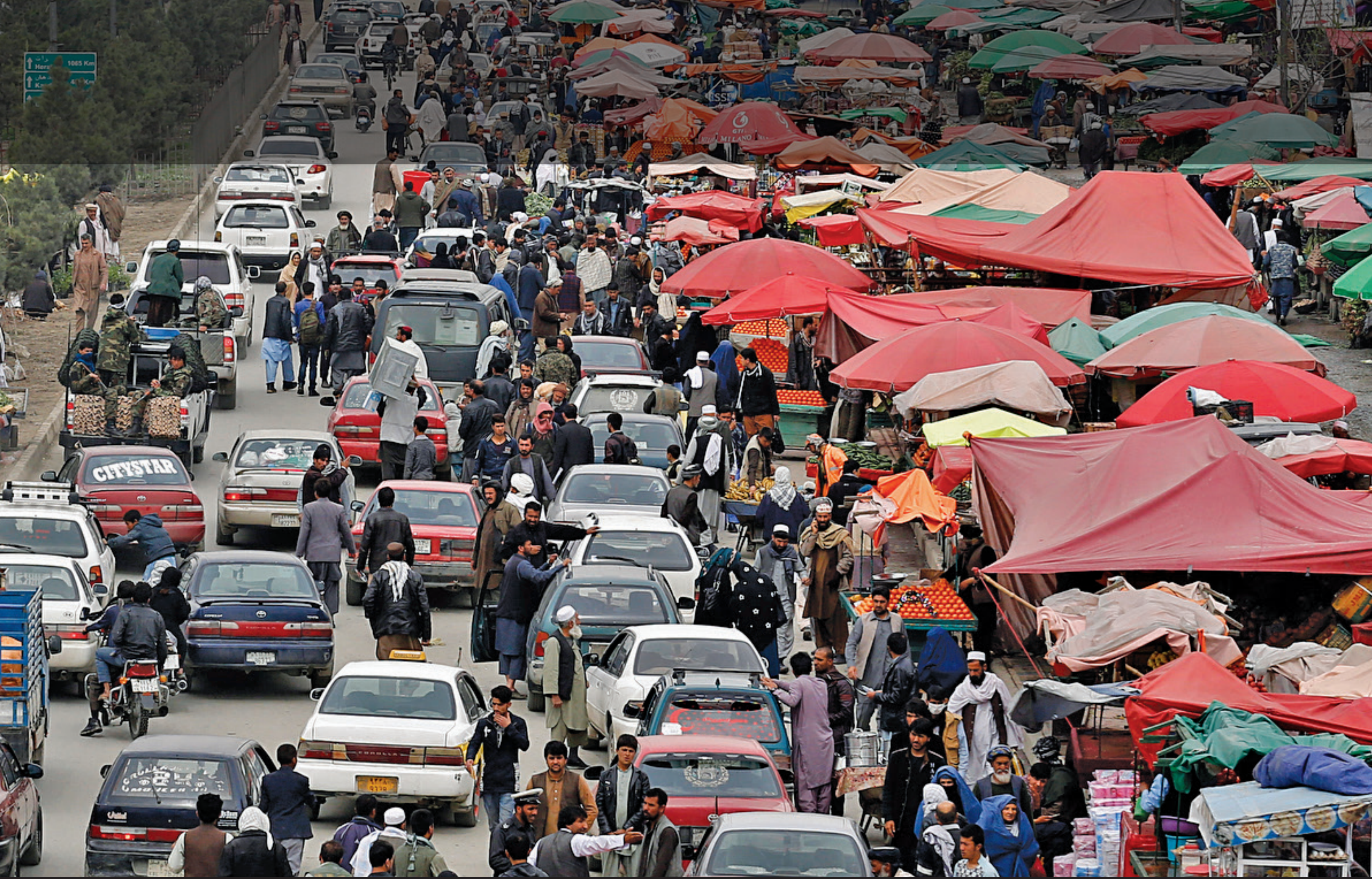
Special Inspector General for Afghanistan Reconstruction

PRIVATE SECTOR DEVELOPMENT AND ECONOMIC GROWTH:

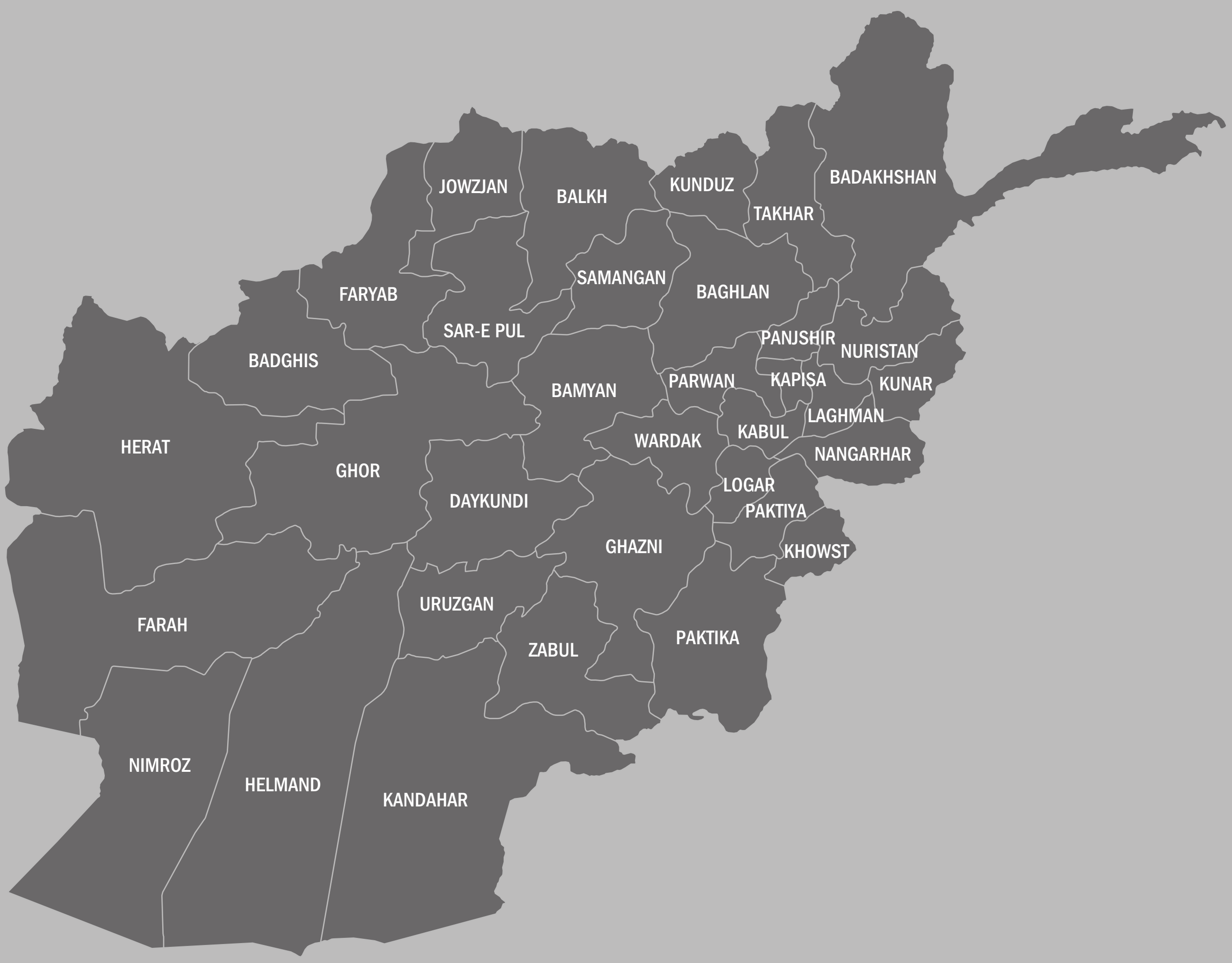
LESSONS FROM THE U.S. EXPERIENCE IN AFGHANISTAN



EXECUTIVE SUMMARY

The full report can be found on the SIGAR website at www.sigar.mil.

APRIL 2018



Cover photo: Traffic in Kote Sangi, on the western edge of Kabul city. (UNAMA photo by Fardin Waezi)

Special Inspector General
for Afghanistan Reconstruction

Private Sector Development and Economic Growth: Lessons from the U.S. Experience in Afghanistan is the third in a series of lessons learned reports issued by the Special Inspector General for Afghanistan Reconstruction. The report examines how the U.S. government supported private sector development in Afghanistan since 2001 through efforts led by the U.S. Agency for International Development, with additional significant roles played by the Departments of State, Defense, Commerce, and Treasury.

The report provides both the chronology of U.S. government support to private sector development and an in-depth look at the five major areas of economic intervention: creating an enabling environment, providing access to finance, promoting investment, developing regional and international trade, and supporting enterprises. The report identifies lessons to inform U.S. policies and actions at the onset of and throughout a reconstruction and provides recommendations for improving private sector development efforts. These lessons and recommendations are relevant for ongoing work in Afghanistan, where the United States remains engaged in building and supporting the Afghan economy, and in future endeavors to rebuild other weak states emerging from protracted conflict.

Our analysis highlights the difficulties of supporting economic development in a war-shattered country. Afghanistan's early economic gains were largely due to post-conflict recovery and substantial foreign spending, and optimistic predictions of future progress did not reflect the nation's economic and security environment, the capacity of Afghan and U.S. institutions, or the impact of corruption. The United States also overestimated the speed at which Afghanistan could transition to a Western-style market economy. The U.S. government's provision of direct financial support sometimes created dependent enterprises and disincentives for Afghans to borrow from market-based financial institutions. Furthermore, insufficient coordination within and between U.S. government civilian and military agencies often negatively affected the outcomes of programs. On the other hand, early foundational investments in the economic system, undertaken in concert with allies and international organizations, established the basis for the progress that did take place and for future development. Afghanistan's long-term prospects may also improve as a result of progress in regional integration and participation in bilateral and multilateral trade agreements, as well as investments in human capital.

2530 CRYSTAL DRIVE, ARLINGTON, VIRGINIA 22202

SIGAR began its lessons learned program in late 2014 at the urging of General John Allen, Ambassador Ryan Crocker, and others who had served in Afghanistan. The lessons learned reports comply with SIGAR's legislative mandate to provide independent and objective leadership and recommendations to promote economy, efficiency, and effectiveness; prevent and detect fraud, waste, and abuse; and inform Congress and the Secretaries of State and Defense about reconstruction-related problems and the need for corrective action.

Unlike other inspectors general, Congress created SIGAR as an independent agency, not housed within any single department. SIGAR is the only inspector general focused solely on the Afghanistan mission, and the only one devoted exclusively to reconstruction issues. While other inspectors general have jurisdiction over the programs and operations of their respective departments or agencies, SIGAR has jurisdiction over all programs and operations supported with U.S. reconstruction dollars, regardless of the agency involved. Because SIGAR has the authority to look across the entire reconstruction effort, it is uniquely positioned to identify and address whole-of-government lessons.

Our lessons learned reports synthesize not only the body of work and expertise of SIGAR, but also that of other oversight agencies, government entities, current and former officials with on-the-ground experience, academic institutions, and independent scholars. The reports document what the U.S. government sought to accomplish, assess what it achieved, and evaluate the degree to which these efforts helped the United States reach its strategic goals in Afghanistan. They also provide recommendations to address the challenges stakeholders face in ensuring efficient, effective, and sustainable reconstruction efforts, not just in Afghanistan, but in future contingency operations.

SIGAR's Lessons Learned Program comprises subject matter experts with considerable experience working and living in Afghanistan, aided by a team of seasoned research analysts. I want to express my deepest appreciation to the team members who produced this report, and thank them for their dedication and commitment to the project. I thank Paul Fishstein, project lead; Mariam Jalalzada, senior research analyst; Emily Bakos, Nikolai Condee-Padunov, and Margaret Jacobson, research analysts; Lauren Helinski, student trainee; Olivia Paek, graphic designer; and Elizabeth Young, editor. In producing its reports, the Lessons Learned Program also uses the significant skills and experience found in SIGAR's Audits, Investigations, and Research and Analysis directorates, and the Office of Special Projects. I thank all of the individuals who provided their time and effort to contribute to this report. It is truly a collaborative effort meant to not only identify problems, but also to learn from them and apply reasonable solutions to improve future reconstruction efforts.

I believe the lessons learned reports will be a key legacy of SIGAR. Through these reports, we hope to reach a diverse audience in the legislative and executive branches, at the strategic and programmatic levels, both in Washington and in the field. By leveraging our unique interagency mandate, we intend to do everything we can to make sure the lessons from the United States' largest reconstruction effort are identified, acknowledged, and, most importantly, remembered and applied to ongoing reconstruction efforts in Afghanistan, as well as to future conflicts and reconstruction efforts elsewhere in the world.

John F. Sopko
Special Inspector General for Afghanistan Reconstruction
Arlington, VA
April 2018

EXECUTIVE SUMMARY

This lessons learned report looks at the U.S. government's support to private sector development and economic growth in Afghanistan since 2001. The report focuses on two main, somewhat overlapping areas of U.S. assistance: (1) support to economic policy and governance, and (2) support to individual firms, groups, and entrepreneurs. The report also touches on infrastructure, agriculture, and the extractive industries because of their relevance to the overall economic picture.

U.S. officials viewed private sector development as foundational to economic growth, which in turn was seen as a key driver of security. The U.S. government saw the development of a robust economy in Afghanistan as contributing positively to security by (1) providing gainful employment to the young, unemployed men who were considered most likely to join an insurgency; (2) creating confidence in and legitimacy for the state; and (3) generating revenue that would enable the state to deliver services and prevent dependency on the international donor community. In the wake of the Taliban regime, a private-sector driven, open-market economy was seen as reinforcing electoral democracy, individual freedoms, women's rights, a free media, and other Western values. These views were held by both the President George W. Bush and President Barack Obama administrations.

The U.S. strategy for and overall approach to private sector development remained largely the same from 2001 through 2017, although with sharp variations in amounts of funding and some shifts in emphasis at various stages, most significantly during the 2009–2012 surge years. The U.S. Agency for International Development (USAID) was the lead agency for these efforts, but a range of other U.S. institutions played a role, including the Departments of Defense, Commerce, Treasury, and State, the Overseas Private Investment Corporation (OPIC), the U.S. Trade and Development Agency, the U.S. Trade Representative, and the U.S. Geological Survey. The prevailing view that economic development played a role in security called for an expanded role for the military and therefore a need for interagency partnerships and civil-military coordination.

Our report identifies 11 key findings regarding the U.S. experience with private sector development and economic growth:

1. Afghanistan's significant economic gains in per capita income and growth in sectors such as telecommunications, transport, and construction were largely the result of post-conflict recovery and substantial foreign spending, and were therefore not sustainable.

2. Establishing the foundational elements of the economic system, including sound macroeconomic policies and capacity for public financial management, at the start of reconstruction allowed some successes and set the stage for future development.
3. Optimistic projections for the pace and level of progress did not reflect the realities of the Afghan economy and operating environment, the ongoing conflict, and the capacity constraints of Afghan and U.S. institutions.
4. Afghans have benefited from a more open trade policy, and future benefits from trade agreements and increased regional integration may continue to accrue; however, Afghanistan's physical and institutional infrastructure and political relationships with its neighbors have limited its ability to become a trade hub benefiting from regional commerce and sustainable export markets.
5. The persistence of corruption within the Afghan government, along with uncertainty about and uneven enforcement of tax and regulatory policies, discouraged economic growth.
6. Inadequate understanding or mitigation of the relationships between corrupt strongmen and other powerholders limited the effectiveness of U.S. support to private sector development in generating broad-based economic growth.
7. Neither the Afghan government nor society was adequately prepared for the sudden introduction of a Western-style market economy.
8. The U.S. government's provision of direct financial support to enterprises sometimes created dependent, commercially nonviable entities, as well as disincentives for businesses to use local financial and technical services.
9. Insufficient coordination within and between U.S. government civilian and military agencies negatively affected the outcomes of programs.
10. Within U.S. government agencies, organizational factors and human resource policies constrained the implementation of private sector development projects.
11. Despite economic growth, estimated poverty, unemployment, and underemployment were not substantially reduced.

AFGHANISTAN'S ECONOMIC PERFORMANCE

Afghanistan's economy grew sharply during the first decade of reconstruction, with the early years showing the economic recovery often seen in a post-conflict environment, and the later period reflecting the heavy international spending of the surge years. Between 2001 and 2012, per capita income increased more than five-fold, from $117 in 2001 to a peak of $669 in 2012, just before the run-up to the 2014 drawdown of U.S. military personnel. Construction and services (especially communications, transport, logistics, government services, and financial and business services) were the strongest consistent drivers of growth in gross domestic product. Despite a few high-profile exceptions, foreign private investment was limited. Domestic investment was relatively strong, especially during the 2009–2012 surge, but tailed off along with international spending. The primary impediments to investment, and private sector development more broadly, were related to insecurity and uncertainty, including the effects of institutional corruption.

Afghan consumers benefited from an open trade policy which made imported consumer goods available at lower prices. However, Afghanistan's trade imbalance increased consistently over the past 16 years as domestic industries were unable to compete in regional and world export markets, and imports out-competed local producers in some domestic markets. Predatory or unfair trade practices by regional neighbors also discouraged domestic production.

U.S. SUPPORT TO PRIVATE SECTOR DEVELOPMENT

In the first several years after 2001, the U.S. government provided limited support to private sector development, in part because of its reluctance to be involved in nation building. The United States emphasized a "light footprint" due to its desire to not be drawn into, or give the impression of undertaking, a long-term occupation. Moreover, with less than one month between 9/11 and the start of Operation Enduring Freedom, there was no time for systematic planning or assessing Afghanistan's economic needs.

Some of the initial foundational investments, undertaken in concert with the International Monetary Fund (IMF) and the World Bank, included the critical priorities of macroeconomic stabilization, institutional infrastructure development, monetary policy creation, banking system rehabilitation, currency conversion, government revenue collection, and basic economic governance. These efforts, which were considered successful, made early growth possible and set the stage for future development.

The U.S. government also emphasized the promotion of investment, the privatization of the former state-owned enterprises (SOE), trade liberalization, lowering barriers to trade, integration with regional and world markets, and accession to the World Trade Organization (WTO). USAID, the lead agency for U.S. private sector development efforts, focused primarily on agriculture, the "cornerstone of recovery and a pillar of reconstruction for a sustainable future." Agriculture was recognized as a crucial sector of the Afghan economy, with the potential for multiplier effects and linkages with other sectors.

By the end of 2002, U.S. officials began to consider the possibility that more resources would be needed to stabilize Afghanistan. Meanwhile, the United States was increasingly preoccupied with the looming invasion of Iraq. By 2006, it was clear Afghanistan was not a post-conflict state. As the insurgency grew and security deteriorated, Afghans also began to express dissatisfaction with their economic situation, which was further exacerbated by the 2007–2008 global food crisis. In response, the United States and its allies increased their humanitarian and development assistance. U.S. agencies began a series of enterprise development initiatives aiming at expanding markets, developing a technically skilled workforce, increasing access to capital, creating jobs, promoting investment, and developing domestic products to become more competitive with imports. During this period, the Department of Defense (DOD) began to engage more significantly in private sector development in two key ways: (1) the Commander's Emergency Response Program (CERP), which was intended to improve short-term security through quick-impact projects such as micro grants, and (2) the Afghan First procurement initiative, an explicit policy for contracting with Afghan companies to ensure more of the money donors spent on goods would remain in Afghanistan, rather than going to Pakistan, China, Turkey, and other countries.

In December 2009, President Obama presented a strategy intended to represent a break with the past and give attention and resources to what he had previously called "the right war." The administration's strategy to stem the tide of the insurgency included a large troop surge and its development counterpart, the "civilian uplift." The surge was supported by massive increases in funding: Governance and development funding alone increased by 58 percent from FY 2009 to FY 2010. However, the simultaneous announcement of the 2009 surge and the 2011–2014 drawdown introduced a cloud of uncertainty that hung over most of the period. During this era of counterinsurgency, USAID came under greater pressure to align its programming and geographical focus with the U.S. military's stabilization and counterinsurgency priorities as part of a unified U.S. response. DOD also increased its direct involvement in private sector development through CERP micro grants, strengthening the Afghan First procurement initiative, and introducing the Task Force for Business and Stability Operations (TFBSO) from Iraq. TFBSO was critical of USAID's traditional development approach and saw itself as more nimble and expeditionary.

The run-up to the 2014 transition was characterized by great uncertainty due to the drawdown in international forces and the upcoming Afghan presidential election. Economic activity declined due to a combination of reduced international spending and uncertainty about the political and security outlook, manifesting itself in a plunge in property prices, a leveling or decline in wages, and increased capital and human flight as Afghans sought a safe haven for their money and themselves. USAID shifted its focus to a few high-capital, high-impact foundational investments and the increased sustainability of economic growth and Afghan government institutions.

MAIN AREAS OF INTERVENTION

U.S. government support to private sector development and economic growth from 2001 through 2017 can be classified into five main areas of intervention.

Creating an Enabling Environment

The first task related to private sector development was to create an enabling environment in which a dynamic, licit private sector could thrive. This environment included fundamentals such as establishing macroeconomic stability, curbing inflation, overhauling the currency, creating sound fiscal and monetary policies, drafting laws and regulations for a regulatory framework, and bolstering institutions to maintain and promote the private sector. Many of the solid, early successes in macroeconomic policy and public financial management set the stage for future gains. Ministries saw improvements in financial management and in revenue collection from taxes and customs. Enduring impediments to achieving an enabling environment were largely those related to a lack of good governance, including corruption and uneven enforcement of laws and policies, which made it more difficult to encourage businesses to operate in the formal sector.

Providing Access to Finance

Recognizing the importance of access to finance in promoting private sector investment, the U.S. government provided support to create a commercial banking sector and make other sources of financing available. USAID and Treasury implemented a range of activities that included strengthening the commercial banking sector, primarily through building the supervisory capacity of Afghanistan's central bank, Da Afghanistan Bank (DAB), privatizing state-owned banks, and regulating the informal money service providers or *hawala* dealers. Encouraging financial flows through formal institutions was intended to limit criminal money laundering and terrorism financing. In addition, in response to what was seen as the inability or unwillingness of commercial banks to reach the poor and rural areas of the country, the United States also supported the establishment of a number of non-bank, sector-specific financial institutions to offer loans that were attractive to micro and small enterprises and provide direct loans and credit guarantee schemes.

A number of new commercial banks and newly privatized state banks began to provide financing to small and medium enterprises. Despite the increase in the number of financial institutions, however, firms consistently listed access to finance as one of their major challenges. Only 2 percent of Afghan firms used banks to finance investment, and the banking sector continued to be fragile. Larger firms mainly used private bank loans, while smaller firms continued to rely on other sources of financing, including business profits, personal savings, and private loans. The 2010 Kabul Bank collapse demonstrated just how fragile the banking sector was and the extent to which well-connected political actors could undermine DAB's supervision. DAB became more aggressive in its oversight, but commercial banks continued to suffer from weak governance, deteriorating asset quality (especially an increase in nonperforming loans), and low profitability. Lending by financial institutions continued to be concentrated in the urban areas and a limited number of sectors, mainly because lending to small enterprises, especially in rural areas, was costly and did not generate sufficient returns.

The U.S. expectation that some of these newly created financial institutions would become self-sustaining within a limited project timeframe was unrealistic. Today, these institutions continue to rely on external assistance, and face ownership, management, and operational sustainability challenges.

Promoting Investment

Fostering private foreign and domestic investment was another key component of private sector development. The U.S. government sought to promote investment through a variety of formal and informal means, including privatizing or liquidating the majority of the 65 Afghan SOEs and building industrial parks, which were intended to promote investment by removing a number of constraints facing Afghan businesses, including the lack of reliable and cheap power, unstable land tenure, and physical insecurity.

Employing the value chain approach, where value is added as raw materials flow through production and marketing channels, the United States chose to support certain key sectors to make them more attractive to potential investors. For example, investments in the agricultural sector were intended to lead to production of value-added goods for domestic consumption and potentially for exports.

Aside from a few high-profile exceptions, foreign direct investment was limited. The majority of domestic investment occurred in the construction industry, especially during the 2009–2012 surge, driven in part by the construction boom that resulted from the massive of inflows of international funding. Otherwise, investment was limited due primarily to ongoing uncertainty and insecurity, poor economic governance, and the lack of a comparative advantage in potential industries.

USAID's efforts to encourage investment in and expansion of agribusiness experienced some success; however, the imperfect and risky nature of Afghanistan's markets, as well as the poor state of the country's infrastructure, posed challenges. Smaller players, in particular, faced constraints that included market access, inconsistent and unfair trade practices of neighboring countries, the high cost of logistics and transportation, and expensive and time-consuming bureaucratic procedures. The industrial parks remained underutilized, largely due to limited electrical power and other infrastructure. Driven by increasing uncertainty, much of the capital accumulated by Afghans and Afghan companies flowed out of the country.

Promoting Regional and International Trade

The United States promoted regional and international trade as an engine of growth that, along with the strengthening of high-value agriculture, would encourage investment and economic development. Regional integration was prioritized from 2002 onward in the belief that increased linkages with neighboring countries would create opportunities for such trade and investment, as well as contribute to stability through building relationships. In 2004, Afghanistan gained observer status in the WTO with the hope that joining the WTO would help Afghanistan reap the benefits of opening to trade. WTO accession was also seen as a positive forcing function for the country to meet numerous international standards that would be needed for Afghanistan to engage in international commerce.

Afghanistan has seen some benefits from trade and regional integration, including reduced prices of consumer goods, ongoing political discussions with neighboring countries, and improvements in standards for health and safety. Long-term prospects may improve as a result of progress made by Afghanistan in integrating regionally and participating in bilateral and multilateral trade agreements. Still, the trade imbalance continues to grow as Afghan producers struggle to compete with more established players in protected markets, and neighbors engage in unfair trading practices.

Providing Direct Support to Enterprises

The U.S. government provided direct technical and financial support to individual Afghan enterprises through a variety of initiatives, primarily implemented by USAID and DOD. These programs included the provision of financial assistance in the form of in-kind grants, technical assistance, and business development mentorship. Direct support was seen as a way to leverage investment; USAID applied elements of its Global Development Alliance model through two large-scale enterprise support initiatives that required the grant recipients to contribute at least half of the investment costs.

USAID also provided support to local business associations and new or existing business development services (BDS) providers, which helped nascent companies expand using modern business methods. Given the often low levels of business literacy, BDS providers assisted businesses with preparing grant applications, developing business and management plans, and purchasing machinery. The U.S. military provided micro grants to rural enterprises through CERP and required U.S. agencies to use Afghan firms' services, to the extent possible, through the Afghan First procurement initiative. Starting in 2010, TFBSO facilitated investment and business mentorship and provided technical and financial support to enterprises in the energy, mining, and indigenous industries.

Despite some successes, direct support to enterprise programs had shortcomings in design, implementation, and oversight. While some companies used financial support and technical assistance to expand their access to markets, other companies that received direct grants became dependent on these sources of "free money," without which they could not sustain profitable operations. In addition, the security environment restricted the ability of project managers to confirm the information provided in grant recipients' financial and legal documents.

Finally, U.S. government agencies overestimated their capacity to implement projects. Internal constraints, such as high staff turnover and limited human resources relative to the volume of activities and funding they were asked to manage, along with external obstacles, such as Afghan government bureaucracy, corruption, and poor infrastructure, delayed operations, affected quality, and increased costs.

LESSONS

This report identifies 12 lessons drawn from the U.S. experience with private sector development and economic growth in Afghanistan.

1. It is not realistic to expect robust and sustainable economic growth in an insecure and uncertain environment.
2. Establishing the foundational elements of an economic system at the beginning of a reconstruction effort sets the stage for future success.
3. Any new economic system which represents a break with a host nation's past knowledge and practice must be introduced carefully and with sufficient time to ensure adequate buy-in and the development of the robust institutions required to maintain it.
4. Spending too much money too quickly can lead to corruption and undermine both the host nation and the goals of the United States, while too abruptly reducing funding can hurt the economy.
5. Inadequate understanding and vetting of the webs of personal, sometimes criminally related, networks can allow elites to control economic activity at the expense of open and competitive markets.
6. Successful private sector development efforts must be nested within the development of the rule of law and overall good governance.

7. The choice of a model for economic growth must realistically acknowledge a country's institutional and political environment and its physical endowments.
8. The provision of grants and below market rate loans can undermine commercial banks and other market-oriented institutions and create unsustainable businesses.
9. Support to businesses and government institutions needs to be tailored to the environment.
10. Clear agreements on institutional roles, responsibilities, and lines of authority, reinforced by human resource policies that fit a post-conflict environment, are necessary for an effective private sector development strategy and for overall development.
11. Rigorous monitoring, evaluation, and analysis, which transcend individual projects and programs, are necessary to understand the effectiveness of private sector development interventions.
12. Investments in human capital have significant returns, although it may be years before they are realized.

RECOMMENDATIONS

SIGAR recommends the following actions be undertaken by the executive and legislative branches of the U.S. government to inform private sector development efforts at the onset of and throughout reconstruction efforts, and to institutionalize the lessons learned from the U.S. experience in Afghanistan.

Executive Branch

1. At the start of any major reconstruction effort, the National Security Council should direct the creation of an interagency working group led by USAID and staffed at the appropriate levels to plan and coordinate private sector development activities across civilian and military agencies.
   a. The interagency working group should include members from all agencies with a significant private sector development role and be given a clear mandate.
   b. The interagency working group should reach consensus on the respective roles and responsibilities of civilian and military institutions in private sector development, as well as the role development plays in contingency operations.
   c. The interagency working group should draw on existing analysis, supplemented by a rapid but in-depth assessment, to outline a strategic approach to rebuilding the host nation economy and to anticipate the likely impact of U.S. funds and material resources.
   d. The interagency working group should draw from intelligence and other sources to understand the host nation's political economy networks, and

should use that information to make an informed decision regarding the tradeoffs and implications for who receives financial and other support.

e. The interagency working group should take the necessary steps to understand the host nation's historical and social conditions and traditions, and to identify and mitigate possible areas of contention, resistance, and circumvention.

2. To the extent possible, State and USAID should focus market interventions at the industry or sector level, rather than selecting and supporting individual firms.
3. USAID and State should assist the Afghan government in reviewing the effectiveness of all Afghanistan's regional and bilateral trade agreements, especially the Afghanistan-Pakistan Transit Trade Agreement, and then engage with trading partners to resolve constraints to Afghan exports and imports.
4. USAID officials working in private sector development should continue to participate in mission-wide anticorruption initiatives, and ensure these initiatives are reflected in technical and policy work at the ministry level.
5. USAID should continue to closely team with a host nation's local institutions, such as universities, think tanks, and business associations, to provide technical assistance and training tailored to the local environment and its modes of doing business.
6. USAID should continue to invest human, financial, and time resources in rigorous monitoring, evaluation, and analysis, including establishing a long-term framework that transcends individual projects.
7. State and USAID should review human resource policies to make them more suitable for conflict environments, ensure continuity, and maintain institutional knowledge.

Legislative Branch

8. Congress may wish to consider creating a long-term private sector development fund to reduce the pressure to use spending levels as a measure of progress and avoid sharp funding fluctuations during reconstruction efforts.

The National Defense Authorization Act for FY 2008 (P.L. 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR).

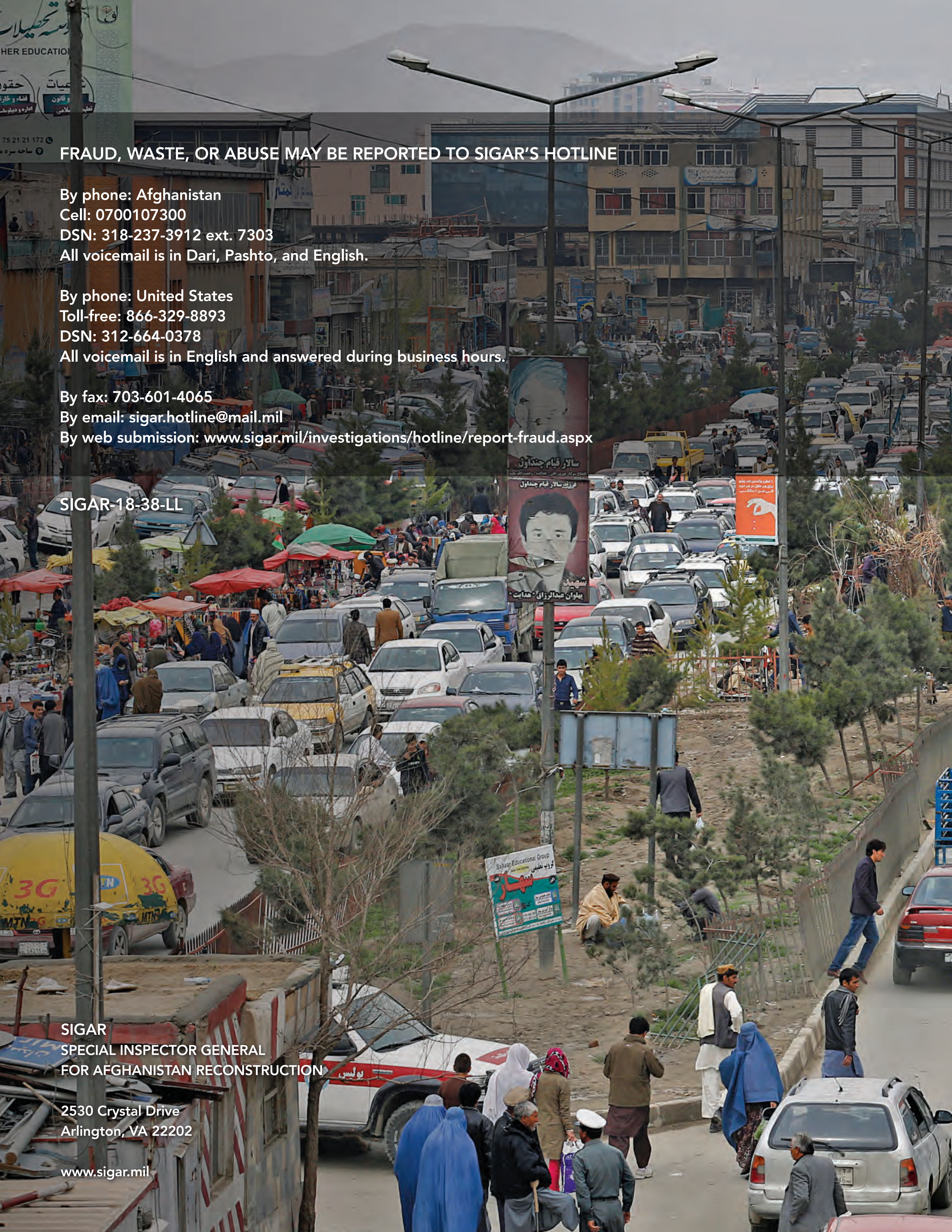
SIGAR's oversight mission, as defined by the legislation, is to provide for the independent and objective

- 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 (P.L. 115-91), this 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: P.L. 110-181, "National Defense Authorization Act for FY 2008," January 28, 2008; P.L. 115-91,"National Defense Authorization Act for FY 2018," December 12, 2017.



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

By phone: Afghanistan
Cell: 0700107300
DSN: 318-237-3912 ext. 7303
All voicemail is in Dari, Pashto, and English.

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

By fax: 703-601-4065
By email: sigar.hotline@mail.mil
By web submission: www.sigar.mil/investigations/hotline/report-fraud.aspx

SIGAR-18-38-LL

SIGAR
SPECIAL INSPECTOR GENERAL
FOR AFGHANISTAN RECONSTRUCTION

2530 Crystal Drive
Arlington, VA 22202

www.sigar.mil