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GOVERNANCE

As of September 30, 2016, the United States had provided more than \$32.8 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$19.4 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).

KEY EVENTS

On October 5, 2016, the European Union and the government of Afghanistan co-hosted the Brussels Conference on Afghanistan. The conference brought together 75 countries and 26 international organizations and agencies. The Afghan government introduced the Afghanistan National Peace and Development Framework (ANPDF), the Afghan government's new five-year strategy for achieving self-reliance. International participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities.⁵⁸¹ Secretary of State John Kerry, speaking in Brussels, pledged to work with the United States Congress to provide civilian assistance "at or very near" the current levels through 2020.⁵⁸²

The Brussels Conference is the second major follow-up event to the 2012 Tokyo Conference. While the Tokyo Conference resulted in international civilian assistance commitments through 2016, the Brussels Conference secured commitments through 2020. In this way, Brussels was the civilian counterpart to the 2016 NATO Summit in Warsaw that extended security commitments to 2020. Along with the ANPDF, Afghanistan also set out new commitments for the period 2017–2020 under a refreshed set of deliverables for its Self-Reliance through Mutual Accountability Framework (SMAF). Afghanistan also announced five new National Priority Programs (NPPs) that will guide budget allocations.⁵⁸³

September marked the two-year anniversary of the compromise agreement, brokered by the United States, that resolved the 2014 election crisis and created the National Unity Government. In September 2014, the two candidates from the second round of presidential elections—Ashraf Ghani and Abdullah Abdullah—agreed to implement reforms prior to



Many nations were represented at the Brussels Conference in October. (State photo)

Various news sources, citing unnamed Afghan government and Taliban sources, reported the two sides met in secret in Doha, Qatar in September and October. Some Taliban sources said the talks yielded little. Afghan and U.S. officials reportedly demanded the Taliban declare a ceasefire and begin formal talks. The Taliban side reportedly demanded recognition as a political movement, removal of leaders' names from a UN blacklist, and release of all Taliban prisoners be released. The Taliban publicly denied that meetings took place.

Source: *The Guardian*, "Taliban and Afghanistan restart secret talks in Qatar," 10/18/2016; *Voice of America*, "Taliban Formally Denies Reports of Meetings with Afghan Government," 10/18/2016; Reuters, "Some Taliban officials say secret Afghan peace talks held in Qatar," 10/18/2016; *The Telegraph*, "Taliban holds 'informal' peace talks with Afghanistan," 10/18/2016.

parliamentary elections and, before September 2016, convene a *Loya Jirga* (grand assembly) to amend the constitution and consider the post of executive prime minister. Election reform efforts have stalled, the 2015 parliamentary election was postponed, and the *Loya Jirga* has not been held. As the deadline approached, opposition groups questioned the government's legitimacy. Five months earlier, however, Secretary of State John Kerry said that while there was a goal to hold a *Loya Jirga* at some point within the first two years of the agreement, he wanted to be "very, very clear" that the broader agreement for a government of national unity was meant to last the entire five-year presidential term.⁵⁸⁴

This quarter, the Secretary-General of the United Nations expressed concern over increased tensions between President Ghani and Chief Executive Abdullah that have strained the unity of the government and contributed to growing volatility.⁵⁸⁵ In August, Secretary of State John Kerry called Ghani and Abdullah to ask that they work together on political and economic reforms, while General John Nicholson, the commander of U.S. and NATO forces in Afghanistan, asked the two to not "let the political process undermine the security gains and progress within the security institutions."⁵⁸⁶

In September, the Afghan government and the Gulbuddin faction of Hezb-e Islami signed a peace deal. The United States designated Gulbuddin Hekmatyar, the leader of Hezb-e Islami Gulbuddin (HIG), a global terrorist in 2003 for participating in and supporting terrorist acts committed by al-Qaeda and the Taliban. President Ghani signed the agreement in Kabul, while Hekmatyar signed via pre-recorded video that was broadcast during the ceremony.⁵⁸⁷ In a statement, the U.S. Embassy in Kabul welcomed the agreement as an Afghan-led step in bringing the conflict in Afghanistan to a peaceful end.⁵⁸⁸ While news reports have referred to HIG as a dormant and small insurgent movement, DOD said it was not dormant.⁵⁸⁹ Dr. Barnett Rubin—a former senior advisor to the U.S. Special Representative for Afghanistan and Pakistan (SRAP)—commented in April that "Hezb-e Islami is [already] in the [Afghan] government, it is just Hekmatyar [who] is out [and] Hekmatyar is one of the most irrelevant people in Afghanistan."⁵⁹⁰

MUTUAL ACCOUNTABILITY UPDATES

At the Senior Officials Meeting (SOM) in September 2015, the Self-Reliance through Mutual Accountability Framework (SMAF) superseded the Tokyo Mutual Accountability Framework (TMAF). The SMAF is intended to guide the activities of the Afghan government and the international community at least to the end of the present government's term.⁵⁹¹

The SMAF covers six areas: (1) improving security and political stability (with three associated indicators); (2) anticorruption, governance, rule of law, and human rights (14 indicators); (3) restoring fiscal sustainability

and integrity of public finance and commercial banking (nine indicators); (4) reforming development planning and management, and ensuring citizens' development rights (three indicators); (5) private-sector development and inclusive growth and development (four indicators); and (6) development partnerships and aid effectiveness (eight indicators).⁵⁹² In addition to the SMAF indicators, the six areas include 39 short-term deliverables due to be completed by the end of 2016.⁵⁹³

On September 4, donors and the Afghan government met for a Special Joint Coordination and Monitoring Board (JCMB) to review progress in advance of the October 5 Brussels Conference.⁵⁹⁴ As of September, the Afghan government self-assessed that 20 SMAF short-term deliverables were achieved, 14 were in progress and on track or partially achieved, and five were in progress but delayed. Deliverables with outstanding items due by September included:

- (Deliverable 1) Implementation of elections reforms by the first half of 2016. As of September, two legislative presidential decrees for election reform were rejected by parliament. The Afghan government is now working on the revised election law approved by the cabinet in August 2016.
- (Deliverable 2) Full appointment of deputy ministers and provincial governors by the end of 2015. Two governors (Balkh and Nuristan Provinces) remain acting and appointments for vacant deputy minister posts are ongoing.
- (Deliverable 8) Cabinet approval of the subnational governance policy by the first half of 2016. While a draft of the policy has been reviewed by President Ghani, the revised draft is not expected to be submitted to the cabinet until October.
- (Deliverable 22) Public-private partnership regulation issued by March 2016. The legislative subcommittee of the cabinet approved the regulation in principle, but it has not yet been submitted to the full cabinet for approval.
- (Deliverable 31) Donor-funded contractors for off-budget national technical-assistance projects adhere to new salary scales by June 2016. While the new salary scales have been applied to all on-budget projects, implementation is lagging for off-budget projects, with some donors adhering and others just beginning the process.
- (Deliverable 32) An external review of how to best adapt the Afghanistan Reconstruction Trust Fund (ARTF) by July 2016. After accepting the Afghan government's terms of reference for the review, the World Bank has agreed to fast-track the procurement of the study.
- (Deliverable 33) All donor aid information recorded annually in the Development Assistance Database starting in September 2015. As of July 2016, 93% of total official development assistance committed for Afghanistan in 2016 was recorded in the database.

- (Deliverable 34) Donors who have achieved or exceeded the 50% on-budget target commit to joint performance reviews of their projects by the first half of 2016. Joint reviews have been carried out with the Asian Development Bank, Germany, and the World Bank. As a result of this exercise, \$148 million was either reallocated or cancelled from lagging projects.
- (Deliverable 35) Joint project reviews to assess the progress and results of off-budget programs by the first half of 2016. The Ministry of Finance held 16 Development Cooperation Dialogues, which identified a number of follow-up actions.
- (Deliverable 36) Donors and the Afghan government will establish a working group to produce a roadmap for sector-wide approaches by the first half of 2016. A working group has been established with an initial focus on agriculture and health.
- (Deliverable 37) A joint working group to deliver recommendations on taxation by June 2016. The working group has identified three broad principles and 13 recommendations. Four of the 13 recommendations suggest donor actions, three suggest Afghan government actions, and six suggest joint donor and Afghan government action.⁵⁹⁵



Chief Executive Abdullah, left, and President Ghani, right, at the Brussels Conference. (State photo)

At the October 5 Brussels Conference, participants agreed to 24 new “SMART” (Specific, Measurable, Achievable, Realistic, and Time-bound) deliverables for 2017 and 2018.⁵⁹⁶

Electoral Reform Challenges

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his former election rival, now Chief Executive Abdullah, after the troubled 2014 presidential elections. The September 2014 agreement that led to forming the national-unity government called for immediate establishment of a special commission for election reform. The intent was to implement reform before the 2015 parliamentary elections and to distribute electronic identity cards to all Afghan citizens as quickly as possible.⁵⁹⁷

In March, the Independent Election Commission (IEC) announced that elections would be held on October 15, 2016.⁵⁹⁸ In April, President Ghani publicly committed to holding parliamentary and district council elections “on time.”⁵⁹⁹ Despite these pronouncements, State said in late September that an October election would not be possible and that donors are awaiting a realistic timeline and budget from the Afghan government before making any determinations regarding election support. State also pointed out that there was no progress in introducing electronic identity cards.⁶⁰⁰ According to USAID, the Afghan government has not adopted, announced, or enacted any election reforms this quarter. Additionally, Afghanistan’s election bodies have not performed any work this quarter since the Afghan government has

not yet passed a new electoral law, nor has the government nominated new commissioners or confirmed the current commissioners of the IEC.⁶⁰¹

In August, the Afghan Cabinet of Ministers approved a new presidential decree combining the structural law on electoral bodies with the elections law. According to the Independent Commission for Overseeing the Implementation of the Constitution, the decree does not need to be submitted to the parliament for approval.⁶⁰² Electoral reforms stalled last quarter after the lower house of parliament again rejected President Ghani's elections-related legislative decree.⁶⁰³

At the October Brussels Conference, the Afghan government agreed to take concrete steps toward electoral reform and preparations in 2017.⁶⁰⁴

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

To improve governance and align development efforts with Afghan priorities, international donors at the 2010 Kabul Conference committed to increase to 50% the proportion of civilian development aid delivered **on-budget** through the Afghan government.⁶⁰⁵ Donors, including the United States, reiterated this pledge at the July 2012 Tokyo Conference and again at both the December 2014 London Conference and the September 2015 SOM.⁶⁰⁶ As of September, USAID has not yet achieved the 50% on-budget target.⁶⁰⁷ At the October 2016 Brussels Conference, donors committed to channel a "higher share" of their development assistance via on-budget modalities in 2017 and 2018, but did not commit to a particular percentage of their overall assistance.⁶⁰⁸

At the Brussels Conference in October, international participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities. The EU and its member states committed to \$5.6 billion over the next four years. As part of this commitment, the European Commission announced its first state-building contract with Afghanistan. This first contract will provide up to €200 million (approximately \$223 million) in direct budget support over a two-year period starting in 2017. The State Building Contract forms part of the existing EU development-assistance program for Afghanistan scheduled to run 2014–2020 at €200 million per year.⁶⁰⁹

As shown in Table 3.14 on the following page, USAID expects to spend \$932 million on active, direct bilateral-assistance programs. It also expects to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) through 2020, in addition to \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank. USAID has disbursed \$113 million to the Afghanistan Infrastructure Trust Fund (AITF).⁶¹⁰

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 through direct bilateral agreements between the donor and Afghan government entities, or through multidonor trust funds.

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.

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TABLE 3.14

USAID ON-BUDGET PROGRAMS						
Project/Trust Fund Title	Afghan Government On-Budget Partner	Special Bank Account?	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2016 (\$)
Bilateral Government-to-Government Projects						
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$725,000,000	\$110,541,160
Sheberghan Gas Development Project (SGDP)	Ministry of Mines and Petroleum	Yes	5/15/2012	8/31/2016	90,000,000	23,295,875
Kajaki Unit 2 Project (Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant)	DABS	Yes	4/22/2013	9/28/2016	75,000,000	47,399,480
Afghanistan Workforce Development Project (AWDP)	Ministry of Education (MOE)	Yes	9/18/2013	7/31/2017	11,500,000	3,404,162
Basic Education, Learning, and Training (BELT) - Textbooks Printing and Distribution	MOE	Yes	11/16/2011	12/31/2018	26,996,813	24,970,742
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology (MOCIT)	Yes	8/28/2013	12/1/2017	3,900,000	1,205,000
Multi-Donor Trust Funds						
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	3/31/2017	1,900,000,000	1,290,169,080
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	No	3/7/2013	3/6/2018	113,670,184	113,000,000

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 the two ARTF awards are currently \$2,662,160,275. USAID plans to increase the ARTF total estimated cost by \$800 million to reflect the New Development Partnership.

Source: USAID, response to SIGAR data calls, 9/22/2016 and 10/13/2016; USAID, OPPD, response to SIGAR vetting, 10/18/2016.

The U.S. government announced in March 2015 that it intended to seek funding to support the Afghan National Defense and Security Forces (ANDSF), including the army and police, at the level of 352,000 personnel through at least 2017.⁶¹¹ The Department of Defense (DOD) appropriated \$3.65 billion to support the ANDSF for fiscal year (FY) 2016.⁶¹²

At the 2012 Chicago Conference, the United States and its allies affirmed commitments to support the Afghan security forces with an estimated annual budget of \$4.1 billion, to be reviewed regularly against the changing security environment.⁶¹³ At the September 2014 Wales Summit, NATO allies and partners reaffirmed their commitment to the financial sustainment of the ANDSF through the end of 2017. The international community pledged an additional amount of almost €1 billion, or approximately \$1.29 billion, annually to sustain the ANDSF for 2015 through the end of 2017.⁶¹⁴

In July 2016, NATO allies and partners met in Warsaw and committed to extend the financial commitments made at the 2012 NATO Summit in Chicago. Some 30 nations renewed pledges to sustain the Afghan security forces through 2020 at or near current levels. Thus far, the international community has pledged more than \$800 million annually for 2018–2020, and the United States has requested \$3.45 billion in the 2017 budget. President Obama also pledged that he will recommend to his successor that the

United States continue to seek funding for the ANDSF at or near current levels through 2020.⁶¹⁵

Of the total funds in support of the Afghan security forces for 2016, DOD expected to contribute \$110 million on-budget for police salaries to the Ministry of Interior (MOI) through the United Nations Development Programme's (UNDP) Law and Order Trust Fund for Afghanistan (LOTFA).⁶¹⁶

Additional on-budget assistance includes approximately \$1.13 billion in planned contributions to the Ministry of Defense (MOD) and approximately \$412 million in direct contributions to the MOI.⁶¹⁷

Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with seven Afghan government entities and (2) contributions to two multidonor trust funds, the ARTF and the AITF.⁶¹⁸ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance for each program.⁶¹⁹

The ARTF, administered by the World Bank, provides funds to both the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.⁶²⁰ The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.⁶²¹ According to USAID, the majority of on-budget funding has been and will continue to be directed through the multidonor trust funds, particularly the ARTF.⁶²²

As of September, the United States remains the largest donor to the ARTF (31% in actual contributions) with the next largest donor being the United Kingdom (17% in actual contributions). According to the World Bank, the ARTF is the largest single source of support for the Afghan government budget at \$9.1 billion as of September 2016.⁶²³ The ARTF recurrent-cost window supports operating costs, such as non-security salaries. The recurrent-cost window pays 16–20% of the Afghan government's non-security operating budget.⁶²⁴

This quarter, USAID authorized the disbursement of \$100 million as a third tranche of funds from the \$800 million, USAID-administered New Development Partnership (NDP).⁶²⁵ The NDP uses already budgeted or requested funding and is delivered via the ARTF.⁶²⁶ The NDP contains its own, independent conditions that were negotiated bilaterally between the U.S. and Afghan governments.⁶²⁷ In August 2015, the U.S. and Afghan governments signed a memorandum of understanding (MOU) governing the NDP that proposed 40 development results that the Afghan government will be expected to achieve. The Afghan government receives \$20 million through U.S. funds provided via the ARTF's recurrent-cost window for achieving each development result.⁶²⁸

SIGAR AUDIT

SIGAR has an ongoing audit of the ARTF. In July 2011, SIGAR found that the World Bank and the Afghan government had established mechanisms to monitor and account for ARTF contributions, but that several limitations and challenges should be addressed. This new audit will assess the extent to which the World Bank and the Afghan government (1) monitor and account for U.S. contributions to the ARTF, (2) evaluate whether ARTF-funded projects have achieved their stated goals and objectives, and (3) utilize and enforce any conditionality on ARTF funding.

The Afghan government achieved four full NDP results and two partial results. The four results met this quarter were: (1) the establishment of a multi-year International Monetary Fund program in the form of an Extended Credit Facility, (2) an increase in the share of non-tax revenue as a percent of total domestic revenue from 16% in 2014 to 20% in 2015, (3) the signing and implementation of a tax administration law, and (4) implementation of a computerized customs-management system called the ASYCUDA WORLD Valuation Module in six major customs locations (USAID found that the module was implemented in two additional locations). These four results were not due until December 31, 2016. The two partially completed results were: (1) a legal amendment to the 2015 budget to increase revenues through new mobile-phone and business-receipt taxes (per the NDP framework this was supposed to have been completed by December 31, 2015) and (2) an approved provincial budget policy.⁶²⁹

On-Budget Assistance to the ANDSF

A large portion of total U.S. on-budget assistance goes toward the Afghan security forces. DOD provides on-budget assistance to the Afghan government through (1) direct contributions from the Afghanistan Security Forces Fund (ASFF) to the MOD and the MOI, and (2) ASFF contributions to the multidonor LOTFA.⁶³⁰ Administered by the UNDP, LOTFA primarily funds Afghan National Police (ANP) salaries and incentives.⁶³¹ Direct-contribution funding is provided to the Ministry of Finance, which allots it incrementally to the MOD and MOI, as required.⁶³²

In February 2011, the Under Secretary of Defense Comptroller authorized the U.S. military's Combined Security Transition Command-Afghanistan (CSTC-A) to provide direct contributions to the Afghanistan government from ASFF to develop ministerial capacity and capability in the areas of budget development and execution, acquisition planning, and procurement. CSTC-A administers all contributions of ASFF resources to the MOD and MOI, subject to certain conditions that the ministries must meet for the use of the funds.⁶³³ CSTC-A monitors and formally audits the execution of those funds to assess ministerial capability and ensure proper controls and compliance with documented accounting procedures and provisions of the annual commitment letters.⁶³⁴ Most of the on-budget funds provided by CSTC-A support salaries, with limited amounts for local procurement of supplies. Funding is also provided for facility-maintenance contracts.⁶³⁵

This quarter, CSTC-A provided \$626 million to the MOD and \$217 million to the MOI. Of the \$217 million for the MOI, \$159 million was in the form of direct contributions and \$57 million was provided via LOTFA.⁶³⁶

MOD and MOI Generally Met Conditions for U.S. Funding; But Some Equipment Withheld Due to Insufficient Accountability

In July, DOD found that while the MOD and MOI generally met the agreed conditions for U.S. funding assistance, both ministries had deficiencies.

Of 42 conditions defined in the commitment letter, the MOD made satisfactory progress on 31 conditions, while 11 had insufficient progress. CSTC-A provided incentive funding to the MOD for: (1) submitting a procurement package to connect bases to the electrical grid, (2) maintaining an accurate tracking system of construction equipment accountability and maintenance status, (3) following proper inventory and distribution procedures, and (4) meeting quarterly female-recruitment goals. CSTC-A identified one deficiency that warranted a penalty due to insufficient accountability of night-vision devices. CSTC-A identified a further 10 conditions with insufficient progress, but did not impose additional penalties on the MOD. No penalties were assessed for 10 conditions that showed insufficient progress; however, DOD says penalties may be assessed following the next quarterly review.⁶³⁷

Of 46 MOI conditions defined in the commitment letter, the MOI made satisfactory progress on 27 conditions, while 19 had insufficient progress. CSTC-A provided incentive funding to the MOI for decreasing the percentage of untrained Afghan National Police (ANP) to below 5% by July 2016. As of May 30, 2016, CSTC-A assessed that 95.3% of the ANP were trained, leading CSTC-A to provide funding for the procurement of an electronic firearms training simulator in the next year's budget. CSTC-A identified four deficiencies that warranted a penalty: (1) insufficient investigation into credible reports of gross violations of human rights, (2) insufficient accountability of ammunition consumption, (3) insufficient night-vision device accountability, and (4) insufficient inputting of Afghan Local Police personnel data into the Afghanistan Human Resources Information Management System (AHRIMS). CSTC-A will withhold the remaining MOI travel budget for the fiscal year until the MOI provides a satisfactory report of actions taken on 24 gross-violation-of-human-rights reports. In addition, CSTC-A will recommend that LOTFA deny any proposed pay incentives to general officers or senior ministerial civilians. In response to the ammunition and night-vision accountability problems, CSTC-A will withhold future night-vision devices until accountability improves and will withhold \$250,000 from the next disbursement. CSTC-A identified a further 15 conditions with insufficient progress but imposed no additional penalties on the MOI; however, DOD says that penalties may be assessed following the next quarterly review.⁶³⁸

NATIONAL GOVERNANCE

Capacity-Building Programs

USAID capacity-building programs seek to improve Afghan ministries' 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.⁶³⁹

USAID also seeks to increase civil-society capacity through the Afghan Civic Engagement Program (ACEP). As shown in Table 3.15, active programs include the Ministry of Women's Affairs (MOWA) Organizational Restructuring and Empowerment (MORE) project, a \$14 million project that, among other things, helps the ministry improve its financial management, as required for future on-budget assistance.⁶⁴⁰

As MORE is in its final six months of implementation, the focus has shifted to building sustainability and transferring responsibilities to MOWA officials.⁶⁴¹ For example, MORE developed a tripartite memorandum of understanding between MORE, MOWA, and universities in order to ensure a successful completion of MORE's scholarship program after MORE's termination. MORE also initiated a practical transition of the responsibility of managing and monitoring the scholarships at the central and provincial levels through capacity development of the MOWA human resources directorate.⁶⁴²

USAID has also provided \$5 million for the \$150 million, ARTF-managed Capacity Building for Results (CBR) program. CBR aims to improve the capacity and performance of Afghan government ministries through the provision of skilled civil servants to implement ministries' reform programs. CBR provides Afghan government ministries with the opportunity to recruit high-capacity staff into critical posts at salaries closer to market rates. The aim is to increase on-budget service delivery and reduce reliance upon the so-called "second civil service" wherein Afghan consultants, instead of civil servants, perform government functions.⁶⁴³

At the October Brussels Conference, the Afghan government committed to recruit 1,200 government personnel by December 2017 and to fill the remaining positions by 2018. Previously, the Afghan government had committed to recruit at least 800 of 2,400 planned CBR positions by

TABLE 3.15

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2016 (\$)
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	\$70,000,000	\$36,060,523
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	17,264,696
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2016	14,182,944	10,050,758

Source: USAID, response to SIGAR data call, 10/13/2016.

December 2016. As of September 2016, the Afghan government had issued contracts to 196 persons.⁶⁴⁴

National Assembly

For most of the quarter, from July 23 to September 6, the parliament was on summer recess.⁶⁴⁵

USAID funds the \$25 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan's parliament operate as an independent and effective legislative, representative, and oversight body.⁶⁴⁶ In July, the Parliamentary Anti-Corruption Caucus (PACC) introduced a bill in the lower house for whistleblower protection. ALBA provided technical support to the PACC throughout the seven months spent refining the draft bill. ALBA also assisted the upper house's Commission on Legislative Affairs in deliberating a draft bill on military higher-education institutions which was tabled during a lower house plenary session and approved by a majority of votes. Also in July, ALBA again advised the upper house's legislative affairs commission on the legality of certain elements of a proposed bill. ALBA advised that the bill was unconstitutional as it would change provisions of the constitution that can only be changed through a *Loya Jirga* (grand assembly). The commission modified the draft bill, per ALBA's suggestions, by omitting the problematic provisions.⁶⁴⁷

Civil Society

The Afghan Civic Engagement Program's 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. ACEP aims to achieve this goal through five program areas: (1) regular civil-society organization (CSO) engagement with the Afghan government, (2) increased CSO and media thematic expertise in democracy and governance, (3) expanded civic engagement, (4) improved access to independent news and public affairs information, and (5) increased CSO organizational capacity.⁶⁴⁸

This quarter, ACEP supported the launch of a Media Law Summer School in Kabul to provide legal support for journalists and media outlets. The summer school was held at the Afghanistan Center at Kabul University (ACKU) with 23 participants (including six women). An ACEP-supported civil society organization, the National Budget Advocacy Group, participated in hearings on the new Afghan government budget. In March, ACEP helped convince the MOF to allow civil society organizations to attend the budget hearings. Fourteen civil-society organizations will attend the hearings this year. In August, ACEP hosted trainings that focused on community mobilization, civic education, and facilitation skills. This training was attended by 79 participants (nearly half of them female) from 28 organizations implementing ACEP activities in 22 provinces.⁶⁴⁹

SIGAR AUDIT

This quarter, SIGAR published its audit of the Measuring Impacts of Stabilization Initiatives (MISTI) project. For more details, see Section 2.

SUBNATIONAL GOVERNANCE

At the October Brussels Conference, Afghanistan committed to launch the Citizens' Charter Afghanistan Project (CCAP) in at least 2,000 villages by December 2017 (with an additional 2,000 villages by December 2018).⁶⁵⁰ CCAP aims to break the cycle of fragility and violence by deepening the legitimacy of the Afghan state and reduce poverty by providing universal access to a core set of basic services. According to the World Bank, CCAP represents the first interministerial, multisectoral national priority program where multiple ministries will collaborate on a single program. During its first phase, CCAP will begin in one-third of districts across all provinces. Full national coverage is planned over 10 years. The Afghan government has prioritized districts that have historically received fewer community grants.⁶⁵¹

CCAP consists of rural and urban components with their own minimum service standards. In rural areas, all communities will receive access to clean drinking water with a minimum of one water-access point per 25 households. Additionally, each community will have the option of one of the following: basic electricity from renewable sources, basic road access, or small-scale irrigation infrastructure. In addition, minimum service standards will be established for health and education facilities, including hours of instruction, staffing levels, and hours of service for health facilities. Community Development Councils (CDC) will be responsible for monitoring health and education service delivery; over time, provision of basic village-level infrastructure will be managed by CDCs, including schools and health facilities. This will be done through community scorecards which will then be shared with district and provincial ministry representatives, as well as the district and provincial governor.⁶⁵²

In urban areas, CCAP minimum standards will include street upgrading and drainage, solid-waste management, provision of potable water, household numbering, lighting and electrification, recreational areas, and livelihood projects for women. Private health facilities and pharmacies will also need to meet certain standards. The urban component of CCAP will initially focus on Herat, Mazar-e Sharif, Kandahar, and Jalalabad. CCAP aims to expand to Kabul in 2018, and begin roll-out in other major provincial centers over the next five years.⁶⁵³

CCAP will be implemented via grants to CDCs. Rural CDCs will receive an average of \$27,000 in investment grants from Afghan government ministries (these grants are less than the average amount provided to CDCs previously through the National Solidarity Program, or NSP). Urban CDCs will receive block grants modeled on NSP grants. It is also possible that CDCs will receive \$6,000 recurrent grants—for small maintenance activities—every other year; however, this has not yet been finalized.⁶⁵⁴

In return for the assistance package, communities are expected to provide security for Afghan government and civil society organization

personnel, make cash or in-kind contributions (10% to 35% of project value), maintain financial records, develop inclusive development plans, provide annual audits and accountability statements, and maintain CCAP-provided community infrastructure.⁶⁵⁵

The third phase of the National Solidarity Program (NSP III) is scheduled to end in March 2017. NSP III was restructured following the Afghan government's October 2015 announcement of the Jobs for Peace initiative. Within one month of the announcement, NSP III created the Maintenance Cash Grants (MCG) scheme that was rolled out in 12 provinces. According to the World Bank, as of May 2016, \$31 million in grants have been disbursed and an estimated 470,000 persons directly benefited from MCG.⁶⁵⁶ In December 2015, USAID provided \$35 million to NSP III for the Jobs for Peace initiative.⁶⁵⁷

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 3.16 summarizes total program costs and disbursements to date.

TABLE 3.16

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2016 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$24,745,436
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	10,822,018

Source: USAID, response to SIGAR data call, 10/13/2016.

Initiative to Strengthen Local Administrations

The \$62 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.⁶⁵⁸

In July, the Ministry of Economy approved the ISLA-supported draft Provincial Annual Planning Guideline. According to ISLA, provinces will now receive clear guidance in preparing their provincial development plans in a participatory, inclusive, and gender-sensitive manner. The approved document is being translated into Dari and Pashto, after which the Ministry of Economy intends to call a one-day final review meeting with relevant ministries and stakeholders to officially adopt the draft. Also in July, ISLA,

in partnership with the Ministry of Finance, provided a second phase of provincial budget training to 81 officials from nine northern provinces.⁶⁵⁹

Strong Hubs for Afghan Hope and Resilience

The objective of the \$73 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. The urban portion of Afghanistan's population has risen from 22% in 2004 to an estimated 25% in 2016/2017. Targeted support to municipal governments, as well as to the General Directorate of Municipal Affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation.⁶⁶⁰

For the quarter ending in June, SHAHAR-supported municipalities registered a total of 3,245 new businesses and issued 12,161 new business licenses (an increase over the 5,624 in the previous quarter). These efforts resulted in approximately \$364,504 in new municipal revenue for the quarter. SHAHAR-supported municipalities also collected \$1,353,130 in property taxes, a 67% increase compared to the previous quarter.⁶⁶¹

Seven of the 20 SHAHAR-supported municipalities appear to be on track to spend at least 50% of their yearly development budgets. According to SHAHAR, it is not likely that the target for the fiscal year will be met without a strong push from the deputy ministry of municipalities and focused spending by all municipalities over the next two quarters. The pace of spending will need to be quadruple to meet the 50% target for all SHAHAR-supported municipalities. SHAHAR has worked with a number of municipalities to implement 16 small-scale infrastructure projects. Municipalities are expected to contribute 25% of the project costs whereas SHAHAR funds the remaining 75%. SHAHAR hopes these projects will increase municipal development spending; next quarter, municipalities are expected to start contributing from their own development budgets for these projects.⁶⁶²

RECONCILIATION AND REINTEGRATION

This quarter, the Afghan government finalized a peace agreement with the Hezb-e Islami Gulbuddin (HIG) insurgent group. According to State, the HIG peace accord is an important precedent for other insurgent groups interested in joining the peace process.⁶⁶³

In the peace deal, the Afghan government committed to several actions, including: requesting the removal of HIG leaders from United Nations and other sanctions lists, guaranteeing judicial immunity of HIG members for past political and military actions, allowing eligible HIG members and commanders to join the Afghan security forces, helping return 20,000 refugee families, providing Hekmatyar sufficient financial resources and security to maintain two or three places of residence, and granting Hekmatyar an

honorary designation in appreciation of his struggle “for peace and freedom of Afghanistan.” In return, HIG agreed to formally declare a permanent end to war, observe the constitution, ensure a permanent ceasefire, dismantle its military structures, and stop any support for terrorist groups and illegal armed organizations.⁶⁶⁴

Afghanistan Peace and Reintegration Program

On March 31, the Afghanistan Peace and Reintegration Program (APRP) closed following a decision by APRP donors, the Afghan government, and UNDP.⁶⁶⁵ The APRP was an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.⁶⁶⁶ The APRP was the only institutional mechanism within the Afghan government with the capacity to pursue both high-level reconciliation negotiations and provincial-level reintegration of insurgent fighters.⁶⁶⁷ The United States provided \$55 million in support of the APRP between 2010 and 2016.⁶⁶⁸

According to the Afghan government, APRP’s successes include reaching out to armed opposition groups, removing some travel constraints hindering negotiations, meeting over 30 times with Taliban leaders, reintegrating over 11,000 personnel, implementing 2,000 community recovery projects, and collecting over 9,000 heavy and light weapons. Despite these efforts, however, APRP’s overall success was dependent upon the security and political situation. While APRP was being implemented, armed violence and insecurity in the country (as well as in APRP reintegration and community project areas) largely increased and there was no significant diminishment of the military capacity of armed opposition through the APRP re-integration process. There also was not enough documentation to prove that reintegrees sustainably reintegrated back into community life and transformed into productive members of society. Additionally, APRP’s monitoring and evaluation systems were not adequate for measuring and reporting results or for prompting APRP leadership to review progress and adjust strategies and approaches mid-course.⁶⁶⁹

In early 2017, the Afghan government plans to launch a successor to the APRP in the form of a five-year Afghanistan National Peace and Reconciliation (ANPR) strategy, pending approval from President Ghani. According to State, the ANPR is expected to shift from the disarmament, demobilization, and reintegration (DDR) focus of the APRP to negotiating political settlements with armed opposition groups, forging national and international consensus on a peace process, and promoting and institutionalizing a culture of peace.⁶⁷⁰

Donors agreed to provide funding for an interim UNDP project through at least September 30, 2016. This interim project provides assistance to the Afghan High Peace Council and Joint Secretariat during the transition period between the closure of APRP and the planned commencement of ANPR.⁶⁷¹

RULE OF LAW AND ANTICORRUPTION

Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include the State Department'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 3.17.

TABLE 3.17

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2016 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	2/28/2017	\$270,142,052	\$254,510,697
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	1,272,888
Electoral Reform and Civic Advocacy (AERCA)*	7/13/2009	6/30/2017	51,302,682	41,195,996
Corrections System Support Program (CSSP IV)	3/1/2016	2/28/2017	15,000,000	5,836,760
Justice Training Transition Program (JTTP) Follow On**	4/1/2016	11/30/2017	47,759,796	47,759,796
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	3,000,000	500,000

Note: * On November 1, 2015, USAID extended the AERCA award beyond the planned December 31, 2015, end date, added \$12.6 million in estimated costs, and incorporated additional anticorruption activities into the program description. The information in the table refers to the entire award, not simply the new anticorruption portion covered by the modification.

** The follow-on project is a no-cost extension with funds having already been disbursed.

Source: State, INL, response to SIGAR data call, 9/23/2016; USAID, response to SIGAR data call, 10/13/2016.

In April, 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. ADALAT (“justice” in Dari and Pashto) will work closely with Afghan justice institutions to increase the professionalism of justice-sector actors, to improve judicial administrative and management systems, and to strengthen the Ministry of Justice (MOJ) Department of the **Huquq** (“rights”) and its interaction with traditional justice on civil-related matters. It also will develop the technical, organizational, and management capacity of USAID civil-society partners operating in the formal and traditional justice sectors and will support their missions to eliminate practices that violate human rights in traditional dispute resolution within the informal justice sector and to increase citizen awareness of and demand for fair and accessible justice services.⁶⁷² This quarter, ADALAT was still mobilizing and there were no significant developments to report.⁶⁷³

USAID has a cooperation arrangement with the United Kingdom's Department for International Development to fund the Independent Joint

Huquq offices provide an opportunity for citizens to settle civil cases within the formal system before being brought into the court system

Source: Afghanistan Justice Sector Support Program, “Ministry of Justice,” 2016.

Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID support funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.⁶⁷⁴

USAID aims to improve public services by reducing corruption opportunities in the Afghan government's administrative and business processes. In November 2015, USAID modified the existing Advancing Effective Reforms for Civic Accountability (AERCA) project—previously the Afghanistan Electoral Reform and Civic Advocacy (AERCA) project—to address immediately identifiable corrupt practices.⁶⁷⁵

Last quarter, AERCA identified 10 **services** that are important to Afghans but are perceived as not working as well as expected: (1, 2) disability and martyr payments by the Ministry of Martyred, Disabled, Labor, & Social Affairs; (3, 4, 5) driver's license issuance, vehicle registration, and national identification by the Ministry of Interior; (6, 7) issuance of diplomas and transcripts by the Ministry of Higher Education; (8) small business license registration by the Kabul Municipality; (9) property registration by the Supreme Court; and (10) high-school diploma issuance by the Ministry of Education.⁶⁷⁶ Of these 10 services, AERCA plans to provide direct support to reform the driver's license, national identification cards (*tazkera*), and small-business licensing services.⁶⁷⁷

In August, AERCA reported that despite having the approval to begin the survey on the driver's license service from the Director General of the Traffic Department, ministry employees obstructed AERCA's work. The Traffic Department's director general had to intervene for the survey to continue. According to AERCA, this may indicate that existing corrupt networks were being threatened and reflect the difficulty that anticorruption reform efforts will face in some ministries. AERCA suggested that it may be wise for AERCA to not dedicate additional time and resources to the driver's-license service if the Traffic Department continues to offer significant resistance, since AERCA is only scheduled to operate through June 2017.⁶⁷⁸

AERCA's experience with the Ministry of Interior's Population Registration Directorate office was more positive. According to AERCA, the new director general wanted to immediately improve the national identification-card service process and reduce opportunities for corruption. AERCA helped introduce new procedures that reduced the number of officials an applicant must interact with from eight (or more) to one. Each customer was given a receipt, along with a time for picking up the identification card the next day.⁶⁷⁹

The State Department's JSSP objectives include continuing to develop a case-management system (CMS) to track cases throughout Afghanistan's justice system and to build the capacity and administrative skills of ministry officials.⁶⁸⁰ Using CMS, JSSP has identified 24 AGO anticorruption-unit cases and 796 anticorruption-tribunal court cases that have exceeded statutory time limits.⁶⁸¹

At the October Brussels Conference, the Afghan government committed to simplify 15 to 25 public **services, integrate these services into a one-stop shop by 2017, and expand this model to three additional locations in Kabul by 2018.**

Source: Brussels Conference on Afghanistan, "Self-Reliance through Mutual Accountability Framework: SMART Deliverables 2017/2018," 10/5/2016, p. 2.

This quarter, JSSP participated in the Criminal Law Reform Working Group (CLRWG) to review and adopt the criminal provisions of the Law on Elimination of Violence Against Women. JSSP included gender and civil-society groups to help ensure Afghan women can participate in drafting these important provisions. JSSP proposed two separate articles to require that when moral crimes (*zina*) or sodomy are committed without the consent of one of the parties, the non-consenting person is considered a victim, shall not be prosecuted, and the perpetrator shall be prosecuted for rape. According to JSSP, these provisions are important since police and prosecutors routinely arrest and prosecute females for alleged moral crimes, even though they are in fact victims of rape or forced sodomy. CLRWG agreed and placed the two proposed articles in the chapter on rape.

JSSP also argued that publishing the identity of the victim must also be prohibited, otherwise, victims will not come forward. JSSP argued against a proposal to allow justice officials to publish the victim's identity or photos when acting in their official duties, and also recommended the language be broadened to ensure that all persons are prohibited from publishing photos and identity. CLRWG agreed to a broadly worded prohibition on publishing the identity or photos of a female who was raped or forced into prostitution, but added the phrase "unless otherwise stated in the law."⁶⁸²

This quarter, the \$48 million Justice Training Transition Program partnered with the Attorney General's Office (AGO) as it worked to amend the current Law on Structure and Jurisdiction of the Attorney General. JTTP advised on key gaps within the existing law, potential regulations that the AGO may consider to operationalize professional training, minimum qualifications and recruitment of prosecutors, professionalization and performance management, and best practices for legislative proposal development and amendment tracking. The proposed changes were then distributed to 34 provincial chief prosecutors and nonparticipant directors for comments.⁶⁸³

The Supreme Court and the Formal Justice Sector

In October, the Supreme Court announced that 119 judicial officials—including nine judges and a prosecutor—had been detained and referred to the AGO for investigation for bribery. Additionally, 659 judges had been replaced.⁶⁸⁴

According to the SMAF, short-term deliverables related to the justice sector include the launch of a justice-sector reform plan and a draft of a revised penal code, both to be completed by December 2016. In the latest SMAF update, the Afghan government reported that the first draft of the justice-sector reform plan was approved by a committee chaired by the second vice president in February 2016 and presented to President Ghani in July. A task force composed of all justice-sector institutions, under the direct supervision of the second vice president, is incorporating the comments

from President Ghani and Chief Executive Abdullah. Regarding the revised penal code, the Ministry of Justice has completed reviewing 577 out of 800 articles, with work ongoing.⁶⁸⁵

Afghan Correctional System

According to State, the inmate population of Afghanistan's prisons, managed by the General Directorate of Prisons and Detention Centers (GDPDC), increased by an average of 6.08% annually over the past five years. As of July 31, the GDPDC incarcerated 26,597 males and 839 females, while the Ministry of Justice's Juvenile Rehabilitation Directorate (JRD) incarcerated 634 male juveniles and 102 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as INL does not have access to their data.⁶⁸⁶

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adult males, despite presidential amnesty decrees and the transfer of National Security Threat inmates to the MOD that have reduced the prison population significantly. As of July 31, the total male provincial-prison population was at 198% 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 81% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 53% of ICRC-recommended capacity.⁶⁸⁷

This quarter, Panjshir prison became the first prison in Afghanistan to fully transition to the case-management system (CMS). According to State, this represents a milestone for prisoners' rights and GDPDC's capacity to manage its inmates. Since 2014, the Correction System Support Program (CSSP) has been working with JSSP on incorporating the Corrections Case Management (CCM) facility-based prison roster system into the Case Management System (CMS). As these two systems are integrated, GDPDC staff and case managers can more effectively and efficiently review prisoner files and share more accurate and reliable information with others in the justice system, such as police commanders, prosecutors, judges, and law enforcement agencies. CSSP/JSSP team members trained Panjshir prison staff on the new system and plan to conduct follow-up mentoring.⁶⁸⁸

Anticorruption

At the October Brussels Conference, the Afghan government agreed to draft and endorse an anticorruption strategy for the whole of government by the first half of 2017. Implementation of this strategy is to occur by the second half of 2017. Additionally, five revenue-generating ministries are to publicly report on implementation progress of their anticorruption action plans in 2017.⁶⁸⁹

On October 4, Transparency International (TI) issued a report on the Afghan government's implementation of 22 commitments crucial to

SIGAR LESSONS LEARNED

SIGAR this quarter published a Lessons Learned Program report, *Corruption in Conflict*, on the U.S. response to corruption in Afghanistan. See Section 2 for more information.

On March 19, President Ghani created the **Higher Council on Governance, Justice, and the Fight Against Corruption**. The council will oversee the drafting and implementation of a national anticorruption strategy. President Ghani will chair the council, whose members will include Chief Executive Abdullah, the two vice presidents, the chief justice, the minister of justice, and the attorney general.

Sources: UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 6/10/2016, p. 11; OSD-Policy, response to SIGAR vetting, 7/16/2016.

addressing corruption. According to TI, only two of the 22 commitments have been fully implemented. TI did highlight the establishment on the National Procurement Agency and the Anti-Corruption Justice Center as signs of progress.⁶⁹⁰

Anti-Corruption Justice Center

On May 5, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).⁶⁹¹ The ACJC brings together Major Crimes Task Force (MCTF) investigators, Afghan Attorney General's Office (AGO) prosecutors, and judges to combat serious corruption.⁶⁹² In July, the **Higher Council on Governance, Justice, and the Fight Against Corruption** established the ACJC's jurisdiction as covering major corruption cases committed in any province involving senior officials or substantial monetary losses of a minimum of 5 million afghanis (approximately \$73,000).⁶⁹³

According to Resolute Support, the international community is demanding that ACJC investigators, prosecutors, and judges be vetted and polygraphed. While the MCTF has complied with this requirement, the AGO and Supreme Court have resisted or refused this requirement. However, the AGO has recently relented and agreed to systematic and regular polygraph examination of its prosecutors. Resolute Support fears that without proper vetting of ACJC personnel, there is a strong likelihood that the ACJC could be captured by corrupt elements due to institutional corruption within the AGO and court system.⁶⁹⁴

The ACJC has been assigned seven primary court and seven appellate court judges, 25 prosecutors, 12 MCTF investigators, and sufficient administrative staff to support all of its functions. All of the principal personnel have been approved by President Ghani. As of late September, the prosecutors assigned to the ACJC were working at the same location as the MCTF investigators.⁶⁹⁵

On October 2, President Ghani chaired a meeting of the Higher Council on Governance, Justice, and the Fight Against Corruption for a symbolic inauguration of the ACJC. During his remarks, President Ghani reported that his office had transferred 16 cases to the ACJC for prosecution and stated that prosecutors and judges should contact him directly if anyone attempted to interfere with their cases.⁶⁹⁶

Afghan Attorney General's Office

On April 9, the lower house of parliament approved the nomination of Mohammad Farid Hamidi for attorney general.⁶⁹⁷ According to Resolute Support, the new attorney general has yet to deliver any serious corruption prosecutions to court and has not yet demonstrated the resolve to be a leader against corruption. Other anticorruption bodies, in particular the Major Crimes Task Force, continued to feel stymied by the AGO.⁶⁹⁸

Between March 2015 and March 2016, the AGO reported that it prosecuted 163 Afghan officials for embezzlement, 145 individuals for bribery (including 94 from the military police and five from the National Directorate of Security), and 1,030 officials for misuse of authority.⁶⁹⁹

In September, the AGO announced that ACJC had prepared five large corruption cases, including embezzlement by a number of general officers in the Ministry of Defense.⁷⁰⁰

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

A presidential decree established the MEC in March 2010. Its mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts to fight corruption, and to report on these efforts. It includes three Afghan members and three international members, and is led by an Afghan executive director. The MEC has approximately 20 staff. USAID notes that the MEC may increase its staff since President Ghani has increasingly sought analytical products from it.⁷⁰¹

This quarter, the MEC released a report on corruption vulnerabilities in the importation and supply of fuel and liquid gas and a critique of the draft set of short-term deliverables for the updated Self-Reliance through Mutual Accountability Framework (SMAF). In its critique, the MEC argued that, despite strong sentiments expressed by both the Afghan government and international community regarding the central importance of reducing corruption, the draft contains only one measure that refers directly to tackling corruption. According to the MEC, this one corruption-related deliverable—which requires five revenue-generating ministries to publicly report on the implementation of their anticorruption action plans in 2017—is overly modest and repeats previous commitments that were due by the end of 2015.⁷⁰²

The MEC's vulnerability assessment of fuel and liquid gas imports estimated that more than \$70 million in potential revenue has been lost due to large-scale smuggling. The MEC found that some equipment at the borders—including scanners, weigh scales, and quality control laboratories—were sabotaged by government employees to facilitate smuggling, bribery, and customs evasion. The MEC proposed 36 recommendations, including substantial legal reform and uniform application of the laws, establishment of effective leadership, monitoring the system of importation, better equipment at border customs houses, structural and human-resource reforms, and better management of the exemption for fuel and liquid gas for international forces.⁷⁰³

High Office of Oversight and Anticorruption

The High Office of Oversight and Anti-Corruption (HOO) was established in July 2008 by presidential decree to oversee and coordinate implementation of the Afghan government's anticorruption strategy. The HOO collects corruption complaints through a hotline and complaint boxes installed in

several ministries and other public-service delivery institutions, and conducts the initial investigation of corruption allegations that it receives before referring allegations to the Attorney General's Office (AGO) for further investigation and possible prosecution. According to USAID, these investigations seldom lead to prosecution. Mutual recrimination between AGO and HOO is common.⁷⁰⁴ The HOO is also charged with collection and verification of asset declarations submitted by Afghan government officials.⁷⁰⁵

This quarter, SIGAR released a follow-up to a 2009 report on the HOO. The new report found that the HOO still suffered from a lack of independence and authority to fulfill its mandate, a lack of enforcement power, and, in some instances, a failure to register and verify asset declarations. Moreover, the asset declarations that were verified by the HOO contained errors and omissions that would have hindered robust verification efforts. Because the HOO was unable to provide SIGAR with supporting documentation showing how it verified asset declarations and the outcomes of verification efforts, those errors in and omissions from verified declaration forms raised questions regarding the efficacy of the process.⁷⁰⁶

Further, SIGAR found there were still no penalties for failing to comply with HOO requests, and that the office lacked authority and enforcement power. The HOO director general told SIGAR that his office lacked the personnel needed to effectively obtain asset registrations and verify the assets of Afghan officials. SIGAR reviewed the filing history of 27 top officials under the Ghani administration who were required to submit asset declaration forms to the HOO for verification. As of March 2016, the HOO reported that it verified one asset-declaration form (President Ghani's) and had 22 others under review. Four officials had yet to submit their legally required asset declarations.⁷⁰⁷

Security Services

According to Resolute Support, the Ministries of Defense and Interior have initiated significant anticorruption efforts, at least in theory. MOD and MOI have both formally developed Counter and Anti-Corruption (CAC) implementation plans. According to Resolute Support, however, implementation of these plans is rather slow. While MOD is making some progress, MOI has not started implementing its plan, as it has not yet been approved.⁷⁰⁸

CSTC-A plans to leverage conditionality language contained in the fiscal year (FY) 1395 (December 22, 2015–December 21, 2016) commitment letters to ensure MOD and MOI compliance with these CAC plans. MOD and MOI are required to provide CSTC-A with updates on CAC implementation milestones. CSTC-A use this data to assess, on a quarterly basis, progress and effectiveness of the CAC plan implementation.⁷⁰⁹

Ministry of Defense

Three active forums are addressing corruption issues within MOD: the Counter Corruption Working Group, the Senior High Level Committee on Anti-Corruption, and the Senior Leader Counter Corruption Panel.

Of the various MOD anticorruption efforts, Resolute Support reported no measurable or significant progress since last quarter. Resolute Support reports that MOD anticorruption meetings are generally formulaic and devoid of substantive discussions and decisions on the way ahead concerning systemic and specific corruption cases. This quarter, the Minister of Defense directed the MOD Inspector General to fulfil its mandate. Resolute Support hopes that this guidance, combined with the efforts of the recently established Anti-Corruption Justice Center (ACJC), will improve MOD anticorruption performance.⁷¹⁰

Ministry of Interior

The executive-level anticorruption Transparency, Accountability, and Law Enforcement Committee (TALE), chaired by the MOI Inspector General (MOI IG), has met three times since its establishment in 2015. According to Resolute Support, this committee is an effective forum for cross-coordination and development of anticorruption policy recommendations. However, since the new MOI IG was appointed in April, there have been no TALE meetings. The MOI recently established province- and multi-province zonal-level TALE committees.⁷¹¹ This quarter, MOI IG appointed 21 personnel to these zonal positions.⁷¹²

Overall, however, Resolute Support observed no significant progress in MOI's anticorruption efforts this quarter. While MOI approved a Counter Administrative Corruption Policy in April, implementation has not yet started, as the policy has not been approved by the Higher Council for Governance, Justice, and the Fight Against Corruption.⁷¹³

Major Crimes Task Force

Since a January change in MCTF leadership, the MCTF has opened 187 cases (including 81 corruption investigations), arrested 148 suspects, and seized several hundred thousand dollars in assets and counterfeit currency, 120 tons of illegally mined semiprecious lapis lazuli, and 836 tons of other minerals. This is a significant increase in MCTF efforts compared to the previous seven-month period that saw the MCTF open 25 cases and arrest 36 lower-level personnel.

The MCTF is currently partnering with SIGAR on eight investigations. One recently concluded case resulted in the arrest of the provincial police chief of Kapisa Province—the first arrest of such an official—for his role in a fuel-theft scheme. The MCTF made this arrest despite political interference by senior MOI and AGO officials. The chief of military prosecutions at the AGO, however, immediately released the prisoner. Two other joint SIGAR/MCTF investigations involve U.S. citizens and many millions of donor nation dollars.⁷¹⁴

Despite recent progress, Resolute Support reports that the MCTF's effectiveness against high-level corruption continues to be limited by external factors, such as AGO corruption and political pressure. Resolute Support

reports that the MOI's commander of the Afghan Uniform Police threatened to kill MCTF personnel if they initiated an investigation without the commander's approval. Additionally, Resolute Support reports that the Minister of Interior himself ordered the MCTF to release a suspect due to shared geographic heritage. The MCTF successfully resisted this order.⁷¹⁵

Recently, President Ghani directed the MCTF to investigate the current governor of Nangarhar Province and personnel within the Ministry of Telecommunication and Information Technology for corruption. According to Resolute Support, there are active investigations involving many of the Afghan ministries.⁷¹⁶ On October 2, the governor of Nangarhar Province resigned, citing insufficient central government attention to the province and unspecified interference with his work.⁷¹⁷

HUMAN RIGHTS

Refugees and Internal Displacement

There have been significant changes in refugee movements during the quarter. According to State, there was a rapid increase in Afghan refugees returning to Afghanistan. From January through June, only 7,804 Afghans holding Pakistani Proof of Residency (POR) cards returned to Afghanistan. Since July, over 115,000 registered Afghan refugees have repatriated. The United Nations High Commissioner for Refugees (UNHCR) believes that as many as 221,000 could return in 2016. State sees four primary factors for this increase in returns: (1) Pakistani authorities introduced tighter border controls, especially at the Torkham border crossing, that separated families and negatively affected cross-border commerce for Afghans; (2) Pakistan has issued multiple short-term extensions of the POR cards that have generated concern among the Afghan refugee population about their long-term prospects in Pakistan, especially amid instances of harassment and anti-Afghan rhetoric; (3) the political and social climate in Pakistan has put pressure on Afghans, with many having lost their livelihoods as a result; and (4) UNHCR doubled the repatriation grant on June 25, 2016.⁷¹⁸

Undocumented Afghans (migrants) are also returning in large numbers in recent months. These returnees leave Pakistan for the same reasons POR card holders leave, but they are also subject to deportation because of their undocumented status. The International Organization for Migration (IOM) reports that 147,562 undocumented Afghan migrants have returned from Pakistan this year and as many as 400,000 could return to Afghanistan in 2016. Pakistan announced a moratorium on deportations until November 15, 2016, to allow undocumented Afghans to leave voluntarily or obtain the appropriate visa.⁷¹⁹

There has also been an increase in internal displacement. According to the UN's Office for the Coordination of Humanitarian Affairs (OCHA), 221,000 people in Afghanistan fled their homes from January through August

2016. OCHA reported in August 2016 (the most recent reporting) that the total number of internally displaced persons (IDP) in Afghanistan stands at 1.2 million. UNHCR reported that through June 2016, the top three destinations for IDPs in 2016 were Kunduz, Kabul, and Nangarhar Provinces. Most IDPs leave insecure rural areas and small towns seeking relative safety and government services in larger towns and cities in the same province.⁷²⁰

Eurostat—the statistical office of the EU—reported 85,075 Afghans sought asylum for the first time in the EU in the first six months of 2016. The number of asylum applications from April to June was 83% higher compared to the same period in 2015.⁷²¹

A few days before the Brussels Conference, the EU and Afghan government signed an agreement allowing EU member states to deport an unlimited number of rejected Afghan asylum seekers. The Afghan government, in turn, is obligated to receive its repatriated citizens, even if the repatriation is involuntary. The EU and Afghan governments also agreed to consider building a dedicated terminal at the Kabul airport to accommodate nonscheduled repatriation flights.

According to the *Guardian*, EU countries were reportedly considering withdrawing foreign assistance if Afghanistan does not agree to repatriation. EU officials, however, denied that there was any connection between the repatriation agreement and foreign assistance for Afghanistan. However, the *New York Times* quoted a member of the Afghan delegation as saying delegates were told by Afghan and international officials that the repatriation deal was a quid pro quo for EU civilian assistance.⁷²²

Gender

The largest gender-focused initiative in USAID's history is the Promote partnership that aims to assist over 75,000 Afghan women in achieving leadership roles over five years in all parts of society, including business, academia, politics, and public policy.⁷²³ See the Section 1 essay in this report for the views of a selected group of high-level Afghan women on Promote and other gender-related matters in Afghanistan.

USAID has committed \$280 million to Promote and hopes to raise an additional \$200 million from other international donors.⁷²⁴ Table 3.18 on the following page shows the current Promote programs. However, no other donors have committed to contribute funds to Promote. Instead, Promote seeks partnership opportunities with other programs, including those of other donors. For example, Japan will be providing graduate scholarships to build the capacity of female civil servants. In turn, USAID will provide leadership skills training to Japanese-funded beneficiaries through Promote.

A second example is the collaboration between Promote Women's Right Groups and Coalitions (*Musharikat*) and the World Health Organization (WHO). *Musharikat's* Ending Violence Against Women Coalition is working with WHO to advocate, provide Promote beneficiaries with referral

GOVERNANCE

TABLE 3.18

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2016 (\$)
Afghan Women's Leadership in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$8,357,321
Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	13,530,698
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	5,544,373
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	3,391,611
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	300,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 10/13/2016.

to healthcare training and capacity building, and share resources and lessons learned.⁷²⁵

As of September, Promote programs have benefited 7,804 individuals, 118 civil-society organizations, and 178 businesses.⁷²⁶ According to USAID, it is too early to identify trends related to the completion and subsequent placement of Promote-sponsored trainees. The Promote activities are just exiting the pilot stage or have recently completed the first round of programming. However, USAID observed a drop in training attendance for Women's Leadership Development (WLD) trainings in Kabul when travel stipends to attend classes were not paid. This trend was reversed when stipends were introduced. According to USAID, this may suggest some cost sensitivity associated with learning, although it is not conclusive. A Promote grantee in Jalalabad has attempted to provide the transport for students themselves rather than giving stipends. The results of this approach will be assessed for trends and lessons.⁷²⁷



The USAID Afghanistan Mission Director and Afghanistan's Minister of Interior exchange memorandums of understanding to support President Ghani's job stimulus initiative through three USAID/Promote programs. (USAID photo)

This quarter, Promote's Women's Right Groups and Coalitions initiated the "Know Your Rights" campaign for a women's rights education targeting the more than 200 women activists and civil-society organizations. The campaign focuses on key women's rights laws and international conventions through a series of educational messages delivered through the Musharikat Mobile Platform (MMP).⁷²⁸ Through the mobile messaging, members will receive an introductory email that contains the Constitution of Afghanistan, followed by a series of texts with the key sections which directly relate to women's rights.⁷²⁹

Promote's Women's Leadership Development (WLD) program initiated a third round of leadership classes, enrolling 1,564 students in July. Participants in this course established women-only sports complexes, libraries, and cycling clubs, and worked with disadvantaged women to open grocery stores and poultry farms. Another group of WLD students established a women-only library at the University of Herat. During the quarter, WLD started 62 classes in five target cities. Approximately 113 WLD graduates in Herat, Kabul, Kandahar, and Mazar-e Sharif were recruited by

employers. These graduates primarily filled positions as gender specialists, program managers, and teachers at universities and schools.⁷³⁰

This quarter, Promote's Women in Government (WIG) program continued the training of 115 interns in a civil-service curriculum. In August, USAID signed a memorandum of understanding with the Ministry of Labor, Social Affairs, Martyred, and Disabled to train, place, and employ interns. The ministry agreed to take on the management of the internship program after the project concludes.⁷³¹

In June, USAID formally launched the Promote Scholarship Program that aims to provide scholarships to 720 Afghan girls over the next five years, enabling them to complete their bachelor's degree at private universities in Afghanistan. The program will also provide 180 scholarships at regional universities. The recipients of the Promote scholarship, in turn, are expected to contribute to creating an environment that fosters women's empowerment.⁷³² This quarter, the implementing partner identified and began interviewing 316 prospective beneficiaries.⁷³³

The SMAF includes several short-term deliverables related to women's rights, including the requirement for an implementation and financing plan for the National Action Plan for Women, Peace, and Security approved at the end of 2015, with implementation starting by mid-2016; an anti-harassment regulation for improving working environments for public-sector women, to be issued by mid-2016; and dedicated violence-against-women prosecution units established in 26 provinces by December 2016.⁷³⁴ The Afghan government reported that it achieved the deliverable related to the implementation of the National Action Plan for Women, Peace, and Security. The budget for the first phase of the action plan, scheduled to run from 2016 to 2020, has been approved at \$51.5 million. The Afghan government, however, committed only \$11 million, leaving a \$39.5 million funding gap.⁷³⁵

At the October Brussels Conference, the Afghan government agreed to demonstrate progress in its National Action Plan for Women through annual reports in 2017 and 2018. Within this deliverable, Afghanistan committed to increase the percentage of female civil servants from the current level (using a 2015 baseline) by two percentage points in 2017 and an additional two percentage points in 2018. The Afghan government also agreed to establish special courts on violence against women in 15 provinces by December 2017 and the remaining provinces by December 2018. Dedicated violence against women prosecution units are also to be established and functional, including adequate staffing, in all 34 provinces by December 2017. The Afghan government committed to incrementally increasing the percentage of women serving as judges and prosecutors in these special courts and prosecution units. Finally, Afghanistan committed to launch a women's economic empowerment plan by the first half of 2017 and produce an implementation report by 2018.⁷³⁶