP/Kaya Rwanda LLC	Sherzai, Akbar Ahmed*	San Francisco for Housing Company
LTCORP Technology LLC	Jean-Noel, Dimitry	Sura Al Mustakbal*
Toltest Inc., d.b.a. "Wolverine Testing and Engineering," d.b.a. "Toledo Testing Laboratory," d.b.a. "LTC," d.b.a. "LTC Corp," d.b.a. "LTC Corp Ohio," d.b.a. "LTC Ohio"	Hampton, Seneca Darnell*	Top Techno Concrete Batch*
Toltest/Desbuild Germany JV LLC	Dennis, Jimmy W.	Albright, Timothy H.*
Veterans Construction/Lakeshore JV LLC	Timor, Karim	
Afghan Royal First Logistics, d.b.a. "Afghan Royal"	Wardak, Khalid	
American Barriers		
Arakozia Afghan Advertising		
Dubai Armored Cars		
Enayatullah, son of Hafizullah		
Farhas, Ahmad		
Inland Holdings Inc.		
Intermaax, FZE		

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2018 (CONTINUED)

Debarments (continued)

Insurance Group of Afghanistan	Khan, Mirullah	Wali Eshaq Zada Logistics Company; d.b.a. "Wali Ashqa Zada Logistics Company"; d.b.a. "Nasert Nawazi Transportation Company"
Ratib, Ahmad, a.k.a. "Nazari"	Khan, Mukamal	Ware, Marvin*
Jamil, Omar K.	Khoshal, Son of Sayed Hasan	Belgin, Andrew
Rawat, Ashita	Malang, Son of Qand	Afghan Bamdad Construction Company, d.b.a. "Afghan Bamdad Development Construction Company"
Qadery, Abdul Khalil	Masom, Son of Asad Gul	Areeb of East Company for Trade & Farzam Construction Company JV
Casellas, Luis Ramon*	Mateen, Abdul	Areeb of East for Engineering and General Trading Company, Limited, d.b.a. "Areeb of East LLC"
Saber, Mohammad a.k.a. "Saber," a.k.a. "Sabir"	Mohammad, Asghar	Areeb-BDCC JV
Zahir, Shafiullah Mohammad a.k.a. "Shafiullah," a.k.a. "Shafie"	Mohammad, Baqi	Areebel Engineering and Logisitcs - Farzam
Achiever's International Ministries Inc., d.b.a. "Center for Achievement and Development LLC"	Mohammad, Khial	Areebel Engineering and Logistics
Bickersteth, Diana	Mohammad, Sayed	Areeb-Rixon Construction Company LLC, d.b.a. "Areeb-REC JV"
Bonview Consulting Group Inc.	Mujahid, Son of Abdul Qadir	Carver, Elizabeth N.
Fagbenro, Oyetayo Ayoola, a.k.a. "Tayo Ayoola Fagbenro"	Nangiali, Son of Alem Jan	Carver, Paul W.
Global Vision Consulting LLC	Nawid, Son of Mashoq	RAB JV
HUDA Development Organization	Noorullah, Son of Noor Mohammad	Ullah, Izat; a.k.a. "Ezatullah"; a.k.a. "Izatullah, son of Shamsudeen"
Strategic Impact Consulting, d.b.a. "Strategic Impact KarKon Afghanistan Material Testing Laboratory"	Qayoum, Abdul	Saboor, Baryalai Abdul; a.k.a. "Barry Gafuri"
Davies, Simon	Roz, Gul	Stratex Logistic and Support, d.b.a. "Stratex Logistics"
Gannon, Robert, W.	Shafiq, Mohammad	Jahanzeb, Mohammad Nasir
Gillam, Robert	Shah, Ahmad	Nasrat, Zaulhaq, a.k.a. "Zia Nasrat"
Mondial Defence Systems Ltd.	Shah, Mohammad	Blevins, Kenneth Preston*
Mondial Defense Systems USA LLC	Shah, Rahim	Banks, Michael*
Mondial Logistics	Sharif, Mohammad	Afghan Armor Vehicle Rental Company
Khan, Adam	Waheedullah, Son of Sardar Mohammad	Hamdard, Javid
Khan, Amir, a.k.a. "Amir Khan Sahel"	Wahid, Abdul	McAlpine, Nebraska
Sharq Afghan Logistics Company, d.b.a. "East Afghan Logistics Company"	Wais, Gul	Meli Afghanistan Group
Hafizullah, Sayed; a.k.a. "Sadat Sayed Hafizullah"; a.k.a. "Sayed Hafizullah Delsooz"	Wali, Khair	Badgett, Michael J.*
Sadat Zohori Construction and Road Building Company; d.b.a. "Sadat Zohori Cons Co."	Wali, Sayed	Miller, Mark E.
Abdullah, Son of Lal Gul	Wali, Taj	Anderson, William Paul
Ahmad, Aziz	Yaseen, Mohammad	Kazemi, Sayed Mustafa, a.k.a. "Said Mustafa Kazemi"
Ahmad, Zubir	Yaseen, Son of Mohammad Aajan	Al Mostahan Construction Company
Aimal, Son of Masom	Zakir, Mohammad	Nazary, Nasir Ahmad
Ajmal, Son of Mohammad Anwar	Zamir, Son of Kabir	Nazanin, a.k.a. "Ms. Nazanin"
Fareed, Son of Shir	Rogers, Sean	Ahmadzai, Sajid
Fayaz Afghan Logistics Services	Slade, Justin	Sajid, Amin Gul
Fayaz, Afghan, a.k.a. "Fayaz Alimi," a.k.a. "Fayaz, Son of Mohammad"	Morgan, Sheldon J.*	Martino, Roberto F.
Gul, Khuja	Dixon, Regionald	Logiotatos, Peter R.
Habibullah, Son of Ainuddin	Emmons, Larry	Glass, Calvin
Hamidullah, Son of Abdul Rashid	Epps, Willis*	Singleton, Jacy P.
Haq, Fazal	Etihad Hamidi Group; d.b.a. "Etihad Hamidi Trading, Transportation, Logistics and Construction Company"	
Jahangir, Son of Abdul Qadir	Etihad Hamidi Logistics Company; d.b.a. "Etihad Hamidi Transportation, Logistic Company Corporation"	
Kaka, Son of Ismail	Hamidi, Abdul Basit; a.k.a. Basit Hamidi	
Khalil, Son of Mohammad Ajan	Kakar, Rohani; a.k.a. "Daro Khan Rohani"	
	Mohammad, Abdullah Nazar	
	Nasir, Mohammad	

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 13 questions (the same as last quarter) from SIGAR's data call (below). As authorized by its enabling statute, SIGAR will publish a classified annex containing the classified and publicly unreleasable data.

SECURITY

Question ID	Question
Jan-Sec-01	1. Please provide the following information on ANA strength as of the latest available date: **a. the most recent three ANA APPS month-end reports with "as of" dates on each.** b. please complete the attached ANA Strength spreadsheets. There are two, one for unclassified strength data **(e.g. authorized strength broken out separately from assigned strength if authorized is unclassified by itself) and one for classified.** (Data Call Attachment Spreadsheet, Sec-01 and Sec-01a) c. total number of officers, NCOs, and enlisted personnel within the ANA. **d. monthly attrition rates for the last three months for the ANA by Corps, Division, SOF, and AAF with "as of" dates provided.** 2. Please provide an unclassified description of general ANA attrition trends over the last quarter. 3. Please detail any changes to the Afghan Program of Record that have been approved during the quarter, along with the estimated costs associated with acquisition, training, and sustainment.
Jan-Sec-04	**a.** Please provide a recent unclassified assessment of the ANDSF elements at the Corps and Zone level as well as below if possible. The assessment can be general or anecdotal**, but please cover key performance areas such as reporting, training, planning, operational readiness, and leadership.** **b. Please provide a detailed, classified comprehensive assessment of the ANDSF Corps and Zones via SIPR.** **c. Please provide the latest "ANDSF Operational Overview" PowerPoint slides (given to us via SIPR last quarter in response to Jul-Sec-04c)** **d. Please provide an unclassified narrative detailing the status of ANDSF's operational readiness cycle implementation over the reporting period. Please provide this information by ANA Corps and ANP Zone, if possible.**
Jan-Sec-08	1. Please provide the following information on ANP strength as of the latest available date: **a. the most recent three ANP PERSTAT month-end reports with "as of" dates on each.** **b.** please complete the attached ANA Strength spreadsheets. There are two, one for unclassified strength data (e.g. authorized strength broken out separately from assigned strength if authorized is unclassified by itself) and one for classified. (Data Call Attachment Spreadsheet, Sec-08 and Sec-08a) c. total number of officers, NCOs, and enlisted personnel within the ANP. **d. monthly attrition rates for the last three months for the entire ANP and by ANP component with "as of dates" included. (see example attached for how we would like the data presented)** 2. Please provide an unclassified description of general ANP attrition trends over the last quarter.

Continued on the next page

SECURITY	
Question ID	**Question**
Jan-Sec-14	Please provide an update on the Afghan Local Police program, including: a. the current number of ALP members and current number of ALP members that are fully trained (include "as of" date) b. estimate of likely Fiscal Year 2019 costs to support and sustain the ALP at target strength (30,000) and capability c. retention and attrition for ALP members. **d. ALP casualty figures from the last quarter.** e. an update to the ALP reform status and district assessment findings f. What percentage of the ALP force is registered in: APPS, EFT, and Mobile Money. What is currently being done to ensure ALP enrollment in these programs increases? g. Please provide all the quarterly ALP Powerbroker Reports from the ALP SD, as described in last quarter's data call response, for this year from January 1, 2018, to the latest available date. **h. Please describe how the ALP functions/will function separately from the ANATF and ways in which the two force elements coordinate/will coordinate operationally.** **i. What is the anticipated date for the full roll-out of the ANATF? What is the status of the recruiting effort for the ANATF companies?**
Jan-Sec-18	**Please provide the following information on the Ministry assessment system and processes:** **a. Please provide a recent, unclassified assessment of the MOD and MOI as well as the date of the assessments. Please generally characterize how the MOD and MOI are progressing toward their benchmarks for the new PMR.** **b. Please provide a copy of the most recent classified, comprehensive MOD/MOI assessments via SIPR with an 'as of' date. If there is more detailed classified information about how each ministry is progressing toward its PMR benchmarks, please provide it.**
Jan-Sec-23	Please provide information on insider attacks against Coalition Forces, including: a. the number of insider attacks against U.S. military personnel from January 1, 2018 to the latest possible date. b. the number of U.S. military personnel wounded or killed from insider attacks from January 1, 2018 to the latest possible date. c. the number of insider attacks against ANDSF from January 1, 2018 to the latest possible date. d. the number of ANDSF personnel wounded or killed as a result of insider attacks from January 1, 2018 to the latest possible date. **Please provide information on ANDSF casualties, including:** **a. the number of ANDSF personnel killed and wounded, broken out monthly, from January 1, 2018 to the latest possible date.** **b. Please provide a CIDNE Excel file export of all ANDSF casualties from January 1, 2015 through the latest available date. 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.**
Jan-Sec-26	Regarding USG support to the Special Mission Wing (SMW): a. Please provide a recent comprehensive unclassified 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.** c. Please provide the number of aircraft purchased but not yet fielded. 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 the operational readiness rate of the SMW and what the achievement benchmarks are in this area.** h. How many and what type of aircraft maintainers are currently assigned / authorized? i. Provide the cost of aircraft maintenance being paid with ASFF or money from other countries.
Jan-Sec-40	**a. Please provide the ANA Corps' equipment operational readiness (OR) rates.** **b Please provide the goal OR rate for each ANA corps, and the reasoning for that OR benchmark.** **c. If the OR rate is below the benchmark for some corps, please explain why for each corps and what actions are being taken to support the ANDSF to increase the OR rate.** **d. Please provide the OR rate or similar metric for the ANP by zone, including the benchmark OR rates by zone. If the rates are below benchmark,please explain why by zone.** **e. Please provide a general, unclassified assessment of equipment readiness for both the ANA and the ANP.**

Continued on the next page

SECURITY	
Question ID	**Question**
Jan-Sec-55	**1. Please provide all of the ISAF/RS Periodic Mission Reviews (or equivalent earlier products) from the earliest available date through Spring 2018 (Fall 2018 is already in SIGAR's possession). Please provide the full reports, not just the Commander's Assessments.**
Jan-Sec-56	Regarding the security benchmarks matrix for the Afghanistan Compact: 1. Please provide in an unclassified and publicly releasable format: **a. a description of those milestones expected to be completed over the quarter by both MOD and MOI** **b. which of those milestones were completed or not** c. a number of total completed milestones versus the number expected to be completed over the quarter. **2. Please provide the most recent version of the security benchmarks matrix for the Afghanistan Compact (previously Gov-16)**
Jan-Sec-61	**1. Provide a spreadsheet documenting all concluded ANDSF offensive operations conducted during the quarter (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. any additional districts in which the operation occurred (District name(s))** **d. the start date of the operation (YYYY-MM-DD)** **e. the end date of the operation (YYYY-MM-DD)** **f. whether AAF A-29s or AC-208 provided direct support during the operation (Yes/No)** **g. whether AAF MD-530s, UH-60, or Mi-17 provided direct support during the operation (Yes/No)** **h. whether ANASOC MSFVs provided direct support during the operation (Yes/No)** **i. whether the operation involved ANA units (Yes/No)** **j. whether the operation involved MOI units (Yes/No)** **k. whether the operation involved NDS units (Yes/No)** **l. whether the operation involved ANASOC units (Yes/No)** **m. whether the operation involved elements from an outside MOD geographically defined command (i.e. 201, 203, 205, 207, 209, or 215 Corps or 111 Division). For example, in 2015, 215th Corps received support from the neighboring 205th and 207th Corps for their operations in northern Helmand Province. Since 205th and 207th Corps did not normally have responsibilities in Helmand Province, this instance would be coded “Yes”. (Yes/No)** **n. whether the operation involved elements from an outside MOI geographically defined command (i.e. 101, 202, 303, 404, 505, 606, 707, or 808 Zones) (Yes/No)** **o. whether the operation was enabled by U.S. or Coalition air support (Yes/No)** **p. whether the operation was enabled by U.S. or Coalition ground support (Yes/No)** **q. whether any U.S. or Coalition military aircraft provided medical evacuation support (Yes/No)**
Jan-Sec-63	1. Please provide the following information on the total number of enemy-initiated attacks from January 1, 2018 to the latest available date in an unclassified and publicly releasable format (as provided to us last quarter) in the Data Call Attachment Spreadsheet, tabs Sec-63 and Sec-63a: a. the total number of enemy initiated attacks by month b. the attacks broken out by types of attacks, to include direct fire, IED/mine strikes, indirect fire, SAFIRE, etc. c. the attacks broken out by province **d. the attacks broken down by target type (ANA, ANP, Coalition forces, etc.)**
Jan-AC-05	1. Please describe the methods and data CSTC-A uses to asses the current state of ANDSF corruption and patronage networks. a. What is CSTC-A's assessment of the current state of ANDSF corruption and patronage networks? 2. Please describe how CSTC-A assess the effectiveness of MOI IG, MOD IG, and GS IG efforts: a. (For MOI-MAG and MOD-MAG) Describe specific actions taken during the quarter by senior MOD and MOI officials in response to MOD IG- and MOI IG-identified issues. Past responses have described the process by which such an action could be taken. However, the objective of this question is to identify and describe actual actions that were taken during the quarter. (In light of the SVTC discussion on 11/21/2018, we do not care whether these actions from the quarter are the result of any particular MOD IG or MOI IG report or the result of a pattern across a number of reports. Rather, we are simply interested in examples of actions or decisions by senior MOD or MOI officials in response to MOD IG- or MOI IG-identified problems.) b. (TAO) Describe the quality of MOD IG, GS IG, and MOI IG inspections reports, including the statements of assurance. **3. Please provide any minutes, handouts, slides, or additional materials provided to participants of the any anti-corruption forums/meetings with the MOD and/or MOI in which CSTC-A participates. The 1397/1398 MOD and MOI commitment letters mention counter and anti-corruption meetings. If these forums do not exist, but another forum exists that carries out a similar function, please provide the requested materials that relate to the alternative forums.** **4. Please provide copies of any MOI IG, MOD IG, and GS IG inspection or audit reports (or summaries if the reports are not available) that have been made available to CSTC-A this quarter.**

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APPENDIX F

RESOLUTE SUPPORT-DEFINED STABILITY DATA FOR AFGHANISTAN'S 407 DISTRICTS AS OF OCTOBER 22, 2018

For more information on how Resolute Support defines district stability, see the February 2018 Addendum of the January 30, 2018, quarterly report at www.sigar.mil.

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Badakhshan	Arghanj Khwah	730.8649666	20492	Contested
Badakhshan	Argo	1054.050221	110991	GIROA Influence
Badakhshan	Baharak	323.5157809	36413	Contested
Badakhshan	Darayim	560.5687714	75718	GIROA Influence
Badakhshan	Darwaz-e Bala	1335.155196	27926	GIROA Influence
Badakhshan	Darwaz-e Pa'in	1223.829567	33696	GIROA Influence
Badakhshan	Faizabad	493.8264949	73334	GIROA Influence
Badakhshan	Ishkashim	1133.495707	16925	Contested
Badakhshan	Jurm	1227.048677	47141	Insurgent Activity
Badakhshan	Khash	255.1930332	46438	Contested
Badakhshan	Khwahan	735.3085483	21415	GIROA Influence
Badakhshan	Kiran wa Munjan	5218.800728	12245	Contested
Badakhshan	Kishim	769.773524	102022	Contested
Badakhshan	Kohistan	492.2157325	20597	GIROA Influence
Badakhshan	Kuf Ab	1418.282551	28214	GIROA Influence
Badakhshan	Raghistan	1297.303489	49750	Contested
Badakhshan	Shahr-e Buzurg	977.123685	65393	GIROA Influence
Badakhshan	Shighnan	3529.400272	35084	GIROA Influence
Badakhshan	Shiki	620.0436148	31670	Contested
Badakhshan	Shuhada	1557.608554	43300	Contested
Badakhshan	Tagab	1399.879148	35260	Contested
Badakhshan	Tashkan	843.003169	36945	GIROA Influence
Badakhshan	Wakhan	10946.03473	19402	GIROA Influence
Badakhshan	Warduj	886.780863	27332	High Insurgent Activity
Badakhshan	Yaftal-e Sufla	602.8933582	66118	GIROA Influence
Badakhshan	Yamgan	1761.045483	31831	High Insurgent Activity
Badakhshan	Yawan	441.5107492	40294	GIROA Influence
Badakhshan	Zaybak	1620.461766	10014	Contested
Badghis	Ab-e Kamari	1804.510765	91537	GIROA Influence
Badghis	Ghormach	1952.171972	67762	High Insurgent Activity
Badghis	Jawand	7130.51097	99794	GIROA Influence

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Badghis	Muqur	1258.521656	33260	Contested
Badghis	Murghab	4455.948009	120964	Contested
Badghis	Qadis	3451.026597	116589	Contested
Badghis	Qal'ah-ye Now	656.7886533	77919	GIROA Control
Baghlan	Andarab	1019.878829	33013	GIROA Influence
Baghlan	Baghlan-e Jadid	2596.440695	217377	Contested
Baghlan	Burkah	835.7212731	65778	Contested
Baghlan	Dahanah-ye Ghori	1453.441132	73690	High Insurgent Activity
Baghlan	Deh-e Salah	453.1589292	38395	Contested
Baghlan	Doshi	1942.486025	88384	Contested
Baghlan	Firing wa Gharu	240.4847747	20731	Contested
Baghlan	Gozargah-e Nur	417.1501459	12664	Contested
Baghlan	Khinjan	1016.584034	33771	Contested
Baghlan	Khost wa Firing	1890.102458	79035	Contested
Baghlan	Khwajah Hijran	653.22453	30106	Contested
Baghlan	Nahrin	983.8258059	87001	Contested
Baghlan	Pul-e Hisar	888.6381888	35112	Contested
Baghlan	Pul-e Khumri	532.6344867	266998	Contested
Baghlan	Talah wa Barfak	2879.53657	38456	Contested
Balkh	Balkh	540.5877556	152743	GIROA Control
Balkh	Chahar Bolak	515.7267309	101866	Contested
Balkh	Chahar Kent	1076.449944	54531	GIROA Control
Balkh	Chimtal	1809.529346	116238	Contested
Balkh	Dehdadi	258.7336513	83940	GIROA Control
Balkh	Dowlatabad	1642.994188	130488	GIROA Influence
Balkh	Kaldar	831.0931193	14088	GIROA Control
Balkh	Khulm	3009.35196	89532	GIROA Control
Balkh	Kishindeh	1181.704305	60419	GIROA Control
Balkh	Marmul	560.8551742	14086	GIROA Control
Balkh	Mazar-e Sharif	28.07304628	458987	GIROA Control
Balkh	Nahr-e Shahi	1144.597813	97873	GIROA Control
Balkh	Shahrak-e Hairatan	82.08322622	10646	GIROA Control
Balkh	Sholgarah	1790.836021	144102	GIROA Control
Balkh	Shor Tepah	1457.943564	49394	GIROA Control
Balkh	Zari	833.4779002	54115	GIROA Control
Bamyan	Bamyan	1797.314762	101519	GIROA Control
Bamyan	Kahmard	1407.333114	45291	GIROA Control
Bamyan	Panjab	1888.734011	85939	GIROA Control
Bamyan	Sayghan	1732.132858	30258	GIROA Control
Bamyan	Shaybar	1298.387643	36712	GIROA Control
Bamyan	Waras	2975.845372	136654	GIROA Control

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Bamyan	Yakawlang	6778.582551	112870	GIROA Control
Daykundi	Gayti	1461.559592	43803	GIROA Control
Daykundi	Gizab	3672.193918	83470	GIROA Control
Daykundi	Ishtarlay	1349.785572	60117	GIROA Control
Daykundi	Kajran	1840.216111	43004	GIROA Control
Daykundi	Khedir	1551.030205	56032	GIROA Control
Daykundi	Mir Amor	2382.758217	77982	GIROA Control
Daykundi	Nili	549.2416842	51027	GIROA Control
Daykundi	Sang-e Takht	1923.103762	63336	GIROA Control
Daykundi	Shahristan	1954.078092	82880	GIROA Control
Farah	Anar Darah	10618.73112	34876	GIROA Influence
Farah	Bakwah	2435.705025	44327	Contested
Farah	Bala Boluk	5531.625833	89478	Contested
Farah	Farah	3443.798195	142134	GIROA Influence
Farah	Gulistan	7051.599075	54002	Contested
Farah	Khak-e Safed	1841.974978	37477	Contested
Farah	Lash-e Juwayn	5422.217659	35022	GIROA Control
Farah	Pur Chaman	6441.233336	65649	Contested
Farah	Pusht-e Rod	433.3434245	51271	Contested
Farah	Qal'ah-ye Kah	3549.68777	38539	GIROA Influence
Farah	Shayb Koh	2794.123538	27777	GIROA Control
Faryab	Almar	1589.215235	91080	Insurgent Activity
Faryab	Andkhoy	376.8222058	49754	GIROA Influence
Faryab	Bal Chiragh	1126.385059	62592	High Insurgent Activity
Faryab	Dowlatabad	2728.703339	61554	Contested
Faryab	Gurziwan	1868.273232	94558	Insurgent Activity
Faryab	Khan-e Chahar Bagh	942.3385282	28408	GIROA Influence
Faryab	Khwajah Sabz Posh	556.4941001	68113	Contested
Faryab	Kohistan	2308.772667	68924	Insurgent Activity
Faryab	Maimanah	147.4985239	105495	GIROA Influence
Faryab	Pashtun Kot	2689.422477	229639	Insurgent Activity
Faryab	Qaisar	2545.043554	179682	Insurgent Activity
Faryab	Qaram Qol	1068.876806	21522	GIROA Influence
Faryab	Qurghan	811.2682742	63624	GIROA Influence
Faryab	Shirin Tagab	1961.356691	101530	Insurgent Activity
Ghazni	Ab Band	1005.390036	34496	GIROA Influence
Ghazni	Ajristan	1602.130883	37127	Contested
Ghazni	Andar	708.7452209	156449	Contested
Ghazni	Bahram-e Shahid (Jaghatu)	653.7524936	45049	GIROA Influence
Ghazni	Deh Yak	723.5658496	61282	GIROA Influence
Ghazni	Gelan	1110.754256	72312	Contested

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Ghazni	Ghazni	359.6262375	203282	Contested
Ghazni	Giro	885.080601	45977	GIROA Influence
Ghazni	Jaghuri	2092.741057	213819	Contested
Ghazni	Khwajah 'Omari	209.061968	23865	Contested
Ghazni	Malistan	1780.159667	102279	GIROA Influence
Ghazni	Muqer	866.4124271	62853	Contested
Ghazni	Nawah	1665.615791	37200	Insurgent Activity
Ghazni	Nawur	5219.107696	118818	GIROA Influence
Ghazni	Qarah Bagh	1646.432417	185049	Contested
Ghazni	Rashidan	387.9394678	22441	Contested
Ghazni	Waghaz	391.6599773	46844	Contested
Ghazni	Wali Muhammad Shahid Khugyani	140.7795288	22296	GIROA Influence
Ghazni	Zanakhan	301.7272188	15824	Contested
Ghor	Chaghcharan	7715.682986	169835	GIROA Influence
Ghor	Chahar Sadah	1296.829685	32450	Contested
Ghor	Do Lainah	4597.097876	45123	GIROA Influence
Ghor	Dowlatyar	1701.111143	43073	GIROA Influence
Ghor	La'l wa Sar Jangal	3877.950451	139412	GIROA Control
Ghor	Pasaband	4550.090521	118507	GIROA Influence
Ghor	Saghar	2657.644262	43264	GIROA Control
Ghor	Shahrak	4340.721463	74517	GIROA Influence
Ghor	Taywarah	3667.388895	114694	GIROA Influence
Ghor	Tulak	2708.074013	64143	GIROA Influence
Helmand	Baghran	3156.305592	80844	High Insurgent Activity
Helmand	Dishu	9118.476266	23989	High Insurgent Activity
Helmand	Garm Ser	16654.62654	111611	Insurgent Activity
Helmand	Kajaki	1957.025588	90479	Insurgent Activity
Helmand	Lashkar Gah	1999.98759	136760	GIROA Influence
Helmand	Marjah	2718.188337	75272	Insurgent Activity
Helmand	Musa Qal'ah	1719.571098	74458	High Insurgent Activity
Helmand	Nad 'Ali	3167.984412	71271	GIROA Influence
Helmand	Nahr-e Saraj	1535.750346	143591	Contested
Helmand	Nawah-ye Barakzai	625.1896116	121479	GIROA Influence
Helmand	Now Zad	4072.599658	63368	High Insurgent Activity
Helmand	Reg-e Khan Neshin	7361.029477	25447	High Insurgent Activity
Helmand	Sangin	516.8316804	73926	Insurgent Activity
Helmand	Washer	4617.16409	19657	Contested
Herat	Adraskan	9978.995648	67627	GIROA Influence
Herat	Chisht-e Sharif	2506.374694	29463	GIROA Influence
Herat	Farsi	2040.182341	38391	GIROA Influence
Herat	Ghorian	7328.097581	111316	GIROA Influence

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Herat	Gulran	6099.56	118089	GIROA Influence
Herat	Guzarah	2656.868483	181985	GIROA Control
Herat	Herat	83.32219099	507284	GIROA Control
Herat	Injil	1392.623509	389267	GIROA Control
Herat	Karukh	1994.536312	82446	GIROA Control
Herat	Kohsan	2234.66451	67707	GIROA Control
Herat	Kushk	2885.346982	155666	GIROA Influence
Herat	Kushk-e Kuhnah	1660.841715	56876	GIROA Influence
Herat	Obeh	2623.393732	94805	GIROA Influence
Herat	Pashtun Zarghun	1898.031956	125058	GIROA Influence
Herat	Shindand	6995.789924	225454	Contested
Herat	Zindah Jan	2524.734333	74827	GIROA Control
Jowzjan	Khamyab	869.8402112	17002	Insurgent Activity
Jowzjan	Darzab	478.3861375	61471	Insurgent Activity
Jowzjan	Faizabad	1180.649312	51171	Contested
Jowzjan	Aqchah	155.6826761	96004	Contested
Jowzjan	Khanaqa	487.9977143	30117	GIROA Influence
Jowzjan	Khwajah Do Koh	2076.920169	32809	GIROA Influence
Jowzjan	Mardian	707.3045673	47475	GIROA Influence
Jowzjan	Mingajik	882.0662951	53406	GIROA Influence
Jowzjan	Qarqin	1234.559993	31213	Contested
Jowzjan	Qush Tepah	881.4220674	30444	Insurgent Activity
Jowzjan	Shibirghan	2165.191175	205075	GIROA Influence
Kabul	Bagrami	279.4715078	77652	GIROA Control
Kabul	Chahar Asyab	257.3613358	47078	GIROA Influence
Kabul	Deh-e Sabz	461.5333353	63317	GIROA Influence
Kabul	Farzah	89.62213815	30074	GIROA Control
Kabul	Gul Darah	75.72425195	26670	GIROA Control
Kabul	Istalif	109.4213637	38810	GIROA Control
Kabul	Kabul	349.8709383	4592173	GIROA Control
Kabul	Kalakan	74.90850888	43220	GIROA Control
Kabul	Khak-e Jabar	584.6965595	18139	GIROA Influence
Kabul	Mir Bachah Kot	65.76213363	62461	GIROA Control
Kabul	Musahi	110.4295435	29089	GIROA Influence
Kabul	Paghman	361.2086078	156639	GIROA Influence
Kabul	Qarah Bagh	208.6170276	91409	GIROA Influence
Kabul	Sarobi	1309.08204	70235	GIROA Influence
Kabul	Shakar Darah	317.5690406	105686	GIROA Control
Kandahar	Arghandab	547.1909973	60187	GIROA Control
Kandahar	Arghistan	3899.406667	43493	GIROA Influence
Kandahar	Daman	4109.397911	40979	GIROA Control

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Kandahar	Dand	288.9973104	241354	GIROA Control
Kandahar	Ghorak	1485.657492	12174	Insurgent Activity
Kandahar	Kandahar	482.0407007	492757	GIROA Control
Kandahar	Khakrez	1647.505746	28520	Contested
Kandahar	Maiwand	2852.096487	73291	Insurgent Activity
Kandahar	Ma'ruf	3184.576308	40952	Insurgent Activity
Kandahar	Mya Neshin	894.6259998	18651	Insurgent Activity
Kandahar	Nesh	1281.007984	17702	Contested
Kandahar	Panjwa'i	5962.078482	109824	GIROA Control
Kandahar	Registan	13562.28959	8547	GIROA Influence
Kandahar	Shah Wali Kot	3279.355572	55032	Contested
Kandahar	Shorabak	4173.727381	17105	GIROA Influence
Kandahar	Spin Boldak	5688.052039	142728	GIROA Control
Kandahar	Zharey	673.8540432	108997	GIROA Influence
Kapisa	Alah Say	302.5219946	48021	Contested
Kapisa	Hisah-e Awal-e Kohistan	87.98060498	84120	GIROA Influence
Kapisa	Hisah-e Dowum-e Kohistan	53.0105992	56842	GIROA Influence
Kapisa	Koh Band	150.0760992	28839	GIROA Control
Kapisa	Mahmud-e Raqi	184.37607	92443	GIROA Influence
Kapisa	Nejrab	581.3169373	130625	GIROA Influence
Kapisa	Tagab	522.2360912	99161	Contested
Khost	Bak	170.4777255	27925	GIROA Influence
Khost	Gurbuz	358.5439963	35033	Contested
Khost	Jaji Maidan	328.1960222	29902	GIROA Influence
Khost	Khost	491.2305176	175829	GIROA Influence
Khost	Manduzai	114.377008	68017	GIROA Influence
Khost	Musa Khel	426.7283463	50003	Contested
Khost	Nadir Shah Kot	333.5926532	41578	Contested
Khost	Qalandar	156.9881635	12285	GIROA Influence
Khost	Sabari	413.451134	88747	Contested
Khost	Shamul	171.5877579	18452	GIROA Influence
Khost	Sperah	491.7155036	29056	Contested
Khost	Tanai	428.6926057	71664	GIROA Influence
Khost	Terayzai	397.362786	55658	Contested
Kunar	Asadabad	84.68386195	42155	GIROA Control
Kunar	Bar Kunar	168.7806423	25262	Contested
Kunar	Chapah Darah	600.4207671	39792	Contested
Kunar	Dangam	203.1917335	22584	Contested
Kunar	Darah-ye Pech	549.2727533	67116	Contested
Kunar	Ghaziabad	561.0653219	23773	GIROA Influence

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UNCLASSIFIED

Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Kunar	Khas Kunar	365.2032465	44139	GIROA Influence
Kunar	Marawarah	147.1646025	25251	Contested
Kunar	Narang	189.3361134	36668	GIROA Influence
Kunar	Nari	537.0948877	34076	GIROA Influence
Kunar	Nurgal	307.9331995	38956	GIROA Influence
Kunar	Sar Kani	198.3479191	34213	GIROA Influence
Kunar	Shigal wa Sheltan	439.1184636	37218	Contested
Kunar	Tsowkey	245.2152675	45679	Contested
Kunar	Watahpur	252.3765212	34587	Contested
Kunduz	Aliabad	416.1544027	61133	Contested
Kunduz	Chahar Darah	1213.813086	91207	Insurgent Activity
Kunduz	Dasht-e Archi	861.2901269	103049	Insurgent Activity
Kunduz	Imam Sahib	1598.886365	293481	Insurgent Activity
Kunduz	Khanabad	1074.949344	194035	Insurgent Activity
Kunduz	Kunduz	616.2715592	406014	Contested
Kunduz	Qal'ah-ye Zal	2120.27526	88082	Insurgent Activity
Laghman	Alingar	818.0447403	129639	GIROA Influence
Laghman	Alisheng	670.0905713	89307	GIROA Influence
Laghman	Bad Pash	288.9199643	8738	Contested
Laghman	Dowlat Shah	741.852983	41568	Contested
Laghman	Mehtar Lam	429.974148	164073	GIROA Control
Laghman	Qarghah'i	886.6213198	119369	GIROA Influence
Logar	Azrah	760.7412562	25367	GIROA Influence
Logar	Baraki Barak	272.93885	109638	Contested
Logar	Charkh	286.2565863	55409	Contested
Logar	Kharwar	467.2526098	32796	Contested
Logar	Khoshi	436.3078827	30289	GIROA Influence
Logar	Muhammad Aghah	1050.276731	95555	Contested
Logar	Pul-e 'Alam	1121.22422	132217	Contested
Nangarhar	Achin	466.5720716	128557	GIROA Influence
Nangarhar	Kamah	229.5329454	96101	GIROA Influence
Nangarhar	Behsud	311.0287958	123831	GIROA Influence
Nangarhar	Chaparhar	231.1817594	77068	Contested
Nangarhar	Darah-ye Nur	258.5077676	49816	GIROA Influence
Nangarhar	Deh Bala	384.8410565	50366	Contested
Nangarhar	Dur Baba	279.2352932	29125	GIROA Influence
Nangarhar	Goshtah	521.3376994	34054	GIROA Influence
Nangarhar	Hisarak	669.2340064	38772	Insurgent Activity
Nangarhar	Jalalabad	23.61115329	274929	GIROA Control
Nangarhar	Bati Kot	152.6017137	96936	GIROA Control
Nangarhar	Khugyani	675.826806	164212	Contested

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Nangarhar	Kot	173.1038289	61498	GIROA Influence
Nangarhar	Kuz Kunar	290.1769832	70180	GIROA Influence
Nangarhar	La'lpur	463.0302503	23912	Contested
Nangarhar	Mohmand Darah	259.0630278	61243	GIROA Influence
Nangarhar	Naziyan	215.3890321	21818	Contested
Nangarhar	Pachir wa Agam	466.894177	53125	Contested
Nangarhar	Rodat	356.3604219	84921	Contested
Nangarhar	Sherzad	465.9622459	82113	Insurgent Activity
Nangarhar	Shinwar	87.58932625	67817	GIROA Influence
Nangarhar	Surkh Rod	384.5914144	174188	GIROA Influence
Nimroz	Chahar Burjak	20879.5916	32223	GIROA Influence
Nimroz	Chakhansur	9877.824746	29648	GIROA Influence
Nimroz	Delaram	2064.057038	8310	Contested
Nimroz	Kang	1160.044229	25478	GIROA Influence
Nimroz	Khash Rod	5782.467784	31852	Contested
Nimroz	Zaranj	1191.398174	74977	GIROA Control
Nuristan	Barg-e Matal	1717.27361	19327	GIROA Influence
Nuristan	Do Ab	564.2187081	9471	Contested
Nuristan	Kamdesh	1222.818597	31580	GIROA Influence
Nuristan	Mandol	2040.636945	24876	Contested
Nuristan	Nurgaram	978.3260073	32887	GIROA Influence
Nuristan	Parun	1426.839177	16916	GIROA Influence
Nuristan	Wama	281.4516212	13859	Contested
Nuristan	Waygal	755.8417507	24306	Insurgent Activity
Paktika	Bermal	1297.269293	44818	Contested
Paktika	Dilah	1531.34552	31725	Contested
Paktika	Giyan	224.499075	42287	Contested
Paktika	Gomal	4069.085788	9809	Contested
Paktika	Jani Khel	988.5883777	30217	Contested
Paktika	Mota Khan	422.9356463	31296	GIROA Influence
Paktika	Nikeh	122.0053137	15574	Contested
Paktika	Omnah	461.6319887	15079	Contested
Paktika	Sar Rowzah	671.7276907	28634	GIROA Influence
Paktika	Sarobi	301.7250423	15439	GIROA Influence
Paktika	Sharan	536.8539048	62800	GIROA Control
Paktika	Terwo	1423.022074	2678	Contested
Paktika	Urgun	511.2202897	69437	GIROA Influence
Paktika	Wazah Khwah	1759.011201	28701	Contested
Paktika	Wur Mamay	3183.412599	4414	Contested
Paktika	Yahya Khel	348.0590462	21673	Contested
Paktika	Yosuf Khel	522.468638	17432	GIROA Influence

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Paktika	Zarghun Shahr	473.6279075	37218	GIROA Influence
Paktika	Ziruk	213.8366313	23722	Contested
Paktiya	Ahmadabad	416.2732895	34283	GIROA Influence
Paktiya	Dand Patan	205.6007746	32458	Contested
Paktiya	Dzadran	503.1216557	44786	GIROA Influence
Paktiya	Gardez	707.8830781	105981	GIROA Influence
Paktiya	Jaji	602.5440359	78903	Contested
Paktiya	Jani Khel	144.980545	43632	Contested
Paktiya	Lajah Ahmad Khel	197.4552968	37049	GIROA Influence
Paktiya	Lajah Mangal	225.279411	15026	GIROA Influence
Paktiya	Mirzakah	201.6193683	22020	GIROA Influence
Paktiya	Sayyid Karam	249.7821973	58468	Contested
Paktiya	Shwak	106.9869399	6915	GIROA Influence
Paktiya	Tsamkani	301.2416823	63520	GIROA Influence
Paktiya	Zurmat	1413.80529	134424	Contested
Panjshir	Abshar	516.4473353	16394	GIROA Control
Panjshir	Bazarak	344.5785204	22285	GIROA Control
Panjshir	Darah	195.7127186	15398	GIROA Control
Panjshir	Khinj	684.3122402	49100	GIROA Control
Panjshir	Parian	1420.816616	18519	GIROA Control
Panjshir	Rukhah	163.5143907	28876	GIROA Control
Panjshir	Shutul	226.0897925	13704	GIROA Control
Panjshir	Unabah	178.395021	23580	GIROA Control
Parwan	Bagram	360.2850538	130678	GIROA Control
Parwan	Charikar	267.3609233	227236	GIROA Influence
Parwan	Jabal us Saraj	116.4564711	78784	GIROA Influence
Parwan	Koh-e Safi	579.7555353	38407	Contested
Parwan	Salang	520.0425218	31761	GIROA Control
Parwan	Sayyid Khayl	45.88401402	56652	Contested
Parwan	Shaykh 'Ali	920.2033201	31342	GIROA Influence
Parwan	Shinwari	721.2732747	51960	GIROA Influence
Parwan	Siahgird Ghorband	894.6264472	120519	GIROA Influence
Parwan	Surkh-e Parsa	1163.825298	50616	Contested
Samangan	Aibak	1489.232117	128943	GIROA Influence
Samangan	Darah-ye Suf-e Bala	2890.319937	79077	GIROA Influence
Samangan	Darah-ye Suf-e Pa'in	1341.362478	71742	Contested
Samangan	Fayroz Nakhchir	1185.303799	16617	GIROA Control
Samangan	Hazrat-e Sultan	1485.965423	72670	GIROA Influence
Samangan	Khuram wa Sar Bagh	2135.017651	49538	GIROA Control
Samangan	Ruy Do Ab	2385.388263	57068	GIROA Influence
Sar-e Pul	Balkhab	2977.688095	63437	GIROA Influence

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Sar-e Pul	Gosfandi	1092.331645	70542	Contested
Sar-e Pul	Kohistanat	6164.638832	101170	High Insurgent Activity
Sar-e Pul	Sangcharak	1060.733844	126005	Contested
Sar-e Pul	Sar-e Pul	2053.169717	196543	GIROA Influence
Sar-e Pul	Sayad	1335.200843	68628	Contested
Sar-e Pul	Sozmah Qal'ah	583.9190662	64241	Contested
Takhar	Baharak	243.2939974	47249	Contested
Takhar	Bangi	602.9870461	45833	Contested
Takhar	Chah Ab	759.2096805	98569	Contested
Takhar	Chal	326.1366817	32622	GIROA Influence
Takhar	Darqad	366.4695674	33461	Insurgent Activity
Takhar	Dasht-e Qal'ah	328.7608127	41659	Contested
Takhar	Farkhar	1255.406328	58899	GIROA Influence
Takhar	Hazar Sumuch	345.7075707	25019	GIROA Influence
Takhar	Ishkamish	798.7503748	75778	Insurgent Activity
Takhar	Kalafgan	473.6879824	43567	GIROA Influence
Takhar	Khwajah Bahawuddin	212.6680712	29338	Contested
Takhar	Khwajah Ghar	387.1592286	83599	Insurgent Activity
Takhar	Namak Ab	547.4204217	14862	GIROA Influence
Takhar	Rustaq	1862.417686	198752	GIROA Influence
Takhar	Taloqan	847.8350074	275579	GIROA Influence
Takhar	Warsaj	2697.949686	47444	GIROA Influence
Takhar	Yangi Qal'ah	261.4780663	56515	Insurgent Activity
Uruzgan	Chinartu	1013.719676	32993	Insurgent Activity
Uruzgan	Chorah	2020.1969	47551	Insurgent Activity
Uruzgan	Deh Rawud	1642.647834	76291	Contested
Uruzgan	Khas Uruzgan	2599.305665	70781	Insurgent Activity
Uruzgan	Shahid-e Hasas	1858.355367	74174	Insurgent Activity
Uruzgan	Tarin Kot	1762.099592	127625	GIROA Influence
Wardak	Chak-e Wardak	1110.5423	105641	Contested
Wardak	Daymirdad	956.3612707	38655	Contested
Wardak	Hisah-e Awal-e Behsud	1573.385983	46777	GIROA Influence
Wardak	Jaghatu	599.0929179	57041	Contested
Wardak	Jalrayz	1092.450383	66474	Contested
Wardak	Maidan Shahr	246.3551784	49827	GIROA Influence
Wardak	Markaz-e Behsud	3344.896395	148585	GIROA Influence
Wardak	Nerkh	561.9206959	73717	Contested
Wardak	Sayyidabad	1094.842154	143266	Contested
Zabul	Arghandab	1507.001607	41240	Insurgent Activity
Zabul	Atghar	502.1749876	10986	Contested
Zabul	Daychopan	1640.448217	49159	Insurgent Activity

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Province	District	October 2018 Assessment	Area [km2] (Landscan)	Population (Landscan 2016)
Zabul	Kakar	1081.713865	30837	High Insurgent Activity
Zabul	Mizan	1118.406424	17234	Contested
Zabul	Now Bahar	1264.129181	23674	Insurgent Activity
Zabul	Qalat	1836.152387	44477	GIROA Control
Zabul	Shah Joy	1718.577832	73158	Contested
Zabul	Shamulzai	2889.29118	32256	Contested
Zabul	Shinkai	2289.190157	29227	Contested
Zabul	Tarnek wa Jaldak	1502.651364	22192	Contested

Note: GIROA = Government of the Islamic Republic of Afghanistan

Source: RS, response to SIGAR data call, 12/20/2018.

APPENDIX G

ENEMY-INITIATED ATTACKS BY PROVINCE

This quarter, RS provided SIGAR data on enemy-initiated attacks at the provincial level. See pages 73–74 for the data in map form and a corresponding analysis. The data below covers the period of January 1–October 2018.

Province	Enemy Initiated Attacks
Farah	1,546
Helmand	1,460
Faryab	1,448
Baghdis	1,381
Uruzgan	1,374
Kandahar	1,254
Ghazni	1,120
Herat	1,115
Zabul	827
Nangarhar	630
Kunduz	572
Kabul	556
Wardak	498
Kunar	443
Paktiya	422
Baghlan	395
Logar	388

Continued in the next column

Province	Enemy Initiated Attacks
Balkh	368
Ghor	344
Paktika	320
Laghman	285
Jowzjan	255
Kapisa	201
Parwan	195
Badakhshan	184
Sar-e Pul	175
Takhar	138
Nimroz	110
Khost	108
Daykundi	78
Nuristan	54
Samangan	44
Bamyan	7
Panjshir	0
Total	**18,295**

EIA BY ATTACK TYPE

TYPE	NUMBER	PERCENTAGE
Direct Fire	14,871	81%
IED Explosion	2,318	13%
Indirect Fire	915	5%
Surface-to-Air Fire	97	1%
Mine Strike	94	1%
Total	**18,295**	**100%**

Source: RS, response to SIGAR vetting, 1/22/2019 and 1/25/2019.

APPENDIX H

ABBREVIATIONS AND ACRONYMS

ACRONYM OR ABBREVIATION	DEFINITION
AABIS	Afghan Automated Biometric Identification System
AAEP	Afghanistan Agriculture Extension Project
AAF	Afghan Air Force
AAM	ANDSF Aviation Modernization Program
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ABP	Afghan Border Police
ACAP	Afghan Civilian Assistance Program
ACAS	Afghanistan Court Administration System
ACEP	Afghan Civic Engagement Program
ACE	Agricultural Credit Enhancement
ACEP	Afghan Civic Engagement Program
ACJC	Anti-Corruption Justice Center
ACLED	Armed Conflict Location & Event Data Project
AD	alternative-development
ADALAT	Assistance for Development of Afghan Legal Access and Transparency
ADF	Agricultural Development Fund
AEAI	Advanced Engineering Associates International Inc
AETF-A	Air and Space Expeditionary Task Force-Afghanistan
AFCEC	Air Force Civil Engineer Center
AFMIS	Afghan Financial Management Information System
AFN	afghani (currency)
AGO	Attorney General's Office
AHRIMS	Afghan Human Resource Information Management System
AIF	Afghanistan Infrastructure Fund
AITF	Afghanistan Infrastructure Trust Fund
ALBA	Assistance to Legislative Bodies of Afghanistan
ALCS	Afghanistan Living Conditions Survey
ALP	Afghan Local Police
AMANAT	Afghanistan's Measure for Accountability and Transparency
ANA	Afghan National Army
ANASOC	ANA Special Operations Command
ANATF	ANA Territorial Force
ANCOP	Afghan National Civil Order Police
ANDSF	Afghan National Defense and Security Forces

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
ANP	Afghan National Police
AO	abandoned ordnance
APPS	Afghan Personnel Pay System
APRP	Afghan Peace and Reintegration Program
ARD	Afghanistan Revenue Department
AROC	Afghan Resources Oversight Council
ARTF	Afghanistan Reconstruction Trust Fund
ASFF	Afghanistan Security Forces Fund
ASSF	Afghan Special Security Forces
ATAR	Afghanistan Trade and Revenue Project
AUP	Afghan Uniformed Police
AUW	Asian University for Women
AWDP	Afghanistan Workforce Development Program
BADILL	Boost Alternative Development Intervention through Licit Livelihoods
BAG	Budget Activity Group
BVV	Biometric Voter Verification
CAT	Combat Advisor Team
CBARD	Community-Based Agricultre and Rural Development Project
CBCMP	Capacity Building and Change Management Program
CCAG	Counter Corruption Advisory Group
CDCS	Country Development Cooperation Strategy
CEO	Chief Executive Officer
CERP	Commander's Emergency Response Program
CHAMP	Commercial Horticulture and Agricultural Marketing Program
CHX	chlorhexidine
CID	U.S. Army Criminal Investigation Command
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CMR	certified mission ready
CMS	Case Management System
CN	Counternarcotics
CNCE	Counter Narcotics Community Engagement
CNJC	Counter Narcotics Justice Center
CNPA	Counter Narcotics Police of Afghanistan
COIN	counterinsurgency
COMAC	Conflict Mitigation Assistance for Civilians
CoreIMS	Core Information Management System
CPD	Central Prisons Directorate
CPDS	Continuing Professional Development Support
CPI	Corruption Perceptions Index
CRIP	Community Recovery Intensification and Prioritization

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
CSO	civil-society organization
CSO	Central Statistics Organization
CSSP	Corrections System Support Program
CSTC-A	Combined Security Transition Command-Afghanistan
CTA	Counter-narcotics Central Transfer Account
DABS	Da Afghanistan Breshna Sherkat
DCA	Development Credit Authority
DCAR	Delegated Cooperation Agreement
DCIS	Defense Criminal Investigative Service
DEA	Drug Enforcement Administration (U.S.)
DEWS Plus	Disease Early Warning System Plus
DFID	Department for International Development
DICDA	Department of Defense Drug Interdiction and Counter-Drug Activities fund (U.S.)
DIG	Deputy Inspector General
DLA	Defense Logistics Agency
DLA-E	Defense Logistics Agency-Energy
DOD	Department of Defense (U.S.)
DOD OIG	Department of Defense Office of Inspector General
DOJ	Department of Justice (U.S.)
EIA	Enemy-Initiated Attacks
EITI	Extractives Industries Transparency Initiative
ECC-A	Expeditionary Contracting Command-Afghanistan
ECF	Extended Credit Facility
EF	essential function
EFT	electronic funds-transfer
EPZ	export-processing zone
ERW	explosive remnants of war
ESF	Economic Support Fund
EU	European Union
EVAW	elimination of violence against women
FAP	Financial and Activity Plan
FAUAF	Friends of the American Univeristy of Afghanistan
FBI	Federal Bureau of Investigation
FEWS NET	Famine Early Warning Systems Network
FFP	Food for Peace
FL-PTWG	Family Law-Parliamentary Technical Working Group
FRU	Family Response Unit
FY	fiscal year
GAO	Government Accountability Office (U.S.)
GCPSU	General Command of Police Special Units

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
GDP	gross domestic product
GDPDC	General Directorate of Prisons and Detention Centers
GEC	Girls' Education Challenge Program
GIROA	Government of the Islamic Republic of Afghanistan
GIS	Geographic Information Systems
GLE	Governor-Led Eradication
GMAF	Geneva Mutual Accountability Framework
GPI	Good Performer's Initiative
GRAIN	Grain Research and Innovation
GVHR	gross violations of human rights
HEMAYAT	Helping Mothers and Children Thrive
HIG	Hezb-e Islami Gulbuddin
HOB	High Oversight Board
HPC	High Peace Council
HQ	headquarters
HRW	Human Rights Watch
HSR	Health Sector Resiliency
ICRC	International Committee of the Red Cross
IDA	International Disaster Assistance
IDP	Internally Displaced Persons
IEC	Independent Election Commission (Afghan)
IED	improvised explosive device
IFCA	Iran Freedom and Counter-Proliferation Act of 2012
IG	Inspector General
IHSAN	Initiative for Hygiene, Sanitation, and Nutrition
IMF	International Monetary Fund
IMSMA	Information Management System for Mine Action
INCLE	International Narcotics Control and Law Enforcement (U.S)
INL	Bureau of International Narcotics and Law Enforcement Affairs (U.S.)
IOM	International Organization for Migration
IR	Intermediate Result
IS-K	Islamic State-Khorasan
ISLA	Initiative to Strengthen Local Administrations Program
IWA	Integrity Watch Afghanistan
JCPOA	Joint Comprehensive Plan of Action
JRD	Juvenile Rehabilitation Directorate
JSCC	Joint Security Compact Committee
JSSP	Justice Sector Support Program (State)
JTTP	Justice Training Transition Program (State)
KBR	Kabul Bank Receivership

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
KFZ	Kandahar Food Zone
kg	kilograms
kWh	kilowatt-hours
LLP	Lessons Learned Program
LOTFA	Law and Order Trust Fund for Afghanistan
LTC	Lakeshore Toltest Corporation
MAIL	Ministry of Agriculture, Irrigation and Livestock (Afghan)
MCN	Ministry of Counter-Narcotics (Afghan)
MCTF	Major Crimes Task Force
MEC	Monitoring and Evaluation Committee (Afghan)
MEDEVAC	medical evacuation
MFNDU	Marshal Fahim National Defense University
MOCI	Ministry of Commerce and Industry
MOD	Ministry of Defense (Afghan)
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)
MOJ	Ministry of Justice (Afghan)
MOMP	Ministry of Mines and Petroleum (Afghan)
MOPH	Ministry of Public Health (Afghan)
MOPW	Ministry of Public Works
MOU	memorandum of understanding
MOWA	Ministry of Women's Affairs
MPD	MOI and Police Development project
MRRD	Ministry of Rural Rehabilitation and Development (Afghan)
NADR	Non-Proliferation, Antiterrorism, Demining, and Related Programs
NAR	net attendance rates
NATF	NATO ANA Trust Fund
NATO	North Atlantic Treaty Organization
NDAA	National Defense Authorization Act
NDAP	National Drug Action Plan
NDP	New Development Partnership
NDS	National Directorate of Security (Afghan)
NEF	National Elections forum
NEI	Northern Electrical Interconnect
NEPS	Northeast Power System
NGO	nongovernmental organization
NIMS	National Information Management System

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
NIU	National Interdiction Unit (Afghan)
NSA	National Security Advisor
NSIA	National Statistics and Information Authority (NSIA)
NSOCC-A	NATO Special Operations Component Command-Afghanistan
NSP	National Solidarity Program
NSPA	NATO Support and Procurement Agency
O&M	operations and maintenance
OCHA	Office for the Coordination of Humanitarian Affairs
OFDA	Office of U.S. Foreign Disaster Assistance (USAID)
OFS	Operation Freedom's Sentinel
OIG	Office of the Inspector General
OR	operational readiness
OTA	Office of Technical Assistance (U.S. Treasury)
PAI	Personnel Asset Inventory
PDP	Provincial Development Plans
PCASS	Preliminary Credibility Assessment Screening System
PIAT	Police Institutional Advisory Team
PM/WRA	Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (State)
POR	proof of registration
PRM	Bureau of Population, Refugees, and Migration (State)
PTEC	Power Transmission Expansion and Connectivity
RADP	Regional Agriculture Development Program
RC	Recurrent Cost
RMTC	Regional Military Training Center
RS	Resolute Support
SAG	Subactivity Group
SEPS	Southeast Power System
SFAB	Security Force Assistance Brigade
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
SHAHAR	Strong Hubs for Afghan Hope and Resilience
SIKA	Stability in Key Areas
SIU	Sensitive Investigative Unit (Afghan)
SMAF	Self-Reliance through Mutual Accountability Framework
SME	subject-matter expert
SMW	Special Mission Wing (Afghan)
SOF	Special Operations Forces
SPM	Support to Payroll Management
SPRA	Support for Peace and Reconciliation in Afghanistan project

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ACRONYM OR ABBREVIATION	DEFINITION
State OIG	Department of State Office of the Inspector General
SWIM	Strengthening Watershed and Irrigation Management
TAA	train, advise, and assist
TAAC	Train, Advise, and Assist Command
TEFA	Transparent Election Foundation of Afghanistan
TFBSO	Task Force for Business and Stability Operations
TIU	Technical Investigative Unit
UAE	United Arab Emirates
UN	United Nations
UNAMA	UN Assistance Mission in Afghanistan
UNCAC	United Nations Convention Against Corruption
UNDP	UN Development Programme
UNMAS	UN Mine Action Service
UNODC	UN Office on Drugs and Crime
USAAA	U.S. Army Audit Agency
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USAID OIG	USAID Office of the Inspector General
USFOR-A	U.S. Forces-Afghanistan
USIP	United States Institute of Peace
USGS	United States Geological Survey
UXO	unexploded ordnance
VFU	Veterinary Field Unit
VSO	Village Stability Operations
WIE	Women in the Economy Project
WLD	Women's Leadership Development
WPP	Women's Participation Projects
WTO	World Trade Organization
VSO	Village Stability Operations
WIA	Wounded in Action
WIE	Women in the Economy Project
WLD	Women's Leadership Development
WPP	Women's Participation Projects
WTO	World Trade Organization

ENDNOTES

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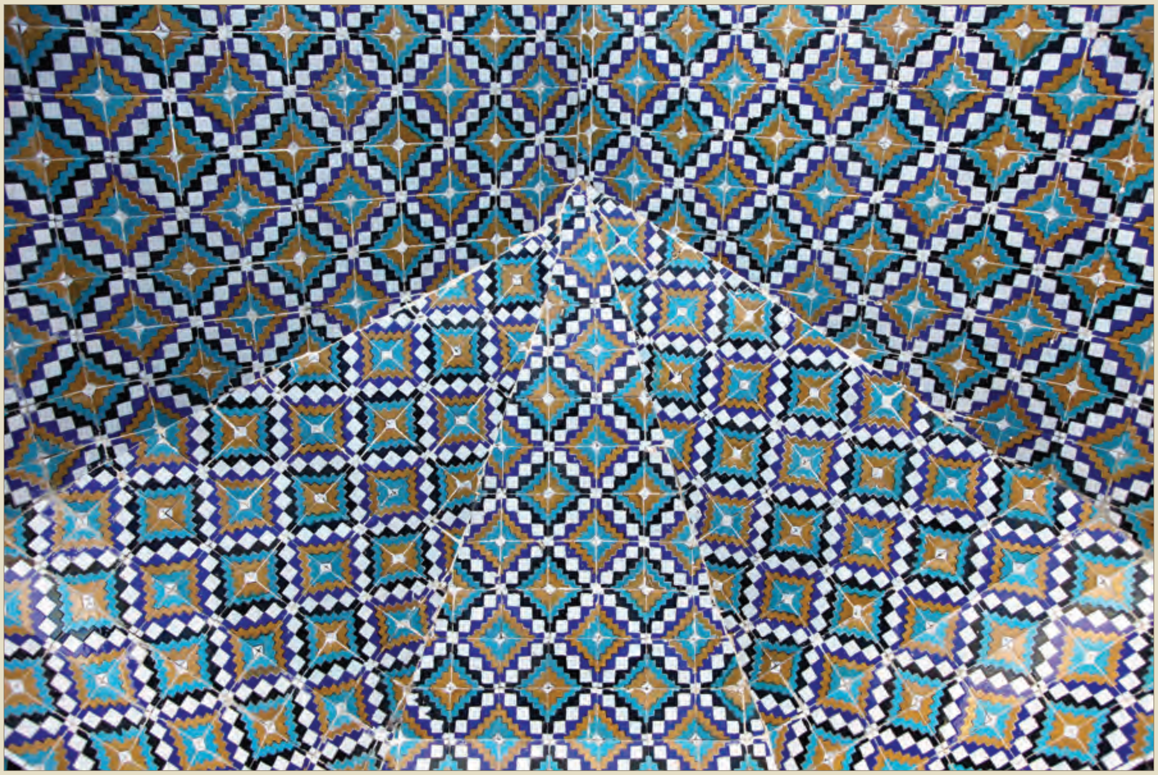

Intricate tile work of the historical Blue Mosque of Mazar-e Sharif. (UNAMA photo by Sayed L. Barez)

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