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GOVERNANCE

KEY ISSUES AND EVENTS

Throughout the quarter, the National Unity Government continued to grapple with high-level political realignments and tensions. As the Director of National Intelligence wrote in May, “Kabul’s political dysfunction and ineffectiveness will almost certainly be the greatest vulnerability to stability in 2017.”³⁴⁹ In June, the UN Special Representative for Afghanistan said there are indications that “Afghanistan’s broad political consensus was fraying,” with various sides accusing the other of “acting against the national interest.”³⁵⁰

During a May rally with thousands of supporters in Kabul, Gulbuddin Hekmatyar, the recently reconciled leader of the Hezb-e Islami Gulbuddin (HIG) insurgent group, criticized the coalition government of President Ashraf Ghani and Chief Executive Abdullah Abdullah, saying “this division of power is not God’s will, nor is it based on the constitution.”³⁵¹ In June, Hekmatyar said he would not allow anyone to illegally overthrow the Afghan government.³⁵²



Tadamichi Yamamoto, Special Representative of the UN Secretary-General, addresses a June 2017 Security Council meeting on the situation in Afghanistan and its implications for international peace and security. (UN Photo by Eskinder Debebe)

Political rifts were exacerbated following a May 31 suicide attack in Kabul in which more than 150 people were killed and hundreds were wounded. Large, at times violent, protests broke out in response to the bombing. Afghan police killed nine protesters, and suicide bombers attacked the funeral for one of the protesters, the son of a prominent politician. Chief Executive Abdullah and several ministers were present at the funeral at the time of the attack.³⁵³

Several Afghan politicians used the bombing and subsequent protests to make various demands of the government. During an address to the Joint Coordination and Monitoring Board meeting in July, President Ghani acknowledged that political grievances are increasingly ethnic in nature. The acting minister of foreign affairs and leader of the Jamiat-e-Islami party, Salahuddin Rabbani, called for the dismissal of the leadership of the security institutions. Meanwhile, the chief executive of Jamiat-e-Islami and governor of Balkh Province, Ata Mohammad Noor, threatened to mobilize the “strongest and most dangerous civil movements” if the Afghan government did not reform the military and civil institutions. President Ghani’s recently dismissed representative for good governance and reform, Ahmad Zia Massoud, joined protesters and called for an interim government.³⁵⁴

In late June, senior Afghan government officials—who are also leaders of three of Afghanistan’s major ethnic political parties—met in Turkey and announced the creation of a new political coalition. First Vice President Dostum, who supported President Ghani in the 2014 election, left for Turkey in May following accusations from December 2016 that he kidnapped and ordered the sexual assault of a political rival, a former governor of Jowzjan Province. First Vice President Dostum, Balkh Governor Noor, and Second Deputy Chief Executive Mohammad Mohaqiq announced the creation of the coalition while accusing President Ghani of monopolizing power. Demands in the new coalition’s draft resolution included fully implementing the political agreement on the formation of the National Unity Government; decentralizing Afghanistan’s budget; and holding the presidential, parliamentary, and district council elections on time. On July 17, First Vice President Dostum attempted to return to Afghanistan via the city of Mazar-e Sharif. However, his aircraft was denied permission to land, reportedly on orders from the Afghan government.³⁵⁵

The UN Secretary-General attributed some of the political uncertainty and shifting alliances to the prospect of presidential elections in 2019. According to the UN Secretary-General, elections in Afghanistan have the potential to create new political divisions and exacerbate existing tensions.³⁵⁶ The UN Special Representative for Afghanistan attributed the growing political mistrust in the country to delayed decisions regarding election reforms, including the use of technology, the role and modalities of international electoral assistance, voter registration, and the electoral calendar.³⁵⁷

In June, China's foreign minister conducted "shuttle diplomacy" between Pakistan and Afghanistan in an effort to reduce tensions between the two countries. This followed President Ghani's call for a third party to verify the efforts each country has taken toward mutual cooperation following increased tensions. While Ghani's office issued a statement that China's foreign minister believes Pakistan has influence over the Taliban, the Chinese foreign minister expressed his country's traditional support for Pakistan, saying "any notion that Pakistan is not firm in counterterrorism is not fair and is not consistent with the fact."³⁵⁸ The Department of Defense reports, however, that Afghan-oriented militant organizations "retain freedom of action inside Pakistani territory and benefit from support from some elements of the Pakistani government."³⁵⁹ Pakistan and Afghanistan agreed to establish a bilateral crisis-management mechanism, which will include intelligence sharing. The three governments also agreed to create a China-Afghanistan-Pakistan foreign ministers' dialogue mechanism to initially focus on fostering economic cooperation.³⁶⁰

In July, Afghanistan and Pakistan agreed to conduct coordinated, complementary security operations along their border. According to a Pakistani military spokesman, each side will inform the other of their planned counterterrorism operations and, in turn, be obligated to mobilize their own forces on their side of the border. This announcement followed a visit to Pakistan by five U.S. senators, who said that the United States would provide monitoring and verification of these operations.³⁶¹

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of June 30, 2017, the United States had provided nearly \$32.3 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).

MUTUAL ACCOUNTABILITY FRAMEWORKS

At the Senior Officials Meeting (SOM) in September 2015, the international community and the Afghan government agreed to the Self-Reliance through Mutual Accountability Framework (SMAF) as a guide for their activities at least to the end of the present government's term.³⁶²

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).³⁶³ At the October 2016 Brussels conference, international donors and the Afghan government also agreed to 24 new “SMART” (Specific, Measurable, Achievable, Realistic, and Time-bound) deliverables for 2017 and 2018.³⁶⁴

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 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 next parliamentary elections—intended for 2015, but never held—and to distribute electronic identity cards to all Afghan citizens as quickly as possible.³⁶⁵

At the October 2016 Brussels Conference, the Afghan government agreed to take concrete steps toward electoral reform and preparations in 2017.³⁶⁶

In May, donors assessed the Afghan government’s progress in meeting its SMAF obligations regarding elections reform. While donors concluded that the Afghan government had “technically” met its original SMAF obligations after a delay, they noted that the Afghan government had made almost no progress in implementing election reforms following the November 2016 appointment of election commissioners. Further, donors concluded that the Independent Election Commission (IEC) has been hindered in implementing reforms due to the Afghan government’s inability to make concrete decisions with regard to elections. Donors consider linking voting registries to polling centers and enforcing fraud mitigation mechanisms to be necessary for “meaningful” elections reform. Additionally, donors consider internal reforms of the electoral commissions, rebalancing the polling centers, reaching agreement on demarking constituent boundaries, and the potential use of electoral technology as critical to moving ahead with the delayed parliamentary elections.³⁶⁷

On June 22, 2017, the IEC announced that parliamentary and district council elections would occur on July 7, 2018.³⁶⁸

While the IEC announced in April that the estimated cost for the parliamentary and district council elections was \$120 million, the IEC in June began referring to a \$220 million estimated total cost.³⁶⁹ The IEC plans to conduct a nationwide assessment of polling centers in preparation for presidential and parliamentary elections. This assessment is expected to take 45 days and cost \$1 million to be paid by the Afghan government. The assessment aims to improve public access to polling centers and begin work on new, polling center-based voter lists.³⁷⁰ In July, the IEC announced that donors had pledged \$63 million for electronic voter registration.³⁷¹

In April, donors reviewed a draft feasibility study on the introduction of three technologies—(1) biometric voter registration, (2) biometric voter verification, and (3) electronic results transmission—for the next elections. The study concluded that while it is possible that these three technologies can start to be implemented by spring 2018 or later, at least 9–12 months is needed for biometric voter registration. However, the study concluded that widespread use of electronic voting machines is not feasible before the 2019 presidential elections. The estimated cost is \$45 million (for online connections and multi-purpose kits that could perform biometric voter registration, biometric voter verification, and electronic results tabulation and transmission), an additional \$20 million for power supply, and an unknown amount for staffing, training, and storage. Approximately 20,000 multi-purpose kits would be needed in order to cover each polling station.³⁷²

The study found that biometric voter registration can prevent some types of electoral fraud. Biometric voter verification, in combination with polling center voting lists, could make ballot stuffing, proxy voting, and voter impersonation much more difficult and easier to detect. However, the study cautions that in a context where electoral fraud is widespread, new kinds of manipulation may emerge (including, for example, fraud in cases where procedures allow for voters to be registered, or to vote, when the machines cannot read their fingerprints).³⁷³

In May, President Ghani issued a decree aimed at accelerating the preparation and distribution of electronic identification cards. The decree designated the Population Registration Department (PRD)—previously a part of the Ministry of Interior (MOI) but now its own administrative body—as responsible for electronic identification distribution. The head of the electronic identification card process testified before parliament that distribution of these cards would begin on August 14. State confirms that the United States is not providing funding in support of the Afghan government’s efforts to develop and distribute electronic identification cards.³⁷⁴

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

According to recent World Bank estimates, the Afghan government is projected to increase its revenue collection to 12% of gross domestic product (GDP) by 2020. Even with this level of revenue, however, the Afghan government would only be able to cover 40% of budgeted expenditures. The Afghan government will require the equivalent of 18% of GDP in non-security, on-budget assistance to fund basic social services and development programs.³⁷⁵

GOVERNANCE

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.

At the Brussels Conference in October 2016, the United States and other international participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities.³⁷⁶ Although the United States did not commit to a specific amount, then-Secretary of State John Kerry promised to work with Congress to provide civilian assistance at or near the 2016 levels through 2020.³⁷⁷

Earlier, at the 2010 Kabul Conference, the United States and other international donors supported an increase to 50% in the proportion of civilian development aid delivered **on-budget** through the Afghan government to improve governance, cut costs, and align development efforts with Afghan priorities.³⁷⁸ Donors, including the United States, reaffirmed this commitment at the July 2012 Tokyo Conference and again at both the December 2014 London Conference and the September 2015 SOM.³⁷⁹ As of June, USAID had not yet achieved the 50% on-budget target.³⁸⁰ At the October 2016 Brussels Conference, the United States and other 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.³⁸¹

As shown in Table 3.12, USAID expects to spend \$753 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 \$153 million to the Afghanistan Infrastructure Trust Fund (AITF).³⁸²

For FY 2017, Congress appropriated \$4.26 billion for the Afghanistan Security Forces Fund (ASFF) to support the requirements of the

TABLE 3.12

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 6/30/2017 (\$)	
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	\$ 130,880,259	
Basic Education, Learning, and Training (BELT) - Textbooks Printing and Distribution	Ministry of Education (MOE)	Yes	11/16/2011	6/30/2017	26,996,813	24,891,728	
Strategic Communication Support to the Palace (SCSP)	Ministry of Finance (MOF)	Unknown	7/18/2016	7/31/2017	627,833	286,659	
Multi-Donor Trust Funds							
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	7/31/2019	2,700,000,000	1,575,289,080	
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	No	3/7/2013	3/6/2018	153,670,184	153,670,184	

Note: *USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from the two ARTF awards is currently \$2,947,280,275.

Source: USAID, response to SIGAR data call, 7/10/2017.

Afghanistan National Defense and Security Forces (ANDSF). The White House 2018 budget request includes \$4.94 billion for ASFF. According to DOD, approximately \$1.01 billion of the FY 2017 ASFF will be provided directly to the Afghan government (\$796.5 million for the Ministry of Defense [MOD] and \$212.5 million for the MOI) to fund salaries and incentive pay, equipment, and facilities maintenance. The other \$3.25 billion of the FY 2017 ASFF will be executed by DOD. The remaining \$1.46 billion of ANDSF costs will be funded by international donors (\$152 million for Afghan National Police salaries, information technology, aviation training and maintenance, uniforms, and medical supplies) and the Afghan government (\$544 million, primarily for food and subsistence).³⁸³

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.³⁸⁴ At the September 2014 Wales Summit, NATO allies and partners reaffirmed their commitment to financial sustainment of the ANDSF through the end of 2017. The non-U.S. donor nations pledged an additional amount of almost €1 billion, or approximately \$1.29 billion, annually to sustain the ANDSF for 2015 through the end of 2017.³⁸⁵

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 the then-current levels. According to DOD, the average combined financial contribution of NATO member states and Coalition partners (excluding the United States) is approximately \$900 million per year in 2018, 2019, and 2020.³⁸⁶

DOD has not yet finalized the agreements governing its Afghan FY 1396 (FY 1396 runs from December 22, 2016, to December 21, 2017) direct on-budget contributions to MOD or MOI.³⁸⁷

Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with Afghan government entities and (2) contributions to two multidonor trust funds, the ARTF and the AITF.³⁸⁸ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.³⁸⁹

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.³⁹⁰ The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.³⁹¹ 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.³⁹²

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.

SIGAR SPECIAL PROJECT

SIGAR has an ongoing special project that is reviewing the extent to which USAID, through the Afghanistan Trade and Revenue Project (ATAR), is achieving the expected deliverable of increasing the share of Afghan customs revenues collected through e-payments to 75% of the total by the end of the four-year performance period in November 2017.

As of March, the United States remains the largest donor to the ARTF (30.5% of actual contributions) with the next largest donor being the United Kingdom (17.3% of actual contributions).³⁹³ According to the World Bank, the ARTF is the largest single source of support for the Afghan government budget, cumulatively providing \$9.1 billion as of September 2016.³⁹⁴ The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. The recurrent-cost window pays 16–20% of the Afghan government's non-security operating budget.³⁹⁵ As of March, the ARTF recurrent-cost window has cumulatively provided the Afghan government \$2.5 billion for wages, \$600 million for operations and maintenance costs, \$629 million in incentive program funds, and \$511 million for ad hoc payments since 2002.³⁹⁶

This quarter, the World Bank reported on the Afghan government's performance related to the ARTF incentive program (IP). The IP, part of the recurrent-cost window, is a three-year program supporting a series of Afghan government policy reforms deemed critical to achieving greater fiscal self-reliance. The IP incentivizes Afghan government reforms to improve domestic revenue mobilization, expenditure management, and growth prospects. In reviewing Afghan government progress in 2016, the World Bank recommended that the ARTF provide the Afghan government \$189.5 million in incentive funds. The World Bank has previously provided the Afghan government \$337.5 million in incentive funds for the years 2015–2016.³⁹⁷

According to the World Bank, in 2016 the Afghan government successfully met three benchmarks to warrant receiving the latest tranche of \$189.5 million in incentive funds. First, the Afghan government exceeded the revenue targets for 2016 by 6%, qualifying for \$138.9 million in incentive funds. Second, the Afghan government exceeded the target amount of funding dedicated to civilian operations and maintenance, qualifying for \$8.93 million in incentive funds. Finally, the Afghan government began implementing delayed structural reforms associated with land governance, e-payments systems, revenue administration, and pensions (originally meant for 2015 but actually implemented in 2016). Two 2016 e-payment system and external audit reform targets were also met. After discounts for the delay in 2015 structural reform targets, the World Bank concluded that the Afghan government qualified for \$41.7 million in incentive funds for structural reforms.³⁹⁸

On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward Afghan security forces' requirements.³⁹⁹ DOD provides on-budget assistance to the Afghan government through (1) direct contributions from the ASFF to the Afghan government to fund MOD and MOI requirements, and (2) ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).⁴⁰⁰ Administered by the UN Development Program (UNDP), LOTFA primarily funds Afghan National Police salaries and incentives.⁴⁰¹

Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.⁴⁰²

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 Afghan government to fund MOD and MOI requirements, subject to certain conditions that the ministries must meet for the use of the funds.⁴⁰³ 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.⁴⁰⁴

For Afghan fiscal year 1396 (December 2016 to December 2017), DOD plans to provide the equivalent of \$801 million and \$218 million directly to the Afghan government to support the MOD and MOI respectively.⁴⁰⁵

Despite the Afghan fiscal year's beginning in December 2016, CSTC-A's commitment letters for the current Afghan fiscal year have not yet been signed by the ministers of defense and interior. Without the ministers' signatures, the conditions defined by CSTC-A for FY 1396 are not being enforced. CSTC-A continues to enforce the previous year's conditions, however.⁴⁰⁶ According to DOD, the draft FY 1396 commitment letters aim to consolidate, eliminate, or refine 85 of the original 170 conditions in the FY 1394 commitment letters.⁴⁰⁷

DOD hopes to use the FY 1396 commitment letters to incentivize the Afghan government to increase its financial contribution to its security costs.⁴⁰⁸

For the current Afghan fiscal year, CSTC-A has provided the Afghan government the equivalent of \$324 million to support the MOD. As of May, the MOD has expended \$216 million of these funds. The majority (89%) of these expended funds covered wages and salaries. U.S.-provided funds constituted 83% of the MOD's total expenditures, while Afghan government funds covered approximately 17% of expenditures.⁴⁰⁹

Additionally, as of May, CSTC-A has provided the equivalent of \$52 million to support the MOI. Of these funds, \$20.8 million was delivered via the UNDP-managed LOTFA, while \$31.3 million was provided directly to the Afghan government. Afghan government contributions covered 33% of MOI expenditures.⁴¹⁰

This year, CSTC-A decided to manage MOD facility maintenance and Afghan security forces' fuel directly rather than provide on-budget funding to the Afghan government for these requirements. According to CSTC-A, there are significant capacity challenges affecting MOD property management that is hindering facility maintenance. Fuel, corruption, and quality issues hampered the Afghan government's ability to ensure timely and quality fuel deliveries to Afghan fighting forces. According to DOD, the Afghan

government requested that DOD assume responsibility for contracting fuel for both the MOD and MOI in order to ensure that the funds were protected from the threat of corruption.⁴¹¹

MOD and MOI Had Mixed Results in Meeting Conditions for U.S. Funding

In June, DOD found that while the MOD and MOI made satisfactory progress in meeting a number of agreed-upon conditions for U.S. funding assistance, both ministries had a significant number of deficiencies.

Of 15 conditions defined in the commitment letter, CSTC-A determined that the MOD made satisfactory progress toward meeting five conditions and insufficient progress toward meeting 10. CSTC-A applied four penalties for non-compliance. According to CSTC-A, the MOD has repeatedly failed to identify excess facilities for divestment and shown no interest in executing the agreed-upon divestment program. Because of this, CSTC-A will withhold the equivalent of \$2.2 million meant to support buildings. CSTC-A also concluded that men continue to use restrooms and bathrooms designated for use by female MOD personnel. Although MOD leadership is aware of the issue, it has yet to be resolved. Consequently, CSTC-A will impose a penalty equivalent to \$499,467 from any budget line other than the MOD Gender Integration Directorate.⁴¹²

CSTC-A also found that the MOD does not have an enforceable out-of-country, absent-without-leave (AWOL) policy for MOD personnel who attend U.S.-funded professional military education. Additionally, the MOD does not have a plan to develop such a policy. Because of this, CSTC-A will continue to suspend all U.S.-based training, schools, and seminars for MOD personnel—with the exception of pilots and Special Forces—until the MOD issues a legally binding AWOL policy. Finally, CSTC-A found that despite some progress, MOD corps continue to be plagued by pilferage and lack of accountability of their inventories. In particular, the MOD has failed to properly account for receipt of ammunition at its national depots. As such, CSTC-A will impose a penalty equivalent to \$249,734.⁴¹³

Of 19 MOI conditions defined in the commitment letter, CSTC-A determined that the MOI made satisfactory progress on two conditions, while 17 had insufficient progress. CSTC-A found that the MOI has not sufficiently investigated cases of gross violation of human rights (GVHR). CSTC-A noted that much of the progress MOI has made in investigating GVHR cases was due more to the work of Resolute Support personnel than the responsible MOI office. In response, CSTC-A will continue to withhold MOI's travel budget for all but gender-related and Major Crimes Task Force (MCTF) travel and deny raises to the MOI offices that compose the MOI's GVHR Committee, as well as any other pay incentives for general officers and senior ministerial civilians. CSTC-A noted that while the MOI has significantly improved its fuel consumption reporting, the MOI is delinquent in

SIGAR SPECIAL PROJECT

SIGAR has an ongoing special project review of Afghan military trainees absconding or going AWOL while training in the United States. This review seeks to determine (1) the extent to which Afghan trainees went AWOL while training in the United States, and why; (2) the processes for vetting and selecting Afghans for training in the United States and for investigating their disappearance once they have gone AWOL; and (3) the impact AWOL trainees have on the U.S. and Afghan training and reconstruction efforts.

ammunition consumption reporting. As such, CSTC-A will impose a penalty equivalent to \$249,734.⁴¹⁴

CSTC-A also found that MOI facilities designated for gender programs were not being fully used by women. Because of this, CSTC-A will impose a \$499,467 penalty against the overall MOI budget (excluding the budget for the MOI Human, Child, and Women’s Rights Directorate) for each facility that is not being used as intended. Finally, CSTC-A determined that the MOI has shown no interest in executing its divestment of excess Afghan police facilities. Because of this, CSTC-A will withhold the equivalent of \$1.9 million meant to support buildings.⁴¹⁵

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.⁴¹⁶ As shown in Table 3.13, active programs include USAID’s Afghan Civic Engagement Program (ACEP) that seeks to increase civil society capacity.

TABLE 3.13

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2017 (\$)
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	\$70,000,000	\$48,074,959
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	21,330,667
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	82,500

Source: USAID, response to SIGAR data call, 7/10/2017.

Last quarter, USAID launched the \$9 million Rasana program. This program aims to support and train female journalists, drive substantive policy discourse about salient development issues in Afghanistan, and advocate for protection of Afghan journalists. Rasana will also build local capacity by providing training, material support, and advocacy to expand media opportunities for women, working with local women’s groups to advance women’s causes in the media, and supporting gender-sensitive content production and programming.⁴¹⁷ This quarter, Rasana completed its mobilization work and had its first-year work plan approved.⁴¹⁸

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 by providing 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.⁴¹⁹

At the October 2016 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 December 2016.⁴²⁰ In May, donors assessed the Afghan government’s progress in meeting its original SMAF obligations to fill 800 CBR positions by December 2016. According to the European Union (EU), while the Afghan government reported that it had filled 819 positions via CBR, the World Bank reported that only 289 contracts had been signed. According to USAID, this SMAF deliverable has not been achieved, as more than 500 CBR-supported job candidates are reportedly still awaiting vetting by the Afghan government, particularly by the offices of the president and national security adviser.⁴²¹

National Assembly

This quarter, members of parliament helped mediate the tensions between the Afghan government and protesters upset with recent high-profile attacks. Parliament formed a delegation of representatives from each province to develop a plan that incorporated the majority of the protesters’ demands. In June, the parliamentary delegation met with President Ghani and Chief Executive Abdullah to discuss the plan, which included a proposal to replace the leaders of Afghan security institutions.⁴²²

In May, the upper house of parliament stopped paying the salary of Senator Sibghatullah Mojaddedi, a former acting president of Afghanistan, following Afghan media reports of corruption and abuse of privileges.⁴²³ The lower house of parliament has also suspended the salaries of nine of its members following their frequent absences.⁴²⁴

In November 2016, the lower house of parliament passed no-confidence votes for seven of 16 ministers summoned to explain why their ministries executed less than 70% of their development budgets (projects and investments are funded from a ministry’s development budget). From parliament’s perspective, these votes of no-confidence mean that the ministers are dismissed.⁴²⁵ President Ghani ordered the ministers to continue working, referring the legality of the dismissals to the Supreme Court.⁴²⁶ As of June, there has been no attempt to remove the ministers, who continue to fulfill their duties.⁴²⁷ Some parliamentarians continue to call on the government to introduce new candidates for those ministers who received votes of no-confidence.⁴²⁸

USAID funds the \$25 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan’s parliament operate as an



Members of parliament's upper house meet with the governor of Herat Province. (USAID/ALBA photo)

independent and effective legislative, representative, and oversight body.⁴²⁹ ALBA recently supported a number of parliamentary oversight visits to provinces. These included an April visit to Herat Province, when members of the upper house's commission on complaint hearing investigated complaints that the provincial education department was engaging in nepotism. After reviewing procedures and meeting with province officials, parliamentarians were told by the governor that the source of the complaints was the provincial council chairman, who has been sentenced to two and a half years in jail. The governor also complained that many provincial authorities are centralized, leaving him with limited powers.⁴³⁰

Also in April, ALBA supported members of the upper house's commission on the national economy for a visit to Parwan Province. During the visit, ALBA personnel briefed province officials on their province's development budget, including the budget allocation for individual projects. One of the findings of the trip was that province officials were not fully aware of the budgeted projects for their province. The delegation also met with members of the provincial council. While the provincial council chair highlighted the council's oversight efforts, he told the parliamentary delegation that their operating budget was too low.⁴³¹

Civil Society

The Afghan Civic Engagement Program's (ACEP) goal is to promote civil society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as advocates for political reform. ACEP aims to achieve this goal through five program

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areas: (1) regular civil society organization (CSO) engagement with the Afghan government, (2) increased CSO and media 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.⁴³²

This quarter, the Afghanistan Institute for Civil Society (AICS)—one of the ACEP sub-partners—issued a report on the financial sustainability of civil society organizations in Afghanistan. AICS found that as of February 2017, only 1,863 nongovernmental organizations (NGO) remain active, from a total of 4,105 registered NGOs. Civil society informants attributed the decline in the number of active CSOs to increasing difficulties in accessing financial resources. According to AICS, a significant number of CSOs, particularly smaller CSOs, are struggling to meet their basic funding requirements. For example, it has become increasingly difficult for CSOs to secure institutional development or core funding from international donors. In addition, donors' eligibility, compliance, and reporting requirements have become increasingly difficult, demanding, and rigorous. As a result, a small number of relatively bigger, predominantly Kabul-based, organizations receive the largest share of donor funding. This, combined with the lack of donor feedback regarding unsuccessful funding applications, has caused CSOs to perceive that donors' funding processes are not transparent. Finally, AICS concluded that efforts to reform the NGO law, establish tax incentives for NGOs, and encourage volunteerism—underway since 2012—have yet to produce results.⁴³³

SUBNATIONAL GOVERNANCE

On April 19, the Afghan government launched the Provincial Budgeting Policy. The Afghan government has allocated \$1 million for each province to be spent in four sectors (health, education, rural rehabilitation and development, and agriculture). According to the UN Secretary-General, the Afghan government ultimately aims to have 40% of its budget spent by sub-national authorities.⁴³⁴

A previous provincial-budget pilot attempt ultimately failed in 2012, when donors and the Afghan government could not agree on the source of funding for province-nominated project proposals. Provincial budgeting has been a key priority since the 2012 Tokyo Mutual Accountability Framework.

TABLE 3.14

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2017 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$46,000,000	\$34,531,122
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	18,264,460

Source: USAID, response to SIGAR data call, 7/10/2017.

For more details, see pages 128–129 of SIGAR’s January 2014 *Quarterly Report to the United States Congress*.⁴³⁵

In May, donors assessed the Afghan government’s progress in meeting its SMAF obligations for cabinet approval of a subnational governance policy and provincial budgeting policy in 2016. While the provincial budgeting policy was approved in October 2016, the subnational governance policy has yet to be approved. According to the EU, donors should advocate for a stronger focus on subnational governance as the matter requires a greater political focus.⁴³⁶

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 3.14 summarizes total program costs and disbursements to date.

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.⁴³⁷

According to USAID, all but one of the 16 ISLA-supported provinces have submitted their provincial development plans to the Ministry of Economy. These plans were developed before the MOF issued guidance for the provincial budget policy. According to USAID, it is not yet known whether the provincial priorities identified through ISLA-sponsored town hall meetings and advocacy plans will be included in the provincial budget process. Examples of these provincial priorities include a dairy processing center in Wardak Province and a women’s garden in Farah Province.⁴³⁸

In April, ISLA, together with a German development agency, provided technical and financial assistance to MOF to conduct a provincial budgeting policy symposium in Kabul. The symposium introduced the provincial budgeting policy to 340 Afghan government participants from the subnational and central levels.⁴³⁹

Strong Hubs for Afghan Hope and Resilience

The objective of the \$46 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 Deputy

Ministry of Municipal Affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation.⁴⁴⁰

In April, SHAHAR reported that partner municipalities increased their revenue by 57% compared to the same period in the previous year, representing 14% of their projected revenue for the current Afghan fiscal year (ending in December 2017). Expenditures decreased by 12% compared to the previous year, representing 7% of the projected expenditures for the fiscal year.⁴⁴¹

RECONCILIATION AND REINTEGRATION

The U.S. and Afghan governments agree that the best way to ensure lasting peace and security in Afghanistan is reconciliation and a political settlement with the Taliban.⁴⁴² However, according to the UN Secretary-General, there was no discernible progress on peace talks between the Afghan government and the Taliban this quarter.⁴⁴³

On June 6, the Afghan government hosted the Kabul Process for Peace and Security Cooperation conference, a forum to increase regional cooperation for peace and stability. President Ghani called upon the Taliban to engage in negotiations, saying “this is the last chance: take it or face consequences.”⁴⁴⁴ A Taliban spokesman rejected Ghani’s latest call for negotiations, telling media outlets that they view the Afghan government’s terms as calling for the Taliban to surrender.⁴⁴⁵

President Ghani also expressed frustrations with Pakistan, saying that while he wishes peace with the country, he “cannot figure out what is it that



President Ashraf Ghani, at right, speaks during June’s Kabul Process on Peace and Security Cooperation meeting. (UNAMA photo by Fardin Waezi)

Pakistan wants.” Pakistani military corps commanders issued a statement on the same day as the Kabul Process conference calling on the Afghan government to “look inward and identify the real issues” rather than blaming Pakistan for insecurity in the country.⁴⁴⁶

In September 2016, the Afghan government finalized a peace agreement with the HIG insurgent group.⁴⁴⁷ In the peace deal, the Afghan government committed to several actions, including requesting the removal of HIG leaders from the UN’s and others’ sanctions lists.⁴⁴⁸ On April 29, HIG leader Gulbuddin Hekmatyar made his first public appearance in Afghanistan in more than 20 years. On May 1, President Ghani signed a decree authorizing the release of HIG prisoners, with 55 prisoners released the next day.⁴⁴⁹

When asked about the critique that Hekmatyar’s reconciliation deal demonstrates a culture of impunity, President Ghani responded, “If we are seeking peace, we need to have forgetfulness regarding the past.”⁴⁵⁰ In May, the UN received a petition requesting justice for the victims of crimes allegedly committed by Hekmatyar.⁴⁵¹

According to the UN Secretary-General, certain Afghan political actors are concerned by the prospect of Hezb-e Islami becoming Afghanistan’s largest political party should the two factions of Hezb-e Islami unite. As a sign of these tensions, the UN Secretary-General noted that a number of prominent members of the rival Jamiat-e-Islami party were notably absent when Hekmatyar gave a speech at the presidential palace on May 4.⁴⁵² In a May interview, President Ghani acknowledged that “when a person of [Hekmatyar’s] significance comes back, the political geometry changes” and offered that a key criteria of state strength is whether it can absorb such changes.⁴⁵³ As one aspect of the peace agreement with the Afghan government, HIG has composed a list of 3,500 of its members to be vetted to join the Afghan security forces.⁴⁵⁴

When the peace deal with HIG was announced, some expressed hope that reconciling with Hekmatyar could facilitate a broader peace. President Ghani, for example, said on signing the agreement, “This day starts the subsiding of war in Afghanistan and the beginning of rebuilding it.”⁴⁵⁵ While Hekmatyar has called on the Taliban to enter into a peace process with the Afghan government, the Taliban has yet to respond positively to the proposal.⁴⁵⁶

Afghanistan Peace and Reintegration Program

On March 31, 2016, the Afghanistan Peace and Reintegration Program (APRP) closed following a decision by APRP donors, the Afghan government, and UNDP.⁴⁵⁷ The APRP was an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.⁴⁵⁸ 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.⁴⁵⁹

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. According to State, the ANPR is expected to shift from the disarmament, demobilization, and reintegration 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.⁴⁶⁰ As of June, the ANPR strategy is still being revised.⁴⁶¹

In December 2016, State provided \$1.1 million to support the ANPR. While State intended to disburse another \$3.9 million in early 2017, this has not yet occurred since the ANPR strategy is not finalized and approved by the Afghan government.⁴⁶²

In April, the U.S., UK, German, and South Korean governments, along with UNAMA, sent a letter to President Ghani and Chief Executive Abdullah expressing their readiness to support President Ghani's vision for peace, agreeing there is no military solution to the conflict for any party. According to the letter, the High Peace Council (HPC) will no longer directly participate in peace negotiations as this responsibility will pass to President Ghani and his cabinet. Instead, the HPC will solicit views about peace from across Afghanistan and ensure these perspectives are integrated into the peace process. The authors said that it is crucial that the Afghan government identify the Afghan government implementer for this peace vision in order to meet donor fiduciary requirements. The authors note that while peace and reconciliation is a long-term endeavor, international financial assistance for Afghanistan is limited. The authors also cautioned Afghanistan against singling out particular countries for critique as this may impact establishing a regional and international consensus on peace.⁴⁶³

RULE OF LAW AND ANTICORRUPTION

Last quarter, Resolute Support reported that they are in the process of establishing a Counter Threat Finance Cell (CTFC) which will focus on disrupting insurgent and terrorist financial networks. The Resolute Support CTFC currently has two of its six personnel on board. The CTFC has begun coordinating its efforts with the U.S. Embassy in Kabul. The goals and scope of the CTFC are still being developed, with SIGAR participating in this process.⁴⁶⁴

In May, donors assessed the Afghan government's progress in meeting its SMAF obligations to launch a judicial sector reform plan by December 2016. While the EU found that the deliverable was achieved as the Afghan government approved the plan at the end of December 2016, the plan suffers from a number of deficiencies. The EU's view of shortcomings includes: lack of clear links between objectives and activities; lack of budgetary and financial information on the activities; lack of realistic and clear timelines

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and mechanisms for monitoring, evaluation, and reporting; and lack of coordination and oversight mechanisms. The EU concluded that if these issues are not addressed, the plan is unlikely to be implemented. The United States reiterated the EU's concerns, noting that the plan lacks timelines and fails to assign responsibilities. Additionally, the U.S. government noted that the High Council of Rule of Law and Anti-Corruption, which was formed in August 2016 and approved the judicial reform plan, has met only three times and is currently not functioning (following this assessment, however, the council met in July).⁴⁶⁵ In April, Transparency International concluded that Afghanistan's anticorruption agencies have duplicate and overlapping functions; lack independence; have a weak legal basis, limited budgets, and weak personnel capacity; and fail to coordinate.⁴⁶⁶

Donors also assessed the Afghan government's SMAF requirement to draft a revised penal code by December 2016. According to the EU, this deliverable was achieved when a first draft of a revised penal code was finalized in September 2016. According to the EU, while the penal code has reportedly been enacted via a legislative decree, there has been no public announcement to this effect. The EU reports that the law still requires revision and some portions of the law, such as the elimination-of-violence-against-women provisions, will not take effect until parliament acts.⁴⁶⁷



A SIGAR observer, second from the left, participates in a July 2017 meeting of the High Council of Rule of Law and Anti-Corruption. (Afghan government photo)

Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include State's Justice Sector Support Program (JSSP) and Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.15.

USAID has a cooperation arrangement with the UK's Department for International Development to fund the Independent Joint Anti-Corruption

TABLE 3.15

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2017 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	8/27/2017	\$285,644,451	\$274,130,811
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	5,921,431
Electoral Reform and Civic Advocacy (AERCA)*	7/13/2009	8/31/2017	51,302,682	47,773,227
Corrections System Support Program (CSSP IV)**	3/1/2016	8/27/2017	22,564,474	19,638,424
Justice Training Transition Program (JTTP) Follow On***	1/2/2013	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	2,000,000

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.

**Disbursements as of 4/30/2017.

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

Source: State, INL, response to SIGAR data call, 6/21/2017; USAID, response to SIGAR data call, 7/10/2017.

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Monitoring and Evaluation Committee (MEC). USAID funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.⁴⁶⁸

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 project—to address immediately identifiable corrupt practices.⁴⁶⁹

AERCA had 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 Labor, Social Affairs, Martyrs and Disabled; (3, 4, 5) driver's license issuance, vehicle registration, and national identification by the MOI; (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 (MOE).⁴⁷⁰ In August 2016, USAID and AERCA decided to suspend AERCA's assistance to the driver's license service after determining that there was insufficient political will for reform in the MOI's traffic department to enable worthwhile collaboration.⁴⁷¹

This quarter, AERCA worked with the MOF's Small Taxpayers Office (STO) to identify bottlenecks and applicant frustration points. According to AERCA, STO tax notices are issued manually, providing opportunity for corruption. AERCA proposes the digitization of the tariffs as this should help replace the manual practice with an automatically generated tariff that is accurate and easy to track. AERCA plans to provide the STO with networking equipment, as well as English language and computer trainers. In support of improving the MOE's services, AERCA is working to provide high-quality paper for printing high school certificates, as well as finding space for heavy-duty printers to be used in printing certificates. AERCA is also renovating the applicant waiting area at the Nangarhar Province Population Registration Department (PRD). To further support the Nangarhar PRD, an AERCA grantee encouraged the Nangarhar religious scholars' council to inform the public of the simplified processes for receiving a national identification card during the Friday prayers' sermons. This grantee also broadcast radio messages on the importance of having a national identification card. During an oversight visit to the Nangarhar PRD, the AERCA grantee discovered that two community representatives were involved in corruption, demanding bribes from service applicants in return for stamping their applications. The head of Nangarhar PRD promptly terminated and replaced the two community representatives.⁴⁷²

State's Justice Sector Support Program (JSSP) is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide

capacity-building support to the Afghan justice system through training, mentoring, and advisory services.⁴⁷³ The current \$286 million phase of the program (JSSP II) began in June 2010. As of June 2017, JSSP has provided training to 20,139 Afghans, 15% of whom were women. Most of the trainees were from Kabul Province (38%). JSSP has also provided mentoring to 3,144 Afghans, 14% of whom were women. Again, most mentees were from Kabul Province (46%).⁴⁷⁴

During the past year, JSSP provided support to the Attorney General's Office (AGO) to roll out and integrate the Case Management System (CMS). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal justice institutions, from the moment a case is initiated to the end of confinement. According to JSSP, the program has established 535 CMS offices in seven Afghan government justice institutions and the Afghan Independent Bar Association (AIBA). Overall, 3,972 Afghan government departments used CMS in the Supreme Court, AGO, High Office of Oversight and Anticorruption, MOD, Ministry of Justice, MOI, the National Directorate of Security, and AIBA. As of June, there are 34,770 criminal cases and 32,177 civil cases recorded in CMS. Between 2012 and 2017, JSSP added 53,300 cases to CMS that existed prior to the implementation of CMS. JSSP has also conducted random quality-control audits in legal and judicial institutions to monitor the accuracy of data entered into the CMS database by comparing the data with the government's registry books. In the past year, JSSP identified and deleted 986 duplicate cases in CMS. JSSP recently signed an agreement with the Supreme Court transferring the legal and administrative responsibilities for CMS.⁴⁷⁵

State's \$48 million Justice Training Transition Program (JTTP), in partnership with the Supreme Court, recently collected data for an institutional learning needs assessment (ILNA) to identify the most prevalent learning needs and challenges facing judges. According to JTTP, no objective skills-and-knowledge-competency framework for sitting judges exists. Of the 2,280 judges who hear cases, 256 (11%) were sampled. Respondent judges ranked insecurity as the factor most affecting their performance (76%), followed by lack of resources and equipment (40%), weak capacity of support personnel (31%), political pressure (30%), and workload (30%). 71% of respondents felt judges of the criminal division require additional knowledge of the Criminal Procedure Code. For judges of the civil division, additional knowledge was requested for areas of the Civil Code, including: personal status and marriage (68%), designated contract and transfer of ownership (67%), and inheritance and wills, real property rights, and proof of rights (each 66%). Civil division judges were reported to require additional knowledge in the Commercial Code, specifically, those aspects relating to commercial papers (77%), commercial companies (76%), and commercial contracts (76%). 69% of judges also requested skills development in statutory interpretation as a cross-cutting skill.⁴⁷⁶

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As a result of the Supreme Court needs assessment, JTTP plans to deliver 171 courses over the next three years to 1,738 judges.⁴⁷⁷ This quarter, JTTP launched similar needs assessments for the AGO and Ministry of Justice (MOJ).⁴⁷⁸

In April 2016, USAID launched the \$68 million Assistance for the Development of Afghan Legal Access and Transparency (ADALAT) program. ADALAT aims to (1) increase the effectiveness and reach of the formal justice sector, (2) strengthen the linkages between the formal and traditional justice sectors, and (3) increase citizen demand for quality legal services.⁴⁷⁹ This quarter, USAID reported that ADALAT conducted human and institutional capacity development assessments of the Supreme Court, MOJ, and AIBA to identify training and staffing needs and determine what support ADALAT can offer to these institutions. However, ADALAT's attempts to partner with the Supreme Court's Judicial Education Department (JED) were reportedly stymied as the JED director refused to discuss ADALAT technical assistance if it did not include material assistance.⁴⁸⁰

Afghan Correctional System

According to State, as of October 2016, the inmate population of Afghanistan's prisons, managed by the General Directorate of Prisons and Detention Centers (GDPDC), increased 6.15% over the past five years. As of April 30, the GDPDC incarcerated 28,615 males and 963 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 622 male juveniles and 71 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to their data.⁴⁸¹

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adults, despite the prison population stagnating recently. As of April 30, the total male provincial-prison population was at 170% 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 124% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 50% of ICRC-recommended capacity.⁴⁸²

According to State, its joint efforts with the MOJ in implementing alternatives to incarceration for juveniles has led to an 11% reduction of the juvenile rehabilitation center population. State attributes the implementation of alternatives to incarceration to a number of their efforts, including a study tour to Turkey for Afghan government officials; meetings in Kabul that discussed success stories and lessons learned, and the status of alternatives to incarceration implementation; and a two-day conference hosted by the Corrections System Support Program (CSSP) on the topic in Herat Province in May 2017.⁴⁸³

Congress Directs SIGAR to Assess Afghanistan's Implementation of an Anticorruption Strategy

The Joint Explanatory Statement for the Consolidated Appropriations Act for Fiscal Year 2017 directs SIGAR to assess the Afghan government's implementation of an anticorruption strategy called for at the Brussels Conference on Afghanistan held October 4-5, 2016. SIGAR was further instructed to report its findings to the House and Senate Appropriations Committees no later than May 31, 2018. This congressional request is notable because it is the first time Congress has directed SIGAR to assess the Afghan government's performance, rather than that of a U.S. government agency, on a key reconstruction objective.



A large audience including Maj. Gen. Richard G. Kaiser, third from left and Inspector General Sopko, fourth from the left, front row, attended a May 2017 conference in Kabul on "Countering the Culture of Corruption in Afghanistan." (Afghan government photo)

Anticorruption

At the October 2016 Brussels conference, the Afghan government agreed to draft and endorse an anticorruption strategy for the whole of government by the first half of 2017. The government says it will implement this strategy 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. In June, the Afghan government's High Office of Oversight and Anticorruption (HOOAC) and the nongovernmental organization Integrity Watch Afghanistan criticized the Afghan government for failing to issue an anticorruption strategy by the required deadline.⁴⁸⁴

In May, donors assessed the Afghan government's progress in meeting its SMAF obligations, which required five revenue-generating ministries to prepare and begin implementing anticorruption plans by the first half of 2016. Additionally, the remaining ministries were required to complete their plans by the end of 2016. According to the EU, it received English-language versions of the five revenue-generating ministry anticorruption plans in November 2016, while the status of the other 25 ministry plans is unclear. The U.S. government believes, however, that because there are no public reports on the status of anticorruption-plan implementation, the implementation requirements have not been achieved.⁴⁸⁵

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).⁴⁸⁶ The ACJC brings together MCTF investigators, AGO prosecutors, and judges to combat

serious corruption.⁴⁸⁷ The ACJC's jurisdiction covers major corruption cases committed in any province involving senior officials or substantial monetary losses of a minimum of five million afghanis (approximately \$73,000).⁴⁸⁸

In May, the ACJC's primary court sentenced a senior Afghan United Bank (AUB) official to 15 years and three months in jail and fined him more than \$3 million over fraud charges. The AUB Nangarhar branch director general was accused of misusing authority, faking documents, and embezzling \$3 million.⁴⁸⁹ Also in May, the ACJC's appeals court reduced the sentence of the head the Herat Province provincial council from two and a half years in prison to eight months. The provincial council head had been found guilty of abuse of power and interfering in the affairs of the Herat Province AGO. The appeals courts allowed the accused to be released on bail.⁴⁹⁰

The ACJC's appeals court in June upheld the verdict of a primary court that sentenced two former Karzai-era Ministry of Urban Development officials to 20 years' imprisonment and a \$6.4 million fine for corruption and abuse of authority. Two additional officials were sentenced to seven years' imprisonment and a \$3.25 million fine. The ACJC prosecutor stated that other former officials, including a former minister, are suspected of corruption.⁴⁹¹

As of June 30, the ACJC has tried 14 cases involving 38 defendants. Of these cases, six involved banks or private sector actors (18 defendants), four involved the MOI (eight defendants), one involved the MOD (one defendant who worked temporarily for the AGO at the time), one involved the MOF (six defendants), one involved the Ministry of Urban Development (four defendants), and one involved a provincial government (one defendant).⁴⁹²



Inspector General Sopko, left, met with Afghan Attorney General Mohammad Farid Hamidi on his June trip to Afghanistan. (SIGAR photo by Steven Mocsary)

Afghan Attorney General's Office

According to Resolute Support, while there is no indication that the AGO is preventing MCTF cases from being prosecuted, the AGO and the MCTF disagree on the number of cases transferred to the AGO. From March 2016 to March 2017, the MCTF submitted over 20 corruption cases to the AGO. Of those 20 cases, six have been referred to the ACJC, with a conviction in three cases. However, Resolute Support reports that dozens of cases which were submitted to the AGO for prosecution lose visibility due to AGO inaction or failure to update the Case Management System. The MOI and AGO are currently discussing the numerous discrepancies in the reported number of cases transferred to the AGO.⁴⁹³ According to State, while CMS tracks criminal cases from arrest through incarceration, cases referred by the MCTF are generally non-arrest cases that are still in the investigation phase. As such, these cases would not be added to CMS until an arrest has occurred.⁴⁹⁴

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

President Karzai established the MEC by presidential decree in March 2010 and the institution was re-authorized by President Ghani in September 2016

with a new decree that provided full independence from the High Office of Oversight and Anti-Corruption (HOOAC). The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts to fight corruption, and to report on these efforts. Its board includes three Afghan members and three international members, and is led by an Afghan executive director.⁴⁹⁵

This quarter, the MEC published reports that reviewed the 2016–2017 anti-corruption plans of the Ministry of Commerce and Industry (MOCI) and the MOF. Overall, the MEC found that MOCI and MOF have implemented 35% and 34% of their planned anticorruption efforts, respectively. According to the MEC, however, MOCI's anticorruption plan is seriously deficient and ignores a number of well-known areas of likely corruption. For example, while the ministry has been issuing more business licenses than in previous years, this is leading to new forms of corruption. Of the 23 actions defined by the plan, the MEC found that eight have been completed. However, the MOCI did not cooperate with the MEC in verifying nine required actions. In reviewing the MOF anticorruption plan, the MEC concluded that the plan is insufficient for the scale of the ministry. According to the MEC, the MOF is a large ministry and one of the most susceptible to corruption. Of the 50 indicators defined in the plan, the MEC found that 17 have been fully implemented, three have no progress, and 12 had no evidence for their implementation status, with the remainder implemented between 25% and 75%.⁴⁹⁶

The MEC also issued a follow-up report on the Ministry of Public Health's (MOPH) progress in responding to the 115 recommendations MEC made in June 2016. According to the MEC, the MOPH has continued to make progress in its reforms. In particular, the MEC cited the efforts of the National Medicine and Healthcare Products Regulatory Authority (NMHRA), which has instituted legal reforms, policy and technical changes, and interventions on manufacturing and importation of drugs and medical products; aggressively expanded inspections; and systematically tackled both internal and customer service complaints. The MOPH also translated all its policies into local languages and distributed these policies.⁴⁹⁷

High Office of Oversight and Anti-Corruption

The HOOAC was established in July 2008 by presidential decree to oversee and coordinate implementation of the Afghan government's anticorruption strategy. According to USAID, HOOAC's role has been reduced to collecting and verifying asset declarations for government officials, as it failed to provide the strategy and policy guidance on anticorruption for which it was created. The HOOAC 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 AGO for further investigation and possible prosecution. According to USAID, these

investigations rarely lead to prosecution. Mutual recrimination between AGO and HOOAC is common.⁴⁹⁸

As of January, Resolute Support reports that the MOD submitted 194 asset declarations to the HOOAC while the MOI submitted 210 of 310 required asset declarations. According to DOD, this represented the first time high-ranking officers provided their asset declarations to the HOOAC. Resolute Support noted, however, that asset-declaration forms are not being routinely submitted as new personnel begin or depart their positions. Resolute Support further reports that the MOD and MOI struggle with the identification and collection of asset declarations and there is poor communication between the ministries and HOOAC.⁴⁹⁹

In May, donors assessed the Afghan government's progress in meeting its SMAF obligations, which required at least 90% of Afghan government officials obligated to declare assets to do so by the first half of 2016. Donors agreed that the Afghan government had met this obligation in 2016, but believe that going forward, annual asset-declaration requirements should extend to heads and deputies of law enforcement agencies, customs, and tax administrations. In addition, efforts must be undertaken to ensure that the content of asset declarations is verified. Additionally, donors believe that proportionate and dissuasive sanctions for noncompliance should be instituted and that asset declarations be made available, when requested, to Afghan domestic law enforcement agencies and the financial intelligence unit.⁵⁰⁰

Security Services

According to Resolute Support, the MOD and MOI are making progress in implementing anticorruption initiatives following an October 9, 2016, meeting in which President Ghani demanded action. For example, Resolute Support cites the weekly and biweekly meetings directed by the ministers of defense and interior, respectively, to discuss and monitor anticorruption efforts.⁵⁰¹ Despite these efforts, DOD reports that MOI political will to hold corruption violators, especially senior officers, accountable remains fragile. DOD further states that high-level MOI corruption presents major challenges.⁵⁰²

In June, the minister of interior said that over 200 MOI personnel, including 12 generals, had been arrested on corruption and misuse of authority charges in the past year. Earlier in May, President Ghani had labeled the MOI as “the heart of corruption” in the security sector.⁵⁰³

Major Crimes Task Force

The MCTF is an elite MOI unit chartered to investigate corruption, organized criminal networks, and high-profile kidnappings committed throughout Afghanistan. Since March 2017, the MCTF has opened 84 cases (including 34 corruption investigations). According to Resolute Support, the MCTF referred two cases to the ACJC and eight cases to the AGO.⁵⁰⁴

In March, the ACJC tried and convicted five defendants who were accused of offering MCTF investigators an \$80,000 bribe to influence an embezzlement investigation involving the General Command Police Special Unit (GCPSU) and a logistics company. All five men were sentenced to three years in prison and fined \$80,000 each.⁵⁰⁵

In April, two MCTF investigators were assassinated in Kabul as one officer was picking up the other at home to go to work. An investigation is ongoing. Resolute Support reports that there is no indication that the two investigators faced any specific death threats. The MCTF has, however, arrested several persons associated with a different death-threat investigation.⁵⁰⁶

According to Resolute Support, the Afghan government still needs to take ownership of and empower the MCTF, which Resolute Support sees as “swimming against the tide” of the general state of Afghan government corruption.⁵⁰⁷

HUMAN RIGHTS

In May, donors assessed the Afghan government’s progress in meeting its SMAF obligations to draft a child-protection act that is consistent with the Afghan constitution and its international commitments by December 2016. According to the EU, while the Afghan council of ministers approved an initial draft of the child act in principle in September 2016, the draft is reportedly being further reviewed. However, the international community has yet to see a revised draft and is not aware of a new draft being put forward for approval by the cabinet.⁵⁰⁸

Donors also reviewed the status of Afghanistan’s SMAF requirements related to ending child labor. While an Afghan government-formed commission met seven times and completed a study on the matter in July 2016, the EU concluded that the Afghan government has not taken any practical steps to fulfill this SMAF deliverable. The U.S. government attributes the delays to the removal of all but one deputy minister from the senior leadership of the responsible ministry, the Ministry of Martyred, Disabled, Labor, and Social Affairs. The U.S. government concluded that the ministry lacks the resources and capacity necessary to achieve this deliverable.⁵⁰⁹

In June, State released its annual trafficking-in-persons report. According to State, the Afghan government does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Because the Afghan government increased its efforts, State has upgraded its rating of Afghanistan from its previous assessment. State noted that the Afghan government enacted a new law on human trafficking in January 2017 that attempts to reduce conflation of smuggling and trafficking, and criminalizes *bacha baazi*, a practice in which men exploit boys for social and sexual entertainment. The Afghan government investigated,

SIGAR EVALUATION

At the request of a bipartisan, bicameral group of 93 members of Congress, SIGAR this quarter issued a classified evaluation of DOD and State’s implementation of the Leahy laws for Afghanistan. Under the Leahy laws, DOD and State are prohibited from providing assistance to any unit of the security forces of a foreign country if the Secretaries of State or Defense have credible information that the unit has committed a gross violation of human rights. The report concerns allegations of sexual abuse of children committed by members of the Afghan security forces, reviews guidance on Leahy Laws implementation, and discusses the extent to which the U.S. holds Afghan security forces accountable.

prosecuted, and convicted traffickers, including through the arrest and punishment of officials complicit in bacha baazi.⁵¹⁰

However, State found that the Afghan government did not meet the minimum standards in several key areas. Afghan officials remain complicit, especially in the sexual exploitation and recruitment of children by Afghan security forces. Victim-protection efforts remained inadequate, as all but one government-run shelter for trafficking victims remained closed during the reporting period. The Afghan government did not develop or employ standard operating procedures for victim identification or for referral of victims to rehabilitation services, which at times resulted in the government's arrest and prosecution of trafficking victims as criminals.⁵¹¹

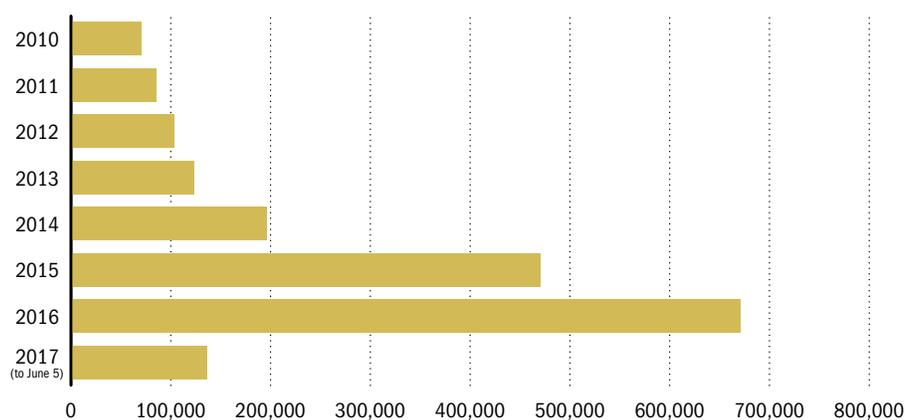
Refugees and Internal Displacement

The high rate of refugee returns in 2016 has stabilized. In 2016, a total of 370,102 Afghans registered as refugees returned from Pakistan, 2,290 returned from Iran, and 185 returned from other countries.⁵¹² As of June, roughly 33,000 Afghan refugees have returned from Pakistan and Iran in 2017. Additionally, approximately 220,000 undocumented Afghan migrants have returned in 2017.⁵¹³ According to the UN Secretary-General, approximately 20% of the populations of Kunar, Laghman, and Nangarhar Provinces are currently returnees (approximately 500,000 people).⁵¹⁴

As shown in Figure 3.27, there has been a decrease in internal displacement this year compared to last. According to the UN's Office for the Coordination of Humanitarian Affairs (OCHA), as of June, 138,300 people have fled their homes due to conflict. This is 27% fewer than the 188,419 people displaced during the same period in 2016.⁵¹⁵

FIGURE 3.27

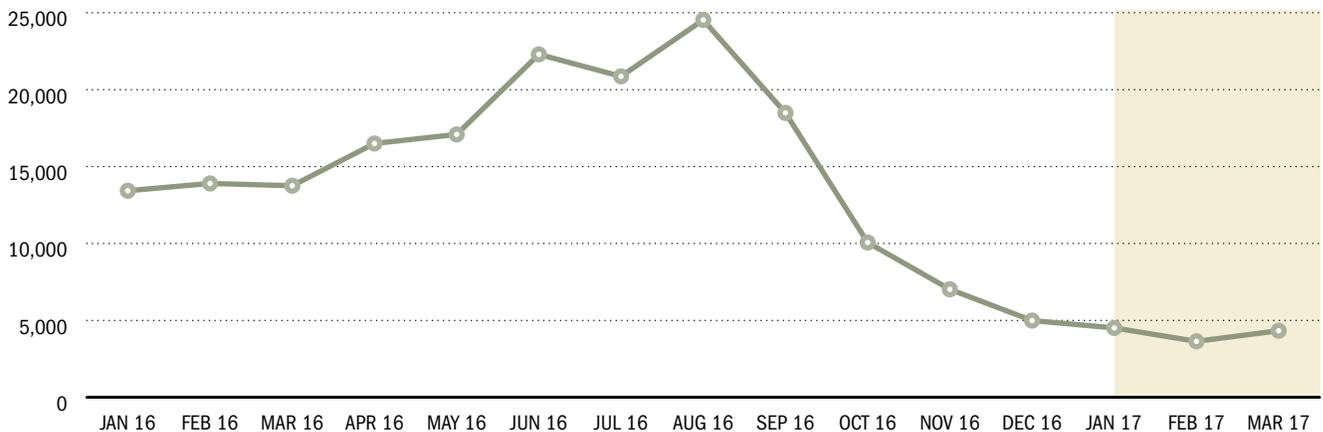
CONFLICT-INDUCED DISPLACEMENTS



Source: UN OCHA, "Afghanistan: Conflict Induced Displacements in 2017-Snapshot," 6/18/2017.

FIGURE 3.28

FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION



Source: EUROSTAT, "First time asylum applicants in the EU-28 by citizenship, Q1 2016–Q1 2017," 6/20/2017.

In April, the UN found that Afghan national institutions do not meet the needs of many internally displaced persons. While the political will to protect the internally displaced is emerging, this has not translated into comprehensive and effective Afghan government-led responses. While the UN complimented the Afghan government’s 2013 National Policy on Internally Displaced Persons, it found that implementation has been poor and responses to short-term displacement barely adequate. Additionally, those who were displaced for a protracted period are commonly left to fend for themselves. While government officials blame resource shortfalls for the lack of progress, a deficit of good governance and accountability are contributing factors that must be addressed.⁵¹⁶

Eurostat, the statistical office of the EU, reported 12,475 first-time Afghan asylum seekers in the EU in the first three months of 2017. As shown in Figure 3.28, the number of Afghan asylum applications from January to March 2017 was 43% lower than the number for the previous three months.⁵¹⁷

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.⁵¹⁸

GOVERNANCE

TABLE 3.16

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2017 (\$)
Promote: Women in the Economy	7/1/2015	6/30/2019	\$71,571,543	\$16,804,134
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	21,100,484
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	9,902,296
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	7,185,576
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	154,518
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	600,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 7/10/2017.

USAID has committed \$280 million to Promote.⁵¹⁹ No other donors have committed to contribute funds to Promote; however, USAID reports that Promote was designed to achieve the project targets with or without additional funding.⁵²⁰ Table 3.16 show the current Promote programs.

In May, USAID issued a third-party mid-term evaluation report of the Promote Women in the Economy (WIE) program. The primary objective of WIE is to enable educated Afghan women to increase their leadership participation in the formal mainstream economy by helping them secure employment with advancement potential, and by improving the viability and income growth of women-owned businesses with a 10% or greater female workforce. The evaluation found that a relatively low number of women have been placed in jobs through the WIE activity. WIE reported that 237 women were placed in jobs in the first year of the program. While a survey found that 322 WIE-sponsored interns reported 22% job placement in long-term positions (something program staff hopes will increase to 35% in 2017), the evaluators posited that the expected employment of 21,000 women by the end of the program is unrealistic.⁵²¹ According to USAID, the WIE internship activity is not the only means by which Afghan women will gain long-term employment opportunities.⁵²²

Program evaluators note that as the Afghan economy is shifting away from donor dependence and is growing at a slower rate, WIE faces daunting targets. The evaluators did compliment WIE's approach of having beneficiary businesses invest their own money into inputs normally provided by donors; this is a more sustainable and appropriate approach given the decrease in available funding. The evaluators also found that WIE implements a rigorous vetting process for businesses asking to host interns, which has resulted in 98% of the interns placed reporting that they work in a women-friendly workplace. It is reportedly too soon to assess whether WIE interventions have helped businesses to increase profits or resulted in the hiring of more women. However, the evaluators noted that with WIE's

SIGAR AUDIT

SIGAR is currently conducting a performance audit of Promote that will assess contract compliance, program performance, and implementation challenges for the five Promote programs. The audit team's work includes examining contract documents and interviewing USAID and Afghan government officials, the Promote contractors, and program participants.

program being cut by one year, it will be even more challenging to achieve sustainable, measurable impact in the promotion of female-friendly workplaces.⁵²³ USAID reports that they are in the process of modifying the WIE contract to return the program to the original length of five years.⁵²⁴

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 2016.⁵²⁵

In May, donors assessed the Afghan government's progress in meeting the SMAF obligation to implement a national action plan for women by the first half of 2016. According to the EU, the Afghan government partially achieved this deliverable with the development of an overall national action plan, implementation plan, monitoring and evaluation plan, and an official launch. However, the EU reports that there are funding and individual ministry-level plan delays.⁵²⁶ Donors also reviewed the status of the SMAF requirement for dedicated violence-against-women prosecution units in a minimum of 26 provinces. While the EU considers the evidence provided by the AGO insufficient to confirm the operation of these units, State believes that these units are operating in all 34 provinces.⁵²⁷