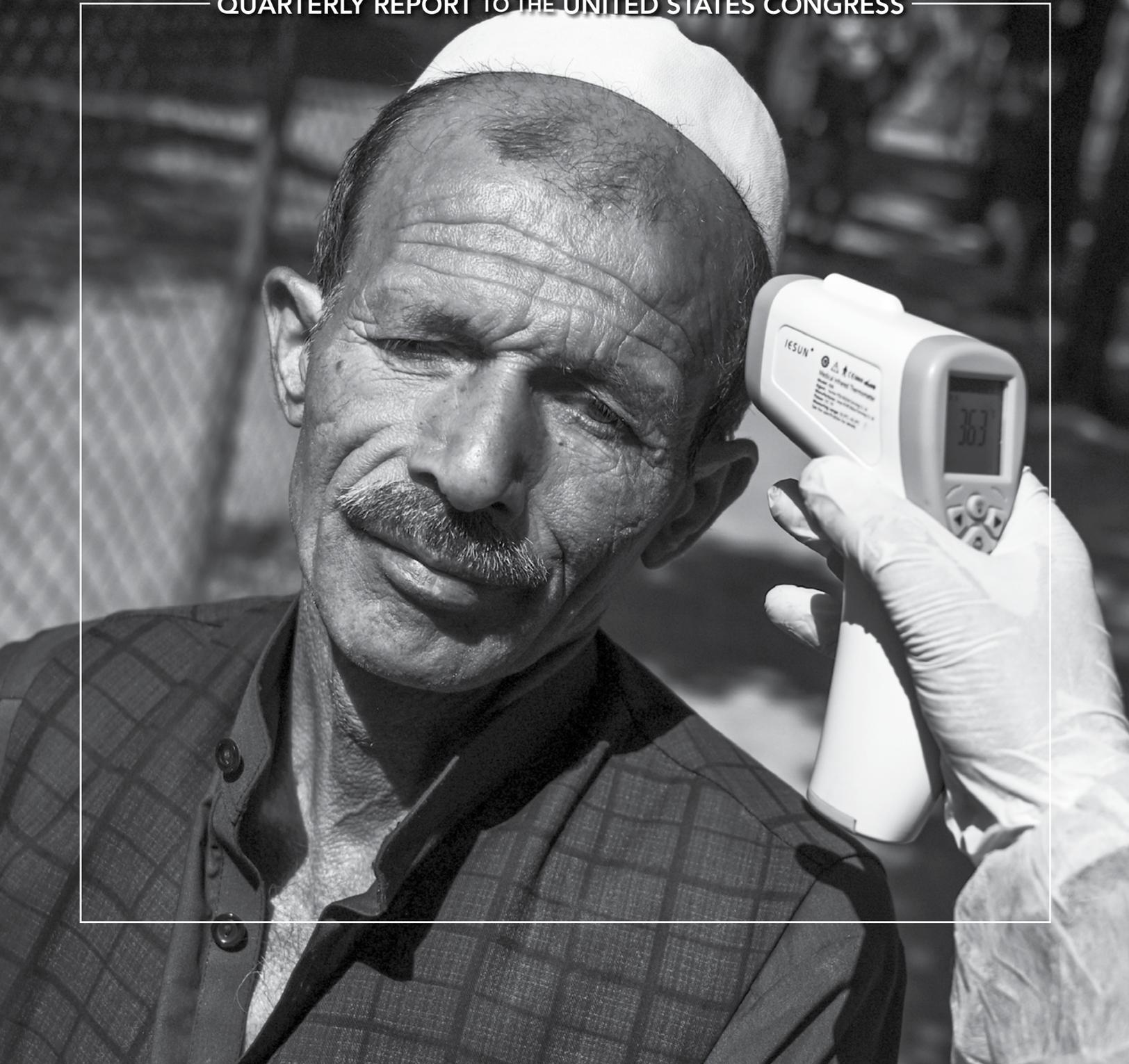


# SIGAR

Special Inspector General for  
Afghanistan Reconstruction

JUL 30  
2020

QUARTERLY REPORT TO THE UNITED STATES CONGRESS





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

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

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

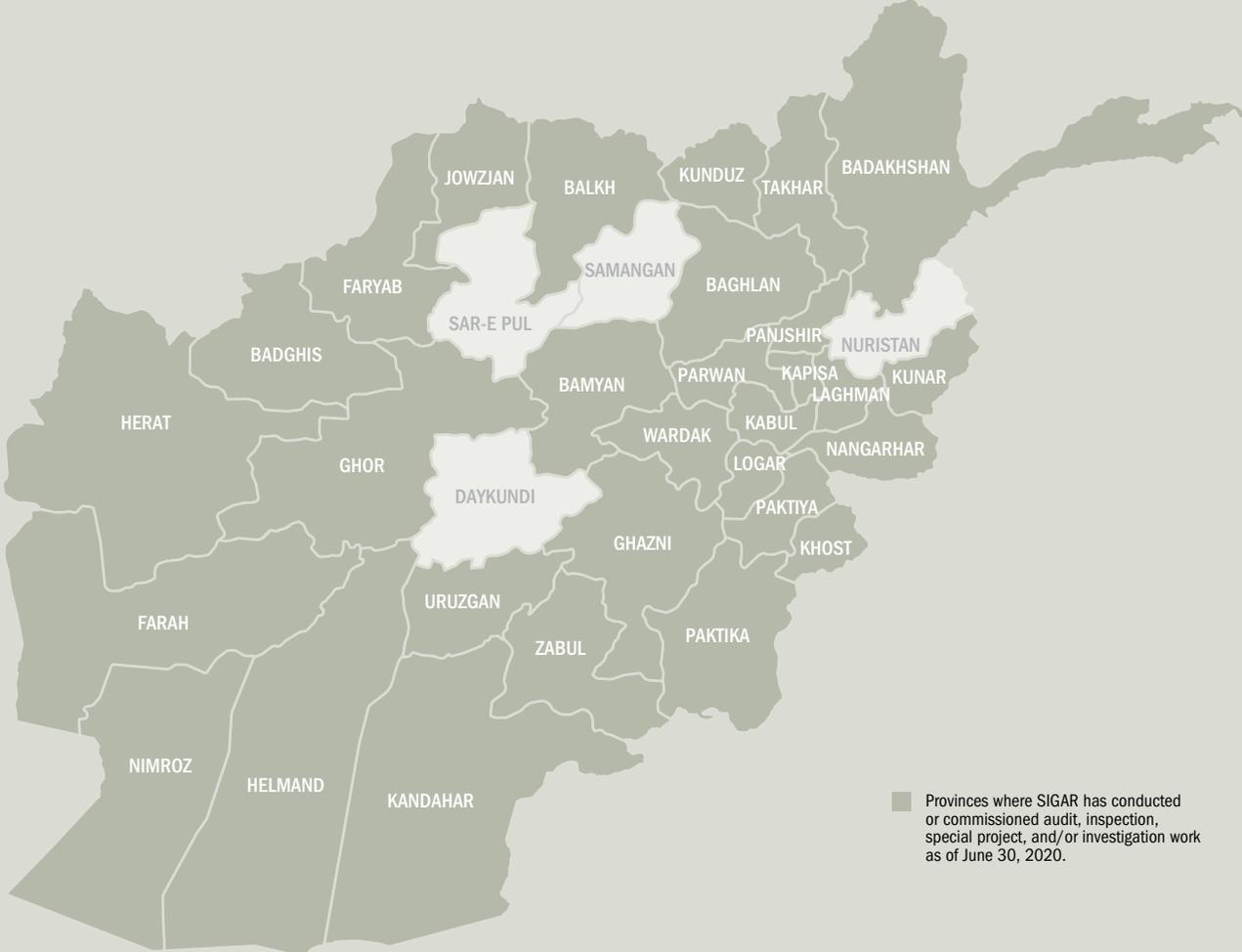
As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

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

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

### **Cover photo:**

An Afghan man has his temperature checked as a precaution against COVID-19 before entering a mosque in Kabul. (AFP photo by Wakil Kohsar)



■ Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of June 30, 2020.



SPECIAL INSPECTOR GENERAL FOR  
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress, and to the Secretaries of State and Defense, SIGAR's 48th quarterly report on the status of reconstruction in Afghanistan.

According to the Combined Security Transition Command-Afghanistan (CSTC-A), this has been “perhaps the most complex and challenging period in the last two decades” for the Afghan National Defense and Security Forces (ANDSF). Peace talks between the Taliban and the Afghan government have yet to begin, Taliban attacks on Afghan security forces have surged, and the COVID-19 pandemic has cast a huge shadow over Afghan daily life.

In addition, one of the long-standing impediments to overseeing U.S. funding for the ANDSF has been the questionable accuracy of the force's actual (assigned) personnel strength numbers. SIGAR and other oversight agencies have long concluded that knowing exactly how many personnel serve in the ANDSF is critical for informing funding decisions, especially on the hundreds of millions of dollars per year the United States spends on ANDSF salary and incentive payments. In Section One of this report, we examine the results of SIGAR's and the Department of Defense's (DOD) ongoing efforts to find and eliminate “ghost” soldiers and police within the ANDSF by improving its personnel-accountability systems.

This quarter, SIGAR issued 11 products. SIGAR work to date has identified about \$3.3 billion in savings for the U.S. taxpayer.

SIGAR issued a performance-audit report this quarter reviewing DOD's \$174 million ScanEagle Unmanned Aerial System program, and an evaluation report reviewing the status of SIGAR recommendations made to the United States Agency for International Development (USAID) over the past five years. SIGAR also issued two inspection reports examining the construction of the Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex, and security upgrades at the Ministry of Interior headquarters complex.

SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits covered a range of topics including the State Department's Antiterrorism Assistance Program, support for humanitarian mine action and conventional-weapons destruction, and USAID's Afghanistan Health Sector Resiliency Project.

SIGAR's Office of Special Projects issued one report examining increased costs incurred by U.S. contractors in Afghanistan as a result of inconsistent work-visa policies and fees.

During the reporting period, SIGAR criminal investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

In these tumultuous times, SIGAR will continue to provide Congress and the Administration with the oversight work necessary to protect U.S. taxpayer dollars in Afghanistan.

Sincerely,

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

John F. Sopko

# EXECUTIVE SUMMARY

**This report summarizes SIGAR’s oversight work and updates developments in four major areas of reconstruction efforts in Afghanistan from April 1 to June 30, 2020.\* It includes an essay examining ongoing challenges with overseeing the personnel-accountability system for the Afghan National Defense and Security Forces (ANDSF).**

**During this reporting period, SIGAR issued 11 audit and inspection reports, reviews, and other products assessing U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the production and sale of narcotics. In this period, SIGAR criminal investigations produced three criminal charges and two guilty pleas.**

## SIGAR OVERVIEW

### AUDITS AND INSPECTIONS

This quarter, SIGAR issued one performance-audit report, one evaluation report, six financial-audit reports, and two inspection reports.

The **performance-audit report** examined the Department of Defense’s (DOD) lack of oversight and performance assessments for its \$174 million ScanEagle Unmanned Aerial System program.

The **evaluation report** found that the U.S. Agency for International Development (USAID) implemented more than 80% of recommendations from SIGAR’s Audits and Inspections Directorate over the past five years.

The six **financial-audit reports** identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

The **inspection reports** found:

- Construction and renovation of an Afghan National Army and Train Advise Assist Command-Air Joint Air Force Hangar generally met requirements and standards.
- Three potential security hazards at the Afghan Ministry of Interior headquarters were due to insufficient electrical power and inadequate maintenance.

### SPECIAL PROJECTS

This quarter, SIGAR’s Office of Special Projects issued one **review**, which found inconsistent work-visa policies and fees imposed by the Afghan government significantly increased costs incurred by U.S. contractors in Afghanistan.

# EXECUTIVE SUMMARY

## LESSONS LEARNED

SIGAR's Lessons Learned Program has four projects in development: U.S. government support to elections; monitoring and evaluation of reconstruction contracting; efforts to advance and empower women and girls; and a report on police and corrections.

## INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

**Investigations** highlights include:

- Two individuals pleaded guilty to one-count criminal informations—charges made by a prosecutor rather than by

a grand jury—charging conspiracy to commit offenses against the United States. The individuals were employed by a U.S. government contractor to recruit candidates for positions as language interpreters working with the U.S. military. They circumvented procedures designed to ensure that candidates met minimum proficiency standards, which resulted in unqualified language interpreters being hired and later deployed alongside U.S. combat forces in Afghanistan. To carry out this scheme, they conspired with others to commit wire fraud and major fraud against the United States. To date, four coconspirators have pleaded guilty as a result of the SIGAR-led investigation.

\* As provided in its authorizing statute, SIGAR may also report on products and events occurring after June 30, 2020, up to the publication date of this report. Unless otherwise noted, all afghani-to-U.S. dollar conversions used in this report are derived by averaging the last six months of exchange-rate data available through Da Afghanistan Bank ([www.dab.gov.af](http://www.dab.gov.af)), then rounding to the nearest afghani. Data is as of June 29, 2020.

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“NATO allies and partners remain firmly committed to Afghanistan’s long-term security and stability, through our Resolute Support training mission, and with funding.”

—*NATO Secretary General Jens Stoltenberg*

# 1 CHASING GHOSTS



## ESSAY CONTENTS

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An Afghan National Army soldier stands in formation at a checkpoint in western Afghanistan. (U.S. Army Reserve photo by Spc. Jeffery J. Harris)

## CHASING GHOSTS

### **ON THE TRAIL OF DOD'S PERSONNEL-ACCOUNTABILITY REFORMS FOR THE ANDSF**

The United States has invested tremendous resources in a whole-of-government effort to develop accountable Afghan institutions that could outlast armed opposition groups like the Taliban. Nowhere has this challenge been more apparent than U.S.-led efforts to develop effective Afghan security forces. Heavily resourced and critical to the survival of the Afghan republic, these indigenous security forces are necessary to advance U.S. interests in the face of continuing violence.

Sustaining and developing Afghanistan's security forces costs the United States about \$4 billion to \$5 billion per year.<sup>1</sup> In 2015, Inspector General John F. Sopko told members of the House Oversight and Government Reform Committee "every dollar we spend now on training, advising, and assisting the Afghans, and on oversight must be viewed as insurance coverage to protect our nearly trillion dollar investment in Afghanistan since 2001." Failure to ensure that these funds are spent as effectively and efficiently as possible and used as intended, Sopko added, "decreases the chances that Afghanistan will become a secure and stable nation, thus risking all the United States, the Afghan government, and our allies have invested to date."<sup>2</sup>

But getting an accurate count of Afghan military and police personnel has always been difficult.<sup>3</sup> For example, in 2013, before becoming president, Ashraf Ghani told Inspector General Sopko in a meeting at his residence that the United States government was still paying the salaries of soldiers, police, teachers, doctors, and other civil servants who did not exist.<sup>4</sup>

One of the enduring impediments to overseeing U.S. funding for the Afghan National Defense and Security Forces (ANDSF) has been the questionable accuracy of data on the actual ("assigned," as distinct from authorized) strength of the force. Oversight agencies have long concluded that knowing exactly how many personnel serve in the ANDSF is critical for informing funding decisions, especially on the hundreds of millions of dollars per year the United States spends on ANDSF salary and incentive payments.<sup>5</sup>



**SIGAR audits staff** review biometric identification cards used by ANDSF personnel. (SIGAR photo)

# CHASING GHOSTS

But, contrary to SIGAR's expectations, these Department of Defense (DOD)-led ANDSF personnel accountability reform efforts seem to have limited influence on actual DOD decisions on ANDSF personnel expenditures and procurement of individual and unit items.

SIGAR and other agencies, including DOD, have long been concerned that they lack accurate information about the actual strength of the ANDSF. Since 2011, SIGAR and DOD's Office of Inspector General (DOD OIG) have reported that neither Afghan nor U.S. authorities could verify the accuracy of the ANDSF personnel data or payroll systems.<sup>6</sup> This concern continues.

The consequence, SIGAR noted in 2015, was that “neither the United States nor its Afghan allies truly know how many Afghan soldiers and police are available for duty, or, by extension, the true nature of their operational capabilities.”<sup>7</sup>

Anecdotal reports suggested a dire situation. A Combined Security Transition Command–Afghanistan (CSTC-A) payroll assessment of Afghan police in Uruzgan Province in 2010 found that time and attendance records were photocopied and resubmitted rather than generated fresh each month, or were based on phone calls rather than traceable documentation.<sup>8</sup> In January 2016, the head of Helmand's provincial council told the Associated Press that he estimated some 40% of the Afghan security forces supposedly in the province did not exist.<sup>9</sup> Just this quarter, CSTC-A told SIGAR that a recent Afghan government assessment<sup>10</sup> in Kandahar, Zabul, Helmand, and Uruzgan Provinces reported that 50% to 70% of police positions were “ghost soldiers”—fictitious entries.<sup>11</sup> These stories and many others like them prompted SIGAR to focus attention on this critical matter.

The importance of accuracy for pay, supply, capability assessment, and actual combat readiness was underscored in 2014 as the commander of U.S. Forces–Afghanistan, General John F. Campbell, warned publicly that DOD was losing field-level “touch points” at lower echelons of the Afghan security forces that facilitated oversight.<sup>12</sup> Inspector General Sopko, too, highlighted the implications of the shrinking number of “oversight bubbles” (e.g., areas where U.S. personnel are able to operate as the U.S. government has the ability to provide both adequate security and rapid emergency medical support) as U.S. and Coalition forces were handing lead responsibility for security to Afghan forces.<sup>13</sup>

SIGAR's reviews during this period spurred necessary DOD reforms. As a DOD official wrote, “the referenced SIGAR audits did in fact lead DOD to undertake an effort to build from scratch an enterprise information system for the [Ministry of Defense] MOD and [the Ministry of the Interior] MOI that would address the accountability challenges identified in those audits.”<sup>14</sup> The result was a new integrated electronic system—the Afghan Personnel and Pay System (APPS)—intended to deliver more accurate and reliable strength numbers.<sup>15</sup>

# CHASING GHOSTS

An important aspect of APPS is that CSTC-A and the Afghan government concurrently undertook what is known as a Personnel Asset Inventory (PAI)—a continuous process of physically counting personnel; correcting the employment status of personnel retired, separated, or killed in action; and biometrically enrolling (via finger print, iris, and face scans) personnel who were not yet enrolled.<sup>16</sup> These renewed PAI efforts should establish a more rigorously supported baseline for ANDSF personnel estimates.<sup>17</sup>

Through subsequent years' quarterly reports, SIGAR reported on the progress and challenges in developing and implementing APPS. Repeated delays were a problem, with CSTC-A saying that it is difficult to develop and implement software with the myriad challenges present in Afghanistan.<sup>18</sup> APPS was originally scheduled to be deployed for the MOD in July 2018 and for the MOI in November 2018. DOD told SIGAR in October 2019 that CSTC-A had been basing its MOD funding decisions on APPS starting in September 2018. In June 2020, however, DOD said that APPS did not “begin to fully drive [MOD] pay until September–October 2019,” a full year later.<sup>19</sup>

An August 2019 DOD OIG audit on the planning and initial implementation of the APPS found that, as of December 2018, APPS still had incomplete and inaccurate ANDSF personnel listings and was still missing system capabilities required by the contract. This audit, focused mainly on a \$26.2 million contract to develop the APPS software, raised worrying concerns. As the DOD OIG wrote, APPS was a “system that cannot communicate directly with Afghan systems, relies on the same manually intensive human resource and payroll processes that the system was designed to streamline, and does not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls.”<sup>20</sup> By way of dissent, a DOD official criticized the report's findings in recent communications with SIGAR for this Quarterly Report, saying that the system was incomplete at the time of the audit.<sup>21</sup>

SIGAR hoped that with time the combined APPS/PAI initiative would provide DOD a more accurate accounting of the real strength of the ANDSF that would ultimately position it to make better-informed funding and other decisions. SIGAR deferred judgment until APPS matured sufficiently.

These hopes were buoyed when, in October 2019 during a visit to Kabul, Inspector General Sopko heard from CSTC-A Commander Lt. Gen. James Rainey that his command had saved \$79 million after APPS helped them eliminate 50,000 ghost soldiers. Inspector General Sopko welcomed this news and promised to dispatch staff to learn more about the implications of this reported success.<sup>22</sup>

Also in October, CSTC-A provided SIGAR with ANDSF assigned-personnel estimates derived from APPS that indicated 58,478 fewer personnel were in the force than had been reported a year earlier under the previous system.<sup>23</sup> The correlation of this difference with Lt. Gen. Rainey's “ghost soldiers” estimate was striking, but CSTC-A personnel at the time, said that



**IG Sopko** reviews a Personnel Asset Inventory (PAI) at the Afghan National Army 209th Corps. (SIGAR photo)

# CHASING GHOSTS

comparing these data would “result in skewed or distorted data analysis.”<sup>24</sup> Given these conflicting views, CSTC-A appears to have been uncertain how best to interpret the new perspective on ANDSF assigned strength emerging from the APPS/PAI process.

Around the same time, SIGAR’s Investigations Directorate found that MOD and MOI officials created fraudulent payroll records to obtain payments to nonexistent ANDSF personnel. Working jointly with Afghan investigators and SIGAR auditors, SIGAR investigations staff have assisted the Afghan government in an attempt to return ill-gotten funds and prosecute Afghan officials in Afghan courts. In doing so, SIGAR has identified a number of sophisticated schemes to divert payroll funding, and several hundred police personnel records that have been tampered with that are linked to ghost personnel. Further, sources told SIGAR that Afghan government auditors responsible for overseeing MOI funding and documentation have been negligent in their assigned duties and have resisted follow-up audits.<sup>25</sup>

The following sections describe SIGAR’s initial observations and its continuing questions. They reflect several quarters of DOD responses to SIGAR data calls, two SIGAR staff visits to Afghanistan (December 2019 and March 2020), and other communications. The narrative traces DOD claims of success, acknowledges DOD progress and cost-savings, and summarizes our current understanding and the continuing questions that will inform future SIGAR work.

## TRUST BUT VERIFY

“Trust but verify” is the mantra of the oversight community, and is the spirit in which SIGAR approached DOD’s claims of APPS-driven force-strength clarity and associated benefits.

The first step was to ascertain the nature and breadth of the cost savings realized due to having more accurate ANDSF strength numbers. Reflecting on years of SIGAR work, the SIGAR team logically assumed that improved estimates of actual, assigned ANDSF personnel would have implications for several types of costs:

- **Wages and salaries:** The costs most directly responsive to changes in personnel count should be wages and salaries. If there are fewer reported police and soldiers, spending on their salaries and wages should decline (net of pay-grade increases, bonuses, and such, all other things being equal). As shown in Table 1, CSTC-A provided preliminary APPS data in June 2019 based on May counts showing approximately 15% fewer Afghan soldiers and police than reported under the previous systems. Asked about the gulf between the numbers, CSTC-A said that it “does not expect that the APPS-reported data will ever equal the amount that was self-reported [by the Afghans],” adding that it “cannot categorize the excess individuals as ‘ghost’ personnel, because it is

# CHASING GHOSTS

TABLE 1

<b>DIFFERENCE BETWEEN APPS-DERIVED ANDSF ASSIGNED STRENGTH AND PRE-APPS ANDSF ASSIGNED STRENGTH</b>					
<b>Month(s) Strength was Reported</b>	<b>Apr/May</b>		<b>Jul</b>	<b>Oct/Nov</b>	<b>Jan</b>
Averaged 2015-2018 assigned strength estimate (pre-APPS, manually reported assigned strength)	320,372		314,699	313,270	319,515
	<b>May 2019</b>	<b>Apr 2020</b>	<b>Jul 2019</b>	<b>Oct 2019</b>	<b>Jan 2020</b>
APPS-derived assigned strength estimate (slotted and eligible for pay)	272,465	288,418	253,850	272,807	281,807
Difference (Manually reported vs APPS strength)	(14.95%)	(9.97%)	(19.34%)	(12.92%)	(11.80%)

Note: The pre-APPS “average assigned strength estimate” represents the manually reported assigned-strength estimate for each quarter and was determined by averaging the assigned-strength reported to SIGAR and published in each Quarterly Report during the four years from 2015 through 2018. Although efforts were made to faithfully include the same ANDSF components year-on-year, in some cases this was not possible. For example, in a small number of cases, ANDSF civilians were included in the ANDSF assigned-strength figures whereas in most quarters, ANDSF civilians are not included in published ANDSF strength. In comparison to the four-year average of manually reported strength, the “APPS-derived assigned strength estimate” represents only a single snapshot of the ANDSF “assigned strength” reported to SIGAR for publication. Further, “APPS-derived assigned strength” is most appropriately defined as those police or soldiers slotted in APPS and eligible for pay.

Source: SIGAR Quarterly Reports 2015–2020.

not known why the Afghan reported numbers are higher.”<sup>26</sup> Assigned-strength numbers in APPS continued to increase as records were corrected and additional personnel were enrolled, but as also shown in Table 1 APPS-sourced ANDSF strength is still about 10% lower than reported under the previous personnel system for the same time the previous year.<sup>27</sup>

- **Individual equipment and clothing:** If there are fewer police and soldiers who require uniforms and individual equipment, the need to restock the depots should decrease. Equipment attrition should reflect the current number of personnel, the number of personnel entering the security forces requiring new kit, and the intensity of operations, as this will likely increase wear and tear.<sup>28</sup> However, high ANDSF casualties since 2014 speak to the intensity of the fight in the past several years,<sup>29</sup> likely increasing the need to procure individual equipment and uniforms.
- **Unit equipment and consumables:** Indirectly, assigned strength estimates could inform the composition of organizations and units (companies, battalions, brigades, divisions, and corps) that represent the aggregation of individuals into a larger whole. These units—and their unit-level equipment and associated consumables such as fuel and ammunition—require sufficient numbers of capable individuals to operate and employ these unit-level assets.<sup>30</sup> If units are seriously understrength, it may be necessary to collapse an unsustainably high number of organizational structures that lack the necessary critical mass into fewer, more rational units. In such a scenario, fewer unit-level assets and consumables are necessary as there are fewer units. In addition to ascertaining the overall size of the ANDSF, it would be

# CHASING GHOSTS



**IG Sopko** meets with ANDSF officers before a briefing on Personnel Asset Inventory (PAI). (SIGAR photo)

necessary to understand the distribution of individuals across the units, as well as the operational tempo of these units, to fully appreciate the implications of APPS-derived personnel data on unit-level equipment requirements.

DOD’s account of events, as SIGAR understood it before the field trips, was that DOD—encouraged by SIGAR pay and personnel audits—developed and deployed APPS, which then provided DOD with a more precise and accurate understanding of Afghan police and soldier numbers, unit assignment, and individual function.<sup>31</sup> This improved understanding, in turn, enabled DOD to adjust their spending decisions and initially save \$79 million after eliminating 50,000 illegitimate “ghost soldiers.”<sup>32</sup> This data-driven accounting of events was very appealing.

With this narrative in mind, SIGAR dispatched teams to Afghanistan in December 2019 and March 2020 to learn more about CSTC-A’s use of the more precise and accurate APPS-derived ANDSF personnel estimates. The results inspired some optimism and raised some questions.

## Kicking the Tires, Testing the Effect of APPS

### Wages and Salaries

Wages and salaries seemed the most obvious opportunity to find APPS-driven savings. Despite CSTC-A’s initial claims, however, there does not yet appear to have been a positive APPS-driven effect on actual wage and salary payments.

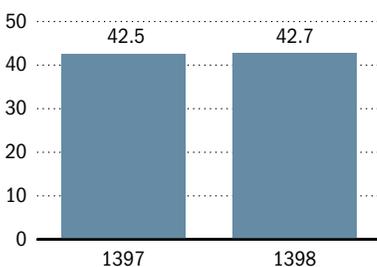
While CSTC-A repeated the claim in December 2019 that \$79 million had been saved due to APPS implementation,<sup>33</sup> by January 2020, they clarified that the \$79 million was a future cost-avoidance estimate, not an actual cost-savings amount, which they said would be “impossible to predict.”<sup>34</sup> During SIGAR’s March 2020 trip, CSTC-A officials said they no longer supported the \$79 million estimate, as the savings initially claimed were subsequently offset by a nearly equal cost increase from the addition of about 50,000 personnel to APPS records in the intervening time.<sup>35</sup> According to a senior CSTC-A official, while APPS is “not a money-saving program [per se] . . . we saved money by scrubbing [ANDSF] personnel records and removing records that were not verifiable.”<sup>36</sup>

Because the U.S. has robustly funded MOD salaries and incentives during the implementation of APPS, SIGAR analyzed whether CSTC-A-reported decreases in APPS-derived estimates of MOD actual strength correlated roughly with a commensurate decrease in Afghan government-reported expenditures for MOD salary and incentive payments.<sup>37</sup>

Figure 1 shows the results of SIGAR’s analysis of data from the Afghanistan Financial Management Information System (AFMIS). There

FIGURE 1

### MOD WAGES AND SALARIES EXPENDITURES FY 1397 AND 1398 (IN AFGHANI BILLIONS)



Note: CSTC-A funding was determined from data available in the Afghanistan Financial Management and Information System (AFMIS) for Afghan fiscal years 1397 and 1398. For this analysis, AFMIS fund codes 10040, 10042, 10043, 10044, 10045, and 10046 were assigned to CSTC-A for expenditures.

Source: SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020 and 4/14/2020; SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019.

was no obvious overall drop in MOD wages and salaries. For example, in Afghan fiscal year (AFY) 1397 (December 2017 through December 2018), before APPS implementation, CSTC-A is credited with roughly 42.7 billion afghani for MOD salary and incentive-pay expenditures compared to about 43.4 billion afghani in AFY 1398 (December 2018 through December 2019).<sup>38</sup>

As noted, DOD's changing timelines for APPS implementation complicated SIGAR's process for assessing APPS impact on ANDSF wages and salaries. For example, CSTC-A told SIGAR in October 2019 that the MOD began generating payroll data using APPS in July 2019.<sup>39</sup> However, in June 2020, CSTC-A said that it was not until September–October 2019 that APPS fully drove ANA pay.<sup>40</sup> So only the last two to three months of the Afghan fiscal year could be analyzed for the effect of the more reliable APPS-derived numbers.

Additionally, during the recent APPS development and deployment, MOD went through several changes that likely affected MOD salaries and incentives, most notably absorbing approximately 31,500 former MOI Afghan Border Police and Afghan National Civil Order Police elements<sup>41</sup> and a 5% base salary increase for MOD in AFY 1398 (December 2018 through December 2019).<sup>42</sup> These two events may have led to increased MOD wage and salary expenditures, potentially offsetting any APPS-derived savings.<sup>43</sup> Further, a senior CSTC-A official said a more professional Afghan security force trained in high-risk areas (including special operations forces, explosive-ordnance disposal, and helicopter pilots) is more expensive. “We very well may be paying fewer people more because they are trained and employed in high-hazard areas,” he concluded.<sup>44</sup>

Exchange rates also affect costs for the U.S. government maintaining a relatively constant amount of support of MOD wages and salaries. The afghani has depreciated against the U.S. dollar,<sup>45</sup> meaning the relatively stable afghani trend likely cost the U.S. government fewer dollars to maintain.

In its analysis of AFMIS data, SIGAR found no obvious support for the claim that APPS had an effect on MOD salaries and incentives.<sup>46</sup> While DOD insists APPS has “saved” money, they have not provided SIGAR the necessary evidentiary support for that claim.<sup>47</sup>

## **Individual Equipment, Clothing, and Small Arms**

For individual equipment and clothing, CSTC-A officials acknowledged that APPS-derived data could better inform their decisions. Outside of generalities/hypotheticals, CSTC-A did not provide SIGAR with specific examples of APPS-derived data being used in decision-making. From our conversations, it appeared the more influential data were the number of on-hand equipment and clothing items reported in supply inventory systems like CoreIMS.<sup>48</sup> While APPS apparently provided some basis to support or challenge equipment requests and facilitated cross-leveling items

# CHASING GHOSTS



Members of SIGAR's Research and Analysis Directorate during their December 2019 trip to Kabul. (SIGAR photo)

between units,<sup>49</sup> it appeared to serve as a secondary data source.<sup>50</sup> CSTC-A told SIGAR that the number of Afghans who have served in the ANDSF is much higher than the number of personnel presently in service (assigned strength), meaning higher costs as so many individuals enter and leave the service. While CSTC-A did not explain why this would drive up costs,<sup>51</sup> attrition of personnel presumably is associated with some loss of the individual's items, necessitating new purchases.

## Large Unit Items and Consumables

DOD told SIGAR there was no relationship between ANDSF personnel estimates and unit-level equipment and consumables. CSTC-A officials said the decision to stop procuring major end-items (such as the HMMWV tactical wheeled vehicle, popularly known as a "Humvee") was the result of a policy decision by Lt. Gen. Rainey.<sup>52</sup>

SIGAR's sense from its discussions in Afghanistan is that Lt. Gen. Rainey's command team proved more skeptical of ANDSF requests, more tolerant of the risk of ANDSF failures if necessary for reforms and savings, and more focused on making do with existing stock through maintenance rather than new procurements than some previous commands.<sup>53</sup>

Asked whether the APPS-derived personnel data informed DOD's decision-making on major end items and consumables like ammunition or fuel, DOD's Office of the Undersecretary of Defense for Policy (OUSD-P) insisted that the answer was "No."<sup>54</sup> OUSD-P said procurements were driven by operational tempo, by the official organizational structure of the ANDSF and associated equipment authorizations (tashkil), and by assessments of existing stock.<sup>55</sup>

## A CONFUSING PATH ENDS IN PERSISTING QUESTIONS

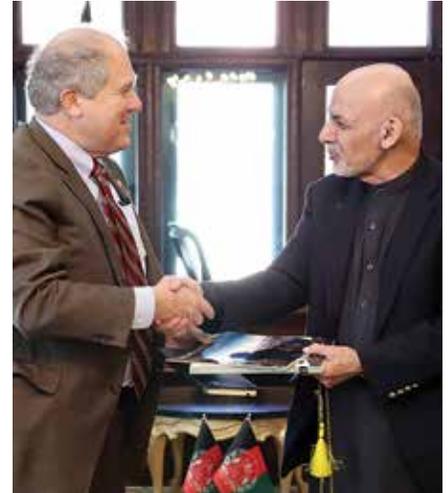
In 2019, CSTC-A reported \$621 million in actual savings and cost avoidance following a review of foreign military sales (FMS) contracts. According to CSTC-A, these savings were not due to APPS, but the result of a more skeptical CSTC-A command team (represented by a group they called the "angry council of colonels") taking a "wire brush" to previously unchallenged advisor contracts. As the CSTC-A director of staff put it, "do we really need two [contracted] advisors or will one do?" Asked whether APPS helped inform these savings, CSTC-A cited other influences.<sup>56</sup> Nonetheless, CSTC-A told SIGAR that "APPS will be another tool for CSTC-A and the ANDSF to use for future decisions" and that the system has had "a strong positive impact" on identifying ghost soldiers.<sup>57</sup>

# CHASING GHOSTS

Despite assertions of incipient success and hopes built up over the years, including claims of actual cost savings due to improved data from APPS, SIGAR has been unable to validate the efficacy of the APPS reform process.

It is possible that APPS, accompanied by continual efforts to physically validate a reasonable sample of ANDSF personnel serving at their duty stations, may allow DOD to reduce its actual MOD salary expenditures. It is also possible that APPS may assist DOD in further refining its decisions around individual equipment and clothing and the force structure of the ANDSF to better reflect what is possible given the challenges facing a voluntary force in the midst of an intense, long-running war rather than what is imagined in DOD-developed organizational charts.<sup>58</sup> All this and more may already be taking place. If so, DOD has not provided the necessary evidentiary support to confirm that they have realized any of these possibilities.

Nailing down accurate numbers for the ANDSF remains important for ensuring adequate support, for reducing the risk of waste, for informing assessments of ANDSF's capabilities, and for maintaining visibility into the use of American taxpayers' money. SIGAR will therefore initiate additional oversight work to advance its understanding of this critical issue.



**IG Sopko** meets with Afghan President Ashraf Ghani. (Afghan government photo)

“[Corruption] is the most insidious threat the Afghan government faces because it saps the support of citizens who are trying to go about their daily work, feed their families, and live free of fear and intimidation.”

—*Inspector General John F. Sopko*

# 2 SIGAR OVERSIGHT



# SIGAR OVERSIGHT CONTENTS

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SIGAR and other volunteers serve lunch at the U.S. Embassy Kabul after locally employed staff were unable to work on the compound due to COVID-19 precautions. (SIGAR photo)

## SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 11 products. SIGAR work to date has identified approximately \$3.3 billion in savings for the U.S. taxpayer.

SIGAR issued one performance-audit report this quarter, reviewing the Department of Defense's (DOD) \$174 million ScanEagle Unmanned Aerial System program, and one evaluation report reviewing the status of SIGAR recommendations made to the United States Agency for International Development (USAID) over the past five years. SIGAR also issued two inspection reports examining the construction of the Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex, and security upgrades at the Ministry of Interior headquarters complex.

SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits covered a range of topics including the State Department's Antiterrorism Assistance Program, support for humanitarian mine action and conventional-weapons destruction, and USAID's Afghanistan Health Sector Resiliency Project.

This quarter, SIGAR's Office of Special Projects issued one report examining increased costs incurred by U.S. contractors in Afghanistan as a result of inconsistent work visa policies and fees.

During the reporting period, SIGAR criminal investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

### AUDITS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. This quarter, SIGAR has 18 ongoing performance audits and 38 ongoing financial audits.

### Performance Audit Reports Issued

This quarter, SIGAR issued one performance-audit report reviewing DOD's \$174 million ScanEagle Unmanned Aerial System program and one evaluation report reviewing the status of SIGAR recommendations made to the

#### COMPLETED PERFORMANCE AUDIT

- SIGAR 20-44-AR: Afghan National Army: DOD Did Not Conduct Required Oversight or Assess the Performance and Sustainability of the \$174 Million ScanEagle Unmanned Aerial System Program

#### COMPLETED EVALUATION

- SIGAR 20-46-IP: USAID Recommendations Follow-Up: U.S. Agency for International Development Implemented More than 80 Percent of Recommendations from SIGAR Audits and Inspections

#### COMPLETED FINANCIAL AUDITS

- Financial Audit 20-37-FA: Department of State's Assistance to the Legal Education Support Program–Afghanistan II: Audit of Costs Incurred by the University of Washington
- Financial Audit 20-39-FA: Department of State's Antiterrorism Assistance Program in Afghanistan: Audit of Costs Incurred by Alutiq LLC
- Financial Audit 20-40-FA: USAID's Afghanistan Health Sector Resiliency Project: Audit of Costs Incurred by Palladium International LLC
- Financial Audit 20-41-FA: USAID's Afghanistan Development Assistance for Legal Access and Transparency Program: Audit of Costs Incurred by Checchi and Company Consulting Inc.
- Financial Audit 20-42-FA: Department of the Army's UH-60A Afghanistan Enhanced Phase Maintenance Inspection Program: Audit of Costs Incurred by Support Systems Associates Inc.
- Financial Audit 20-43-FA: Department of State's Humanitarian Mine Action, Conventional Weapons Destruction, and Technical Assistance in Afghanistan: Audit of Costs Incurred by Janus Global Operations LLC

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# SIGAR OVERSIGHT ACTIVITIES

*Continued from the previous page*

## COMPLETED INSPECTIONS

- Inspection Report 20-38-IP: Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex: Construction and Renovation Generally Met Requirements and Standards
- Inspection Report 20-45-IP: Afghan Ministry of Interior Security Upgrades: Project Was Generally Completed According to Contract Requirements, but Construction and Maintenance Problems Exist

## COMPLETED SPECIAL PROJECT

- Review 20-47-SP: Inconsistent Afghan Visa Policies Increased the Cost to Deploy Contractors to Afghanistan

## COMPLETED PERFORMANCE AUDIT

- SIGAR 20-44-AR: Afghan National Army: DOD Did Not Conduct Required Oversight or Assess the Performance and Sustainability of the \$174 Million ScanEagle Unmanned Aerial System Program

U.S. Agency for International Development (USAID) in the past five years. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

### **Performance Audit 20-44-AR: Afghan National Army DOD Did Not Conduct Required Oversight or Assess the Performance and Sustainability of the \$174 million ScanEagle Unmanned Aerial System Program**

In a March 2015 DOD memorandum, the Combined Security Transition Command–Afghanistan (CSTC-A) helped identify an impending capability gap related to the Afghan National Army’s (ANA) ability to conduct intelligence, surveillance, and reconnaissance (ISR) operations that would result from a drawdown of Coalition forces. To increase the ANA’s ISR capabilities, DOD funded the purchase of 16,000 ISR assets, such as night vision devices and surveillance unmanned aerial vehicles, like the ScanEagle Unmanned Aerial System.

SIGAR found that Naval Air Systems Command (NAVAIR)—responsible for overseeing the ScanEagle contracts and ScanEagle manufacturer, Insitu—is unable to determine the extent to which Insitu met the terms of the contracts because NAVAIR did not meet U.S. government requirements for conducting contract oversight. First, NAVAIR did not designate a Contracting Officer’s Representative (COR) for all of the ScanEagle contracts, per DOD guidance. NAVAIR’s Contracting Officer did not perform COR duties for those contracts, as U.S. guidance suggests for firm-fixed-price contracts where a COR is not assigned. Second, NAVAIR did not have an in-country sponsor in Afghanistan responsible for validating contract requirements, as DOD required. Third, NAVAIR could not produce evidence that Insitu completed 122 of the total 403 deliverables required to determine if the contractor met the terms of the contracts. Insitu provided evidence that it completed four of the 122 deliverables that NAVAIR did not have.

DOD did not measure and evaluate ScanEagle program performance. SIGAR found that DOD and CSTC-A did not implement performance management guidance required in DOD Instruction 5132.14, Assessment, Monitoring, and Evaluation Policy for the Security Cooperation Enterprise. In May 2020, after reviewing a draft of this report, DOD officials provided SIGAR a statement explaining the agency’s interpretation of the DOD instruction, saying they do not need to, or plan to, measure and evaluate ScanEagle program performance in accordance with DOD Instruction 5132.14. As a result, DOD currently lacks a formal plan for measuring the performance of the ScanEagle program. A senior CSTC-A official told SIGAR in January 2019 that CSTC-A’s only means for measuring ScanEagle program performance is using the Afghanistan Compact—a U.S. and Afghan initiative managed by U.S. Forces–Afghanistan to track the Afghan government’s commitments and implementation of U.S. development assistance—and collecting anecdotal evidence from ANA operations. Despite

# SIGAR OVERSIGHT ACTIVITIES



**SIGAR Audits staff** observe ScanEagle UAS launch. (SIGAR photo)

previous assertions that it used the Compact to measure ScanEagle outcomes, CSTC-A told SIGAR in September 2019 that it no longer uses the Compact. Furthermore, SIGAR found that DOD did not assess the sustainability of the ScanEagle program, or the ANA's ability to sustain the ISR capabilities it developed and acquired using the ScanEagle systems.

CSTC-A and NAVAIR have encountered delays and challenges in developing the ANA's capability to independently operate and maintain the ScanEagle program due to (1) inadequate training of ANA soldiers, (2) insufficient manning of ANA ScanEagle operations, (3) insufficient fielding of operational ANA ScanEagle sites, and (4) the ANA's inability to operationalize intelligence obtained through the program. As a result of these delays and challenges, DOD lacks information necessary to track, understand, and improve the return on its \$174 million investment in the program, and is poorly positioned to transfer responsibilities to the ANA.

SIGAR made five recommendations in the report. To improve ScanEagle contract oversight, SIGAR recommends that the Secretary of Defense (1) direct NAVAIR personnel managing and overseeing the ScanEagle contracts to ensure the COR on the current contract is performing all required COR duties; and (2) direct NAVAIR, in coordination with appropriate coalition partners, to immediately designate an in-country sponsor and an in-country COR for the current ScanEagle contract. To better understand the performance of the ScanEagle program, and the Afghan government's ability to sustain the program, SIGAR recommends that the Secretary of Defense (3) direct NAVAIR to immediately share existing Insitu performance reporting information and related contract deliverables with appropriate coalition partners responsible for the current ScanEagle contracts, and agree to a plan with CSTC-A for sharing future contract performance information. To ensure that U.S. investments in training ANA soldiers to perform the

## SIGAR STAFF IN QUARANTINE AT THE U.S. EMBASSY

An outbreak of COVID-19 hit the U.S. Embassy in Kabul in June. At the height of the outbreak, the embassy had some 55 confirmed cases of the disease among its total staff of about 2,400, including diplomats, contractors, and locally employed staff. Most of those who fell ill were Nepalese Gurkhas, who provide embassy security.

To prevent the spread of infection, the embassy closed to visitors and ordered almost all locally employed staff to work from home. Embassy office buildings were closed and staff on the compound were quarantined in their housing units.

SIGAR's director of forward operations, Craig Wiles, senior audit manager Adam Bonfanti, and other U.S. staff volunteered to serve food, clean housing units, and carry out other essential work usually undertaken by the locally employed staff. At the time this report went to press, the embassy had no further cases, and Ambassador Ross Wilson and his staff were looking into how the embassy might reopen safely.

# SIGAR OVERSIGHT ACTIVITIES

ScanEagle mission are protected, SIGAR recommends that the Secretary of Defense (4) work with the ANA to develop requirements to help ensure that recently certified ANA soldiers will be placed in positions that take advantage of their newly acquired skills. To help ensure that U.S. procurements in ScanEagle equipment are protected and used as intended, SIGAR recommends that the Secretary of Defense (5) direct responsible DOD departments to work with the ANA to establish a system for tracking the location of ScanEagle equipment across Afghanistan.

## COMPLETED EVALUATION

- SIGAR 20-46-IP: USAID Recommendations Follow-Up: U.S. Agency for International Development Implemented More than 80 Percent of Recommendations from SIGAR Audits and Inspections

### **Evaluation 20-46-IP: USAID Recommendations Follow-Up U.S. Agency for International Development Implemented More than 80 Percent of Recommendations from SIGAR Audits and Inspections**

This evaluation is a follow-up to SIGAR's October 2014 report that examined the status of recommendations SIGAR made to USAID in performance audits, financial audits, inspections, evaluations, and alert letters issued between January 2008 and April 2014. This evaluation provides information on the status of SIGAR recommendations made to USAID over the past five years.

Over the five-year period since the 2014 report examining USAID's implementation of SIGAR recommendations, SIGAR's Audits and Inspections Directorate made 201 recommendations in 68 reports to USAID. Of the 201, USAID implemented 167 recommendations, 22 remained open, and only 12 were not implemented and closed. About 90% of the 201 recommendations were intended to enhance contract oversight or improve program effectiveness. The recommendations resulted in \$66 million in funds put to better use and called for USAID to review and recoup, as appropriate, more than \$87 million in questioned program costs. The implementation of SIGAR's recommendations also helped USAID hold contractors accountable for completing required work and led to improved safety conditions for infrastructure projects.

Office of Management and Budget Circular A-50 requires executive agencies to maintain accurate records of the status of recommendations throughout the entire resolution process, and appoint a top-level audit follow-up official to oversee the implementation of recommendations. SIGAR found that USAID uses a system called the Consolidated Audit and Compliance System to track SIGAR recommendations through their resolution. In addition, USAID appointed a top-level audit follow-up official responsible for overseeing SIGAR recommendations. The Federal Acquisition Streamlining Act requires agencies to take corrective action on audit recommendations, and directs agencies to resolve the recommendations within 12 months after the issuance of a final report. SIGAR found that USAID took less than 12 months to resolve 147 of the 179 closed recommendations, and more than 12 months to implement the other 32 recommendations.

# SIGAR OVERSIGHT ACTIVITIES

SIGAR also found that USAID guidance differs from the Federal Acquisition Streamlining Act in the length of time allowed for final actions to implement a recommendation. While the act requires that recommendation resolution take no more than 12 months total, USAID’s Automated Directives System (ADS) 595 allows up to six months for a management decision and an additional 12 months for final resolution, for a total of 18 months for a resolution.

SIGAR made one recommendation in the report. To comply with federal law and ensure that recommendations made to USAID are resolved within 12 months, SIGAR recommended that the USAID Administrator update ADS 595 to be in accordance with the 12-month recommendation resolution timeline required by the Federal Acquisition Streamlining Act of 1994.

## Financial Audits

SIGAR launched its financial-audit program in 2012, after Congress and the oversight community expressed concerns about oversight gaps and the growing backlog of incurred-cost audits for contracts and grants awarded in support of overseas contingency operations. SIGAR competitively selects independent accounting firms to conduct the financial audits and ensures that the audit work is performed in accordance with U.S. government auditing standards. Financial audits are coordinated with the federal inspector-general community to maximize financial-audit coverage and avoid duplication of effort.

This quarter, SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan, in addition to 38 ongoing financial audits with over \$851 million in auditable costs, as shown in Table 2.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

SIGAR issues each financial-audit report to the funding agency that made the award(s). The funding agency is responsible for making the final determination on **questioned amounts** identified in the report’s audit findings. Since the program’s inception, SIGAR’s financial audits have identified more than \$440 million in **questioned costs** and \$364,907 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of June 30, 2020, funding agencies had disallowed more than \$27.5 million in questioned amounts, which are thereby subject to collection. It takes time for funding agencies to carefully consider audit findings and recommendations. As a result, final disallowed-cost determinations remain to be made for several of SIGAR’s issued financial audits. SIGAR’s financial audits also have identified and reported 530 compliance findings and 571 internal-control findings to the auditees and funding agencies.

TABLE 2.1

SIGAR’S FINANCIAL AUDIT COVERAGE (\$ BILLIONS)	
166 completed audits	\$8.15
38 ongoing audits	0.85
<b>Total</b>	<b>\$9.00</b>

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

Source: SIGAR Audits and Inspections Directorate.

**Questioned amounts:** the sum of potentially unallowable questioned costs and unremitted interest on advanced federal funds or other revenue amounts payable to the government.

**Questioned costs:** costs determined to be potentially unallowable. The two types of questioned costs are (1) ineligible costs (violation of a law, regulation, contract, grant, cooperative agreement, etc. or an unnecessary or unreasonable expenditure of funds); and (2) unsupported costs (those not supported by adequate documentation or proper approvals at the time of an audit).

## COMPLETED FINANCIAL AUDITS

- Financial Audit 20-37-FA: Department of State's Assistance to the Legal Education Support Program–Afghanistan II: Audit of Costs Incurred by the University of Washington
- Financial Audit 20-39-FA: Department of State's Antiterrorism Assistance Program in Afghanistan: Audit of Costs Incurred by Alutiiq LLC
- Financial Audit 20-40-FA: USAID's Afghanistan Health Sector Resiliency Project: Audit of Costs Incurred by Palladium International LLC
- Financial Audit 20-41-FA: USAID's Afghanistan Development Assistance for Legal Access and Transparency Program: Audit of Costs Incurred by Checchi and Company Consulting Inc.
- Financial Audit 20-42-FA: Department of the Army's UH-60A Afghanistan Enhanced Phase Maintenance Inspection Program: Audit of Costs Incurred by Support Systems Associates Inc.
- Financial Audit 20-43-FA: Department of State's Humanitarian Mine Action, Conventional Weapons Destruction, and Technical Assistance in Afghanistan: Audit of Costs Incurred by Janus Global Operations LLC

## Financial Audits Issued

The six financial audits completed in this quarter identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

### **Financial Audit 20-39-FA: Department of State's Antiterrorism Assistance Program in Afghanistan Audit of Costs Incurred by Alutiiq LLC**

State awarded task orders to Alutiiq Technical Services LLC and Alutiiq Professional Training LLC to support State's Antiterrorism Assistance program and enhance the antiterrorism skills of foreign law enforcement and security officials. The companies are subsidiaries of Alutiiq LLC. The first task order's period of performance was March 1, 2014, through February 28, 2015. After 10 modifications, State increased funding from \$2.4 million to \$14.6 million, and extended the end date to August 31, 2016. The second task order's period of performance was September 1, 2016, through February 28, 2017. After four modifications, State increased its funding from \$2.8 million to \$5.7 million, and extended the end date to August 31, 2017.

SIGAR's financial audit, performed by Williams, Adley & Company–DC LLP reviewed a total of \$19,539,320 in costs Alutiiq incurred for both task orders from March 1, 2014, through August 31, 2017. The auditors identified five deficiencies in Alutiiq's internal controls and four instances of noncompliance with the terms of the task orders. Williams Adley identified \$8,765,541 in questioned costs charged to the task orders related to these issues.

### **Financial Audit 20-43-FA: Department of State's Humanitarian Mine Action, Conventional Weapons Destruction, and Technical Assistance in Afghanistan Audit of Costs Incurred by Janus Global Operations LLC**

On March 3, 2012, the Department of State's Bureau of Political-Military Affairs, Office of Weapons Removal and Abatement awarded a time and materials task order for \$8,780,343 to Sterling Operations Inc. to support humanitarian mine action, conventional-weapons destruction, and technical assistance in Afghanistan. The objective was to remove mines and other unexploded ordnances and provide education about the risk the mines pose throughout the country. After 28 modifications, the task order's total funding increased to \$24,943,314, and the period of performance was extended from March 23, 2013, to September 23, 2017. In April 2016, Sterling changed its name to Janus Global Operations LLC.

SIGAR's financial audit, performed by Crowe LLP, reviewed \$7,679,200 in costs charged to the task order from March 24, 2015, through September 23, 2017. The auditors identified three deficiencies in Janus' internal controls and three instances of noncompliance with the terms of the task order.

# SIGAR OVERSIGHT ACTIVITIES



**Downtown Kabul** and the surrounding mountain range. (SIGAR photo by Adam Bonfanti)

Crowe identified \$208,748 in questioned costs charged to the task order related to these issues.

## **Financial Audit 20-40-FA: USAID’s Afghanistan Health Sector Resiliency Project**

### **Audit of Costs Incurred by Palladium International LLC**

On September 25, 2015, USAID awarded a cost-plus-fixed-fee contract for \$37,936,471 to Futures Group International LLC to support the Afghanistan Health Sector Resiliency Project; a later modification to the contract reflected Futures Group International’s change of name to Palladium International LLC. The objective of the project was to help the Afghan government strengthen and reform the Afghan health system to become self-reliant. After 11 modifications, the contract’s total funding decreased to \$27,634,654, and the end of the contract’s period of performance changed from September 30, 2019, to September 27, 2020.

SIGAR’s financial audit, performed by Davis Farr LLP, reviewed \$8,987,950 in costs charged to the contract from January 1, 2018, through September 30, 2019. The auditors identified four significant deficiencies in Palladium’s internal controls and four instances of noncompliance with the terms of the contract. Davis Farr identified \$119,937 in questioned costs charged to the contract related to these issues.

## **Financial Audit 20-37-FA: Department of State’s Assistance to the Legal Education Support Program–Afghanistan II**

### **Audit of Costs Incurred by the University of Washington**

On March 22, 2017, the Department of State’s Bureau of International Narcotics and Law Enforcement Affairs awarded a three-year, \$7,000,000 grant to the University of Washington in support of its Legal Education

Support Program–Afghanistan II. The program’s objectives included building capacity in legal education at public universities throughout Afghanistan by providing opportunities for Afghan faculty members to improve academic methods, develop English language skills, and strengthen legal analysis, research, and writing. The grant was modified once, but the period of performance did not change and ended on March 31, 2020.

SIGAR’s financial audit, performed by Davis Farr LLP, reviewed \$4,258,262 in costs charged to the grant from April 1, 2017, through June 30, 2019. The auditors identified four significant deficiencies in the University of Washington’s internal controls and four instances of noncompliance with the terms of the grant. Davis Farr identified \$30,931 in questioned costs charged to the grant related to these issues.

**Financial Audit 20-41-FA: USAID’s Afghanistan Development Assistance for Legal Access and Transparency Program  
Audit of Costs Incurred by Checchi and Company Consulting Inc.**

On April 18, 2016, USAID awarded a cost-plus-fixed-fee task order for \$43,869,327 to Checchi and Company Consulting Inc. in support of USAID’s Afghanistan Development Assistance for Legal Access and Transparency program. The program’s objective was to improve citizens’ access to justice services based on Afghan law. After 11 modifications, the task order’s total funding increased to \$68,163,468, and the period of performance was extended by one year to April 17, 2021.

SIGAR’s financial audit, performed by Davis Farr LLP, reviewed \$16,350,571 in costs charged to the contract from October 1, 2017, through June 30, 2019. The auditors identified four significant deficiencies in Checchi’s internal controls and three instances of noncompliance with the terms of the task order. Davis Farr identified \$16,787 in questioned costs charged to the task order related to these issues.

**Financial Audit 20-42-FA: Department of the Army’s UH-60A Afghanistan Enhanced Phase Maintenance Inspection Program  
Audit of Costs Incurred by Support Systems Associates Inc.**

On April 12, 2018, Army Contracting Command (ACC)-Redstone awarded a cost-plus-fixed-fee delivery order to Support Systems Associates Inc. (SSAI) to recondition UH-60A helicopters for Afghan security forces under the Afghanistan Enhanced Phase Maintenance Inspection program. After eight modifications, ACC decreased funding from \$7,192,780 to \$5,321,151 with no change to the final delivery date of February 28, 2019.

SIGAR’s financial audit, performed by Crowe LLP, reviewed \$5,176,486 in costs charged to the award from April 12, 2018, through February 28, 2019. The auditors found no significant deficiencies in SSAI’s internal controls or instances of noncompliance with the terms of the delivery order. Accordingly, Crowe identified no questioned costs.

## INSPECTIONS

### Inspection Reports Issued

SIGAR issued two inspection reports this quarter. A list of completed and ongoing inspections can be found in Appendix C of this quarterly report.

#### **Inspection Report 20-38-IP: Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex Construction and Renovation Generally Met Requirements and Standards**

On July 3, 2014, the Taliban fired several rockets at the military section of North Kabul International Airport, hitting a storage hangar for the Afghan National Army (ANA) and Train Advise Assist Command-Air (TAAC-Air) Joint Air Force (JAF) I. The attack resulted in extensive damage to the hangar and an attached building. Repairing the hangar complex was on the Afghan Air Force’s top-10 priorities list because of its importance as an inspection and maintenance facility for ANA aircraft.

On September 20, 2016, the U.S. Army Corps of Engineers (USACE) Transatlantic Afghanistan Engineer District awarded a firm-fixed-price contract for approximately \$2.5 million to Assist Consultants Inc. (ACI) to demolish the damaged hangar and build a new one at the same location. The contract also included renovating the attached building and supporting infrastructure. After eight modifications, the contract’s value increased to approximately \$2.9 million, and the completion date was extended to June 30, 2019. On July 18, 2019, USACE transferred the complex to the Combined Security Transition Command-Afghanistan (CSTC-A), which requested and funded the project. CSTC-A then transferred it to the Afghan Ministry of Defense (MOD) on September 23, 2019.

SIGAR found that the ANA TAAC-Air JAF I hangar complex construction and renovation work generally met contract requirements and applicable standards. However, ACI finished the project 430 days (about 14 months) later than initially scheduled, and SIGAR noted six deficiencies resulting from ACI’s noncompliance with the contract that raise concerns about the quality of the work at the complex. Among the deficiencies SIGAR identified were non-functional exterior lights and several holes that needed to be patched in the exterior wall of a room on the lower floor. During site visits to the hangar complex, SIGAR observed that ANA staff and contractors were using the complex and it appeared to be clean and in good condition.

However, SIGAR has concerns regarding whether the complex is being operated and maintained to allow it to function as intended. CSTC-A told SIGAR that when it turned the complex over to the Ministry of Defense (MOD) on September 23, 2019, “the MOD was properly notified of their responsibility to properly maintain the facilities that have been officially transferred as well as how to request repairs for issues that are covered by the one-year warranty.” Consequently, since September 2019, when CSTC-A

### COMPLETED INSPECTIONS

- Inspection Report 20-38-IP: Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex: Construction and Renovation Generally Met Requirements and Standards
- Inspection Report 20-45-IP: Afghan Ministry of Interior Security Upgrades: Project Was Generally Completed According to Contract Requirements, but Construction and Maintenance Problems Exist

transferred the project, the MOD should have been responsible for operation and maintenance (O&M), including routine activities necessary to maintain the complex and equipment.

In addition, the ANA did not have O&M manuals in Dari, the language most of the staff read, or fuel in or near the emergency generator used to operate the hangar doors during power outages. USACE still has the opportunity to hold ACI accountable for correcting the deficiencies because USACE is withholding almost \$110,393 in payments to ACI, and the warranty expires on the building and hangar in May and June 2020, respectively.

SIGAR made four recommendations in the report. To ensure that the ANA TAAC-Air Joint Air Force Hangar I complex meets all contract requirements and construction standards, SIGAR recommended that the USACE Commanding General and Chief of Engineers: direct ACI to fix the six outstanding deficiencies it was notified to correct during the warranty periods but has not yet corrected; continue to withhold \$110,393, consisting of a 10% retainage plus \$92,979 still unbilled, until ACI corrects all identified deficiencies; and require ACI to give the ANA O&M manuals for the complex in Dari. To make sure the MOD and the ANA are performing O&M during the warranty period and the emergency generator can be used as intended, SIGAR recommended that the CSTC-A Commander reiterate to MOD and senior ANA officials and require them to acknowledge in writing (a) their responsibility for operating and maintaining the hangar complex during the warranty period, and (b) the importance of storing fuel in or near the emergency generator to operate the hangar doors quickly in case of emergency.

## **Inspection Report 20-45-IP: Afghan Ministry of Interior Security Upgrades**

### **Project Was Generally Completed According to Contract Requirements, but Construction and Maintenance Problems Exist**

On December 31, 2016, the U.S. Army Corps of Engineers (USACE) awarded Abdulhai Gardezi Construction Firm (ACF) a \$2.4 million firm-fixed-price contract to complete security and access upgrades at the Ministry of Interior (MOI) headquarters complex in Kabul. USACE and ACF modified the contract seven times, ultimately increasing the award amount by about \$21,500 and extending the completion date to January 21, 2019. USACE conducted a pre-final inspection on July 2, 2018, and determined that the work associated with the parking lot, surrounding concrete barriers, and the road and street lighting improvements were sufficiently complete to allow the Afghan government to start using them on July 10, 2018. The one-year warranty on these items started on July 10, 2018. USACE conducted a final inspection for the remaining contract items—52 Jersey barriers, the ECP building, and six drop-arm checkpoints and guard shacks—on March 5, 2019, and their one-year warranties started that day.

# SIGAR OVERSIGHT ACTIVITIES



**Massoud Circle** in the heart of downtown Kabul. (SIGAR photo by Adam Bonfanti)

SIGAR inspectors visited the MOI headquarters complex six times in February and May 2020, and found that ACF generally constructed the security upgrades according to the contract requirements. For example, ACF constructed the new ECP building, drop-arm checkpoints, guard shacks, and parking lot as required. However, inspectors found three construction deficiencies that resulted from ACF not complying with contract requirements: a concrete barrier was at risk of falling over; a noncompliant ground cable was installed; and card readers were not installed at turnstiles in the ECP building's entry and exit points.

SIGAR inspectors also found three potential safety hazards due to insufficient electrical power and inadequate maintenance. First, 85 of the 90 streetlights did not work because the MOI has not taken corrective actions recommended by ACF to make them operational. Second, the ECP building's exit doors were missing panic bars, and some had unauthorized, noncompliant locks installed from the outside. Third, the MOI damaged the roof on a guard shack while relocating it and has not repaired the damage. In addition, inspectors found that the MOI was not using all of the upgrades. For example, the MOI was not using the ECP building for security screening.

SIGAR made two recommendations in the report. To protect U.S. taxpayers' investment in the security upgrades at the MOI headquarters complex, SIGAR recommended that the CSTC-A Commander: (1) notify the MOI about the three construction deficiencies—the concrete barrier at risk of falling over, noncompliant ground cable, and uninstalled card readers—so the MOI is aware of them and can take whatever action it deems appropriate; and (2) notify the MOI of the three operational and maintenance problems—nonworking streetlights, missing panic bars and unauthorized exterior padlocks on ECP building exit doors, and damage to a guard

# SIGAR OVERSIGHT ACTIVITIES

shack roof—so the MOI can take whatever action it deems appropriate to correct them.

## Status of SIGAR Recommendations

The Inspector General Act of 1978, as amended, requires SIGAR to report on the status of its recommendations. This quarter, SIGAR closed 19 recommendations contained in 11 performance-audit, inspection, and financial-audit reports.

From 2009 through March 2020, SIGAR issued 384 audits, alert letters, and inspection reports, and made 1,074 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 936 of these recommendations, about 87%. Closing a recommendation generally indicates SIGAR's assessment that the audited agency either has implemented the recommendation or has otherwise appropriately addressed the issue. In some cases where the agency has failed to act, SIGAR will close the recommendation as "Not Implemented;" this quarter, SIGAR closed one recommendation in this manner. In some cases, these recommendations will be the subject of follow-up audit or inspection work.

SIGAR is also required to report on any significant recommendations from prior reports on which corrective action has not been completed. This quarter, SIGAR continued to monitor agency actions on 138 open recommendations. Eighty-one of these recommendations have been open for more than 12 months because the agency involved has not yet produced a corrective-action plan that SIGAR believes would resolve the identified problem, or has otherwise failed to appropriately respond to the recommendation(s).

For a complete list of open recommendations, see [www.sigar.mil](http://www.sigar.mil).

### COMPLETED SPECIAL PROJECT

- Review 20-47-SP: Inconsistent Afghan Visa Policies Increased the Cost to Deploy Contractors to Afghanistan

## SPECIAL PROJECTS

SIGAR's Office of Special Projects was created to quickly obtain and access information necessary to fulfill SIGAR's oversight mandates; examine emerging issues; and deliver prompt, actionable reports to federal agencies and the Congress. Special Projects reports and letters focus on providing timely, credible, and useful information to Congress and the public on all facets of Afghanistan reconstruction. The directorate comprises a team of analysts supported by investigators, lawyers, subject-matter experts, and other specialists who can quickly and jointly apply their expertise to emerging problems and questions.

This quarter, SIGAR's Office of Special Projects issued one review report. A list of completed Special Projects can be found in Appendix C of this quarterly report.



**A merchant** sells jewelry in a Kabul bazaar. (SIGAR photo by Adam Bonfanti)

## **Review 20-47-SP: Inconsistent Afghan Visa Policies Increased the Cost to Deploy Contractors to Afghanistan**

The Afghan president issued a presidential decree on December 31, 2014, providing guidance for implementing visa requirements. The decree specifies that all U.S. and NATO contractor employees may acquire a one-year multiple-entry visa and do not need a work permit. However, this procedure is being applied only to DOD contractors. U.S. Agency for International Development (USAID) contractors informed SIGAR that they have been unable to get a one-year multiple-entry visa and instead must obtain short-term visas and then obtain a work permit in Afghanistan before the Afghan government will issue them a one-year multiple-entry visa. SIGAR also found that the amount the Afghan government charges to renew visas varies among Afghan embassies abroad and the Ministry of Interior in Afghanistan.

SIGAR attempted to determine the amount contractors billed the U.S. government to acquire one-year, multiple-entry visas and visa renewals by reviewing 2018 invoices for 11 contracts (four DOD and seven USAID) issued to nine contractors that sent employees to Afghanistan in 2018. However, the invoices did not have enough detail to determine the amount the U.S. government was charged. Therefore, to estimate the amount it cost the U.S. government to reimburse contractor employees for acquiring visas, SIGAR issued a questionnaire and used the average prices provided by the responding contractors.

Data from the four DOD contractors that deployed 4,859 employees to Afghanistan in 2018 showed that the U.S. government reimbursed them an average of \$692 per deployed employee; the five USAID contractors that deployed 298 employees to Afghanistan in 2018 reported that they were charged an average of \$931 per deployed employee. In 2018, DOD and

# SIGAR OVERSIGHT ACTIVITIES

USAID deployed 22,231 contractors to Afghanistan who needed Afghan visas. If the guidance from the presidential decree and the Afghan Embassy in Washington DC's website had been followed, then the most these visas should have cost was \$8 million total if all 22,231 employees were issued an initial one-year multiple-entry visa, at \$360 each, according to Ministry of Foreign Affairs guidance. However, using the averages provided by the nine contractors, SIGAR estimates that visas and work permits could have cost the U.S. government more than \$15.5 million in 2018. In other words, U.S. contractors were likely charged nearly double the legitimate cost for visas to work in Afghanistan.

SIGAR recommended the Department of State coordinate with the Afghan government to standardize visa policies so that all U.S.-funded contractors involved with reconstruction of Afghanistan are treated equally, as stipulated in the Presidential decree that states that all U.S. contractors can acquire a one-year multi-entry visa and are not required to obtain a work permit.

SIGAR provided a draft of this report to State, DOD, and USAID. USAID agreed with SIGAR's findings, and expressed their appreciation for SIGAR highlighting the Afghan government's inconsistent procedures for issuing initial one-year multiple entry visas and the subsequent one-year visa renewals. CSTC-A agreed that the elimination of inconsistency in both fees and duration of visas for contractors would be beneficial. State did not concur with our recommendation saying that adding such an initiative to their diplomatic agenda right now would detract from other high-priority objectives they are pursuing to reach a peace agreement. State added that they could give future consideration to explore with the Afghan government the possibility of applying visa terms similar to those that apply to DOD contractors to State and USAID contractors.

## LESSONS LEARNED

SIGAR's Lessons Learned Program was created to identify lessons and make recommendations to Congress and executive agencies on ways to improve current and future reconstruction efforts. To date, the program has issued seven reports. Four reports are currently in development on U.S. government support to elections, monitoring and evaluation of reconstruction contracting, efforts to advance and empower women and girls, and a report on police and corrections. Issued lessons-learned reports and their companion interactive versions are posted on SIGAR's website, [www.sigar.mil](http://www.sigar.mil).

## INVESTIGATIONS

During the reporting period, SIGAR's criminal investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

To date, SIGAR investigations have resulted in a cumulative total of 151 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total over \$1.6 billion.

### Former Employees of U.S. Government Contractor Plead Guilty to Conspiracy

During the reporting period, in the U.S. District Court, District of Columbia, two individuals pleaded guilty to one-count **criminal informations** charging conspiracy to commit offenses against the United States. The individuals were employed by a U.S. government contractor to recruit candidates for positions as language interpreters working with the U.S. military. They circumvented procedures designed to ensure candidates met minimum proficiency standards, which resulted in unqualified language interpreters being hired and later deployed alongside U.S. combat forces in Afghanistan. To carry out this scheme, they conspired with others to commit wire fraud and major fraud against the United States. Both obtained financial bonuses from their employer based on the number of candidates hired through their efforts.

Additionally, on March 12, 2020, in the U.S. District Court, District of Columbia, Kenneth O. Coates pleaded guilty to one count of major fraud against the United States, in connection to the conspiracy. To date, four co-conspirators have pleaded guilty as a result of the SIGAR-led investigation.

### Suspensions and Debarments

This quarter, SIGAR's suspension and debarment program referred six individuals and 12 companies for debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 1006—encompassing 551 individuals and 455 companies to date.

As of June 30, 2020, SIGAR's efforts to utilize suspension and debarment to address fraud, corruption and poor performance in Afghanistan have resulted in a total of 141 suspensions and 570 finalized debarments/special entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 28 individuals and companies have entered into administrative compliance agreements with the U.S. government in lieu of exclusion from contracting since the initiation of the program. During the third quarter of 2020, SIGAR's referrals resulted

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**Criminal information:** A written accusation of a crime, issued by a public prosecutor, as distinct from an indictment handed up by a grand jury.

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# SIGAR SPECIAL MEMORIAL

SIGAR mourns the loss and honors the life of SIGAR Prosecutor (SIGPRO) and Associate General Counsel Daniel Butler, who passed away on May 14, 2020.

Dan began his career at the Department of Justice (DOJ) as an attorney in the Special Litigation Section of the Civil Rights Division (1981–84), transitioning to the Criminal Section of the Civil Rights Division (1984–89), the Public Integrity Section of the Criminal Division (1989–1999), the U.S. Attorney's Office for the District of Columbia as an Assistant United States Attorney (1999–2012), and to the Fraud Section, where he had served since 2012 as a Trial Attorney detailed from SIGAR.

As a public servant, Dan's investigations and prosecutions crossed many disciplines and subject matters, from civil rights cases, to fraud and bribery offenses, to prosecutions involving perjury and obstruction of the United States Congress. He prosecuted a number of important white-collar criminal cases on behalf of the United States.

## **Doost Case: Loans to a Marble Mine**

At SIGAR, Dan was known as an exceptional prosecutor and an outstanding tactician, dedicated to ensuring justice was served. Among the many cases he prosecuted was the one in which Azam "Adam" Doost was indicted for fraud and convicted of 20 counts, including major fraud, wire fraud, false statements, and money laundering, after Doost fraudulently obtained a \$15.8 million loan from the U.S. Overseas Private Investment Corporation to modernize a marble mine in Herat Province.

As the SIGPRO on the Doost investigation and the lead prosecutor at trial, Dan overcame several uncommon evidentiary issues: (1) despite the U.S. having no Mutual Legal Assistance Treaty with Afghanistan, Dan obtained certified Afghan bank records for use at trial—the first time in any SIGAR investigation that such were admitted as evidence in U.S. courts; and (2) Dan led a U.S. prosecution team to Italy to obtain video testimony from witnesses through an international treaty process involving Italian authorities. Doost was sentenced to 54 months in prison followed by 36 months of supervised release, and was ordered to pay almost \$9 million each in forfeiture and restitution.

For his work on the Doost case, Dan and his team received SIGAR's Group On-The-Spot award in 2018 and Dan himself received three SIGAR Special Act Awards 2018, 2019, and 2020.

## **HA Yard Case: Bribes to U.S. Military Personnel**

In another notable case, the Humanitarian Aid Yard (HA Yard) at Bagram Air Field was the focus of an International Contract Corruption Task Force investigation based on allegations that

## **DANIEL BUTLER** **1955–2020**



Afghan contractors were paying bribes to U.S. military personnel in return for preference in awarding government contracts. The HA Yard functioned as a storage/distribution facility for large quantities of clothing, food, school supplies, and other humanitarian aid items. The HA Yard used U.S. government funds to purchase supplies from local Afghan vendors that were then provided to displaced Afghans as part of the Commander's Emergency Response Program.

As the SIGPRO, Dan was an integral part of the investigative team and often coordinated the efforts of numerous agents from multiple agencies in both Afghanistan and the United States. He monitored their progress, offered

guidance when requested, and provided court orders to secure evidence. Dan led the prosecution efforts of eight subjects in jurisdictions throughout the country from New York to Florida to California and cities in between. In doing so, he dealt with eight different U.S. Attorney offices and separate defense counsel in each location. Dan conducted proffer sessions, attended many court hearings, and negotiated with defense attorneys. His efforts resulted in guilty pleas by eight subjects to various charges including bribery, conspiracy, and money laundering, as well as the forfeiture of approximately \$500,000 in cash and goods. Dan and his team received the Group Special Act Award in 2015 for their work on the case and Dan received the Special Act Award in 2016 for his exceptional contributions and exemplary performance working on complex financial fraud matters relating to the case.

## **Morgan Case: Bribes in Return for Stolen Fuel**

In 2012, a SIGAR investigation was initiated based on information that U.S. Army Specialist Sheldon Morgan, a fuel specialist deployed to Forward Operating Base (FOB) Fenty from 2010 to 2011, had received \$10,000 in bribes from an Afghan contractor in return for stolen fuel. Morgan confessed to the scheme to SIGAR and FBI investigators in December 2015 in Fairbanks, Alaska.

Dan initiated prosecution of this case immediately upon Morgan's confession and quickly obtained a guilty plea. In typically conscientious fashion, Dan took it upon himself to twice travel to Fairbanks to ensure this matter was properly adjudicated with minimal impact on the local U.S. Attorney's office. While traveling to the plea hearing, weather threatened to delay him. Instead of asking for a continuance, he spent more than 20 hours in flight in order to be able to represent the United States, obtained a guilty plea, and departed Fairbanks in less than two days' time. In July 2016, Morgan entered into a plea agreement in U.S. District Court, Fairbanks, to one count of conspiracy to

# DANIEL BUTLER 1955–2020

commit offenses against the United States, namely bribery, in violation of 18 U.S.C. § 201(b), and to defraud the United States of money and property, namely fuel, in violation of 18 U.S.C. § 371. Morgan was sentenced to four months' incarceration.

## Casellas Case: Theft of Equipment and Fraudulent Payments

In 2013–2014, International Contract Corruption Task Force (ICCTF) agents investigated Army Staff Sergeant Luis Casellas for the theft of computers, portable radios, tools, and other military equipment at FOB Wolverine in Afghanistan. They found that Casellas smuggled illegal proceeds from the sale of the stolen equipment back to the U.S. concealed in packages sent through the U.S. Postal Service and United Parcel Service. The investigation also uncovered false representations to the Army that led to the payment of over \$97,000 in fraudulent Overseas Housing Allowance payments.

As the SIGPRO, Dan skillfully guided Afghanistan-based agents in obtaining search warrants on a military base, which led to evidence seizures at FOB Wolverine based on warrants issued by a Military Magistrate Judge. Dan then prosecuted the case in U.S. District Court, San Juan, Puerto Rico.

Over the course of many long trips to San Juan, Dan led a methodical presentation of evidence and witnesses to the grand jury, resulting in an indictment charging Casellas with theft of government property, bulk currency smuggling, smuggling, making a false statement, and wire fraud. Dan overcame all defense motions filed with the court leading to a guilty plea to the bulk-cash and theft-of-government-property charges. Casellas was subsequently sentenced to 21 months' incarceration, three years of supervised release, 104 hours of community service, and a \$400 special court assessment.

## Miller Case: Bribes from Road Construction Contractors

Another case Dan spearheaded involved the investigation of Mark Miller, a U.S. Army Corps of Engineers contracting officer stationed at Camp Clark in Khost Province. Miller oversaw contract awards and approved contract changes that allowed companies to significantly increase the amount they were paid for a particular job. The ICCTF found that Miller received \$300,000 in bribes by Afghan road construction contractors through intermediaries. Investigations in Afghanistan and the United States showed that Miller received numerous bribes and sent the money to multiple relatives for safekeeping until he returned home to Springfield, IL. Several subjects were identified who were located in Afghanistan, Australia, South Africa, and the United States, requiring investigation in all of those locations.

ICCTF agents relied heavily on Dan during the investigation because of his experience in dealing with foreign investigations in countries with and without cooperation treaties with



Daniel Butler accepting an award from Inspector General John Sopko at SIGAR's 2015 All Hands Meeting. (SIGAR photo)

the United States. Dan wrote assistance requests and worked with government agencies to get approvals for foreign witnesses to testify in U.S. courts. As a result of negotiations with defense counsel wherein Dan made an exhaustive presentation of the evidence, Miller pled guilty in U.S. District Court, Springfield, to taking bribes and was sentenced to over eight years in prison and debarred from federal contracts for 15 years.

## Professional Awards from SIGAR and CIGIE

For his work on several other cases, Dan received SIGAR's Special Act award in 2017, as well as three Team IG Awards for Excellence in 2017 and 2019. He was also part of a team of 21 special agents, investigators, and attorneys who received a 2017 Council of the Inspectors General on Integrity and Efficiency (CIGIE) Award for Excellence—Investigation for the investigation of the theft of 700,000 gallons of fuel in Afghanistan, resulting in over \$5 million of court-ordered restitution and civil monetary settlement.

## Devoted Husband and Father

Dan was a devoted husband to his wife Kitty, and a loving father to sons Jeff and Sam. A consummate gentleman and friend, he was also an accomplished athlete. He represented the United States as a swimmer in the Paralympic Games in Barcelona (1992), Atlanta (1996), and Sydney (2000). He won three gold medals (including the gold medal in the 1996 Atlanta Games for the men's 50-meter butterfly) and one bronze medal.

# SIGAR OVERSIGHT ACTIVITIES

in five finalized debarments. Fourteen individuals and seven companies are currently in proposed debarment status, awaiting final adjudication of debarment referrals by agency suspension and debarment officials.

Suspensions and debarments are an important tool for ensuring that agencies award contracts only to responsible entities. SIGAR's program addresses three challenges posed by U.S. policy and the contingency contracting environment in Afghanistan: the need to act quickly, the limited U.S. jurisdiction over Afghan nationals and Afghan companies, and the vetting challenges inherent in the use of multiple tiers of subcontractors. SIGAR continues to look for ways to enhance the government's responses to these challenges through the innovative use of information resources and investigative assets in both Afghanistan and the United States.

SIGAR makes referrals for suspensions and debarments based on completed investigations that SIGAR conducts or participates in. In most cases, SIGAR's referrals occur in the absence of acceptance of an allegation for criminal prosecution or remedial action by a contracting office and are therefore the primary remedy to address contractor misconduct.

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

## OTHER SIGAR OVERSIGHT ACTIVITIES

### **Inspector General John Sopko Gives Virtual Remarks at Czech Republic National Security Conference**

On June 25, 2020, Inspector General John Sopko gave virtual remarks entitled "Joint International Involvement in Afghanistan's Reconstruction and its Relevance for the Future" at the Czech Republic National Security Conference. IG Sopko focused on international reconstruction efforts in Afghanistan and discussed the benefits to having strong international allies in the reconstruction effort to share knowledge and expertise. He emphasized that continued international support and oversight will lead to improved chances of success in Afghanistan.

### **Inspector General Sopko Gives Keynote for IWA-UNAMA Webinar**

On June 24, 2020, Inspector General John Sopko gave the keynote speech for a public webinar hosted jointly by Integrity Watch Afghanistan and the UN Assistance Mission in Afghanistan. The title of the event was "The State



**A mural of a women's orchestra** alongside the walls of the U.S. Embassy.  
(SIGAR photo by Adam Bonfanti)

of Corruption in Afghanistan and the Role of Independent Institutions.” IG Sopko spoke about the prevalence of corruption in Afghanistan, and its effects on the Afghan public, security, and international investment. Mr. Sopko also highlighted SIGAR’s congressionally requested assessments of the Afghan government’s anti-corruption strategy.

### **Inspector General Sopko Delivers Annual Bruce J. Klatsky Endowed Lecture in Human Rights at Case Western Reserve Law School**

On June 23, 2020, Inspector General John Sopko gave a virtual speech to his alma mater, Case Western Reserve Law School in Cleveland, Ohio. IG Sopko graduated from Case Western Reserve Law School 43 years ago, and shared remarks titled, “Corruption: A Threat to the Rule of Law and Sustainable Peace in Afghanistan.” IG Sopko spoke about SIGAR and its oversight mission, and highlighted the greatest threat to the U.S. mission in Afghanistan: corruption.

IG Sopko described how systemic and criminal corruption impact the Afghan people, the judicial system, the economy, education, and health-care. He also discussed SIGAR’s work on its congressionally mandated assessments of the Afghan government’s anticorruption strategy. IG Sopko explained that unless the issue of corruption is addressed, any peace will not be sustainable in Afghanistan.

### **Inspector General Sopko Discusses Anti-Corruption Efforts in Afghanistan on the American Bar Association’s National Security Law Today Podcast**

On June 18 and June 25, 2020, the ABA National Security Law Today podcast aired “Inspectors General: Anti-Corruption in Afghanistan,” a two-part

# SIGAR OVERSIGHT ACTIVITIES

series interviewing Inspector General John Sopko. IG Sopko discussed how endemic corruption in Afghanistan continues to undermine U.S. reconstruction efforts. The first episode explores SIGAR's central role in fighting waste, fraud, and abuse, the weaknesses in the rule of law in Afghanistan, and the illicit narcotic economy and its effects on the overall Afghan economy. The second episode discusses findings from SIGAR's *2019 High Risk List*, specific cases of corruption in Afghanistan such as the prevalence of "ghost soldiers" and stolen fuel supplies, and SIGAR's impact on legislation and reform. The series can be found on the ABA website: [https://www.americanbar.org/groups/law\\_national\\_security/nslt/](https://www.americanbar.org/groups/law_national_security/nslt/)

## **Inspector General Sopko Gives Virtual Remarks at Diplomatic and Consular Officers, Retired (DACOR) Event**

On May 15, 2020, Inspector General Sopko addressed the Diplomatic and Consular Officers, Retired (DACOR) in an event titled, "The Real Lessons from America's 18-Year Reconstruction Effort in Afghanistan." IG Sopko's virtual remarks focused on the political, economic, security, and health crisis facing Afghanistan, their impact on the future of Afghanistan, and how SIGAR's Lessons Learned Program has been at the forefront of examining these issues and identifying waste, fraud, and abuse of taxpayer funds for Afghan reconstruction.

IG Sopko explained the tenuous state of the Afghan security situation because of ongoing clashes with the Taliban and the Afghan security forces, and how that affects intra-Afghan negotiations and the U.S.-Taliban peace agreement. IG Sopko also provided an update on the COVID-19 pandemic in Afghanistan, and how it is straining the already-lagging Afghan economy and health infrastructure.

## **Inspector General Sopko Briefs Members of House Oversight and Reform Subcommittee on National Security**

On April 29, 2020, Inspector General Sopko and SIGAR's Director of Research and Analysis Deborah Scroggins remotely briefed Chairman Stephen Lynch (D-MA), Ranking Member Glenn Grothman (R-WI), and other members of the House Oversight and Reform Committee's National Security Subcommittee. The briefing focused on SIGAR's April 2020 Quarterly Report and covered a multitude of topics including the conditions of the U.S.-Taliban peace deal, COVID-19 case tracking among U.S. personnel in Afghanistan, and methods being used to track "ghost" soldiers and police officers on the Afghan Security Forces payroll. Ranking Member Grothman questioned IG Sopko about opium production and counternarcotics efforts in Afghanistan. Other topics included oversight access and the protection of women's rights.

# SIGAR OVERSIGHT ACTIVITIES



**A mural advocating for peace** on the walls of the U.S. Embassy.  
(SIGAR photo by Adam Bonfanti)

## SIGAR BUDGET

SIGAR is funded through September 30, 2020, under the Further Consolidated Appropriations Act, 2020, H.R. 1865, which provides SIGAR full funding in the amount of \$54.9 million. The budget supports SIGAR's oversight activities and products by funding SIGAR's Audits and Inspections, Investigations, Management and Support, and Research and Analysis Directorates, as well as its Office of Special Projects, and the Lessons Learned Program.

## SIGAR STAFF

SIGAR's staff count has remained steady since the last report to Congress, with 189 employees on board at the end of the quarter. Fifteen SIGAR employees are assigned at the U.S. Embassy Kabul, and one employee is assigned to Bagram Air Base in Bagram, Afghanistan. Because of the COVID-19 pandemic, 13 of SIGAR's employees normally deployed to Afghanistan have left the country and returned to the United States on Authorized Departure. Return to Afghanistan of employees on Authorized Departure will occur when the Embassy in Kabul determines that conditions are safe for employees to return. Two SIGAR staff members have remained in Kabul this quarter during the pandemic.

SIGAR also employed seven Afghan nationals in its Kabul office to support the Forward Operations, Investigations, and Audits Directorates. Due to the COVID-19 pandemic and travel restrictions imposed by Departments of Defense and State, SIGAR was not able to supplement its resident staff this quarter with personnel on short-term temporary duty in Afghanistan.

“We need to see a comprehensive agreement which ends violence; safeguards the human rights of all Afghans, including women; upholds the rule of law; and eliminates terrorist safe havens once and for all.”

—*NATO Secretary General Jens Stoltenberg*

# 3 RECONSTRUCTION UPDATE



# RECONSTRUCTION UPDATE CONTENTS

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**Photo on previous page**

UN Development Programme-supported Mobile Citizen Services Centers use loudspeakers and educators to raise public awareness of the COVID-19 threat. (UNDP photo)



## RECONSTRUCTION IN BRIEF

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

### POLITICAL IMPASSE RESOLVED

- On May 17, President Ashraf Ghani and presidential -election rival, former Chief Executive Abdullah Abdullah, reached a power-sharing agreement after a nearly three-month impasse over the results of the September 2019 presidential election.

### TALIBAN ATTACKS SURGE

- Concurrent Taliban and Afghan government Eid ceasefires in May initially brought hope for a continued reduction in violence. Resolute Support (RS) reported that enemy violence levels stayed well above historic norms for most of this quarter. The Taliban did not attack Coalition forces, but did attack Afghan government forces at several sites in provincial capitals.
- Afghan and Western officials called the level of enemy violence this quarter “totally unacceptable,” and called for its reduction.
- Data provided by RS shows civilian casualties in Afghanistan increased by nearly 60% this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020), and by 18% compared to the same period last year.

### U.S. WITHDRAWAL MEETS TARGET

- The United States met its first troop-withdrawal target of 8,600 troops still in-country, as stipulated in the U.S.-Taliban agreement, before its mid-July deadline. Five former American bases were also handed over to the Afghan government.

### COVID-19 RAVAGES AFGHANISTAN

- Testing remains limited, but nearly 43% of samples test positive, one of the highest rates in the world.
- To prevent the spread of COVID-19, the Afghan government extended school closures until at least September 2020, threatening to halt fragile gains in Afghanistan’s education outcomes.
- Afghanistan has likely entered a recession; the economy is projected to shrink 3–10% in 2020.

- Poverty is likely to deepen and unemployment to rise, according to the IMF.

### STATE DOWNGRADES AFGHANISTAN’S HUMAN TRAFFICKING RATING

- State downgraded Afghanistan’s human-trafficking rating to the lowest level since it first assessed the country in 2002. State said the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.

### DONORS EXPRESS CONCERN OVER SLOWDOWN OF ANTICORRUPTION EFFORTS

- Several donors issued a joint statement expressing concern over the slowdown in Afghanistan’s anticorruption efforts, and calling for an end to “polarization through mutual accusations of corrupt practices.”

### RECONSTRUCTION FUNDING INCREASES MODERATELY

- Cumulative appropriations for reconstruction and related activities in Afghanistan since FY 2002 increased moderately in the quarter, to approximately \$137.86 billion, due in part to the allocation of the FY 2020 appropriation for the global foreign-assistance accounts to specific countries, including Afghanistan, under the Section 653(a) process.
- Of that total, \$118.9 billion, or 86%, was appropriated to the nine largest active reconstruction funds.
- Of the amount appropriated to the nine largest active funds since FY 2002, approximately \$8.4 billion remained for possible disbursement.
- DOD’s latest *Cost of War Report*, dated December 31, 2019, said cumulative obligations for Afghanistan including warfighting by U.S. forces had reached \$782.7 billion.

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## STATUS OF FUNDS

In accord with SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of June 30, 2020, the United States had appropriated approximately \$137.86 billion for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

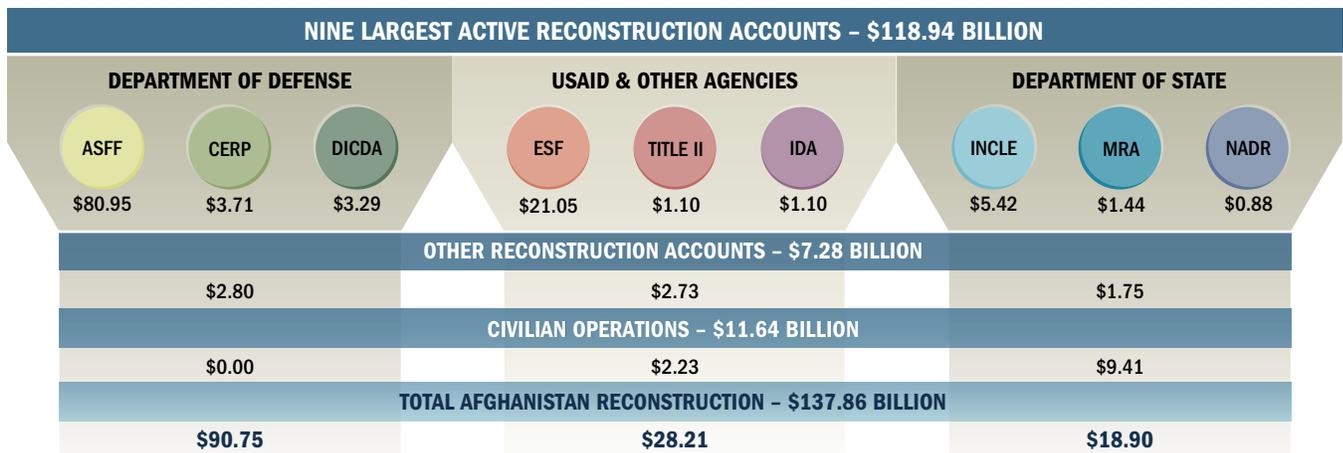
- \$86.38 billion for security (including \$4.60 billion for counternarcotics initiatives)
- \$35.85 billion for governance and development (\$4.34 billion for counternarcotics initiatives)
- \$3.98 billion for humanitarian aid
- \$11.64 billion for civilian operations

Figure 3.1 shows the nine largest active U.S. funds that contribute to these efforts. Prior to January 2019, SIGAR reported on seven major funds; the current nine-fund format reflects appropriations that have placed significant amounts in other funds.

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

FIGURE 3.1

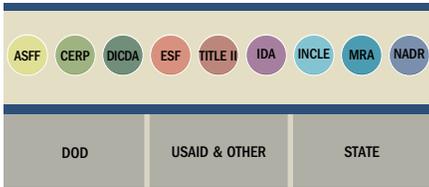
### U.S. APPROPRIATIONS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS (\$ BILLIONS)



Note: Numbers have been rounded.

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

# STATUS OF FUNDS



## U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

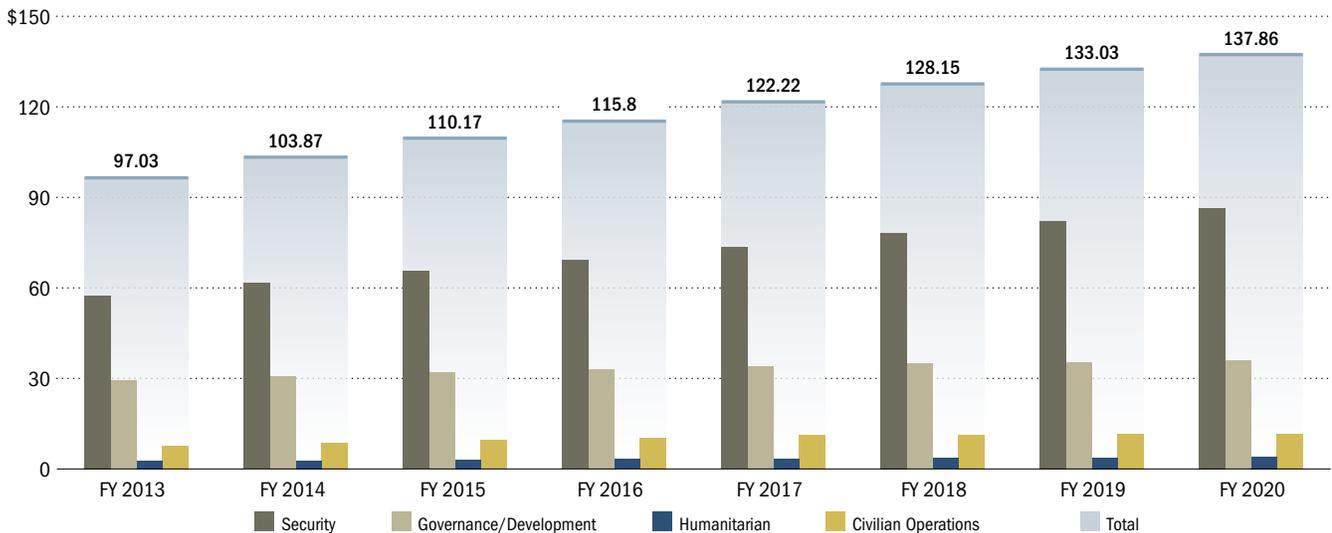
As of June 30, 2020, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately \$137.86 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and oversight and operations. Approximately \$8.94 billion of these funds support counternarcotics initiatives that crosscut the security (\$4.60 billion) and governance and development (\$4.34 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

The amount provided to the nine largest active U.S. funds represents nearly 86.3% (nearly \$118.94 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 90.9% (more than \$108.13 billion) has been obligated, and over 87.9% (nearly \$104.60 billion) has been disbursed. An estimated \$5.89 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

President Donald J. Trump signed the Consolidated Appropriations Act, 2020 (H.R. 1158) and the Further Consolidated Appropriations Act, 2020 (H.R. 1865) into law on December 20, 2019, providing appropriations for the Departments of Defense and State, the U.S. Agency for International Development, the U.S. Agency for Global Media, the U.S. International Development Finance Corporation (formerly known as the Overseas Private Investment Corporation) and SIGAR, among others. This past quarter, the Department of State, the U.S. Congress, and the Office of Management and Budget agreed on the allocation of the

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF JUNE 30, 2020 (\$ BILLIONS)



Note: Numbers have been rounded.

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

# STATUS OF FUNDS

FY 2020 appropriation for the global foreign assistance accounts to specific countries, including Afghanistan, under the Section 653(a) process. This allocation and other actions taken this quarter bring FY 2020 appropriations for Afghanistan reconstruction recorded through June 30, 2020, to \$4.83 billion, as shown in Figure 3.3.

Since 2002, the United States has provided more than \$16.16 billion in on-budget assistance to the government of Afghanistan. This includes more than \$10.51 billion provided to Afghan government ministries and institutions, and more than \$5.65 billion to three multilateral trust funds—the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme-managed Law and Order Trust Fund for Afghanistan (LOTFA), and the Asian Development Bank-managed Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.1

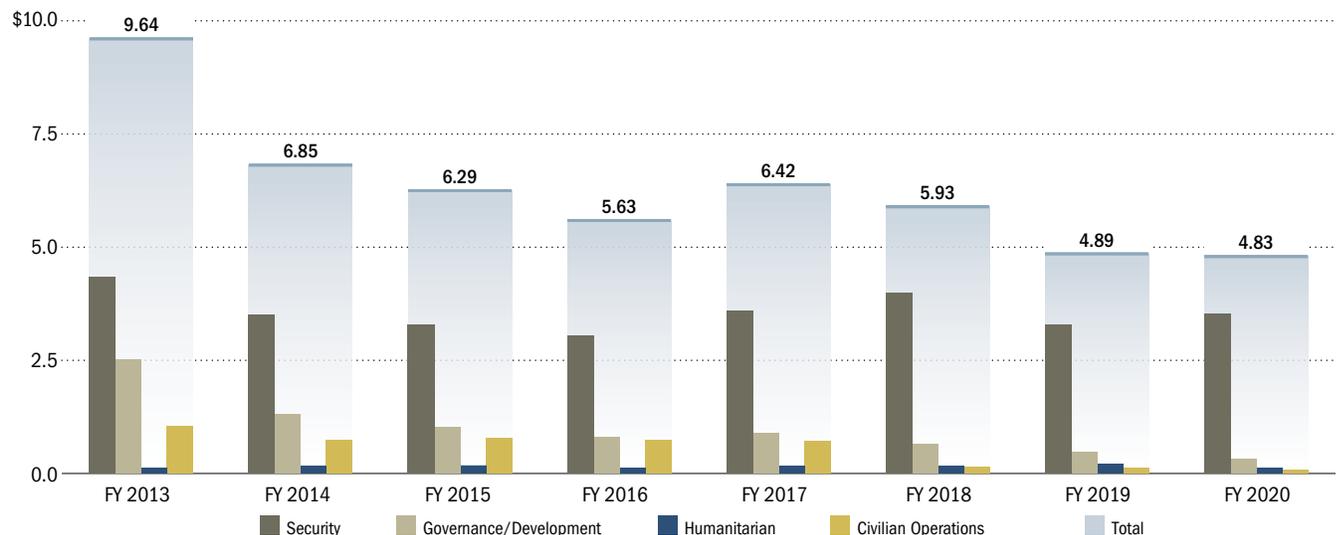
U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN SINCE 2002 (\$ MILLIONS)	
	Disbursements
<b>Total On-Budget Assistance</b>	<b>\$16,163.76</b>
<b>Government-to-Government</b>	<b>10,512.37</b>
DOD	9,664.77
USAID	762.41
State	85.19
<b>Multilateral Trust Funds</b>	<b>5,651.39</b>
ARTF	3,827.68
LOTFA	1,670.04
AITF	153.67

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 7/11/2020; State, response to SIGAR data call, 10/18/2018; DOD, response to SIGAR data call, 7/21/2020 and 10/19/2018; World Bank, ARTF: Administrator's Report on Financial Status as of April 19, 2020 (end of 4th month of FY 1399), accessed 7/9/2020; UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated 6/30/2020, in response to SIGAR data call, 7/9/2020.

FIGURE 3.3

## ANNUAL APPROPRIATIONS BY FUNDING CATEGORY (\$ BILLIONS)



Note: Numbers have been rounded.

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

# STATUS OF FUNDS

## U.S. COST OF WAR AND RECONSTRUCTION IN AFGHANISTAN

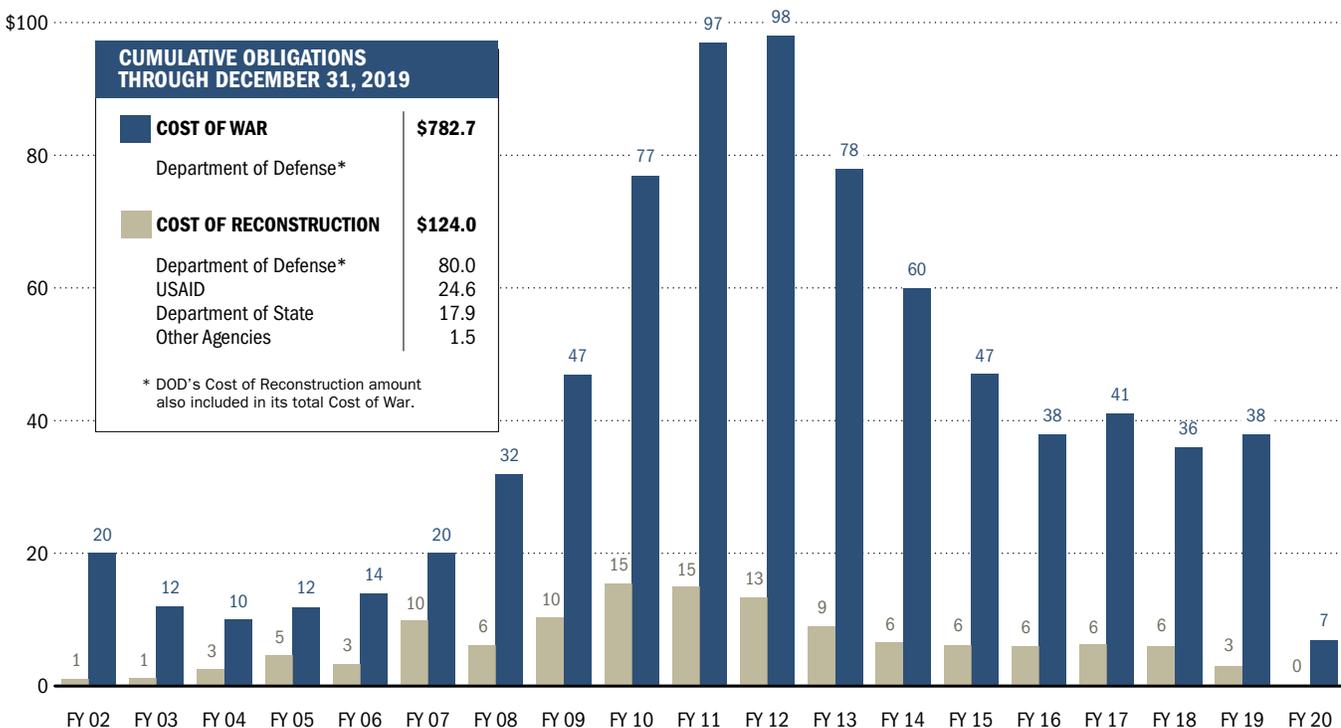
Reconstruction costs for Afghanistan equal approximately 16% of all funds obligated by the Department of Defense for Afghanistan since 2001. DOD reported in its *Cost of War Report* as of December 31, 2019, that it had obligated \$782.7 billion for Operation Enduring Freedom and Operation Freedom's Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan.<sup>59</sup>

The comparable figures for Afghanistan reconstruction, consisting of obligations (appropriated funds committed to particular programs or projects for disbursement) of the DOD, Department of State, USAID, and other agencies was \$124.0 billion at that date. As noted, cumulative total appropriations for Afghanistan reconstruction are \$137.86 billion, but not all appropriated funds have been obligated.

Note that the DOD contribution to the reconstruction of Afghanistan is contained in both the \$782.7 billion DOD Cost of War calculation and in the whole-of-government \$124.0 billion Cost of Reconstruction figures. Figure 3.4 presents the annual and cumulative costs for war and reconstruction in Afghanistan.

FIGURE 3.4

AFGHANISTAN COST OF WAR AND RECONSTRUCTION, ANNUAL AND CUMULATIVE OBLIGATIONS FY 2002 TO FY 2020 Q1 (\$ BILLIONS)



Note: Numbers have been rounded. Cumulative obligations through December 31, 2019, differ markedly from cumulative appropriations through June 30, 2020, as presented elsewhere in the Status of Funds section, because the former figures do not include unobligated appropriations and DOD Cost of War reporting lags by one quarter.

Source: DOD, Cost of War Monthly Report, Total War-related Obligations by Year Incurred, data as of December 31, 2019. Obligation data shown against year funds obligated. SIGAR analysis of annual obligation of reconstruction accounts as presented in SIGAR, Quarterly Report to the United States Congress, 1/30/2020. Obligation data shown against year funds appropriated.

# STATUS OF FUNDS

## AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly \$137.86 billion for reconstruction and related activities in Afghanistan. Of this amount, nearly \$118.94 billion (86.3%) was appropriated to the nine largest active reconstruction accounts, as shown in Table 3.2.

As of June 30, 2020, approximately \$8.45 billion of the amount appropriated to the nine largest active reconstruction funds remained for possible disbursement, as shown in Figure 3.5. These funds will be used to train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF); complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

TABLE 3.2

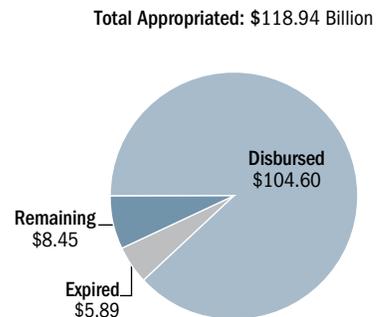
<b>CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, DISBURSED, AND REMAINING, FY 2002 TO JUNE 30, 2020 (\$ BILLIONS)</b>				
	<b>Appropriated</b>	<b>Obligated</b>	<b>Disbursed</b>	<b>Remaining</b>
Afghanistan Security Forces Fund (ASFF)	\$80.95	\$73.57	\$72.77	\$5.01
Economic Support Fund (ESF)	21.05	19.60	17.65	2.50
International Narcotics Control and Law Enforcement (INCLE)	5.42	5.10	4.50	0.71
Commander's Emergency Response Program (CERP)	3.71	2.29	2.29	0.00
Drug Interdiction and Counter-Drug Activities (DICDA)	3.29	3.28	3.26	0.03
Migration and Refugee Assistance (MRA)	1.44	1.43	1.42	0.01
Public Law 480 Title II Emergency (Title II)	1.10	1.10	1.10	0.00
International Disaster Assistance (IDA)	1.10	1.03	0.88	0.19
Non-Proliferation, Antiterrorism, Demining, and Related (NADR)	0.88	0.74	0.74	0.00
<b>Total Nine Largest Active Accounts</b>	<b>118.94</b>	<b>108.13</b>	<b>104.60</b>	<b>8.45</b>
Other Reconstruction Funds	7.28			
Civilian Operations	11.64			
<b>Total</b>	<b>\$137.86</b>			

Note: Numbers have been rounded. The amount remaining reflects the total disbursement potential of the nine largest active reconstruction accounts after deducting approximately \$5.89 billion that has expired. Expired funds equal the amount appropriated but not obligated after the period of availability for obligation has ended and thereafter includes amounts deobligated and canceled. The amount remaining for potential disbursement for Other Reconstruction Funds equals approximately \$50 million; for Civilian Operations the amount can not be determined but likely equals less than one-half of the most recent annual appropriation.

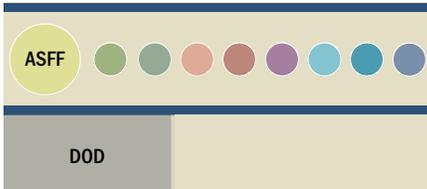
Source: SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, and USAID, 7/18/2020.

FIGURE 3.5

**STATUS OF APPROPRIATED FUNDS, NINE LARGEST ACTIVE ACCOUNTS AS OF JUNE 30, 2020 (\$ BILLIONS)**



# STATUS OF FUNDS



## ASFF FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

**Financial and Activity Plan:** DOD notification to Congress of its plan for obligating the ASFF appropriation, as well as updates to that plan involving any proposed new projects or transfer of funds between budget subactivity groups in excess of \$20 million, as required by the annual DOD appropriation act.

**Rescission:** Legislation enacted by Congress that cancels the availability of budget authority previously enacted before the authority would otherwise expire.

**Reprogramming:** Shifting funds within an appropriation or fund to use them for purposes other than those contemplated at the time of appropriation.

Source: GAO, Glossary of Terms Used in the Federal Budget Process, 9/2005; DOD, response to SIGAR data call, 1/23/2020.

## AFGHANISTAN SECURITY FORCES FUND

Congress has created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding for salaries, as well as facility and infrastructure repair, renovation, and construction. The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan (CSTC-A). A **Financial and Activity Plan (FAP)** must be approved by the Afghanistan Resources Oversight Council (AROC), concurred in by the Department of State, and prior notification provided to the U.S. Congress before ASFF funds may be obligated.<sup>60</sup>

President Donald J. Trump signed into law the Consolidated Appropriations Act, 2020, on December 20, 2019, which under Division A-Department of Defense Appropriations Act, 2020, provided an appropriation of \$4.20 billion for ASFF FY 2020 and a **rescission** of \$396.00 million for ASFF FY 2019. This decrease in the funding for ASFF FY 2019 follows a \$604.00 million reduction through **Reprogramming** Action FY 19-02 RA in May 2019, bringing the original ASFF FY 2019 appropriation of \$4.92 billion down to an adjusted appropriation of \$3.92 billion as shown in Figure 3.6.<sup>61</sup>

As of June 30, 2020, cumulative appropriations for ASFF stood at \$80.95 billion, with \$73.57 billion in funding having been obligated, and \$72.77 billion having been disbursed, as shown in Figure 3.7. DOD reported that cumulative obligations increased by more than \$694.62 million during

FIGURE 3.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR (\$ BILLIONS)

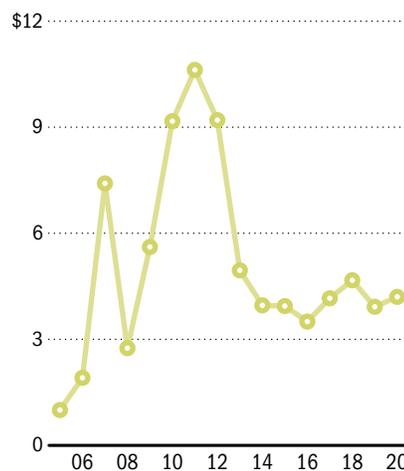
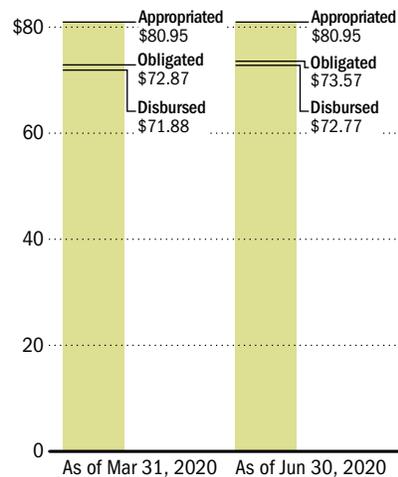


FIGURE 3.7

ASFF FUNDS, CUMULATIVE COMPARISON (\$ BILLIONS)



Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, \$178 million from FY 2013 ASFF, and \$604 million from FY 2019 ASFF to fund other DOD requirements. DOD reprogrammed \$230 million into FY 2015 ASFF. ASFF data reflect the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, \$400 million from FY 2015 in Pub. L. No. 114-113, \$150 million from FY 2016 in Pub. L. No. 115-31, and \$396 million from FY 2019 in Pub. L. No. 116-93.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020," 7/15/2020; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2020," 4/15/2020; Pub. L. Nos. 116-93, 115-141, 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

# STATUS OF FUNDS

the quarter ending June 30, 2020, and that cumulative disbursements increased by more than \$885.20 million.<sup>62</sup>

## ASFF Budget Activities

DOD budgeted and reported on ASFF by three **Budget Activity Groups** (BAGs) through the FY 2018 appropriation. These BAGs consisted of:

- Defense Forces (Afghan National Army, ANA)
- Interior Forces (Afghan National Police, ANP)
- Related Activities (primarily Detainee Operations)

Funds for each BAG are further allocated to four **subactivity groups** (SAGs): Sustainment, Infrastructure, Equipment and Transportation, and Training and Operations. The AROC must approve the requirement and acquisition plan for any service requirements in excess of \$50 million annually and for any nonstandard equipment requirement in excess of \$100 million. In addition, DOD is required to notify Congress prior to obligating funds for any new projects or the transfer of funds between budget subactivity groups in excess of \$20 million.<sup>63</sup>

As of June 30, 2020, DOD had disbursed nearly \$69.42 billion from the ASFF appropriations for FY 2005 through FY 2018. Of this amount, more than \$47.56 billion was disbursed for the ANA, and nearly \$21.48 billion was disbursed for the ANP.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—more than \$23.55 billion—supported ANA troop and equipment sustainment. Of the funds disbursed for the ANP, the largest portion—more than \$9.61 billion—also supported sustainment of ANP forces, as shown in Figure 3.9.<sup>64</sup>

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

**Subactivity Groups:** Accounting groups that break down the command's disbursements into functional areas.

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

FIGURE 3.8

**ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH JUNE 30, 2020 (\$ BILLIONS)**

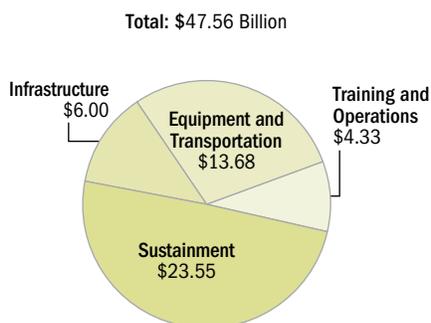
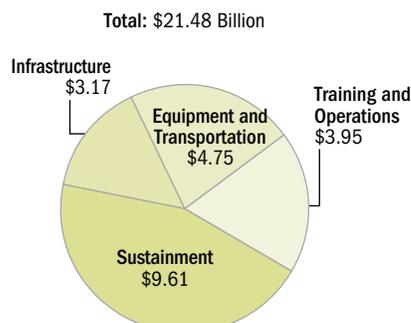


FIGURE 3.9

**ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH JUNE 30, 2020 (\$ BILLIONS)**



Note: Numbers have been rounded. Excludes the ASFF FY 2019 and FY 2020 appropriations, which are presented by four Budget Activity Groups, consisting of the ANA, ANP, AAF, and ASSF.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020," 7/15/2020.

# STATUS OF FUNDS

## New ASFF Budget Activity Groups for FY 2019 and FY 2020

DOD revised its budgeting and reporting framework for ASFF beginning with its ASFF budget request for FY 2019, submitted to Congress in February 2018, and with its reporting beginning on October 1, 2018. The new framework restructures the Afghan National Army (ANA) and Afghan National Police (ANP) budget activity groups (BAGs) to better reflect the ANDSF force structure and new budget priorities. In FY 2018 and previous years, all costs associated with the Afghan Air Force (AAF) fell under the ANA BAG and costs for the Afghan Special Security Forces (ASSF) were split between the ANA and ANP BAGs. Beginning with the ASFF FY 2019 appropriation, the ANDSF consists of the ANA, ANP, AAF, and ASSF BAGs, as presented below in Table 3.3.

TABLE 3.3

<b>ASFF FY 2019 AND ASFF FY 2020 BUDGET EXECUTION THROUGH JUNE 30, 2020 (\$ MILLIONS)</b>						
<b>Budget Activity Groups</b>	<b>ASFF FY 2019</b>			<b>ASFF FY 2020</b>		
	<b>Budget (FAP 19-4)</b>	<b>Obligations</b>	<b>Disbursements</b>	<b>Budget (FAP 20-1)</b>	<b>Obligations</b>	<b>Disbursements</b>
Afghan National Army	\$1,504.35	\$1,282.97	\$1,075.65	\$1,310.66	\$123.72	\$23.34
Afghan National Police	581.56	527.46	439.92	543.16	57.98	4.45
Afghan Air Force	986.85	961.88	914.96	1,290.30	296.02	246.02
Afghan Spec. Sec. Forces	847.24	597.90	475.75	592.55	65.99	65.99
<b>Total</b>	<b>\$3,920.00</b>	<b>\$3,370.21</b>	<b>\$2,906.28</b>	<b>\$3,736.66</b>	<b>\$543.70</b>	<b>\$339.80</b>

Note: Numbers have been rounded. Disbursement totals exclude undistributed disbursements.

Source: DOD, Afghanistan Security Forces Fund (ASFF), Financial and Activity Plan, Fiscal Year 2020, 20-1, October 2019, 12/18/2019; Afghanistan Security Forces Fund (ASFF), Financial and Activity Plan, Fiscal Year 2019, 19-4, January 2020, 4/6/2020; AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020, 7/15/2020.

Table 3.4 on the opposite page tracks the evolution of the ASFF FY 2019 budget beginning with Financial and Activity Plan 19-1 (FAP 19-1), which aligned the Administration's ASFF FY 2019 Budget Request of \$5.20 billion with the actual FY 2019 appropriation amount of \$4.92 billion, through the reprogramming action in May 2019, the rescission enacted in December 2019, and the realignment of budget priorities through FAP 19-2 (June 2019), FAP 19-3 (October 2019), and most recently, FAP 19-4, notified to Congress in January 2020.<sup>65</sup>

## NATO ANA Trust Fund

The NATO ANA Trust Fund (NATF) has contributed more than \$1.69 billion to ASFF for specific projects funded by donor nations through June 30, 2020, and ASFF has returned more than \$400.18 million of these funds following the cancellation or completion of these projects. DOD has obligated more than \$1.04 billion and disbursed nearly \$895.77 million of NATF-contributed funds through ASFF through that date.<sup>66</sup> These amounts are not reflected in the U.S. government-funded ASFF obligation and disbursement numbers presented in Figures 3.6 and 3.7.

# STATUS OF FUNDS

TABLE 3.4

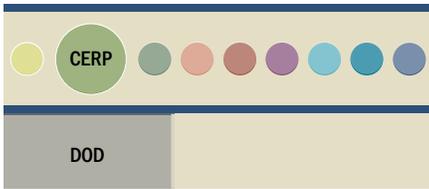
## ASFF FY 2019 APPROPRIATION, REPROGRAMMING ACTION, RESCISSION, AND BUDGET REALIGNMENTS (FAP 19-2, FAP 19-3, AND FAP 19-4) (\$ MILLIONS)

	FY 2019 Appropriated (FAP 19-1)	Changes to ASFF FY 2019 Budget			Mar. 2020 Revised Budget
		May 2019 Reprogram- ming Action	Dec. 2019 Enacted Rescission	Budget Re- alignments in FAPs	
<b>Afghanistan Security Forces Fund, Total</b>	<b>\$4,920.00</b>	<b>(\$604.00)</b>	<b>(\$396.00)</b>	<b>\$ —</b>	<b>\$3,920.00</b>
<b>Afghan National Army, Total</b>	<b>1,639.99</b>	<b>(279.00)</b>		<b>143.36</b>	<b>1,504.35</b>
Sustainment, Total	1,274.99	(251.00)		181.92	1,205.91
Personnel	608.95	(185.79)		124.77	547.93
Ammunition	88.62	(23.73)		23.54	88.42
Communications & Intelligence	187.63	(30.62)		(12.48)	144.53
Petroleum, Oil, and Lubricants	52.23	57.75		66.18	176.15
All Other	337.57	(68.60)		(20.09)	248.88
Infrastructure, Total	137.73	(1.10)		23.63	160.26
Equipment and Transportation, Total	62.17	(5.70)		(22.93)	33.55
Training and Operations, Total	165.10	(21.20)		(39.27)	104.62
<b>Afghan National Police, Total</b>	<b>726.26</b>	<b>(117.20)</b>		<b>(27.51)</b>	<b>581.56</b>
Sustainment, Total	497.55	(72.17)		19.14	444.52
Petroleum, Oil, and Lubricants	105.47	(28.58)		(1.79)	75.10
All Other	392.09	(43.59)		20.93	369.43
Infrastructure, Total	42.98	(26.13)		(5.93)	10.92
Equipment and Transportation, Total	14.55	(6.60)		2.39	10.34
Training and Operations, Total	171.17	(12.30)		(43.10)	115.77
<b>Afghan Air Force, Total</b>	<b>1,728.26</b>	<b>(71.90)</b>	<b>(396.00)</b>	<b>(273.52)</b>	<b>986.85</b>
Sustainment, Total	893.17	(51.04)		(158.27)	683.86
Personnel	33.53	(21.39)		2.92	15.06
Ammunition	98.27	(26.59)		25.23	96.91
Petroleum, Oil, and Lubricants	56.40	(36.42)		36.11	56.09
Aircraft Contracted Support	692.29	32.00		(220.91)	503.38
All Other	12.69	1.35		(1.63)	12.41
Infrastructure, Total	30.35	(5.50)		(19.87)	4.98
Equipment and Transportation, Total	537.55	(6.09)	(396.00)	(74.09)	61.37
Aircraft	529.31	(5.61)	(396.00)	(66.58)	61.13
Other Equipment and Tools	8.24	(0.49)		(7.51)	0.24
Training and Operations, Total	267.19	(9.27)		(21.29)	236.63
<b>Afghan Special Security Forces, Total</b>	<b>825.48</b>	<b>(135.90)</b>		<b>157.67</b>	<b>847.25</b>
Sustainment, Total	476.94	(100.34)		105.13	481.74
Aircraft Sustainment	132.91	44.28		135.52	312.71
Personnel	142.66	(79.42)		3.59	66.83
All Other	201.37	(65.19)		(33.98)	102.20
Infrastructure, Total	43.13	(1.54)		(20.62)	20.97
Equipment and Transportation, Total	152.03	(34.02)		30.04	148.05
Training and Operations, Total	153.37	0.00		43.12	196.50

Note: DOD reprogrammed \$1.50 billion from various accounts, including \$604.00 million from the ASFF FY 2019 account, to the Drug Interdiction and Counter-Drug Activities, Defense (DICDA) FY 2019 account as part of Reprogramming Action FY 19-02 RA on May 10, 2019, to support Department of Homeland Security (DHS) counterdrug activities along the U.S. southern border. See SIGAR Quarterly Report to the U.S. Congress, July 30, 2019 at pages 48-49 for additional information. The Budget Realignment consists of budget changes set forth in FAP 19-2 (June 2019) exclusive of the Reprogramming Action in May 2019, FAP 19-3 (October 2019), and FAP 19-4 (January 2020) exclusive of the Rescission enacted in Pub. L. No. 116-93 in December 2019. Aircraft Contracted Support consists of the Aircraft Sustainment budget category less Ammunition and NSRWA Technical Assistance. Numbers have been rounded.

Source: DOD, Fiscal Year 2019, Afghanistan Security Forces Fund (ASFF), Line Item Detail, two versions received 1/15/2020 and 7/16/2019; and Tab B - FY 2019 ASFF FAP 19-4 as of 11Mar2020 received 4/6/2020.

# STATUS OF FUNDS



## CERP FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects estimated to cost less than \$500,000, although larger projects costing up to \$2 million may be authorized with appropriate Congressional notification.<sup>67</sup>

The Department of Defense Appropriations Act, 2020, decreased the annual appropriation for CERP from \$10.0 million in FY 2019 to \$5.0 million in FY 2020, bringing total cumulative funding to nearly \$3.71 billion. Notably, CERP annual appropriations had equaled or exceeded \$400.00 million per year during the FY 2008 to FY 2012 period, as shown in Figure 3.10, and nearly \$1.12 billion in appropriations from this period were realigned to other Operations and Maintenance, Army account requirements, or expired without being disbursed. DOD reported that CERP cumulative appropriations, obligations, and disbursements stood at approximately \$3.71 billion, \$2.29 billion, and \$2.29 billion, respectively, at June 30, 2020, as shown in Figure 3.11.<sup>68</sup>

FIGURE 3.10

**CERP APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

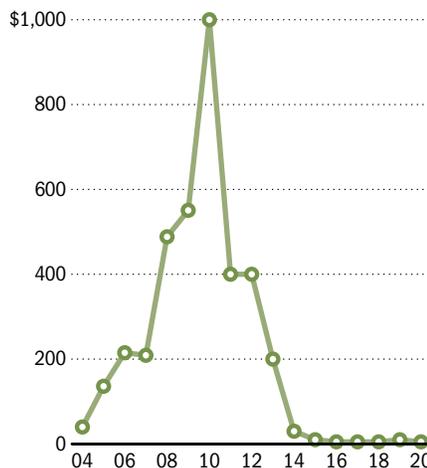
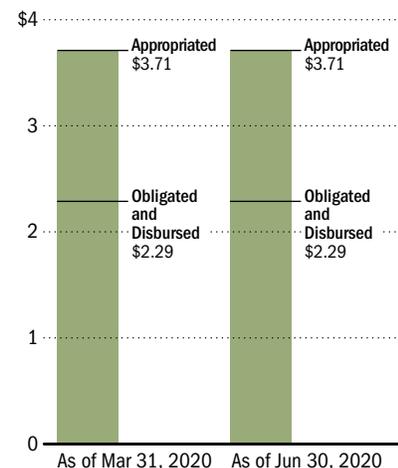


FIGURE 3.11

**CERP FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



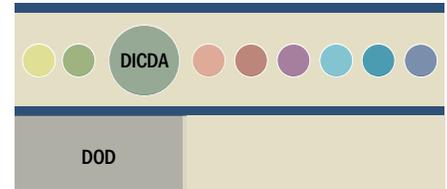
Note: Numbers have been rounded. Data may include interagency transfers. Analysis includes data from a draft DOD financial report because the final version had not been completed when this report went to press.

Source: DOD, response to SIGAR data call, 7/17/2020 and 4/13/2020; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

## DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities (DICDA), Defense appropriation provides funding for efforts intended to stabilize Afghanistan by combating the drug trade and related activities. The DOD Counterdrug group allocates this funding to support the Counternarcotics Police of Afghanistan units (mentored by the DEA and U.S. Army Special Forces) who investigate high-value targets and conduct drug-interdiction operations. Funding is also provided to the Afghanistan Special Mission Wing (SMW) to support their fleet of rotary- and fixed-wing aircraft. The SMW's aircraft provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.<sup>69</sup>

The DOD Counterdrug group reprograms appropriated DICDA funds from the Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. The group allocated funding to Afghanistan programs and transferred \$132.36 million to the military services in the quarter ending March 31, 2019, but withdrew \$122.18 million of these funds in the quarter ending September 30, 2019, resulting in a net transfer of \$10.18 million for FY 2019, as shown in Figure 3.12.<sup>70</sup> The group has transferred \$29.24 million in FY 2020 funds to the military services since that time, resulting in cumulative amounts appropriated and transferred from the CD CTA rising to \$3.29 billion at June 30, 2020, as shown in Figure 3.13.<sup>71</sup>



### DICDA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

FIGURE 3.12

**DICDA APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

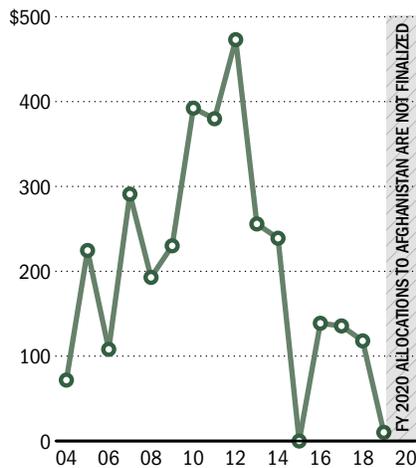
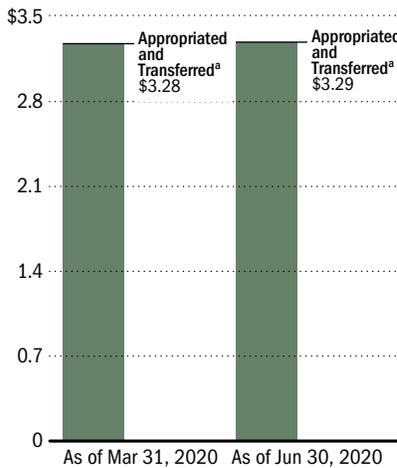


FIGURE 3.13

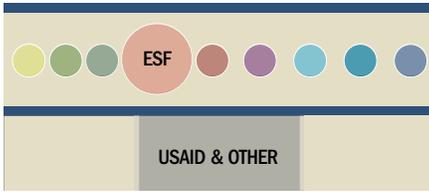
**DICDA FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed \$125.13 million out of FY 2015 DICDA and \$122.18 million out of FY 2019 DICDA due to requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.  
<sup>a</sup> DOD reprograms all DICDA funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 7/10/2020 and 4/8/2020; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.

# STATUS OF FUNDS



## ESF FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, and independent legal systems for a more transparent and accountable government.<sup>72</sup>

The ESF was allocated \$200.00 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress, and OMB in the quarter ending June 30, 2020. This represents a 43% reduction from the \$350.00 million allocation for FY 2019, which was itself a 30% reduction from the \$500.00 million allocation for FY 2018. Cumulative appropriations for the ESF now stand at nearly \$21.05 billion, of which more than \$19.60 billion had been obligated and nearly \$17.65 billion had been disbursed as of June 30, 2020.<sup>73</sup> Figure 3.14 below shows ESF appropriations by fiscal year, and Figure 3.15 shows cumulative appropriations, obligations, and disbursements as of March 31 and June 30, 2020.

FIGURE 3.14

ESF APPROPRIATIONS BY FISCAL YEAR  
(\$ BILLIONS)

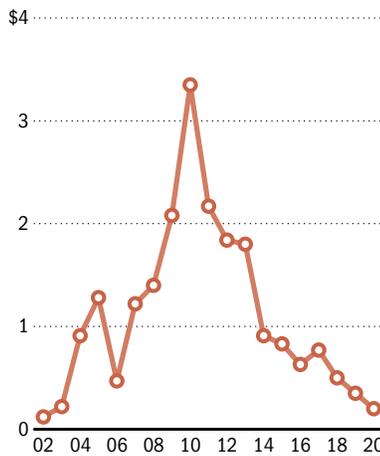
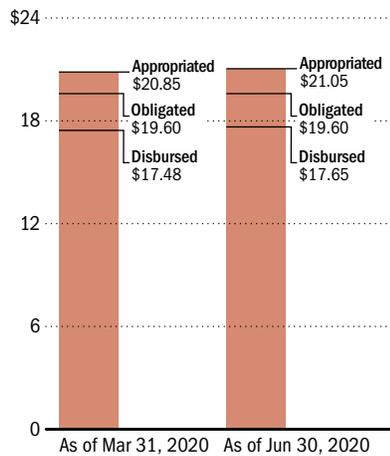


FIGURE 3.15

ESF FUNDS, CUMULATIVE COMPARISON  
(\$ BILLIONS)



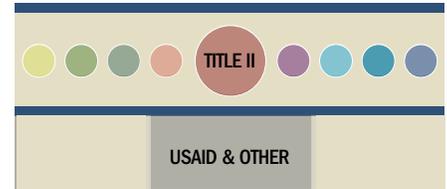
Note: Numbers have been rounded. Data reflects the following transfers from AIF to the ESF: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014. FY 2016 ESF for Afghanistan was reduced by \$179 million and put toward the U.S. commitment to the Green Climate Fund.

Source: USAID, response to SIGAR data call, 7/11/2020 and 4/10/2020; State, response to SIGAR data call, 7/13/2020, 1/3/2020, 10/5/2018, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

## FOOD FOR PEACE: TITLE II AND IDA PROGRAMS

USAID's Office of Food for Peace (FFP) administers Public Law 480 Title II and International Disaster Assistance (IDA) account resources that are requested and appropriated on a contingency basis to meet humanitarian needs worldwide, with a focus on emergency food and nutrition assistance. Food for Peace Title II resources are authorized by the Food for Peace Act and appropriated under the Agriculture appropriations bill, while IDA resources are authorized by the Foreign Assistance Act and Global Food Security Act and appropriated under the State, Foreign Operations, and Related Programs appropriation. FFP obligates funding for emergency food-assistance projects when there is an identified need and local authorities do not have the capacity to respond.<sup>74</sup>

FFP reports that it obligated nearly \$74.00 million in FY 2018, more than \$100.80 million in FY 2019, and \$49.50 million in the first three quarters of FY 2020 for food-assistance programs in Afghanistan. All of these activities were undertaken with IDA funds except for the use of more than \$4.22 million in Title II Emergency funds in FY 2018. FFP noted that Title II funds must primarily be used for procurement of agricultural commodities in the U.S., while IDA funds can be used more flexibly for local and regional procurement of commodities, food vouchers, and cash transfers. FFP stated that current plans do not require the use of Title II resources for Afghanistan in FY 2020, but these plans may change.<sup>75</sup> Figure 3.16 presents annual appropriations of Title II funds, and Figure 3.17 presents cumulative appropriated and transferred funds at March 31 and June 30, 2020.<sup>76</sup>



### TITLE II FUNDS TERMINOLOGY

- Appropriations:** Total monies available for commitments
- Obligations:** Commitments to pay monies
- Disbursements:** Monies that have been expended

FIGURE 3.16

**TITLE II APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

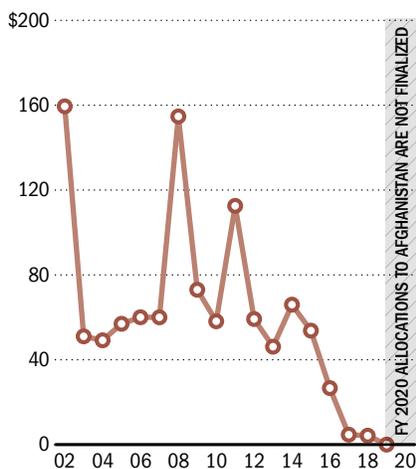
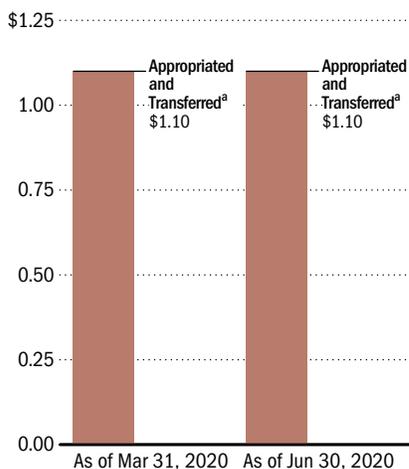


FIGURE 3.17

**TITLE II FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)

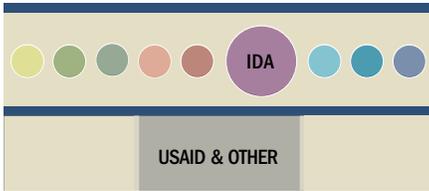


Note: Numbers have been rounded.

<sup>a</sup> Title II Emergency account resources are requested and appropriated on a contingency basis to address unmet humanitarian needs.

Source: USAID, response to SIGAR data call, 7/7/2020 and 4/14/2020.

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## IDA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## FOREIGN DISASTER ASSISTANCE: IDA PROGRAMS

USAID’s Office of U.S. Foreign Disaster Assistance (OFDA) teams with the Office of Food for Peace (FFP) to administer International Disaster Assistance (IDA) funds. OFDA is responsible for leading and coordinating the U.S. government response to disasters overseas. Its major programs include Relief Commodities & Logistics Support, Shelter & Settlements, Humanitarian Coordination & Information Management, Health, Protection, and WASH (water, sanitation, and hygiene). OFDA works closely with international partners such as the United Nations Children’s Fund (UNICEF), the United Nations World Health Organization (WHO), and others to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.<sup>77</sup>

USAID reported that nearly \$1.10 billion in IDA funds had been allocated to Afghanistan from 2002 through June 30, 2020, with obligations of nearly \$1.03 billion and disbursements of more than \$880.06 million reported as of that date.<sup>78</sup> Separately, OFDA reported that more than \$541.37 million in IDA funds had been awarded to its programs in Afghanistan from 2002 through June 30, 2020, with more than \$50.88 million obligated in FY 2019 and more than \$23.26 million obligated in the first three quarters of FY 2020.<sup>79</sup> Figure 3.18 presents annual appropriations of IDA funds to Afghanistan. Figure 3.19 presents cumulative appropriations, obligations, and disbursements.

FIGURE 3.18

IDA APPROPRIATIONS BY FISCAL YEAR  
(\$ MILLIONS)

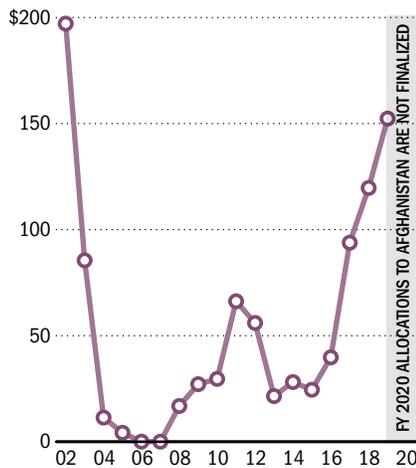
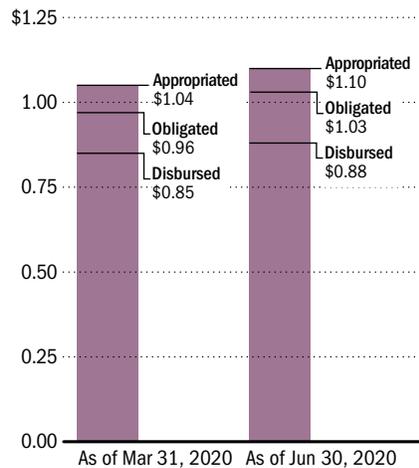


FIGURE 3.19

IDA FUNDS, CUMULATIVE COMPARISON  
(\$ BILLIONS)



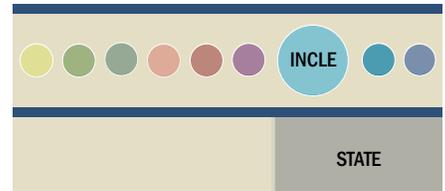
Note: Numbers have been rounded. Data may include interagency transfers.

Source: USAID, response to SIGAR data call, 7/11/2020 and 4/10/2020.

## INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing the rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counternarcotics, and rule of law and justice.<sup>80</sup>

The INCLE account was allocated \$88.00 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending June 30, 2020. This amount is consistent with the \$87.80 allocation for FY 2019, which itself represented a 45% reduction from the \$160.00 million allocation for FY 2018.<sup>81</sup> Cumulative funding for INCLE stands at more than \$5.42 billion, of which nearly \$5.10 billion has been obligated and more than \$4.50 billion has been disbursed as of June 30, 2020. Figure 3.20 shows INCLE appropriations by fiscal year, and Figure 3.21 shows cumulative appropriations, obligations, and disbursements as of March 31 and June 30, 2020.<sup>82</sup>



### INCLE FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

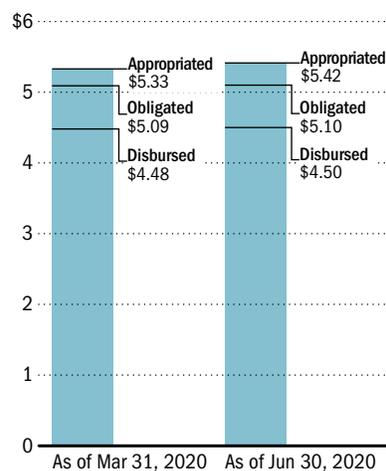
FIGURE 3.20

**INCLE APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)



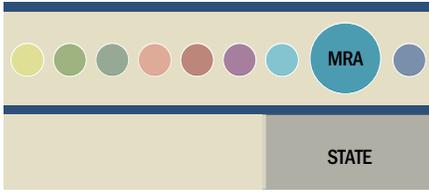
FIGURE 3.21

**INCLE FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.  
Source: State, response to SIGAR data call, 7/13/2020 and 4/15/2020.

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## MRA FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

## MIGRATION AND REFUGEE ASSISTANCE

The Department of State’s Bureau of Population, Refugees and Migration (PRM) administers the Migration and Refugee Assistance (MRA) account that funds programs to protect and assist refugees, conflict victims, internally displaced persons, stateless persons, and vulnerable migrants. Through MRA, PRM supports the work of the UN High Commissioner for Refugees (UNHCR), other international organizations, and various nongovernmental organizations (NGOs) in Afghanistan to support Afghan refugees throughout the region and upon their return to Afghanistan.<sup>83</sup>

The MRA allocation for Afghan refugees, internally displaced persons, and returnees was nearly \$77.19 million for FY 2018, nearly \$85.40 million for FY 2019, but only slightly more than \$13.21 million for FY 2020 through March 31, 2020. Cumulative appropriations since 2002 have totaled nearly \$1.44 billion as of March 31, 2020, with cumulative obligations and disbursements reaching more than \$1.43 billion and nearly \$1.42 billion, respectively, on that date. Figure 3.22 shows MRA appropriations by fiscal year, and Figure 3.23 shows cumulative appropriations, obligations, and disbursements as of March 31, 2020. Account information was not immediately available for June 30, 2020, due to what State said were exceptional circumstances, without elaborating.<sup>84</sup>

FIGURE 3.22

**MRA APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

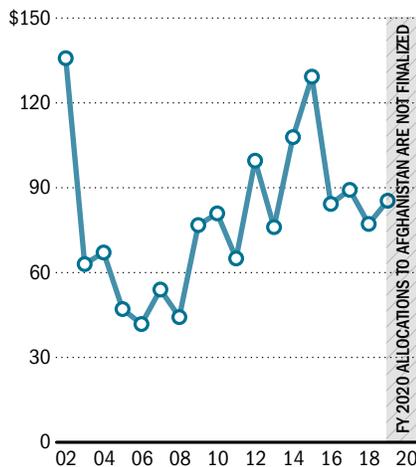
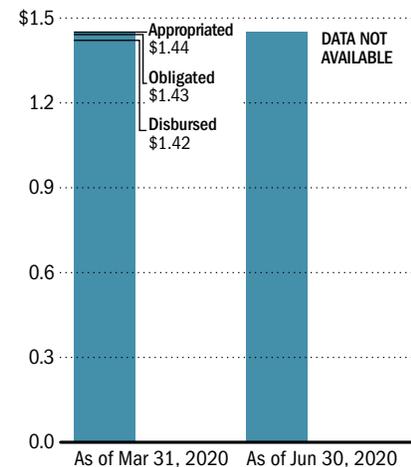


FIGURE 3.23

**MRA FUNDS, CUMULATIVE COMPARISON**  
(\$ BILLIONS)



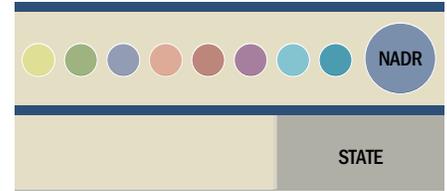
Note: Numbers have been rounded. Data may include interagency transfers.

Source: State, response to SIGAR data call, 7/16/2020 and 4/14/2020.

## NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account plays a critical role in improving the Afghan government's capacity to address terrorist threats, protect its borders, and remove dangerous explosive remnants of war.<sup>85</sup> The majority of NADR funding for Afghanistan is funneled through two subaccounts, Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD), with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF). The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus and offices that obligate and disburse these funds.<sup>86</sup>

The NADR account was allocated \$38.50 million for Afghanistan for FY 2020 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending June 30, 2020. This amount is consistent with the allocation of \$38.30 million for FY 2019 and the \$36.6 million allocation for FY 2018. Figure 3.24 shows annual allocations to the NADR account, and Figure 3.25 shows that the cumulative total of NADR funds appropriated and transferred increased from \$842.84 million at March 31, 2020, to \$881.34 million at June 30, 2020.<sup>87</sup>



### NADR FUNDS TERMINOLOGY

**Appropriations:** Total monies available for commitments

**Obligations:** Commitments to pay monies

**Disbursements:** Monies that have been expended

FIGURE 3.24

**NADR APPROPRIATIONS BY FISCAL YEAR**  
(\$ MILLIONS)

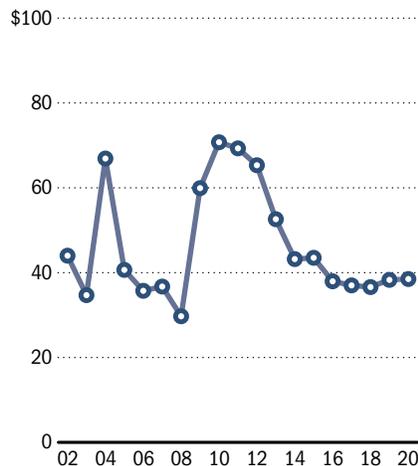
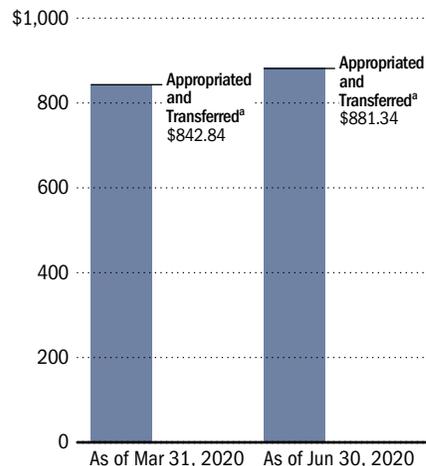


FIGURE 3.25

**NADR FUNDS, CUMULATIVE COMPARISON**  
(\$ MILLIONS)



Note: Numbers have been rounded.

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

Source: State, response to SIGAR data call, 7/13/2020, 1/3/2020, and 10/5/2018.

# STATUS OF FUNDS

## INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

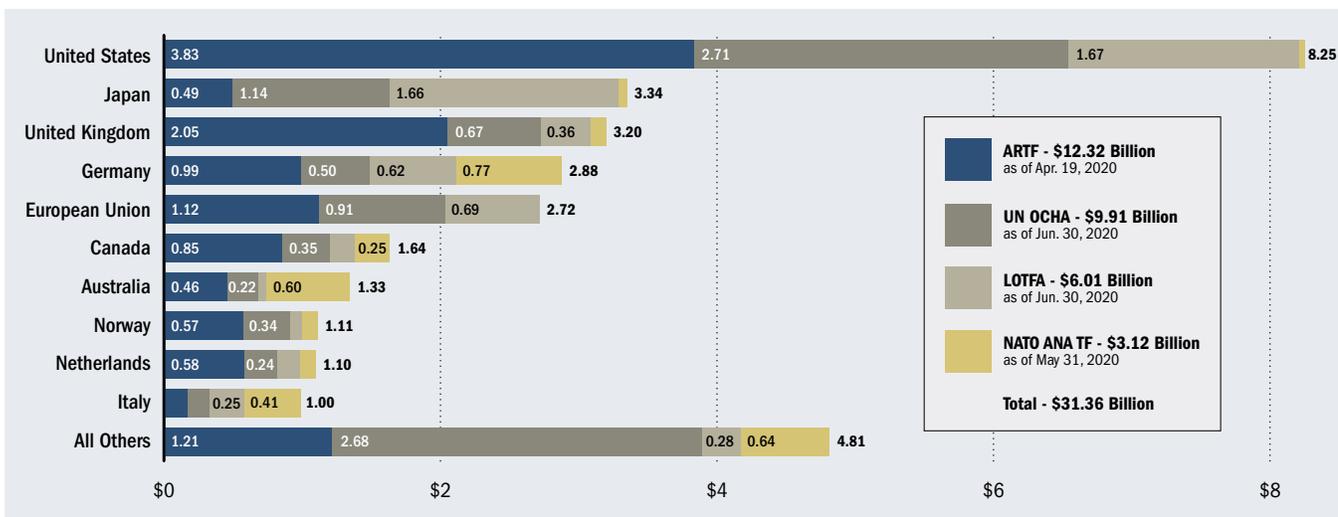
The international community provides significant funding to support Afghanistan relief and reconstruction efforts through multilateral institutions. These institutions include multilateral trust funds; United Nations and nongovernmental humanitarian assistance organizations; two multilateral development finance institutions, the World Bank Group and the Asian Development Bank (ADB); and two special purpose United Nations organizations, the UN Assistance Mission in Afghanistan (UNAMA) and the UN Development Programme (UNDP).

The four main multilateral trust funds are the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the UNDP-managed Law and Order Trust Fund for Afghanistan (LOTFA), the NATO-managed Afghan National Army (ANA) Trust Fund (NATF), and the ADB-managed Afghanistan Infrastructure Trust Fund (AITF).

The UN's Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multi-year humanitarian response plans for Afghanistan, and provides timely reporting of assistance provided by donors to the full range of humanitarian assistance organizations to facilitate funding of targeted needs.

FIGURE 3.26

CUMULATIVE CONTRIBUTIONS BY 10 LARGEST DONORS AND OTHERS TO MULTILATERAL INSTITUTIONS IN AFGHANISTAN (ARTF, UN OCHA-REPORTED PROGRAMS, LOTFA, AND NATO ANA TRUST FUND) SINCE 2002 (\$ BILLIONS)



Note: Amounts under \$200 million are not labeled. Numbers may not add due to rounding.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of April 19, 2020 (end of 4th month of FY 1399) at [www.artf.af](http://www.artf.af), accessed 7/9/2020; UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 6/30/2020; UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated through 6/30/2020, in response to SIGAR data call, 7/9/2020; NATO, Afghan National Army (ANA) Trust Fund, Status of Contributions Made as of 31 May 2020, at [www.nato.int](http://www.nato.int), accessed 7/9/2020.

# STATUS OF FUNDS

The four multilateral trust funds, ARTF, LOTFA, NATF, and AITF; as well as UNAMA and UN OCHA-coordinated humanitarian assistance organizations, all report donor contributions for their Afghanistan programs. Cumulative contributions to these organizations since 2002 have amounted to \$34.06 billion, with the United States contributing \$8.87 billion of this amount, as shown in Figure 3.26 and in the sections on the AITF and UNAMA that follow. The World Bank Group and the ADB are funded through general member assessments that cannot be readily identified as allocated to Afghanistan. These institutions have collectively made financial commitments of \$10.58 billion to Afghanistan since 2002, as discussed in the sections that follow.

## Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan government’s operational and development budgets comes through the ARTF. From 2002 to April 19, 2020, the World Bank reported that 34 donors had paid in nearly \$12.32 billion. Figure 3.26 shows the four largest donors over this period as the United States, the UK, the European Union, and Germany. Figure 3.27 shows that these four were also the largest donors to the ARTF for Afghan FY 1398 (December 22, 2018–December 21, 2019). The ARTF received contributions of \$780.38 million in Afghan FY 1398, marking a 24% decline from the \$1.02 billion it received in Afghan FY 1397, when it recorded the second-highest annual amount of contributions received by the fund in its 17-year history.<sup>88</sup>

Contributions to the ARTF are divided into two funding channels, the Recurrent Cost (RC) Window and the Investment Window.<sup>89</sup> As of April 19, 2020, according to the World Bank, nearly \$5.06 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as civil servants’ salaries.<sup>90</sup> To ensure that the RC Window receives adequate funding, donors to the ARTF may not “preference” (earmark) more than half of their annual contributions.<sup>91</sup>

The Investment Window supports development programs. As of April 19, 2020, according to the World Bank, more than \$5.48 billion had been committed through the Investment Window, and nearly \$4.83 billion had been disbursed. The Bank reported 31 active projects with a combined commitment value of nearly \$1.92 billion, of which more than \$1.26 billion had been disbursed.<sup>92</sup>

## Contributions to UN OCHA-Coordinated Humanitarian Assistance Programs

The UN’s Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multi-year humanitarian response plans for Afghanistan, and provides timely reporting of humanitarian assistance provided by donors to facilitate funding of targeted needs. Donors have contributed nearly \$9.91 billion to humanitarian assistance organizations

FIGURE 3.27

ARTF CONTRIBUTIONS BY DONOR, AFGHAN FY 1398 (PERCENT)



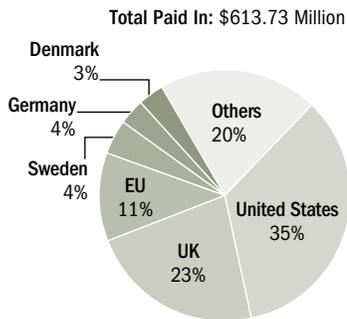
Note: Numbers may not add to 100% due to rounding. “Others” includes 11 donors.

Source: World Bank, ARTF: Administrator’s Report on Financial Status as of April 19, 2020 (end of 4th month of FY 1399) at [www.artf.af](http://www.artf.af), accessed 7/9/2020.

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FIGURE 3.28

## UN OCHA-COORDINATED CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Numbers may not add to 100% due to rounding. "Others" includes 21 national governments and 13 other entities. Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 6/30/2020.

TABLE 3.5

## LARGEST RECIPIENTS OF HUMANITARIAN ASSISTANCE FOR AFGHANISTAN UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA) CUMULATIVE RECEIPTS, 2002 TO JUNE 30, 2020 (\$ MILLIONS)

Largest Recipients	Receipts
<b>United Nations Organizations</b>	
World Food Programme (WFP)	\$3,065.05
United Nations High Commissioner for Refugees (UNHCR)	1,208.86
United Nations Children's Fund (UNICEF)	536.24
United Nations Mine Action Service (UNMAS)	331.04
International Organization for Migration (IOM)	265.88
Food and Agricultural Organization (FAO)	214.04
Office for the Coordination of Humanitarian Affairs (UN OCHA)	144.29
World Health Organization (WHO)	123.43
<b>Nongovernmental Organizations</b>	
International Committee of the Red Cross	743.27
Norwegian Refugee Council	184.24
HALO Trust	113.91
Save the Children	107.61
<b>All Other and Unallocated</b>	<b>2,870.73</b>
<b>Total Humanitarian Assistance Reported by OCHA</b>	<b>\$9,908.59</b>

Note: Numbers have been rounded.

Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 6/30/2020.

from 2002 through June 30, 2020, as reported by OCHA. OCHA-led annual humanitarian response plans and emergency appeals for Afghanistan accounted for nearly \$6.45 billion, or 65.1%, of these contributions.

The United States, Japan, and the European Union have been the largest contributors to humanitarian assistance organizations in Afghanistan since 2002, as shown in Figure 3.26; while the United States, United Kingdom, and the European Union were the largest contributors in 2019, when the international community contributed \$613.73 million to these organizations, as shown in Figure 3.28. The UN World Food Programme (WFP), the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross, the UN Children's Fund (UNICEF), and the UN Mine Action Service (UNMAS) have been the largest recipients of humanitarian assistance in Afghanistan, as shown in Table 3.5.<sup>93</sup>

## Contributions to the Law and Order Trust Fund for Afghanistan

The UNDP had historically administered the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).<sup>94</sup> Since 2015, UNDP had divided LOTFA support between two projects: the Support to

# STATUS OF FUNDS

Payroll Management (SPM) project, and the MOI and Police Development (MPD) project.

The SPM project has aimed to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its payroll function for the ANP and Central Prisons Directorate (CPD) staff. Almost 99% of SPM project funding goes toward ANP and CPD staff remuneration.

The MPD project focused on institutional development of the MOI and police professionalization of the ANP. The project concluded on June 30, 2018.

The LOTFA Steering Committee, composed of Afghan ministries, international donors, and the UNDP, approved restructuring the fund and changing its scope of operations on November 25, 2018. The organization has expanded its mission beyond the management of the SPM project to include the entire justice chain (police, courts, and corrections), and thereby cover all security and justice institutions, with an increased focus on anticorruption.

A new multilateral trust fund, the LOTFA Multi-Partner Trust Fund (MPTF), was launched to fund this expanded mission. The MPTF has received donations of more than \$207.14 million from 11 donors, led by the United Kingdom, Canada, and the European Union (but without financial participation from the United States).<sup>95</sup>

Donors have paid in more than \$6.01 billion to the two LOTFA funds from 2002 through June 30, 2020. Figure 3.26 shows the funds' two largest donors on a cumulative basis have been the United States and Japan. Figure 3.29 shows the largest donors to the LOTFA in 2019. The United States has significantly reduced its contributions to LOTFA after donating \$114.40 million in 2016, thereafter contributing \$26.71 million in 2017, \$1.04 million in 2018, \$0.95 million in 2019, and no funds in 2020 through June 30, 2020.<sup>96</sup>

## Contributions to the NATO ANA Trust Fund

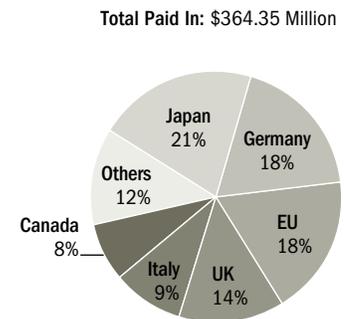
The NATO ANA Trust Fund supports the Afghan National Army and other elements of the Afghan National Defense and Security Forces through procurement by the Afghanistan Security Forces Fund (ASFF) and the NATO Support and Procurement Agency (NSPA).<sup>97</sup> The Fund has received contributions from 24 NATO members, including the United States, and from 12 other Coalition partners totaling more than \$3.12 billion through May 31, 2020.<sup>98</sup> Figure 3.26 shows Germany, Australia, and Italy as the three largest contributors to the fund. The United States made its first contribution in FY 2018 to support two projects under an existing procurement contract.<sup>99</sup>

## World Bank Group in Afghanistan

The World Bank's International Development Association (IDA) has committed over \$4.70 billion for development, emergency reconstruction projects, and budget support operations in Afghanistan from 2002 through February 2020. This support consists of over \$4.26 billion in grants and nearly \$440 million in no-interest loans known as "credits." The Bank has

FIGURE 3.29

### LOTFA CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Numbers may not add to 100% due to rounding. "Others" includes the United States, nine other countries, and the UNDP that contributed to the two LOTFA funds.

Source: UNDP, LOTFA Receipts 2002–2020 and LOTFA MPTF Receipts 2002–2020, updated 6/30/2020, in response to SIGAR data call, 7/9/2020.

# STATUS OF FUNDS

11 active IDA-only projects and 15 active projects jointly funded with the ARTF with a combined commitment value of over \$1.6 billion from IDA.

In addition, the Bank's International Finance Corporation (IFC) maintains a committed portfolio valued at nearly \$240 million and its Multilateral Investment Guarantee Agency (MIGA) has a gross exposure of nearly \$120 million on projects in Afghanistan.<sup>100</sup>

The United States is the World Bank Group's largest shareholder, with ownership stakes ranging between 10% and 25% of the shares in the IDA, IBRD, MIGA, and IFC.<sup>101</sup>

## Asian Development Bank in Afghanistan

The Asian Development Bank (ADB) has committed over \$5.88 billion for over 150 development projects and technical assistance programs in Afghanistan from 2002 through December 2019. This support has consisted of \$4.92 billion in grants (of which the Asian Development Fund, or ADF, provided \$3.97 billion, and the ADB provided \$0.95 billion in co-financing), \$0.87 billion in concessional loans, and \$105 million in technical assistance. ADB has provided \$2.17 billion for 20 key road projects, \$1.77 billion to support energy infrastructure, and \$879 million for irrigation and agricultural infrastructure projects. The United States and Japan are the largest shareholders of the ADB, with each country holding 15.57% of total shares.<sup>102</sup>

The ADB administers the Afghanistan Infrastructure Trust Fund (AITF), a multi-donor platform that provides on-budget financing for technical assistance and investment principally in the transport, energy, and water management sectors. The AITF has received contributions of \$588.97 million from the NATO ANA Trust Fund, Germany, Japan, the United Kingdom, and the United States and disbursed \$297.30 million through December 31, 2019.<sup>103</sup>

## United Nations Assistance Mission in Afghanistan

The United Nations Assistance Mission in Afghanistan (UNAMA) is a political UN mission established at the request of the government of Afghanistan. UNAMA maintains its headquarters in Kabul and an extensive field presence across Afghanistan, and is organized around its development and political affairs pillars. The Department of State has notified the U.S. Congress of its annual plan to fund UNAMA along with other UN political missions based on mission budgets since FY 2008. The U.S. contributions to UNAMA, based on its fixed 22.0% share of UN budgets and funded through the Contributions to International Organizations (CIO) account, has totaled \$463.54 million from FY 2008 through FY 2019. Other UN member governments have funded the remainder of UNAMA's budget of \$2.11 billion over this period.<sup>104</sup>

## Sources of U.S. Funding for Multilateral Assistance

The United States provides significant financial support to multilateral institutions active in Afghanistan, and utilizes a wide range of appropriation

# STATUS OF FUNDS

authorities to engage with the international community. The Economic Support Fund (ESF) is the primary instrument for funding multilateral development, a number of USAID and State Department-managed accounts are used for multilateral humanitarian assistance, while the Afghanistan Security Forces Fund (ASFF), formerly the primary source of funding for multilateral security assistance, has largely yielded this role to its international partners.

The United States' annual contributions to the World Bank Group, Asian Development Bank, and the United Nations Assistance Mission in Afghanistan (UNAMA), funded by the Treasury and State Departments, are fixed for the most part by international agreement and, except in the case of UNAMA, are not allocable to Afghanistan. Table 3.6 matches the multilateral assistance programs and organizations active in Afghanistan with their sources of U.S. funding.

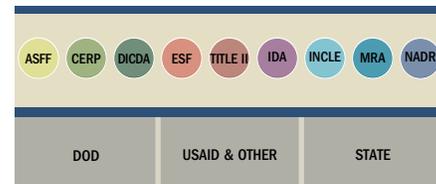


TABLE 3.6

<b>SOURCES OF U.S. FUNDING FOR MULTILATERAL ASSISTANCE PROGRAMS AND ORGANIZATIONS IN AFGHANISTAN</b>	
<b>Multilateral Assistance Programs and Organizations</b>	<b>Sources of U.S. Funding</b>
Afghanistan Reconstruction Trust Fund (ARTF)	ESF
Law and Order Trust Fund for Afghanistan (LOTFA)	ASFF and INCLE
Afghan National Army (ANA) Trust Fund (NATF)	ASFF
Afghanistan Infrastructure Trust Fund (AITF)	ESF
UN OCHA Coordinated Programs	
UN World Food Programme (WFP)	IDA and Title II
UN High Commissioner for Refugees (UNHCR)	MRA
UN Children's Fund (UNICEF)	CSH, IDA, MRA, and Title II
UN Mine Action Service (UNMAS)	ESF and NADR
International Organization for Migration (IOM)	ESF, IDA, and MRA
UN Food and Agriculture Organization (FAO)	ESF and IDA
UN OCHA and its Afghanistan Humanitarian Fund	IDA
UN World Health Organization (WHO)	CSH, ESF, and IDA
HALO Trust	NADR
Save the Children	ESF and IDA
UN Development Programme (UNDP)	ESF
UN Assistance Mission in Afghanistan (UNAMA)	State CIO
World Bank Group (IBRD, IDA, IFC, and MIGA)	Treasury IP
Asian Development Bank (ADB and ADF)	Treasury IP

Note: State CIO refers to State's Contributions to International Organizations account; Treasury IP refers to the Treasury International Programs account.

Source: DOD, response to SIGAR data call, 1/18/2019; State, response to SIGAR data call, 4/17/2020, 4/9/2020 and 8/21/2019; Treasury, response to SIGAR data call, 4/20/2020; UNDP, response to SIGAR data call, 4/5/2020; USAID, response to SIGAR data call, 4/3/2020 and 1/13/2020; and USAID, Afghanistan-Complex Emergency Fact Sheet #4 FY 2017 at [www.usaid.gov](http://www.usaid.gov), accessed 4/9/2020.

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## SECURITY

### KEY ISSUES & EVENTS

According to NATO Resolute Support (RS), enemy violence levels stayed well above historic norms for most of this quarter. The Taliban conducted no attacks against Coalition forces, but attacked Afghan government forces at several sites in provincial capitals.

Data provided by RS shows civilian casualties in Afghanistan increased by nearly 60% this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020), and by 18% compared to the same period last year.

The United States met its first troop-withdrawal target of 8,600 troops in country, as stipulated in the U.S.-Taliban agreement, before its mid-July deadline. Five former American bases were also handed over to the Afghan government.

The implementation of the U.S.-Taliban agreement, contested presidential election results, regional political tensions between the United States and Iran, prisoner-release discussions, war, and the COVID-19 global health crisis have made this quarter “perhaps the most complex and challenging period in the last two decades” for the Afghan National Defense and Security Forces (ANDSF), according to the Combined Security Transition Command-Afghanistan (CSTC-A).<sup>105</sup> United States Forces-Afghanistan (USFOR-A) told SIGAR in late July that RS and USFOR-A Commander General Austin Scott Miller “sees that political risk has surged and creates additional security risk” and that the risk “is focused on the ANDSF.”<sup>106</sup>

In May, USFOR-A’s spokesman called on the Taliban to reduce the level of violence in the country, particularly in light of the COVID-19 pandemic and the importance of fostering a permissive environment for intra-Afghan negotiations.<sup>107</sup> Instead, RS said, “[Enemy] violence levels stayed well above historic norms for the majority of the reporting period with reduced violence occurring during the three-day Eid cease fire (May 24–26, 2020) ... There were no Taliban attacks against Coalition forces, though there were several attacks against ANDSF sites in provincial capitals.”<sup>108</sup> Afghanistan’s National Security Council (NSC) said Taliban attacks increased June 14–21, with 422 attacks in 32 provinces killing 291 ANDSF personnel and wounding 550 others, making it the “deadliest [week] of the past 19 years.”<sup>109</sup>



**Acting Minister of Defense** Asadullah Khalid traveling to Khost for a security assessment on July 18. (Afghan MOD photo)

In late June, the Afghan NSC spokesman said, “The Taliban’s commitment to reduce violence is meaningless, and their actions inconsistent with their rhetoric on peace,” while the NATO Senior Civilian Representative in Afghanistan, Stefano Pontecorvo, called the level of Taliban violence “totally unacceptable.”<sup>110</sup> Meanwhile, Afghanistan’s acting ministers of the Ministry of Defense (MOD) and the Ministry of Interior (MOI) and the director of intelligence were summoned to parliament on June 22 for questioning on the rise of security incidents and crime.<sup>111</sup>

With regard to whether continued Taliban attacks on the ANDSF violate their commitments in the U.S.-Taliban agreement, DOD said “The assessment of Taliban compliance with the agreement is still under interagency review.”<sup>112</sup> On July 15, General Kenneth McKenzie, commander of U.S. Central Command (CENTCOM), told Voice of America, “I would not say that [the Taliban] have yet [kept up their commitments] ... we expected to see a reduction in violence. And ... the violence against the Afghans is higher than it’s been in quite a while. It’s one of the highest, most violent periods of the war that we see to date. Average lethality is down just a little bit. But the number of enemy-initiated attacks is, in fact, very worrisome.”<sup>113</sup>

CSTC-A nonetheless reported that the ANDSF continued to be effective this quarter, although COVID-19 has and will impact the ministries’ command and control, planning, recruiting, and execution capabilities. CSTC-A said that the ANDSF and the MOD and MOI managed to “remain structurally stable and hold a defensive posture.” Though there was reporting that the ANDSF was ordered to move to an offensive posture in response to several high-profile attacks in May, USFOR-A and DOD said on July 19 that the current orders issued to the ANDSF are to maintain an “active defense posture”—allowing them to preemptively strike to prevent an enemy attack—and the majority of ANDSF forces remain in defensive positions.<sup>114</sup>

On June 18, General McKenzie said the number of U.S. troops in Afghanistan has been reduced to “the mid-8,000 range,” the first troop-withdrawal target the United States committed to in the U.S.-Taliban agreement. A DOD report confirmed in early July that the first phase of the troop withdrawal to 8,600 troops is complete. The full withdrawal of U.S. forces from Afghanistan is “conditions-based” on the Taliban meeting their commitments in the agreement.<sup>115</sup>

In other major news impacting U.S. troops this quarter, the *New York Times*, citing unnamed sources, reported in January 2020 that U.S. intelligence officers and Special Operations Forces in Afghanistan had alerted their superiors to a suspected Russian scheme to pay bounties to the Taliban to kill American forces in Afghanistan.<sup>116</sup> These unnamed officers were quoted as saying at least one U.S. soldier may have been killed as part of the arrangement. Several high-ranking U.S. officials, including President Trump, said at that time they had not been briefed on this intelligence assessment.<sup>117</sup> USFOR-A said that there is still disagreement within the

intelligence community specifically regarding the direct tie to bounties and killing of U.S. personnel.<sup>118</sup> Additionally, DOD stated, “The Department of Defense continues to evaluate intelligence that Russian [intelligence] operatives were engaged in malign activity against United States and Coalition forces in Afghanistan. To date, DOD has no corroborating evidence to validate the recent allegations found in open-source reports.”<sup>119</sup>

## **ANDSF Data Classified or Not Publicly Releasable**

USFOR-A continued to classify or otherwise restrict from public release the following types of data due to Afghan government classification guidelines or other restrictions (mostly since October 2017):<sup>120</sup>

- enemy-initiated attacks (EIA) and effective enemy-initiated attacks (EEIA)
- ANDSF casualties, by force element and total
- unit-level Afghan National Army (ANA) and Afghan National Police (ANP) authorized and assigned strength
- detailed ANDSF performance assessments
- some Special Mission Wing (SMW) information, including the number of pilots and aircrew, aircraft inventory, the operational readiness (and associated benchmarks) of SMW airframes, and the cost of the SMW’s aircraft maintenance being paid by the United States or other countries

Because public-health measures imposed to combat the COVID-19 pandemic inhibit the use of secure facilities necessary for accessing classified information, SIGAR will not issue a classified annex to this quarterly report.

## **U.S. Reconstruction Funding for Security**

As of June 30, 2020, the U.S. Congress had appropriated more than \$86.30 billion to help the Afghan government provide security in Afghanistan. This accounts for 63% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002. Of the nearly \$4.20 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2020, nearly \$543.70 million had been obligated and nearly \$357.99 million disbursed, as of June 30, 2020.<sup>121</sup>

Congress established the ASFF in 2005 to build, equip, train, and sustain the ANDSF, which comprises all forces under the MOD and MOI. A significant portion of ASFF money is used for Afghan Air Force (AAF) aircraft maintenance, and for ANA, AAF, ASSF, and Afghan Local Police (ALP) salaries. The ALP falls under the authority of the MOI, but is not included in the authorized ANDSF force level that donor nations have agreed to fund; only the United States and Afghanistan fund the ALP. U.S. funding for the ALP will expire at the end of FY 2020.<sup>122</sup> The rest of ASFF is used for fuel, ammunition, vehicle, facility and equipment maintenance, and various

## Despite Setbacks, IS-K Continues to Threaten Security

According to DOD, capabilities of the terrorist group Islamic State-Khorasan (IS-K) have been degraded from sustained pressure by the ANDSF, Coalition forces, and the Taliban that has killed their fighters, induced surrenders, and forced IS-K to relinquish territorial control in southern Nangarhar and Kunar Provinces. However, as recent events show, IS-K maintains the ability to conduct mass-casualty attacks. DOD says that since the group was dislodged from the territory it controlled, IS-K may be moving to smaller groups in urban areas that make them more difficult to locate and identify.

Source: DOD, Enhancing Security and Stability in Afghanistan, 6/2020, p. 2.

**Active defense posture:** According to USFOR-A, the ANDSF have been ordered by their national command authority to maintain an “active defense posture” across Afghanistan. In the support of a reduction in violence in Afghanistan, the ANDSF operating guidance is defensive in nature and limits actions to impairing a hostile attack while the enemy is in the process of forming for, assembling for, or executing an attack on Afghan government elements. DOD’s definition for active defense is “The employment of limited offensive action and counterattacks to deny a contested area or position to the enemy.”

Source: USFOR-A, response to SIGAR data call, 7/19/2020; DOD, “DOD Dictionary of Military and Associated Terms,” 6/2020, p. 7.

communications and intelligence infrastructure. Detailed ASFF budget breakdowns are presented in tables on pages 48 and 49.<sup>123</sup>

ASFF monies are obligated by either CSTC-A or the Defense Security Cooperation Agency. Funds that CSTC-A provides to the Afghan government to manage (on-budget) are provided directly to the Ministry of Finance. The Ministry of Finance then transfers those funds to the MOD and MOI based on submitted funding requests.<sup>124</sup> While the United States funds most ANA salaries, most ANP personnel costs are paid by international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA). The United States is no longer the largest contributor to LOTFA for the last several years, having given just \$0.95 million in 2019 and no funds in 2020 through June 30, 2020.<sup>125</sup> A discussion of on-budget (Afghan-managed) and off-budget (U.S.-managed) expenditures of ASFF is found on pages 104–110.

## Violence Levels “Totally Unacceptable” after U.S.-Taliban Deal

This quarter began with the USFOR-A spokesman calling on the Taliban on May 2 to reduce the level of violence in Afghanistan, not only to help foster a permissive environment for intra-Afghan negotiations, but also to counter the COVID-19 pandemic.<sup>126</sup> While the State Department told SIGAR last quarter that the U.S.-Taliban agreement does not prohibit all Taliban attacks against Afghan security forces, a DOD report this quarter states clearly that the agreement “included commitments to seek to continue reducing violence.”<sup>127</sup>

However, violence continued at what the NATO Senior Civilian Representative in Afghanistan, Stefano Pontecorvo, called “totally unacceptable” levels.<sup>128</sup> Though RS continued to restrict from public release enemy-initiated and effective enemy-initiated attack data this quarter, it provided this unclassified characterization of enemy violence over the reporting period:

The security situation in Afghanistan remains unchanged from the trend observed at the end of last quarter. [Enemy] violence levels stayed well above historic norms for the majority of the reporting period with reduced violence occurring during the three-day Eid cease fire (May 24–26, 2020). During the holiday, violence was at a similar level of the February [reduction in violence] once again demonstrating the Taliban’s ability to exert command and control of their fighters. There were no Taliban attacks against Coalition forces, though there were several attacks against ANDSF sites in provincial capitals.<sup>129</sup>

A particularly heinous attack occurred on May 12, when gunmen targeting a maternity ward in Kabul run by Doctors Without Borders killed 24 people, including newborns, mothers, and health-care workers. Although the Taliban denied responsibility and condemned the attack, President

Ghani said the Taliban had ignored calls to reduce violence and agree to a cease fire; he reportedly ordered the ANDSF to go on the offensive that same day.<sup>130</sup> However, USFOR-A and DOD said on July 19 that the ANDSF are in an “active defense posture,” which allows them to preemptively strike to prevent an enemy attack, and the majority of ANDSF forces remain in defensive positions.<sup>131</sup>

U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad said on May 15 that the Islamic State-Khorasan (IS-K)—the Islamic State affiliate in Afghanistan—carried out the attack as “an enemy of the peace process [that] wants the peace process to fail.”<sup>132</sup> Ambassador Khalilzad also expressed concern with the level of Taliban-initiated violence, saying that the number of attacks against the ANDSF violated “the spirit if not the letter” of the U.S.-Taliban agreement.<sup>133</sup> See Figure 3.30 for descriptions of this quarter’s major violent incidents and high-profile attacks.

A brief de-escalation of violence occurred in late May, as both the Taliban and Afghan government announced cease-fires in observance of the May 24–26 Eid holiday. However, on June 5, USFOR-A announced it had conducted two air strikes (its first since the Eid cease-fire) to defend against Taliban attacks on ANDSF checkpoints.<sup>134</sup> Later in the month, Afghanistan’s NSC said Taliban attacks June 14–21 had increased to 422 attacks in 32 provinces, killing 291 ANDSF personnel and wounding 550 others, making it the “deadliest [week] of the past 19 years.”<sup>135</sup>

DOD’s latest unclassified assessment of the violence level since the signing of the U.S.-Taliban agreement (February 29) through June 1 said, “The Taliban is calibrating its use of violence to harass and undermine the ANDSF and [the Afghan government], but remain at a level it perceives is within the bounds of the agreement, probably to encourage a U.S. troop withdrawal and set favorable conditions for a post-withdrawal Afghanistan.”<sup>136</sup> DOD reported that the U.S. government continues to closely monitor violence levels in Afghanistan, to assess whether the Taliban “is sufficiently complying with its commitments under the U.S.-Taliban Agreement,” and to assert that the withdrawal of U.S. troops below the 8,600 level is contingent on Taliban compliance with the agreement.<sup>137</sup> On July 15, CENTCOM Commander General McKenzie said “I would not say that [the Taliban] have yet [kept up their commitments],” due to their high level of violence, not yet beginning inter-Afghan negotiations, and not yet adequately assuring the United States of severing ties with terrorist groups. He added, “They still may yet do it. Time is not out ... we’re coming up on a pretty important time with this process.”<sup>138</sup>

## Civilian Casualties

SIGAR analyzes Afghan civilian-casualty data from two different sources, the United Nations Assistance Mission in Afghanistan (UNAMA) and RS.

FIGURE 3.30



Note: Fatalities are estimates and only include the number of the opposing party (or civilians when indicated) killed.

Source: ACLED, South Asia 2016–Present dataset, 4/1/2020–7/11/2020, available online at <https://www.acleddata.com>; SIGAR, analysis of ACLED data, 7/2020; Washington Post, “Deadly Taliban Attack Adds to Despair Over Faltering Afghan Peace Process,” 7/14/2020.

These organizations use different definitions for which individuals can be considered civilians versus combatants, and different methodologies to collect and assess civilian-casualty data, with RS consistently reporting fewer civilian casualties than UNAMA.<sup>139</sup>

### **UNAMA vs. RS Collection Methodology and Definition of Civilians**

UNAMA and RS civilian casualty data diverge due to different collection methodologies and definitions for civilians versus combatants. UNAMA's collection method uses "direct site visits, physical examination of items and evidence gathered at the scene of incidents, visits to hospital and medical facilities, still and video images," reports by UN entities, and primary, secondary, and third-party accounts. Information is obtained directly from primary accounts where possible. Civilians whose noncombatant status is in "significant doubt," based on international humanitarian law, are not included in the figures. UNAMA's methodology has remained largely unchanged since 2008.

RS Civilian Casualty Management Team collects civilian casualty data by relying primarily upon operational reporting from RS's Train, Advise, and Assist Commands (TAACs), other Coalition force headquarters, and ANDSF reports from the Afghan Presidential Information Command Centre to collect civilian-casualty data. DOD says that RS's civilian-casualty data collection differs from UNAMA's in that it has "access to ... full-motion video, operational summaries, aircraft mission reports, intelligence reports, and digital and other imagery, which are generally not available to external entities." Also considered in its assessments are open-source media, social media, and other sources that can be a basis for assertions made by external entities.

DOD reports that U.S. forces and some entities like UNAMA use different interpretations about who receives protections as civilians under the law of war (to include the law of armed conflict or international humanitarian law). When assessing reports of civilian casualties, USFOR-A considers whether any members of the civilian population were wounded or killed as a direct result of U.S. military operations. For the purposes of such assessments, USFOR-A does not include persons who have forfeited the protections of civilian status by engaging in hostilities, including by being part of a non-state armed group like the Taliban or ISIS.

UNAMA's interpretation of these laws is that individuals affiliated with groups like the Taliban or ISIS, but without a "continuous combat function" should be immune from attack except for when they participate directly in hostilities. It is DOD's opinion that this position supports "revolving door" protections for members of the Taliban and ISIS that are contrary to longstanding U.S. interpretations of the law of war.

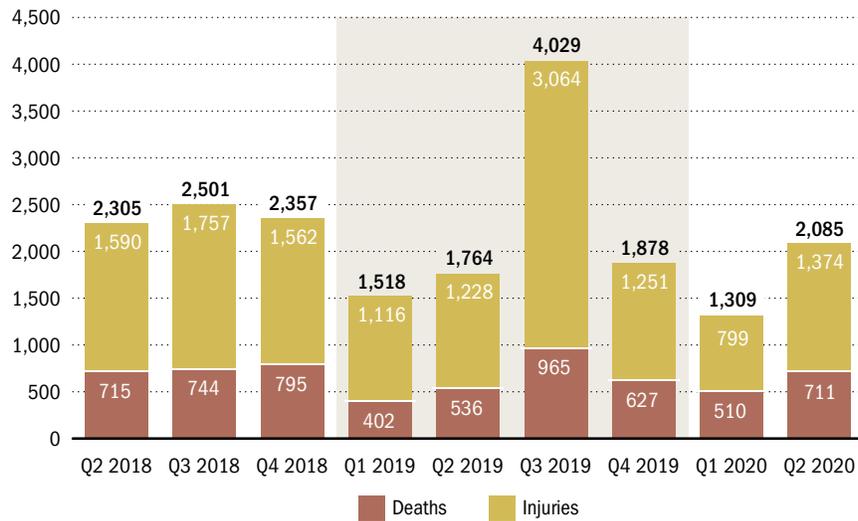
Source: UNAMA, Protection of Civilians in Armed Conflict, 3/6/2018, i-ii; 1/2010, p. 35; 2/11/2009, pp. 4-5; 8/2015, p. 4; and 2/22/2020, pp. 3-4; DOD, Enhancing Security and Stability in Afghanistan, 12/2017, p. 27, 6/2019, p. 27, and 6/2020, pp. 24-25.

### **RS Reports Increase in Civilian Casualties This Quarter**

In line with the continued increase in violence following the U.S.-Taliban agreement, RS reported 59% more civilian casualties in Afghanistan this quarter (April 1–June 30, 2020) compared to last quarter (January 1–March 31, 2020) and an 18% increase compared to last year (April 1–June 30, 2019).

FIGURE 3.31

## RS-REPORTED CIVILIAN CASUALTIES BY QUARTER



Source: RS, response to SIGAR data call 6/17/2020; SIGAR, analysis of RS-provided data, 7/2020.

Figure 3.31 shows that the 2,085 civilian casualties this quarter were 776 more than last quarter and 321 more than the same period last year.<sup>140</sup>

RS attributed 84% of this quarter’s civilian casualties to antigovernment forces, which include unknown insurgents (39%), the Taliban (36%), IS-K (9%), and the Haqqani Network (0%). Another 4% were attributed to progovernment forces (4% to ANDSF and no incidents attributed to Coalition forces), and 12% to other or unknown forces. These RS-provided percentages were similar to last quarter. However, in contrast to last quarter when direct fire caused the most civilian casualties, this quarter it was improvised-explosive devices (41%), followed by direct fire (30%), and indirect fire (9%).<sup>141</sup>

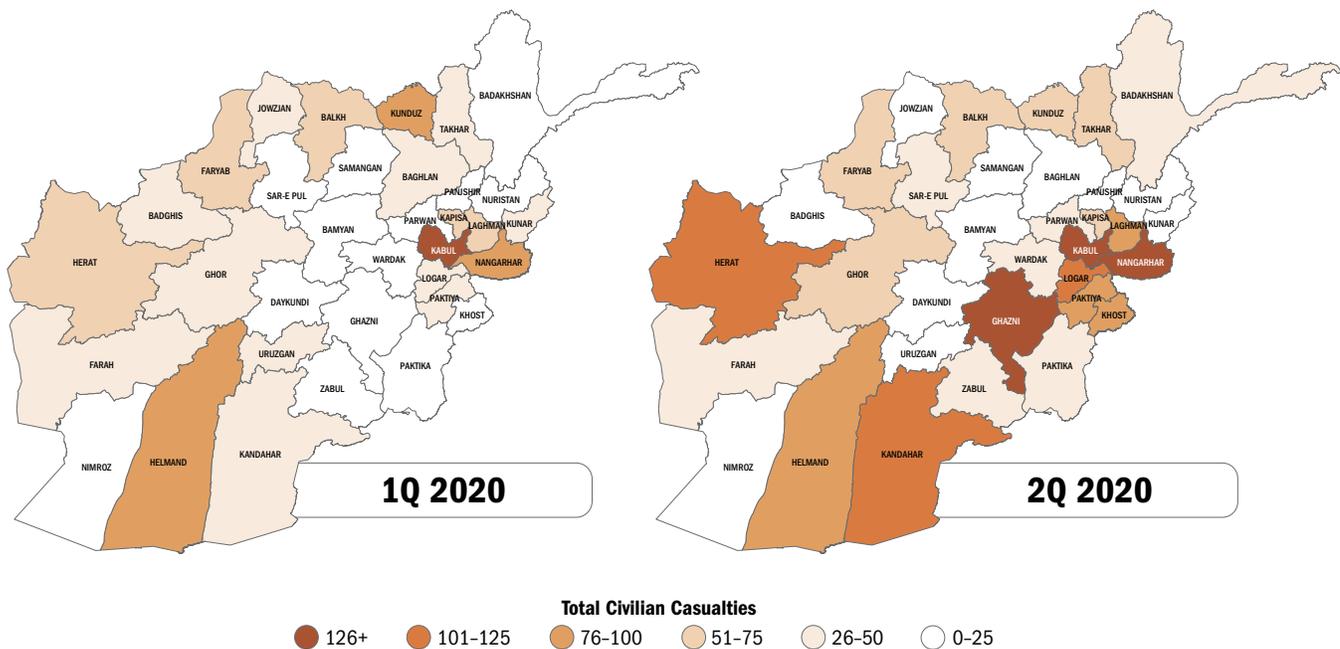
Figure 3.32 on the following page shows that civilian casualties increased or remained the same in most provinces (25 of 34) compared to last quarter. Last quarter, Kabul, Kunduz, and Helmand Provinces experienced the highest number of civilian casualties (an average of 126 each). Of these provinces, only Kunduz experienced a decline (22%) in civilian casualties this quarter. Nangarhar, Kabul, and Ghazni Provinces experienced the highest number of civilian casualties this quarter (average of 204 each). Nangarhar Province suffered the most civilian casualties (259), and had one of the most substantial increases (236%) over last quarter.<sup>142</sup>

A description of UNAMA’s report covering April–June 2020 will appear in SIGAR’s October 2020 Quarterly Report.

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FIGURE 3.32

RS-REPORTED CIVILIAN CASUALTIES: COMPARING 1Q 2020 AND 2Q 2020



Source: RS, response to SIGAR data call, 6/17/2020 and 4/6/2020; SIGAR analysis of RS-provided data, 7/2020.

## UNAMA: Attacks on Health Care Facilities During the COVID-19 Pandemic

This quarter, UNAMA released a special report detailing combatants’ attacks on health-care services in Afghanistan during the COVID-19 pandemic. In total, UNAMA documented 12 incidents from March 11 (start of Afghanistan’s pandemic) through May 23 (the start of the Eid-al Fitr cease fire) in which combatants carried out deliberate violence or other interference with health care workers or facilities, and disturbing critical health care provision during the COVID-19 pandemic.<sup>143</sup> UNAMA attributed eight incidents to the Taliban (abducting health workers and attacking a pharmacy) and three incidents to the ANDSF (an air strike on a health care facility, intimidation of health workers, and looting medical supplies).<sup>144</sup>

Most striking of these incidents was the May 12 attack on the Kabul hospital maternity ward. Moving systematically from room to room, gunmen killed 24 people, including 19 women and three children. The attackers injured an additional 23 people. According to UNAMA, this “most horrendous attack” highlights how parties to the conflict have interfered with necessary health care services during the particularly difficult conditions caused by the pandemic.<sup>145</sup>

## UNITED STATES FORCES-AFGHANISTAN

### United States Reaches First Troop-Withdrawal Target Ahead of Schedule

On June 18, CENTCOM Commander, General McKenzie, said the number of U.S. troops in Afghanistan has been reduced to “the mid-8,000 range,” one of the United States’ commitments in the U.S.-Taliban agreement signed February 29, 2020. Under the agreement, the United States committed to drawing down the number of U.S. troops in Afghanistan to 8,600 within 135 days of the agreement’s signing (by mid-July) and withdraw all troops within 14 months, if the Taliban meet the conditions outlined in the agreement.<sup>146</sup> A DOD report confirmed in early July that the first phase of the troop withdrawal to 8,600 troops is complete.<sup>147</sup>

Defense Secretary Mark Esper said in March that once U.S. troops have reached the 8,600 level, “we’re going to stop, and we’ll assess the situation, not just tactically on the ground but also are all the parties living up to their obligations, their commitments? Are they acting in good faith and showing good effort?”<sup>148</sup> DOD told SIGAR this quarter, “The assessment of Taliban compliance with the [U.S.-Taliban] agreement is still under interagency review.”<sup>149</sup>

On July 15, General McKenzie said, before there could be a greatly reduced U.S. presence in Afghanistan, inter-Afghan negotiations needed to begin and the United States would need to be confident that the Taliban would not host terrorist groups, potentially allowing them to carry out attacks on the United States and allies. He assessed that “Right now, it is simply unclear to me that the Taliban has taken any positive steps in ... those areas.”<sup>150</sup>

NATO also reported a reduction in the number of Coalition troops in Afghanistan this quarter. NATO’s latest figure for the Coalition-support RS train, advise, and assist (TAA) mission is 15,937 Coalition military personnel as of June 2020, a 614-person decrease from the figure reported in February 2020. The decrease was entirely made up of non-U.S. personnel. The current force level includes 8,000 U.S. personnel (unchanged from February) and 7,937 military personnel from NATO and non-NATO partner nations.<sup>151</sup> The remaining U.S. troops in Afghanistan serve Operation Freedom’s Sentinel mission in supporting roles, training Afghan special forces, or conducting air and counterterror operations.<sup>152</sup>

The reduction of the Coalition-nation forces was expected, but has yet to reach the level NATO announced earlier this year. In early April, NATO Secretary General Jens Stoltenberg said “to support the peace efforts, we are reducing our presence to around 12,000 by the summer,” but “no decision for a further reduction has been taken and all of our steps will be conditions-based.”<sup>153</sup>

#### U.S. Forces Capabilities at Current Force Level

According to Resolute Support commander General Austin S. Miller, at the current force level, U.S. forces can continue to:

1. provide support to other NATO countries
2. train, advise, and assist the ANDSF, with COVID mitigation, at echelon and when required at the tactical points of need
3. protect the force

USFOR-A explained that this is a fighting formation, meaning it retains necessary authorities, mobility, fires, logistics, and medical capability, and continues to administer security assistance with the appropriate oversight.

Source: USFOR-A and OUSD-R response to SIGAR vetting, 7/20/2020.

## U.S. and Coalition Forces Casualties and Insider Attacks

According to DOD, from October 2001, the beginning of U.S. operations in Afghanistan, through April 30, 2020, 1,909 U.S. military personnel were killed in action (KIA), and 20,719 were wounded in action (WIA). From November 1, 2019, through April 30, 2020, there were five U.S. personnel KIA and 75 WIA.<sup>154</sup> From April 30 through July 15, DOD reported three more U.S. military deaths in Afghanistan, two non-combat related incidents and one a “vehicle rollover accident.” Each of these incidents is under investigation.<sup>155</sup>

From November 1, 2019, through April 30, 2020, DOD reported one insider attack that killed two U.S. personnel and one Afghan. DOD said U.S. forces and the Afghan government are continuing their efforts to reduce the number of insider attacks (also known as “green-on-blue” attacks), including the increased use of enhanced screening techniques for existing ANDSF personnel and new recruits.<sup>156</sup>

## U.S. and Coalition Forces’ Advising Efforts

### Train, Advise, and Assist Efforts during the COVID-19 Pandemic

According to CSTC-A, this quarter COVID-19 impacted ANDSF progress in many strategic areas including logistics, oversight of construction projects, and delays in integrating the ALP into other parts of the security forces. The ANDSF continues to test personnel for COVID-19 and implement protective measures such as practicing social distancing, wearing masks, and using hand sanitizers. CSTC-A reported that many senior leaders across Afghanistan, including the acting Minister of Interior Massoud, have contracted the virus or have seen impacts of the virus on their workforces.<sup>157</sup> As of early July, Minister Andarabi had recovered and resumed his duties.<sup>158</sup>

On March 14, RS Commander General Scott Miller directed that, due to the danger of coronavirus infection, Coalition personnel would conduct only limited face-to-face advising with their Afghan counterparts. Advisory efforts would shift towards video-teleconferences and other forms of remote communication, such as email.<sup>159</sup> RS reported some successful examples of remote advising during the quarter, including a meeting between RS senior leaders from the United States, the United Kingdom, Australia, and Germany providing train, advise, and assist (TAA) support to their ANDSF counterparts via videoconference on June 15, and a June 18 videoconference between Polish, Portuguese, Belgian, American, and British advisors, and their MOD counterparts to discuss security and improving logistics.<sup>160</sup> Additionally, under proper social distancing protocols, advisors and key members of the ministries were conducting mission-essential meetings this quarter.<sup>161</sup>

To provide prompt assistance to the ANDSF in fighting the pandemic, CSTC-A used funding lines for medical supplies already notified to Congress via the Justification Book and Financial Activity Plans (FAPs) to provide COVID-19 support to the ANDSF. This included \$2.12 million of ASFF

that was provided directly to the MOD and MOI to fund unit-level procurements and about \$13.7 million for procurement using DOD contracts of medical supplies for ANDSF personnel (such as masks, gloves, and sanitation equipment).<sup>162</sup>

## AFGHAN NATIONAL DEFENSE AND SECURITY FORCES

### Reported ANDSF Force Strength Highest in a Year

This quarter, the ANDSF saw its highest reported strength since began using the Afghan Personnel and Pay System (APPS) in July 2019, which leverages biometric enrollment and Afghan self-reporting for more accurate accounting, from the previous system that relied only on self-reporting.<sup>163</sup>

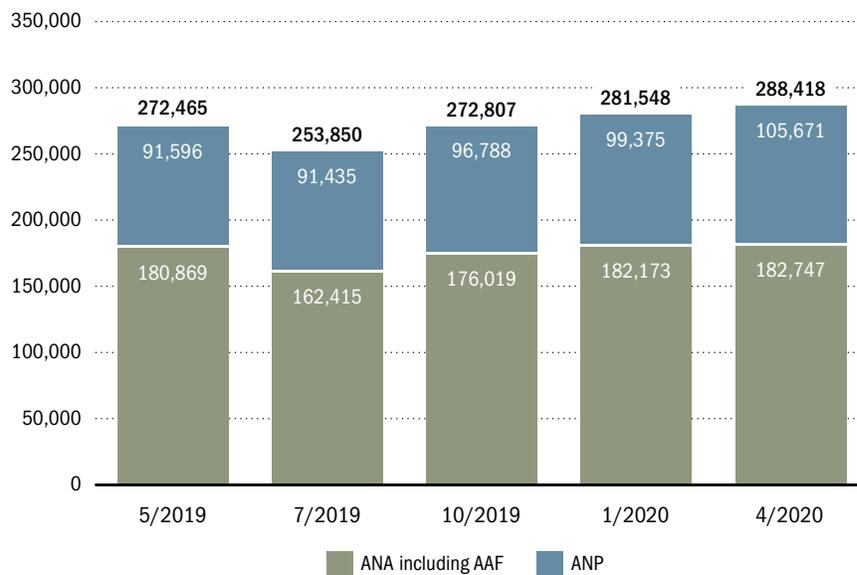
As of April 30, 2020, CSTC-A reported 288,418 ANDSF personnel (182,747 MOD and 105,671 MOI) biometrically enrolled and eligible for pay in APPS. There are an additional 7,604 civilians (3,328 MOD and 4,276 MOI) and 18,382 Afghan Local Police (ALP). Figure 3.33 shows this is an increase of 6,870 personnel (2%) since last quarter's APPS-reported strength from January 2020, mainly driven by 6,296 more personnel reported in the MOI



**RS advisors** from the United States, Poland, Portugal, Belgium, and the United Kingdom remotely advise their MOD counterparts. (RS photo)

FIGURE 3.33

#### REPORTED ANDSF ASSIGNED STRENGTH FROM APPS

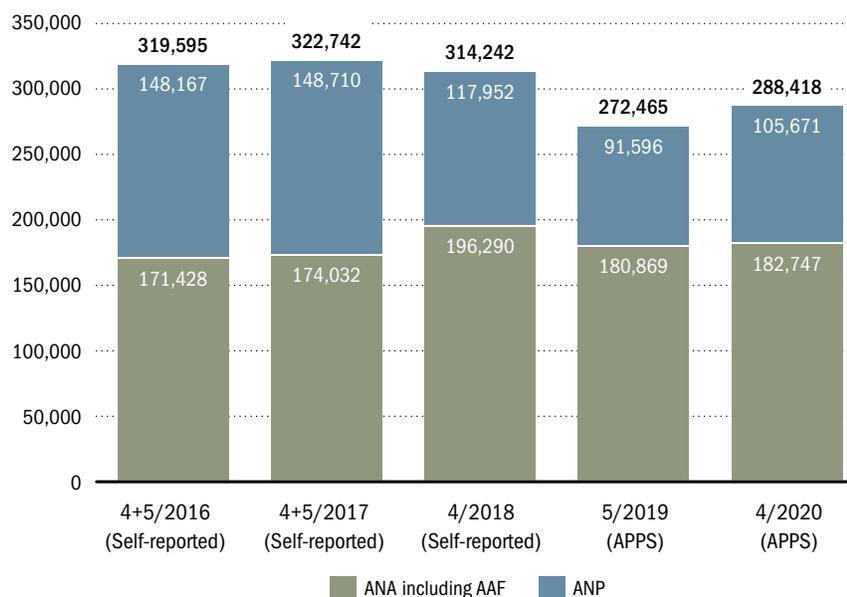


Note: This quarter's data is as of April 30, 2020. The "as of" date of the data each quarter is between the 25th and 31st of the indicated month. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in the strength numbers.

Source: CSTC-A response to SIGAR data call, 6/18/2020, 3/17/2020, 12/19/2019, and 9/18/2019; SIGAR, analysis of CSTC-A-provided data, 6/2020.

FIGURE 3.34

## REPORTED ANDSF ASSIGNED STRENGTH SINCE 2016



Note: This quarter's data is as of April 30, 2020. For 2016, ANA data is as of May 20, 2016 and ANP data is as of April 19, 2016; for 2017, ANA data as of 5/20/2017 and ANP data as of 4/19/2017. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in strength numbers. ANA strength numbers include the AAF and trainees, transfers, holdees, and student personnel. ANP strength numbers do not include "standby" personnel, generally reservists, or personnel not in service while completing training. The change in strength numbers from 2018 to 2019/2020 is due to the transition of strength reporting from ANDSF-reported figures to reporting from the Afghan Personnel and Pay System (APPS). The strength numbers reported here should not be viewed as exact: CSTC-A and SIGAR have long noted many data-consistency issues with ANDSF strength numbers.

Source: CSTC-A response to SIGAR data call, 6/18/2020; SIGAR, Quarterly Report to the United States Congress, 7/30/2016, 7/30/2017, 7/30/2018, 7/30/2019; SIGAR, analysis of CSTC-A-provided data, 6/2020.

elements.<sup>164</sup> CSTC-A attributes the increase to overseeing MOI improvements in reconciling personnel-record disparities and inputting and reviewing new APPS personnel data entries for accuracy.<sup>165</sup>

Figure 3.34 shows that while reported ANDSF strength has rebounded over the last year, it remains lower than in previous years, when strength figures were self-reported using a paper-based system.<sup>166</sup> As discussed in Section 1 of this report, SIGAR is continuing to examine the implications of the difference between the newer and older reported strength numbers on U.S. taxpayer expenditures for salary and incentive payments, as well as some types of equipment for the ANDSF.

## Advisors Make Progress Transitioning Personnel Accountability System to ANDSF

Despite the significant challenges facing the ANDSF this quarter, CSTC-A reported that it made progress in its phased effort to transition APPS to MOD and MOI. According to CSTC-A, the ministries have now taken full

ownership of the APPS ID card management and distribution process. The ID cards are a way of physically accounting for personnel because they are issued after biometric enrollment (iris, face, and fingerprint scans) and have chips that link to biometric record numbers. The cards are valid for three years, at which point they can be reissued in-person.<sup>167</sup> In addition, each ministry has taken control of its “Tier One Help Desk,” which is the front-line support resource for ANDSF APPS users across Afghanistan. CSTC-A said these are “significant steps” in their effort to transition control of the APPS system to the Afghan government. CSTC-A is encouraged by MOD and MOI’s willingness to transition to the APPS system and that with CSTC-A’s policy, programmatic, and technical advisors, the ministries “continue to demonstrate significant progress in adopting APPS as a system of record.”<sup>168</sup>

The three ongoing efforts to improve the accuracy of the personnel data in APPS used by MOI, MOD, and CSTC-A include: (1) “slotting” or matching ANDSF personnel to authorized positions in the system, (2) “data cleansing” or correcting and completing key personnel data or deactivating entries for inactive personnel, and (3) physically accounting for personnel through site visits called personnel asset inventories (PAIs) and personnel asset audits (PAAs).<sup>169</sup>

CSTC-A reported that MOD processed more personnel actions in APPS than last quarter. From January 27, 2020, to April 30, 2020, MOD elements, including the Afghan National Army (ANA), Afghan Air Force (AAF), and ANA Special Operations Corps (ANASOC), processed 48,214 personnel actions in APPS (1,304 promotions, 28,172 reassignments, 8,954 initial assignments, and 9,784 separations), an increase of 16,451 compared to last quarter (November 1, 2019, to January 26, 2020). Separately, the ANP and ALP processed 8,144 personnel actions this quarter (1,007 promotions, 6,860 reassignments, 3,039 initial assignments, and 61 separations) a decrease of 2,823 compared to last quarter.<sup>170</sup> CSTC-A said MOD’s personnel actions likely increased this quarter due to greater use of APPS by MOD with the implementation of a new tashkil (force authorization document) and the necessary reassignments of personnel to positions in the new tashkil in APPS. For MOI, the decrease was likely due to COVID-19 preventive measures, part of which involved reduced working hours at the ministry.<sup>171</sup>

These personnel actions resulted in net increases in personnel for both MOD and MOI force elements (see previous section). However, CSTC-A reported again this quarter that COVID-19- related operational limitations did not allow them or the ANDSF to conduct PAIs or PAAs to physically verify the accuracy of the ANDSF personnel data.<sup>172</sup> CSTC-A said no decisions had been made yet on a resumption date.<sup>173</sup> PAI and PAA verification is a particularly important issue in light of a joint MOI-NDS assessment of police in Kandahar, Zabul, Helmand, and Uruzgan Provinces this quarter, which found that 50–70% of police positions in those provinces were not active, valid personnel, but ghost soldiers.<sup>174</sup> CSTC-A and DOD commented

### CSTC-A’s APPS Payroll Review

This quarter, CSTC-A reported that one of its teams is leading a “payroll review” to analyze the ANDSF payroll process end-to-end to ensure every soldier gets their entitled pay on time, every time, and to ensure CSTC-A hands over to the ANDSF a process that is simple and sustainable. This team has been analyzing the payroll process for over 300,000 soldiers and police and creating a roadmap to ensure multiple donor nations have confidence in the process. The team has thus far provided recommendations and proposals to overhaul MOD pay incentives and to reform and recalibrate the payroll structure for an institutionally viable system capable of being transitioned to the Afghan government in the fall. These recommendations and proposals are currently tentative, and SIGAR will follow up on the results of the review next quarter.

Source: CSTC-A, response to SIGAR data call, 6/18/2020 and response to SIGAR vetting, 7/8/2020.

that this was a draft MOI-NDS report that cannot be corroborated. CSTC-A said it was most likely those records existed prior to APPS, but that they continue to cleanse data in APPS, including previous data, to remove potentially fabricated personnel records.<sup>175</sup>

SIGAR continued to ask CSTC-A if there are any remaining exceptions to CSTC-A's policy of paying only ANDSF personnel who are enrolled and meet the criteria to be eligible for pay in APPS. They responded that as of April 20, 2020, CSTC-A funded salaries and incentive payments for 6,416 MOD trainees and cadets outside of the APPS-generated payroll numbers. As reported last quarter, there is still a technical issue in APPS that has prevented these trainees and students from being slotted. While CSTC-A initially said this would be resolved by late June, CSTC-A now expects it to be resolved by the end of September.<sup>176</sup>

CSTC-A said it has deactivated 70,580 MOD and 9,678 MOI personnel records in APPS from July 1, 2018, through April 30, 2020. These are the ANDSF personnel who have been moved to inactive status in APPS for not meeting the criteria to be active and slotted in APPS.<sup>177</sup> There are several reasons why ANDSF personnel records are retained in APPS after an individual is deactivated. First, it is very common for soldiers and police to return after long breaks in service, so retaining all personnel records within APPS makes it easier to reintegrate returning personnel. Second, if an individual is released for misconduct and tries to rejoin or to join another service, the system can flag it. Third, as in the U.S. and other militaries around the world, retaining personnel records in the system allows future verification of an individual's service if needed.<sup>178</sup>

## ANDSF Attrition – Some Data Classified

USFOR-A continued to classify detailed ANDSF attrition information this quarter because the Afghan government classifies it.<sup>179</sup> SIGAR's questions about ANDSF attrition can be found in Appendix E. Due to public-health measures to combat the COVID-19 pandemic, SIGAR will not issue a classified annex to this report. A detailed analysis of attrition by ANDSF force element will be provided in a future classified annex once these public-health measures are lifted.

According to DOD, attrition remains problematic within the ANA and ANP with the most significant cause continuing to be the number of personnel dropped from rolls (DFR) for being absent without leave (AWOL) for more than 30 days. According to DOD, DFRs accounted for 66% and 73% of ANA and ANP attrition respectively, from November 1, 2019, through April 30, 2020.<sup>180</sup>

CSTC-A reported that the MOD no longer provides monthly manually reported strength numbers from which attrition had been previously derived. As a consequence, CSTC-A moved to using APPS-reported end

strength and present-for-duty rates as a measure of force stability, which they define as “a stable force is one that is able to retain its structure across time.” According to CSTC-A, from the period of February through April 2020, the ANA “maintained consistent levels of end strength and present-for-duty.”<sup>181</sup>

CSTC-A said APPS has provided a better understanding of ANDSF personnel movements, particularly in showing a significant number of returnees from AWOL and DFR that keeps the force at a relatively constant level of manning. While this causes a great deal of personnel churn in the force, the structure remains relatively static in terms of assigned strength and number of personnel present for duty. About 150,000 personnel are present for duty on an average day and about 6,500 are not present, CSTC-A said, indicating “a stable force but one that is not as combat ready as a more professional force that is able to maintain consistent manning levels with personnel on duty as planned.”<sup>182</sup>

## **ANDSF Casualties**

USFOR-A classified all ANDSF casualty information this quarter because the Afghan government classifies it.<sup>183</sup> SIGAR’s questions about ANDSF casualties can be found in Appendix E. SIGAR will provide a detailed analysis of ANDSF casualties in a future classified annex once public-health measures related to the COVID-19 pandemic are lifted.

DOD included a brief unclassified statement about ANDSF casualty trends from November 1, 2019, to April 30, 2020, in its latest report:

The number of ANDSF casualties, including those that occurred on local patrols, checkpoint operations, and offensive operations, decreased significantly during this reporting period compared to the same period in 2019, but still remained high, largely due to Taliban attacks at static ANDSF checkpoints. Direct fire attacks at checkpoints continue to cause the majority of casualties, followed by IED attacks and mine strikes.<sup>184</sup>

## **ANDSF Insider Attacks**

According to DOD, there were 40 ANDSF insider attacks from November 1, 2019, through April 30, 2020. DOD said this reflects an increase in insider attacks against the ANDSF compared to the same period last year, but a decrease compared to the previous reporting period. This reporting period saw higher total deaths caused by insider attacks, but fewer total wounded compared to both the same period last year and the previous reporting period. KIA rates from insider attacks have risen from about two personnel killed per attack last year and last reporting period to about three personnel killed per attack during this reporting period.<sup>185</sup>

## Afghan Special Security Forces

The Afghan Special Security Forces (ASSF) are the ANDSF's primary offensive forces. The ASSF include a number of elements, such as the ANA Special Operations Corps (ANASOC), the General Command Police Special Units (GCPSU), and the Special Mission Wing (SMW). SIGAR tracks ASSF operations data because DOD has said the ASSF's growing size and capabilities are important both for the ANDSF's overall performance and for the United States to increase the effectiveness and efficiency of its small-footprint military campaign in Afghanistan.<sup>186</sup> DOD reported in June 2020 that ASSF elements have nearly doubled in size since 2017, when it was laid out as a reform goal in President Ashraf Ghani's four-year ANDSF Road Map for developing the force.<sup>187</sup>

## ASSF Operations

NSOCC-A reported that the overall number of ground operations conducted by the ASSF, the ANDSF's primary offensive forces, this quarter continued to be lower than seasonal norms. NSOCC-A attributed this to the decline in U.S.- and Coalition-partnered and -enabled ASSF operations due to COVID-19 and U.S. commitments in the U.S.-Taliban agreement to conduct only defensive air strikes against the Taliban.<sup>188</sup> The 597 ASSF ground operations conducted this quarter (April 1–June 30, 2020) were only about half as many the ASSF conducted during the same period last year (1,168), but are a 14% increase compared to last quarter (January 1–March 31, 2020). June saw the lowest number of operations (148) during the quarter compared to April (229) and May (220).<sup>189</sup>

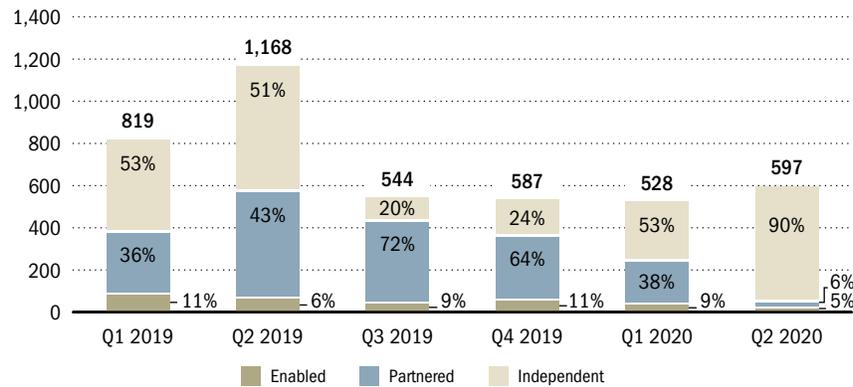
However, as shown in Figure 3.35, the number of operations the ASSF conducted independently were similar to the same period last year (537 this quarter compared to 594 last year). NSOCC-A said ASSF did not have a larger increase in independent operations this quarter due more to the “active defense” posture the Afghan government ordered for most of this quarter, than due to misuse of the force.<sup>190</sup> Though the ASSF are in an active defense posture with respect to the Taliban, they are still conducting normal operations against other insurgents within Afghanistan.<sup>191</sup>

## ASSF Misuse Persists with Some Improvements

NSOCC-A, the Coalition element that advises the ANASOC, reported this quarter that misuse of ASSF elements continues “despite attempts to address the issue,” and is the main impediment to the ASSF's ability to successfully carry out their missions. It occurs when MOD or MOI orders ASSF to conduct operations that are more appropriate for the conventional forces or assigns them other tasks that are not within their mission set as outlined in each force's concept of employment document. Examples include using special forces to man checkpoints, hold terrain, or provide personal security for politicians or ANDSF leaders.<sup>192</sup>

FIGURE 3.35

## ASSF GROUND OPERATIONS BY QUARTER



Note: Partnered = operations planned and executed by ASSF without any U.S./Coalition assistance; Enabled = operations planned and executed by ASSF where U.S./Coalition forces supply intelligence, surveillance and reconnaissance, or other support but do not accompany ASSF to the target; Independent = operations planned and executed by ASSF without any U.S./Coalition assistance. Percentages may sum to more than 100% due to rounding.

Source: NSOCC-A, response to SIGAR data call, 7/8/2020 and 4/7/2020; NSOCC-A, response to SIGAR vetting, 1/10/2020 and 1/18/2020; SIGAR, analysis of RS-provided data, 7/2020.

NSOCC-A said this quarter the most common misuse issue—employing ANASOC forces on long-duration, usually static, missions (such as manning checkpoints)—has resulted in forces’ enduring austere conditions for which their sustainment systems (food, fuel, vehicle maintenance, etc.) are not designed.<sup>193</sup>

NSOCC-A, told SIGAR this quarter that there are nearly 1,900 (10%) of roughly 19,000 ANASOC commandos currently manning checkpoints or assigned to other inappropriate missions. This misuse impacts ANASOC readiness because it can delay force-generation cycles.<sup>194</sup> USFOR-A said that “at times, MOD and MOI choose to use ANASOC units because they are better trained and more proficient at the regional task. Even though this is the primary impediment, NSOCC-A emphasized that USFOR-A and NSOCC-A are “aggressively advising and mentoring MOD and MOI from the ministerial level to the tactical level on the proper use of ASSF.” NSOCC-A said they have seen improvements as the leadership understands the issue and tries to use the ASSF appropriately.<sup>195</sup>

Similarly, NSOCC-A continues to report problems with the misuse of the Special Mission Wing (SMW), the special-operations aviation unit that supports counterterrorism and counternarcotics ASSF missions. The SMW is designed and trained with more specialized skills than the AAF. Frequently Afghan leaders assign the SMW with general support missions that would be more appropriately conducted by the AAF. The extent of the problem is apparent in the breakdown of mission sorties provided by NSOCC-A this quarter. From April 1 through May 27, 2020, the SMW conducted 165 sorties,

nearly a third of which (54 sorties) were general support missions for ASSF and non-ASSF units outside the SMW's mission set. This is an improvement, though, from last quarter's 48% of missions being general support/misuse missions.<sup>196</sup>

NSOCC-A said the GCPSU experienced the biggest improvement related to misuse. Currently, 10 of the 33 units are reporting misuse of its sub-units, a decrease from the 46% of units reporting misuse last quarter. The remaining instances of misuse are more common in Afghanistan's remote provinces. NSOCC-A said these cases are also being addressed through advising at the ministerial and tactical level.<sup>197</sup>

## SIGAR'S OVERSIGHT WORK ON FACILITIES FOR ANDSF WOMEN

From July 2015 through April 2019, DOD initiated 29 infrastructure projects to support women in the ANDSF. Since October 2018, SIGAR issued inspection reports discussing three of these projects and found that the projects were mostly or entirely unused. Given concerns that additional facilities built to support women in the ANDSF may also be unused, a SIGAR audit is assessing (1) the extent to which facilities DOD constructed to support women in the ANDSF are being used for their intended purposes, (2) how DOD selected its infrastructure projects to support women in the ANDSF, and (3) the extent to which DOD measured the success of its infrastructure projects to support women in the ANDSF.

## Women in the ANDSF

According to CSTC-A, 5,251 female personnel, including 434 civilians, were enrolled in APPS as of April 30, 2020. This reported strength figure is roughly the same as last quarter. The majority of ANDSF women continue to serve in the MOI (3,619 personnel), with the other 1,632 in the MOD. CSTC-A also reported that in addition to the number of females reported in APPS, there are currently 30 female cadets enrolled at the National Military Academy and 16 students at Kabul Medical University.<sup>198</sup>

CSTC-A said the Gender Internship Program, which hires female employees to work at MOD and MOI, is succeeding this quarter. There are currently 52 female interns—18 at MOI and 34 at MOD—with another 10 interns in the hiring process.<sup>199</sup>

## Ministry Performance Assessments – Most Data Classified

USFOR-A continued to classify most information about MOD and MOI performance because it is classified by the Afghan government.<sup>200</sup> SIGAR's questions about the ministries' performance can be found in Appendix E of this report. SIGAR will report on the MOI and MOD performance assessments in a future classified annex once public health measures related to the COVID-19 pandemic have been lifted.

This quarter, CSTC-A said the ministries faced unprecedented complexities in their operating environment due to major events during the reporting period such as the implementation of the U.S.-Taliban agreement, contested presidential election results, regional political tensions between the United States and Iran, prisoner release discussions, war, and a global health crisis. CSTC-A said this created "perhaps the most complex and challenging period in the last two decades for Afghanistan," yet MOD and MOI managed to "remain structurally stable and hold a defensive posture."<sup>201</sup>

CSTC-A said that COVID-19 will continue to impact the ministries' command and control, planning, and execution capabilities, but that throughout, leadership remained central to all efforts to sustain an institutionally viable and effective ANDSF.<sup>202</sup> CSTC-A reported that the Afghan government removed over 100 individuals from MOI and MOD this quarter for

corruption, ranging from fraud involving CSTC-A-provided funds, to checkpoint bribes, to large-scale commodity and contract fraud. CSTC-A said this represents a positive trend for creating reliable leaders within ministries.<sup>203</sup>

Despite restricted movements caused by COVID-19, CSTC-A, in coordination with MOD and MOI leaders, transferred 3,214 pallets of supplies to the ANA (1,672) and ANP (1,542).<sup>204</sup> However, the pandemic stalled recruiting and initial training at both ministries. Overall, CSTC-A said both ministries increased their level of independent policy development and operations, such as the recent creation of **Public Service Centers** and improvements to promotion and appointment procedures in APPS, but they continue to rely heavily on the Coalition for identifying key issues that need planning and coordination, such as transitioning the Afghan Local Police to other parts of the ANDSF and further developing the ANP's structure to meet the needs of Afghanistan's citizens.<sup>205</sup>

CSTC-A reported some highlights of MOI performance this quarter. While touring Baghlan, Samangan, and Balkh Provinces in early May, the MOI's deputy minister of security said the ANP had "shocking[ly] high morale and were in good spirits whilst [the] majority of the checkpoints were under high threat from the enemy." Additionally, due to recent progress made by MOI's deputy minister for support on food contracts, the deputy security minister was "happy to see in the last few weeks, food issues have been rectified as all the checkpoints were receiving their proper allocation of meat, fresh eggs, and fruits and vegetables."<sup>206</sup>

Separately, Acting Minister of Interior Massoud Andarabi rolled out the installation of CSTC-A-funded Afghan National Tracking Systems (ANTS) devices in MOI vehicles, a program that began in 2018, which document actual mileage driven to provide CSTC-A a more accurate accounting of fuel consumption. CSTC-A said this MOI initiative enabled CSTC-A to reduce MOI's fuel allocation by over 15 million liters, saving the U.S. government over \$8.5 million in cumulative savings from November 2019 to June 2020.<sup>207</sup> Nonetheless, CSTC-A's anticorruption team expressed concerns this quarter with ongoing corruption associated with CSTC-A-funded commodities. For more information about this, see page 117–119.

CSTC-A said its MOI advisors are "constantly reviewing fuel consumption reports, fuel calculators, tank capacity and sites, and cross checking the MOI's National Police Coordination Centre's mission reporting, to validate fuel orders." Advisors are working in partnership with the MOI Deputy Minister to move from an allocation expectation to a requirements determination, where MOI plans and reports the fuel needed based on mission requirements. CSTC-A expects to see additional cost savings from these efforts.<sup>208</sup>

For MOD, CSTC-A worked with MOD senior leaders to coordinate a first-time aerial delivery of fuel by an Afghan contractor through a partnership with KamAir, to areas where ground fuel resupply was virtually

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**Public Service Centers:** These centers to provide Afghans a way to address their needs and/or complaints with MOI as well as gain access to MOI services (such as obtaining passports and vehicle registrations). The intent behind creating the centers is to increase transparency, efficiency, and accountability of services, thereby increasing trust between citizens, the ANP, and the Afghan government.

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Source: CSTC-A, response to SIGAR vetting, 7/17/2020.

impossible due to Taliban activity. The delivery destinations included Tarin Kot, Uruzgan Province, with five missions and 42,864 liters of fuel flown in, and Farah City, Farah Province, with one mission (8,333 liters). CSTC-A attributed these successful missions to the coordination of all parties—CSTC-A advising oversight, AAF, and contractors. Increased operations in Uruzgan had raised ANA daily fuel consumption six-fold, making resupply critical. Mission details were quickly planned and executed, allowing the ANA to perform their duties and preventing the Taliban from expanding their footprint.<sup>209</sup>

## AFGHAN NATIONAL ARMY

As of June 30, 2020, the United States had obligated more than \$47.61 billion and disbursed more than \$47.56 billion of ASFF appropriated from FY 2005 through FY 2018 to build, train, equip, and sustain the ANA, AAF, and parts of the Afghan Special Security Forces (ASSF). These force elements constituted the ANA budget activity group (BAG) for reporting purposes through the FY 2018 appropriation.<sup>210</sup>

### ANA Sustainment Funding

As of June 30, 2020, the United States had obligated \$23.66 billion and disbursed \$23.55 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF sustainment. These costs include salary and incentive pay, fuel, transportation services, and equipment maintenance costs, including aircraft, and other expenses.<sup>211</sup> For more details and the amount U.S. funds appropriated for ANA sustainment in FY 2019 and FY 2020, see pages 48–49 of this report.

For Afghan fiscal year (FY) 1399 (December 2019–December 2020), CSTC-A plans to provide the Afghan government the equivalent of up to \$725.3 million to support the MOD. Of this amount, approximately \$636.7 million (88%) is for salaries.<sup>212</sup>

As of May 19, CSTC-A had provided the Afghan government the equivalent of \$278 million to support the MOD for FY 1399. Almost all of these funds (92%) paid for salaries.<sup>213</sup>

### ANA Equipment and Transportation

As of June 30, 2020, the United States had obligated and disbursed approximately \$13.68 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF equipment and transportation costs.<sup>214</sup>

Although CSTC-A has moved away from procuring major equipment and systems (such as HMMWVs), items procured in the past are still being delivered to the ANA.<sup>215</sup> Table 3.7, lists the highest-cost items of equipment provided to the ANA this quarter (February 1 through April 30, 2020),

#### **DOD OIG Releases Audit of CSTC-A's Implementation of Core Inventory Management System (CoreIMS) within the ANDSF**

The DOD Office of Inspector General (DOD OIG) issued an audit report in July on CSTC-A's implementation of CoreIMS. The audit sought to determine whether CoreIMS had improved ANDSF weapon and vehicle accountability from August 2016 through August 2019. The report found that while CoreIMS had improved accountability at the ANDSF's national warehouses—capturing 95% of the serial numbers and locations of weapons and vehicles provided to the ANDSF since 2016—CoreIMS was not used at 41% of the ANDSF's local sites. Non-usage at local sites was due to problems such as limited internet connectivity, which CoreIMS needs to communicate with the national warehouse. As a result, CSTC-A will not be able to assist the ANDSF in identifying some instances of weapon and vehicle theft, help the ANDSF plan its future equipment requirements, and reduce duplicate issuance of weapons and vehicles.

Source: DOD OIG, Audit of Combined Security Transition Command–Afghanistan's Implementation of the Core Inventory Management System Within the Afghan National Defense and Security Forces, 7/10/2020, 1.

TABLE 3.7

<b>MAJOR EQUIPMENT ITEMS PROVIDED TO ANA</b>				
<b>Equipment Type</b>	<b>Equipment Description</b>	<b>Units Issued in Quarter</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Vehicle	M1151A1 HMMWV (Utility Truck)	161	\$238,500	\$38,398,500
Vehicle	UH-60A Helicopter	4	4,635,000	18,540,000
Spare Parts	5.56 MM Ball M855 Clip Band Cartridge	8,064,000	0.35	2,822,400
Spare Parts	Semi-Fluid Lubricating Oil	9,299	115	1,067,246
Uniform	Man's Shirt	24,408	41.00	989,744
Weapon	M240H Machine Gun	100	8,593	859,300
Ammunition	7.62 MM Ball M80 Linked Cartridge	1,348,000	0.63	849,240
Weapon	M4 Rifle	1,164	641	746,531
Spare Parts	Field Pack Frame	3,680	147	542,690
Ammunition	.50 Caliber 4-Ball Tracer Linked Cartridge	152,000	3	486,400
<b>Total</b>				<b>\$65,302,051</b>

Note: The above list reflects only the 10 highest-value equipment provided to the ANA this quarter (February 1–April 30, 2020). The “unit costs” listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. Unit costs over a dollar are rounded to the nearest dollar.

Source: CSTC-A, response to SIGAR data call, 7/8/2020.

which included 161 HMMWVs (valued at \$38.4 million) and four refurbished UH-60A+ helicopters (valued at \$18.5 million). CSTC-A reported that these items were purchased in 2017 and 2018, respectively, and more deliveries are pending.<sup>216</sup>

Considering CSTC-A’s continued provision of large amounts of ammunition to the ANDSF, SIGAR asked CSTC-A if they track whether ANDSF replenishment requests are consistent with the observed or reported tempo and duration of ANA training and operations. CSTC-A said it “manages ammunition holistically” in that it tracks all aspects of inventory levels, projections and consumption, and tracking for in-transit and lead times for replenishing stock levels. CSTC-A uses the information in the ANDSF’s electronic equipment inventory system of record, CoreIMS, as well as information from its regional advising commands to monitor consumption rates used to request replenishment of ANA and ANP ammunition stocks. CSTC-A then uses the average consumption rate for each ministry and records of previous issues from national stocks to gauge ANA and ANP projections for accuracy and to procure the amount of ammunition to keep the ANDSF supplied.<sup>217</sup>

## ANA Infrastructure

The United States had obligated and disbursed \$6 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, and some ASSF infrastructure projects as of June 30, 2020.<sup>218</sup>

## ONGOING SIGAR AUDIT

From FY 2002 through FY 2017—the most recent year for which there is publicly available data—the U.S. government provided more than \$28 billion in defense articles (such as HMMWVs, aircraft, and other types of equipment) to Afghanistan. An ongoing SIGAR audit is focused on the extent to which DOD, since the beginning of FY 2017, (1) conducted required routine and enhanced post-delivery end-use monitoring of defense articles provided to the ANDSF, and (2) reported and investigated potential end-use violations in Afghanistan and took steps to ensure corrective actions occurred, when applicable.



**ANA commandos** stand in formation before meeting Acting Minister of Defense Khalid and RS Commander General Miller on April 28. (U.S. Army Reserve photo)

## SIGAR RELEASES INSPECTION OF ANA AND TAAC-AIR HANGAR COMPLEX

The inspection found that ANA and TAAC-Air Joint Air Force Hangar I Complex construction and renovation generally met contract requirements and applicable standards. However, Assist Consultants Inc. finished the project 430 days (about 14 months) later than initially scheduled, and SIGAR noted six deficiencies resulting from ACI's noncompliance with the contract that raise concerns about the quality of the work at the complex. For more information, see Section 2 of this report.

CSTC-A reported that it canceled 20 planned ANA infrastructure projects and terminated four active infrastructure contracts this quarter, mostly for “execution change,” which it described as “adjust[ing] to focus on maintaining existing infrastructure and ... on projects with tangible benefits,” not on new construction.<sup>219</sup> Seven of these projects were among the 10 projects with the highest estimated contract or construction cost and included several projects for Parwan Prison.<sup>220</sup> CSTC-A said the construction projects at Parwan Prison were terminated when President Ghani issued a decree changing the Parwan Prison from an MOD entity to one controlled by the Bureau of Prisons, thereby rendering those projects no longer eligible for ASFF support.<sup>221</sup>

As of April 30, 2020, the United States completed a total of 484 ANA, AAF, and ANASOC infrastructure projects in Afghanistan, costing roughly \$5.5 billion.<sup>222</sup> There were fewer awarded, active, and completed projects this quarter compared to previous quarters over last year, which CSTC-A attributes to COVID-19-related limitations as well as the recent execution change.<sup>223</sup> CSTC-A completed one project this quarter, a \$3.8 million support-structure project at Kandahar Airfield.<sup>224</sup>

Another 26 projects totaling \$154.4 million were ongoing and no new projects were awarded this quarter. The highest-cost ongoing projects include a joint NATO ANA Trust Fund (NATF)-ASFF funded operations and life-support area for the AAF in Mazar-e Sharif (\$28.5 million), a NATF-funded rehabilitation center at the ANA's Kabul National Military Hospital

(\$14.1 million), and an electrical grid connection for the ANA and ANP in Kunduz (\$12 million).<sup>225</sup>

CSTC-A reported that the estimated annual facilities-sustainment costs funded by the United States for all ANA facility sustainment requirements continues to be \$108.8 million. Of this, \$74.7 million is provided directly to the Afghan government and \$34.1 million is spent by CSTC-A for the Afghan government.<sup>226</sup>

## ANA Training and Operations

As of June 30, 2020, the United States had obligated and disbursed approximately \$4.3 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, some ASSE, and MOD training and operations.<sup>227</sup>

### Conditions at the Kabul Military Training Center Improve

Last quarter, CSTC-A and DOD reported that conditions were deteriorating at the Kabul National Military Training Center (KMTC), the main ANA training center, due to corruption by MOD senior leaders in command there. This quarter, CSTC-A said conditions at KMTC, now known as the Combined Arms Training Center (CAT-C), have improved since the last reporting period as MOD has removed the leadership from key positions and pursued investigations into corruption. CSTC-A believes the newly installed CAT-C leadership is performing well: they have executed a training regimen resulting in 5,000 recruits in training or having completed training since January 2020. Beginning in March, the effects of COVID-19 slowed the output of the training courses, as expected. CSTC-A's TAA efforts are focused on how the new CAT-C leadership can best care for their soldiers and prepare them for the battlefield.<sup>228</sup>

## AFGHAN AIR FORCE

### U.S. Funding

As of May 25, 2020, the United States had appropriated approximately \$8.5 billion of ASFF to support and develop the AAF (including the SMW) from FY 2010 to FY 2020, unchanged since last quarter.<sup>229</sup> The amount of money authorized for the AAF for FY 2020 (roughly \$1.3 billion) also remains unchanged since last quarter. The FY 2020 amount brings the funding authorization level for the AAF back to the level of 2017 and 2018.<sup>230</sup>

As in most previous years, sustainment remains the most costly funding category for the AAF (65% of FY 2020 authorized funds). AAF sustainment costs primarily include contractor-provided maintenance, major and minor repairs, and procurement of parts and supplies for the AAF's in-country

### ONGOING SIGAR AUDIT

The United States has spent billions of dollars to train and equip the Afghan Air Force (AAF) and Special Mission Wing (SMW). Given the significant investment, SIGAR is conducting an audit to assess the extent to which (1) the AAF and SMW developed and implemented vetting policies and procedures that help identify corruption and potentially corrupt individuals, and (2) DOD has taken steps to ensure that the AAF and SMW recruit, train, and retain qualified personnel intended to contribute to professional and sustainable Afghan air forces.

## SIGAR RELEASES AUDIT OF ANA'S SCANEAGLE SYSTEM PROGRAM

The audit found that the ANA's capability to independently operate and maintain the \$174 million ScanEagle Unmanned Aerial System program has encountered delays and other challenges due to (1) inadequate training of ANA soldiers, (2) insufficient manning of ANA ScanEagle operations, (3) insufficient fielding of operational ANA ScanEagle sites, and (4) the ANA's inability to act on intelligence obtained through the program. For more information, see Section 2 of this report.

TABLE 3.8

AAF AVIATION SUMMARY AS OF JUNE 30, 2020						
AIRCRAFT	Total Inventory	Usable / In-Country	Authorized Pilots	Assigned Pilots	Authorized Other Aircrew	Assigned Other Aircrew
<b>Fixed Wing</b>						
A-29	25	15	16	15	0	0
AC-208	10	10	13	13	0	0
C-130	4	2	14	13	21	23
C-208	23	23	40	37	15	22
<b>Rotary Wing</b>						
Mi-17	19	15	74	72	42	46
MD-530	48	45	42	40	0	0
UH-60	45	40	84	67	85	87
<b>Total</b>	<b>174</b>	<b>150</b>	<b>283</b>	<b>257</b>	<b>163</b>	<b>178</b>

Note: These figures do not include the aircraft for the Special Mission Wing, which are classified. Ten A-29s remain at Moody Air Force Base in the United States for AAF A-29 training. The AAF is phasing out its Russian-made Mi-17s. FY 2022 is the last year DOD will seek sustainment funding for the Mi-17s. Some will remain in the fleet to provide operational capability until the UH-60 capability matures and the transition to CH-47s is completed.

Source: TAAC-Air, response to SIGAR data call, 7/8/2020 and response to SIGAR vetting, 7/19/2020; OUSD-P, response to SIGAR data call, 4/9/2020 and response to SIGAR vetting 7/19/2020; SIGAR, analysis of TAAC-Air- and OUSD-P-provided data, 7/2020.

inventory of seven air platforms: UH-60, MD-530, and Mi-17 helicopters; A-29, C-208, and AC-208 fixed-wing aircraft; and C-130 transport aircraft.<sup>231</sup>

The United States has obligated \$5.6 billion of ASFF for the AAF (including about \$1.7 billion for the SMW)<sup>232</sup> from FY 2010 to FY 2020, as of May 25, 2020. U.S. funds can be obligated for up to two years, and roughly \$684.1 million in FY 2019 funds have been obligated (of the 986.8 million authorized) and roughly \$34.5 million in FY 2020 funds have been obligated (of the \$1.3 billion authorized).<sup>233</sup>

### Aircraft Inventory and Status

Seen in Table 3.8, as of June 30, 2020, the AAF currently has 150 available aircraft and 174 aircraft in its inventory, four fewer available aircraft and three fewer total aircraft than reported last quarter. TAAC-Air said the change in total aircraft this quarter was due to AAF aircraft being transferred to SMW. The table also shows the number of each aircraft type currently authorized for the AAF as well as the number of authorized and assigned pilots and other aircrew.<sup>234</sup>

### AAF Operations and Readiness

This quarter, the AAF's flight hours increased by about 20% compared to last quarter, in line with seasonal norms. Only three of seven AAF airframes increased their readiness this quarter (April–June 2020) compared

to last quarter (January–March 2020).<sup>235</sup> However, all but one of the AAF’s airframes (C-208) met their readiness benchmarks this quarter, an improvement from last quarter, when two airframes (C-208 and MD-530) failed to meet readiness benchmarks.<sup>236</sup> TAAC-Air said that COVID-19 conditions, including personnel travel restrictions and quarantine requirements, continued to slow parts resupply and scheduled maintenance for the C-208s.<sup>237</sup>

In addition, according to the latest data from TAAC-Air, the AAF is beginning to show improvements in its ability to conduct more of its own aircraft maintenance, one of the long-term goals of the United States for the AAF. Table 3.9 shows that while the AAF is still wholly reliant on U.S.-funded contractor logistics support (CLS) to maintain its UH-60s and C-130s, over the last year the AAF has made progress in performing independent maintenance on a few of its airframes.<sup>238</sup>

## AFGHAN NATIONAL POLICE

As of June 30, 2020, the United States had obligated nearly \$21.7 billion and disbursed nearly \$21.5 billion of ASFF funds from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANP and the GCPSU. These force elements constituted the ANP budget activity group (BAG) for reporting purposes through FY 2018 appropriation.<sup>239</sup> For more information about what these costs include and the amount of U.S. funds appropriated for ANP sustainment in FY 2019, see pages 48–49 of this report.

## ANP Sustainment Funding

Unlike the ANA, most ANP personnel costs (including ANP salaries) are paid by international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA).<sup>240</sup>

To support the MOI, CSTC-A plans to provide up to \$146.6 million in FY 1399. Of these funds, approximately \$54.0 million (37%) is for salaries, with the remaining funds for purchase of goods, services, or assets.<sup>241</sup> As of June 12, CSTC-A has provided no funds to support MOI sustainment because the MOI is using available funds previously disbursed to their Ministry of Finance account for prior-year requirements that were not fully executed. Once these funds have been exhausted, CSTC-A will begin distributing FY 1399 funding to MOI.<sup>242</sup>

## ANP Equipment and Transportation

As of June 30, 2020, the United States had obligated approximately \$4.8 billion and disbursed approximately \$4.7 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP equipment and transportation costs.<sup>243</sup>

TABLE 3.9

MAINTENANCE CONDUCTED BY THE AAF VS. CONTRACTORS				
AIRCRAFT	3Q 2019		3Q 2020	
	% AAF	%CLS	% AAF	% CLS
<b>Fixed Wing</b>				
C-130	0	100	0	100
C-208	20	80	40	60
AC-208	0	100	40	60
A-29	20	80	30	70
<b>Rotary Wing</b>				
Mi-17	85	15	95	5
MD-530	20	80	20	80
UH-60	0	100	0	100

Note: AAF = Afghan Air Force; CLS = contractor logistics support. The Mi-17 data does not include heavy repair or overhauls because the AAF does not have the organic capability required.

Source: TAAC-Air, response to SIGAR data call, 7/8/2020 and response to DOD OIG data call, 7/4/2019; DOD, Enhancing Security and Stability in Afghanistan, 6/2020, p. 70.

Although CSTC-A has moved away from new procurements of major equipment and systems, items procured in the past are still being delivered to the ANP.<sup>244</sup> Table 3.10 lists the highest-cost items of equipment provided to the ANP this quarter (February 1, 2020, through April 30, 2020). Of these items, the costliest was the delivery of 5,980 vehicle tires (\$2.7 million).<sup>245</sup>

TABLE 3.10

<b>MAJOR EQUIPMENT PROVIDED TO THE ANP, FEBRUARY 1–APRIL 30, 2020</b>				
<b>Equipment Type</b>	<b>Equipment Description</b>	<b>Units Issued</b>		
		<b>in Quarter</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Parts	Tire, Pneumatic, Vehicular	5,980	\$453	\$2,709,478
Parts	Wheel, Pneumatic Tire	1,328	1,654	2,196,512
Weapon	Machine Gun, .50 Caliber	128	12,886	1,649,408
Uniform	Shirt, Cold Weather, Medium	29,276	39	1,154,645
Ammunition	Cartridge, .50 Caliber, 4 Ball-1 Tracer, Linked	347,200	3	1,111,040
Uniform	Coat, Cold Weather	7,753	127	987,577
Parts	Control Assembly, Train	1,296	573	743,152
Parts	Brake Shoe Set	3,150	184	579,065
Parts	Battery, Storage	2,646	192	508,058
Parts	Caliper Disc Brake	1,219	368	448,385
<b>Total Cost of Equipment</b>			<b>\$12,087,320</b>	

Note: Numbers have been rounded. The above list reflects only the 10 highest-value equipment provided to the ANP this quarter. The "unit costs" listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases.

Source: CSTC-A, response to SIGAR data call, 6/17/2020.

## ANP Infrastructure

The United States had obligated and disbursed approximately \$3.2 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some GCPSU infrastructure projects as of June 30, 2020.<sup>246</sup>

As of June 12, 2020, the United States had completed 785 ANP infrastructure projects in Afghanistan valued at roughly \$3 billion. CSTC-A reported that two projects were completed this quarter, costing \$257,522. Another four projects (valued at \$84 million) were ongoing and no projects were awarded. Additionally, eight projects were cancelled or terminated (valued at \$74 million).<sup>247</sup>

The four ongoing ANP infrastructure projects include a joint NATF- and ASSF-funded CCTV surveillance system in Kabul (\$33 million), two NATF-funded housing projects for ANP families in Kabul (\$27.4 and \$21.1 million), and an ASSF-funded GCPSU project at the Kabul Garrison Command (\$2.5 million).<sup>248</sup>

CSTC-A continued to report this quarter that the estimated annual facilities-sustainment costs funded by the United States for all ANP facility and electrical-generator requirements will be \$68.8 million. Of this, \$42.4 million

will be provided directly to the Afghan government and \$26.4 million will be spent by CSTC-A for the Afghan government.<sup>249</sup>

## ANP Training and Operations

As of June 30, 2020, the United States had obligated \$4.1 billion and disbursed \$3.9 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some GCPSU training and operations.<sup>250</sup>

According to DOD, the MOI continued to focus on the future role of the ANP in a stabilized security environment. This includes an evidence-based assessment intended to understand how the ANP should be structured and equipped in a stable environment. This is part of a continuing plan to transition the ANP away from its current organization as a paramilitary security force and toward a more traditional police force focusing on “community policing” and the rule of law. Efforts in this direction include reducing the numbers of the most dangerous checkpoints and re-evaluating the training pipeline and training curriculum for police personnel. Specifically, MOI reviewed the curriculum of initial entry police training for better alignment with a civil law-enforcement mission. Nonetheless, MOI continues to lack institutional training that reinforces civil law enforcement. Furthermore, beyond early training, the ANP also lacks an institutionalized leadership-development program at the district and local-level.<sup>251</sup>

## SIGAR RELEASES INSPECTION OF SECURITY UPGRADES AT MOI HEADQUARTERS

SIGAR inspectors visited the MOI headquarters complex six times in February and May 2020, and found that contractor ACF generally constructed the security upgrades according to the contract requirements. SIGAR inspectors also found three potential safety hazards due to insufficient electrical power and inadequate maintenance. For more information, see Section 2 of this report.

## REMOVING UNEXPLODED ORDNANCE

Afghanistan is riddled with landmines and explosive remnants of war (ERW) such as live shells and bombs, according to the United Nations (UN).<sup>252</sup> Although contamination includes legacy mines laid before 2001, most casualties today are caused by mines and other ERW following the arrival of international forces.<sup>253</sup> In recent years, casualties have been reported from ordnance exploding in areas formerly used as firing ranges by Coalition forces. UNAMA also has documented a direct correlation between civilian casualties and ERW in areas following heavy fighting.<sup>254</sup> According to UN reporting from March 2020, approximately 2.5 million Afghans live within one kilometer of areas contaminated with explosive hazards that are in need of immediate clearance.<sup>255</sup>

State’s Bureau of Political-Military Affairs’ Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan. Since FY 2002, State has allocated \$408.4 million in weapons-destruction and humanitarian mine-action assistance to Afghanistan (an additional \$11.6 million was obligated between 1997 and 2001 before the start of the U.S. reconstruction effort). As of March 31, 2019, PM/WRA has allocated \$8.4 million in FY 2019 funds.<sup>256</sup>

State directly funds five Afghan nongovernmental organizations (NGOs), four international NGOs, and one Afghan government organization to help

# SECURITY

clear areas in Afghanistan contaminated by ERW and conventional weapons (e.g., unexploded mortar rounds), which insurgents can use to construct roadside bombs and other improvised explosive devices (IEDs).<sup>257</sup>

From 1997 through March 31, 2020, State-funded implementing partners have cleared more than 286.8 million square meters of land (111 square miles) and removed or destroyed over eight million landmines and other ERW such as unexploded ordnance (UXO), abandoned ordnance (AO), stockpiled munitions, and homemade explosives. Table 3.11 shows conventional-weapons destruction figures, FY 2010–2019.<sup>258</sup>

The estimated total area of contaminated land continues to fluctuate: clearance activities reduce the extent of hazardous areas, but ongoing surveys find new contaminated land. On March 31, 2019, there were 619.3 square kilometers (239.1 square miles) of contaminated minefields and battlefields. As of March 31, 2020, the total known contaminated area was 665.6 square kilometers (257 square miles) in 3,991 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines; a contaminated area can include both landmines and other ERW.<sup>259</sup>

In 2012, the Afghan government was granted an extension until 2023 to fulfill its obligations under the Ottawa Treaty to achieve mine-free status. Given the magnitude of the problem and inadequate financial support, the country is not expected to achieve this objective. According to State, the drawdown of Coalition forces in 2014 coincided with a reduction in international donor funds to the Mine Action Programme for Afghanistan (MAPA).<sup>260</sup>

TABLE 3.11

DEMINEING PROGRAM PERFORMANCE METRICS, FISCAL YEARS 2010–2020					
Fiscal Year	Minefields Cleared (m <sup>2</sup> )	AT/AP Destroyed	UXO Destroyed	SAA Destroyed	Estimated Contaminated Area Remaining (m <sup>2</sup> ) <sup>a</sup>
2010	39,337,557	13,879	663,162	1,602,267	650,662,000
2011	31,644,360	10,504	345,029	2,393,725	602,000,000
2012	46,783,527	11,830	344,363	1,058,760	550,000,000
2013	25,059,918	6,431	203,024	275,697	521,000,000
2014	22,071,212	12,397	287,331	346,484	511,600,000
2015	12,101,386	2,134	33,078	88,798	570,800,000
2016	27,856,346	6,493	6,289	91,563	607,600,000
2017	31,897,313	6,646	37,632	88,261	547,000,000
2018	25,233,844	5,299	30,924	158,850	558,700,000
2019	13,104,094	3,102	26,791	162,727	657,693,033
2020	11,692,039	1,332	6,719	37,816	665,612,664
<b>Total</b>	<b>286,781,596</b>	<b>80,047</b>	<b>1,984,342</b>	<b>6,304,948</b>	

Note: AT/AP = antitank/antipersonnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition. N/A = not applicable.

There are about 4,047 square meters (m<sup>2</sup>) to an acre.

<sup>a</sup> Total area of contaminated land fluctuates as clearance activities reduce hazardous areas while ongoing survey work identifies and adds new contaminated land in the Information Management System for Mine Action (IMSMA) database. FY 2020 data covers October 1, 2019, through March 31, 2020.

Source: PM/WRA, response to SIGAR data call, 6/17/2020.

From a peak of \$113 million in 2010, MAPA's budget decreased to \$51 million in 2018. The Afghan government is expected to request another 10-year extension to meet its treaty obligations. However, according to the State Department, the extension request cannot be initiated or acknowledged sooner than 18 months before April 2023—the end date of the current extension.<sup>261</sup>

## CONFLICT MITIGATION ASSISTANCE FOR CIVILIANS

USAID's Conflict Mitigation Assistance for Civilians (COMAC) is a \$40 million, five-year, nationwide program that began in March 2018. It supports Afghan civilians and their families who have suffered losses from military operations against the Taliban or from insurgent attacks. COMAC provides assistance to Afghan civilians and their dependent family members who have experienced loss due to:<sup>262</sup>

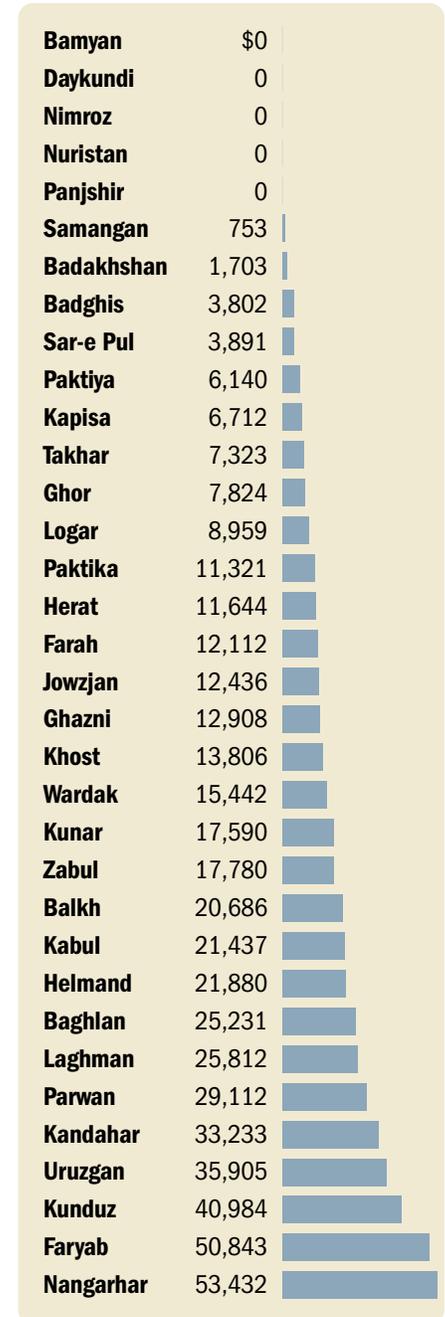
- military operations involving the U.S., Coalition, or ANDSF against insurgents, criminals, terrorists, or illegal armed groups
- landmines, improvised explosive devices (IED), unexploded ordnance, suicide attacks, public mass shootings, or other insurgent or terrorist actions
- cross-border shelling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

COMAC provides in-kind goods sufficient to support families affected by conflict for 60 days. Additional assistance includes referrals for health care and livelihood service providers, and economic reintegration for families impacted by loss or injury.<sup>263</sup> From January 1 through March 31, 2020, COMAC provided 2,741 immediate assistance packages, 203 tailored assistance packages, and 163 medical assistance packages, for a total program expense of \$530,701. As seen in Figure 3.36, the provinces receiving the most assistance included Nangarhar (\$53,432), Faryab (\$50,843), and Kunduz (\$40,984) while the provinces receiving the least assistance included Badghis (\$3,802), Badakhshan (\$1,703) and Samangan (\$753).<sup>264</sup>

As of March 31, 2020, USAID has disbursed \$12.4 million for this program.<sup>265</sup>

FIGURE 3.36

USAID'S CONFLICT-MITIGATION ASSISTANCE FOR CIVILIANS BY PROVINCE, JANUARY 1—MARCH 31, 2020



Note: Total dollars vary slightly since some packages were still pending payment at the time the financial report was generated. Total assistance rounded to the nearest dollar. "Total Assistance" includes immediate assistance, tailored assistance, and medical assistance.

Source: USAID, response to SIGAR data call, 6/17/2020.

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## GOVERNANCE

### KEY ISSUES & EVENTS

On May 17, President Ashraf Ghani and his 2019 presidential-election rival, former Chief Executive Abdullah Abdullah, reached a power-sharing agreement after a nearly three-month impasse following the February 2020 announcement of the preliminary results of the September 2019 presidential election.

Concurrent Taliban and Afghan government Eid ceasefires in May brought hope for a continued reduction in violence. However, by the end of June the Afghan government claimed that a wave of Taliban attacks had killed more Afghan soldiers than in any previous week in the conflict.

State downgraded Afghanistan's human trafficking rating to the lowest level since it first assessed the country in 2002, saying the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.

Several donors issued a joint statement expressing concern over the slowdown in Afghanistan's anti-corruption efforts and calling for an end to "polarization through mutual accusations of corrupt practices."

### U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of June 30, 2020, the United States had provided more than \$35.85 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$21.05 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).<sup>266</sup>

Since counternarcotics is a crosscutting issue that encompasses a variety of reconstruction activities, a consolidated list of counternarcotics reconstruction funding appears in Appendix B.

### PEACE AND RECONCILIATION

#### Election Crisis "Resolved"

State called the political settlement between President Ashraf Ghani and Abdullah Abdullah reached on May 17 "an important milestone for Afghanistan's adoption of a unified approach to intra-Afghan negotiations." The agreement followed a nearly three-month impasse after Afghan election

authorities announced in February that President Ghani won the September 2019 presidential election.<sup>267</sup> According to the UN Secretary-General, the two agreed to share evenly ministry and provincial governor positions, create a High Council of Government and a High Council for Peace and National Reconciliation (the latter body under Abdullah's leadership), advance electoral reforms, and promote former First Vice President Abdul Rashid Dostum to the rank of marshal. (State, however, interpreted the agreement differently, saying it did not specify an even distribution of provincial governor positions.<sup>268</sup>) The agreement called for a delegation of six political elders to monitor implementation and mediate disputes between the parties.<sup>269</sup> Some observers noted that neither women nor international participants were present at the political agreement's signing ceremony.<sup>270</sup>

Secretary of State Michael R. Pompeo, NATO, the European Union (EU), and the UN mission in Afghanistan welcomed the political agreement, but the Taliban rejected it, declaring it "a repetition of the past failed experiences."<sup>271</sup>

## **Status of Billions in Current and Future U.S. Assistance Unclear**

Secretary Pompeo had described the extended contest between Ghani and Abdullah as "a direct threat to U.S. national interests." In March, he announced that the United States would immediately reduce U.S. assistance to Afghanistan by \$1 billion in 2020 (with further cuts of \$1 billion possible in 2021) unless the Afghan leaders formed an inclusive government that would participate in the peace process.<sup>272</sup> The EU and Norway in late April said the failure to resolve the political crisis could affect future funding for security and development in Afghanistan.<sup>273</sup>

On May 24, Secretary Pompeo declared this political crisis "resolved."<sup>274</sup> U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad made a similar statement on June 1. Yet, the status of billions in U.S. reconstruction assistance remains uncertain. When asked about the status of this assistance that Secretary Pompeo said was tied to progress in a political settlement, Ambassador Khalilzad demurred, saying "I think the money is cut and the implementation is . . . with the Pentagon."<sup>275</sup>

On June 15, Senators Jack Reed and Robert Menendez wrote to Secretary of Defense Mark T. Esper expressing their frustration that "despite many inquiries at a staff level to the Department of Defense and Department of State since [Secretary Pompeo's statement in] late March, it remains unclear if [the \$1 billion] reduction [in reconstruction assistance] has actually taken place and if so, in what specific areas."<sup>276</sup> According to the senators, neither the Afghan government nor NATO allies was given advance notice of the funding cut.<sup>277</sup>

On July 1, DOD reported that "the \$1 billion reduction had not been implemented as of June 2020."<sup>278</sup> On July 17, DOD told SIGAR that the



**These Taliban prisoners** were among the 4,019 the Afghan government said it has released since March. (Afghan government photo)

Secretary of Defense has been actively engaged in reviewing recommendations for implementing a reduction in ASFF support.<sup>279</sup>

## Violence Rises Despite U.S.-Taliban Agreement and Prisoner Releases

### Implementation of the U.S.-Taliban Agreement

#### Prisoner Release

The United States committed to work with “all relevant sides” on a plan to release “combat and political prisoners” as a confidence-building measure with the coordination and approval of all relevant parties, including up to 5,000 Taliban prisoners and 1,000 prisoners “of the other side” (the Afghan government) by March 10, 2020 (the hoped-for start of intra-Afghan negotiations). The goal would be for the Taliban and the Afghan government then to release remaining prisoners over the subsequent three months.<sup>280</sup> (While the date was not specified in the agreement, this would be approximately June 10, 2020.)

As of June 12, State reported that the Afghan government had released over 3,000 Taliban prisoners and had announced plans to move ahead with inter-Afghan negotiations. The Taliban, in turn, had released over 500 government prisoners.<sup>281</sup> By July 9, the Afghan government said it had released 4,019 Taliban prisoners whereas the Taliban had released “barely half of the 1,000 ANDSF hostages they agreed to release.” The Afghan government did not wish to release 592 Taliban-proposed prisoners, saying they had committed serious crimes, such as drug trafficking, kidnapping, sexual assault,

### SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess “the extent to which the Department of State and USAID have developed strategies and plans for the provision of continued reconstruction assistance to Afghanistan in the event of a peace agreement, including a review of any strategies and plans for monitoring and evaluating the effectiveness of such assistance and for protecting the rights of Afghan women and girls.” SIGAR initiated this work in May 2020.



**U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad** (left) met with President Ghani on June 10 to discuss the peace process. (Afghan government photo)

stoning of women, and assassinations. The Afghan government suggested the Taliban submit 592 alternative candidates for release, or the Afghan government “might take matters in our own hands.”<sup>282</sup>

The Taliban maintained its position that 5,000 prisoners (the February agreement used the phrase “up to 5,000”) must be released before it would participate in intra-Afghan negotiations, but publicly committed to begin intra-Afghan talks within a week of this milestone, State said.<sup>283</sup> According to Resolute Support commander General Austin S. Miller, prisoner releases are the key to intra-Afghan negotiations, but violence, poor accountability, and problematic prisoners make that “a less than straight line.”<sup>284</sup>

### **Ongoing Concerns over Post-Signing Violence**

U.S. and Afghan government officials cited violence patterns this quarter when discussing their assessments of Taliban intentions and the state of the peace process. For example, an Afghan government spokesman said that Taliban attacks that kill civilians deteriorate “the already shaken trust on the will of the Taliban” to pursue peace.<sup>285</sup> Similarly, NATO said that the “unacceptably high” levels of violence, particularly Taliban attacks on Afghan security forces, undermine confidence in the peace process.<sup>286</sup> The EU declared on July 13, “Only a ceasefire will be a proof of goodwill,” labeling a Taliban attack in a province capital a “provocation.”<sup>287</sup>

While the U.S.-Taliban agreement does not preclude the United States from acting in defense of Afghan forces, the agreement also does not expressly prohibit all Taliban attacks against Afghan security forces, State told SIGAR last quarter.<sup>288</sup> However, State also said the Taliban committed to discuss the date and modalities of a permanent and comprehensive ceasefire during intra-Afghan negotiations and to seek to continue to reduce

violence in Afghanistan until a permanent and comprehensive ceasefire is reached.<sup>289</sup> In a May 2 Twitter message addressing the Taliban spokesman, USFOR-A said there had been a “drastic increase in violence” following the U.S.-Taliban agreement. Referring to the talks leading up to the U.S.-Taliban agreement, the USFOR-A spokesman wrote “ALL sides [spoke of] reducing violence by as much as 80% to pave the way for peace talks.” The USFOR-A spokesman appeared to acknowledge that specific violence targets did not make it into the final signed agreement, saying that the negotiations involved both “written and spoken commitments.”<sup>290</sup> Further, on July 13, Ambassador Khalilzad said that a Taliban attack against an Afghan government intelligence agency compound in the Samangan Province capital that day “contradicts [the Taliban’s] commitment to reduce violence until a permanent ceasefire is reached in intra-Afghan talks.”<sup>291</sup>

The U.S. and Afghan governments reacted differently to a particularly egregious high-profile attack in mid-May. On May 12, gunmen attacked a maternity ward in Kabul run by the nongovernmental organization Doctors Without Borders. Several civilians were killed, including newborn babies, new mothers, and health-care workers. Secretary Pompeo described the attack as “an act of sheer evil” and called on the Afghan government and Taliban to cooperate to bring those responsible for the attack to justice.<sup>292</sup> Although the Taliban denied responsibility and condemned the maternity-ward attack,<sup>293</sup> that same day President Ghani ordered the Afghan security forces to go on the offensive. President Ghani said the Taliban had ignored calls to reduce violence and agree to a ceasefire. On July 18, however, DOD told SIGAR that the Afghan security forces were “not conducting offensive operations.”<sup>294</sup> The May 12 attack led at least one senior Afghan government official to express skepticism of the efficacy of the U.S.-Taliban agreement. Afghan National Security Advisor Hamdullah Mohib, writing on Twitter the day of the maternity-ward attack, declared the Taliban insincere in their purported desire for peace. Writing, “this is not peace, nor its beginnings,” Mohib said there seemed “little point in continuing to engage Taliban in ‘peace talks.’”<sup>295</sup>

Whereas the Afghan government appeared to associate the Taliban with the maternity-ward attack, implying but not directly assigning culpability, Ambassador Khalilzad on May 15 said the Taliban was in compliance with his understanding of the terms of the U.S.-Taliban agreement. Although he also expressed concern with the level of Taliban violence, noting that the volume of attacks against Afghan security forces violated “the spirit if not the letter” of the agreement.<sup>296</sup> The Taliban, he said, upheld their agreement to not attack Coalition forces nor carry out attacks in 34 major cities.<sup>297</sup> This latter statement, coming just days after the maternity-ward attack, appeared to put Ambassador Khalilzad at odds with some senior Afghan government officials’ apparent attempt to connect the Taliban with the attack. State, in comments to SIGAR, contested this interpretation, saying the statements of Afghan government officials and Ambassador Khalilzad “were not at



**President Ashraf Ghani** addresses participants in the July 7, 2020, “Strengthening Consensus for Peace” online conference. (Afghan government screen shot)

odds.”<sup>298</sup> Ambassador Khalilzad concluded that the Islamic State-Khorasan carried out the attack, declaring the group “an enemy of the peace process [that] wants the peace process to fail.”<sup>299</sup>

## **Taliban Declare an Eid Cease-Fire, Prompting the Afghan Government to Reciprocate**

On May 24, the Taliban declared a three-day Eid cease-fire, vowing to “conduct no offensive operations against the enemy anywhere” while retaining the option to retaliate “if there is an attack from the enemy in any place.”<sup>300</sup> In response, the Afghan government declared its own reciprocal cease-fire. Secretary Pompeo welcomed the ceasefire declarations, saying he expected that “both leaders of the Afghan government and the Taliban [would] not to escalate violence after Eid.”<sup>301</sup>

In his Eid message to the nation, President Ghani announced that he had returned the Afghan security forces to a defensive posture to observe the cease-fire. He described the Taliban as “a reality of the Afghan society” and said it was ultimately up to the Afghan people to approve any peace agreement.<sup>302</sup> (Ghani clarified on June 11 that if there is an agreement, the government would seek the people’s approval through a Loya Jirga.<sup>303</sup>)

## **Violence Returns in the Wake of the Eid Cease-Fire**

By June 1, Ambassador Khalilzad said that Taliban “violence has been relatively low” following a Taliban-declared Eid cease-fire.<sup>304</sup> However, on June 5, USFOR-A announced that it had conducted two air strikes (the first since the Eid cease-fire) to disrupt Taliban attacks on Afghan security forces check-points.<sup>305</sup> The Afghan government, through its National Security Council, issued estimates of Taliban-caused casualties. The violence led to a June 22 council statement that claimed the “past week was the deadliest of the past 19 years” with 291 Afghan security forces killed and 550 wounded. The council’s spokesman declared the “Taliban’s commitment to reduce violence is meaningless, and their actions inconsistent with their rhetoric on peace.”<sup>306</sup>

Overall, though, the UN Secretary-General on June 17 said that following the February 29 agreement between the United States and the Taliban,<sup>307</sup> violence returned to “established trends.”<sup>308</sup> DOD, on July 1, said based on Afghan government reporting, “violence levels increased above historical norms, though lethality remained below historical norms” following the signing of the U.S.-Taliban agreement. DOD confirmed there had been no Taliban attacks against coalition forces, though there were several provincial center attacks at the end of the reporting period.<sup>309</sup> Despite “unacceptably high” levels of violence, on June 22, NATO’s Senior Civilian Representative in Afghanistan said, “technically the Taliban are keeping faith to that agreement [in] refraining from attacking the Coalition forces in the urban centers.” This, he said, “is the spirit, the letter of the agreement between the U.S. and the Taliban.”<sup>310</sup>

According to Resolute Support Commander General Austin S. Miller, despite two historic periods where violence was exceptionally low—February 22–28, 2020, and the Eid ceasefire—Taliban violence has “surged.” According to DOD, Taliban violence presents a risk to the political pathway to peace, the ANDSF, and, ultimately, the Coalition. DOD told SIGAR that “the Taliban must be pressured to reduce violence.”<sup>311</sup>

DOD believes that the Taliban is calibrating its use of violence to harass and undermine the Afghan government and security forces, but remain at a level it perceives is within the bounds of the U.S.-Taliban agreement, probably to encourage a U.S. troop withdrawal and set favorable conditions for a post-withdrawal Afghanistan.<sup>312</sup> If DOD’s interpretation is correct, the Taliban’s approach may be working: DOD confirmed that the first phase of the U.S. withdrawal—a reduction to 8,600 troops by July 2020—was complete by July 1.<sup>313</sup> DOD also said the Taliban’s escalated violence was possibly an attempt to gain leverage during prisoner release discussions and intra-Afghan negotiations.<sup>314</sup>



**Abdullah Abdullah** was named chairman of the High Council for Peace and National Reconciliation. (Afghan government photo)

## Differing Views on Taliban–al-Qaeda Relationship

While the U.S.-Taliban agreement included a number of Taliban commitments to break off support for al-Qaeda,<sup>315</sup> a UN monitoring team concluded this quarter that the Taliban–al-Qaeda relationship remained “close, based on friendship, a history of shared struggle, ideological sympathy and intermarriage.” The 11th report of the UN’s Analytical Support and Sanctions Monitoring Team, issued May 27, added that the Taliban consulted with al-Qaeda during their negotiations with the United States and offered guarantees that it would honor their historical ties.<sup>316</sup>

Asked about the UN report, Ambassador Khalilzad said on June 1 that a separate U.S. monitoring group had concluded that the Taliban had been making progress in not hosting al-Qaeda or any other terrorist group that could threaten the security of the United States and its allies. When pressed on whether the Taliban had broken from al-Qaeda, Ambassador Khalilzad said, “we have succeeded in getting Taliban, which refused to break with al-Qaeda [after the September 11, 2001, attacks], to say what I have repeatedly referred to.”<sup>317</sup> DOD appeared more skeptical, writing on July 1 that al-Qaeda’s regional affiliate “routinely supports and works with low-level Taliban members in its efforts to undermine the Afghan Government” and “maintains close ties to the Taliban in Afghanistan.”<sup>318</sup>

## U.S. Offers the Benefits of a Peace Dividend

On July 3, Ambassador Khalilzad reported on his calls with President Ghani, High Council for Peace and National Reconciliation Chair Abdullah, and Adam Böhler, chief executive officer of the new U.S. International Development Finance Corporation (formed when the Overseas Private Investment Corporation and the USAID Development Credit Authority

were combined into a new entity in 2019). The DFC is meant to support U.S. investments in developing countries to drive economic growth, create stability, and improve livelihoods. According to Ambassador Khalilzad, all participants agreed that “economic benefits of peace far outweigh benefits of war.” The four spoke of a number of potential initiatives including “quick-hit” programs, long-term infrastructure programs, power-sector, and health care.<sup>319</sup> Although the proposed programs bore a striking resemblance to those of the past 15 years, Ambassador Khalilzad called the possible initiatives “forward economic progress.”<sup>320</sup>

## U.S. Funding for Peace and Reconciliation

State has contributed \$3.7 million to the United Nations Development Programme (UNDP) to support Afghan government and civil society negotiators at the upcoming intra-Afghan negotiations. As of June 18, no expenditures have been made to this program. According to State, this funding comes from monies that were withdrawn in 2019 from State’s support to the Afghan High Peace Council.<sup>321</sup> The USAID Office of Transition Initiatives (OTI) told SIGAR that they intend to provide flexible assistance to intra-Afghan negotiations through technical assistance to the Afghan negotiating team and relevant peace structures. As of June 2, no OTI programs have begun due to COVID-19-related travel restrictions.<sup>322</sup>

## MUTUAL ACCOUNTABILITY

### Future of Afghanistan Compact Uncertain

The future of the Afghanistan Compact—an Afghan-led initiative designed to demonstrate the government’s commitment to reforms<sup>323</sup>—appears uncertain, as it remains suspended this quarter. In October 2019, SIGAR reported that the Afghan government and the U.S. Embassy had suspended their periodic Compact meetings until after the September 2019 presidential election was resolved.<sup>324</sup> Some version of the Compact could be renewed, State said this quarter, if such a move is in the United States’ interests, conditions are appropriate, and there are consultations with the Afghan government. State told SIGAR that it would be speculative to describe the timing, conditions, or scope of a future Compact arrangement with the Afghan government at this time.<sup>325</sup>

The U.S. and Afghan governments announced the launch of the Afghanistan Compact in 2017.<sup>326</sup> The Afghan government appears to face no direct financial consequences if it fails to meet the Afghanistan Compact reform commitments. Instead, the principal motivation for the Afghan government officials tasked with achieving the Compact benchmarks appears to be avoiding embarrassment, State has said.<sup>327</sup>

## U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

### Summary of Assistance Agreements

According to the UN Secretary-General this quarter, the UN continued coordinating with the Afghan government and donors to prepare for a 2020 ministerial conference to determine hoped-for donor funding for Afghanistan through 2024. The UN Secretary-General said the Afghan government is preparing a future Mutual Accountability Framework to facilitate discussions with development partners.<sup>328</sup> The UN, along with the Finnish and Afghan governments, will co-host this donor conference in Geneva in November 2020.<sup>329</sup>

With regard to the security aid that makes up the vast majority of current U.S.-funded assistance to the Afghan government, participants in the NATO Brussels Summit on July 11, 2018, had previously committed to extend “financial sustainment of the Afghan forces through 2024.” The public declaration did not specify an amount of money or targets for the **on-budget** share of assistance.<sup>330</sup>

At the November 2018 Geneva Conference on Afghanistan, international donors reaffirmed their intention to provide \$15.2 billion for Afghanistan’s development priorities up to 2020 and to direct continuing but gradually declining financial support to Afghanistan’s social and economic development through 2024.<sup>331</sup>

As shown in Table 3.12, USAID’s active, direct bilateral-assistance programs have a total estimated cost of \$352 million. USAID also expects to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) from 2012 through 2020 in addition to \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank (2002–2011). USAID has disbursed \$154 million to the Afghanistan Infrastructure Trust Fund (AITF).<sup>332</sup>

**On-budget assistance:** encompasses donor funds that are aligned with Afghan government plans, included in Afghan government budget documents, and included in the budget approved by the parliament and managed by the Afghan treasury system. On-budget assistance is primarily delivered either bilaterally from a donor to Afghan government entities, or through multidonor trust funds. (DOD prefers the term “direct contributions” when referring to Afghanistan Security Forces Fund (ASFF) monies executed via Afghan government contracts or Afghan spending on personnel.)

**Off-budget assistance:** encompasses donor funds that are excluded from the Afghan national budget and not managed through Afghan government systems.

Source: SIGAR, Quarterly Report to the United States Congress, 7/30/2014, p. 130; Ministry of Finance, “Aid Management Policy for Transition and Beyond,” 12/10/2012, p. 8; State, response to SIGAR vetting, 1/14/2016; DOD, OUSD-P response to SIGAR vetting, 1/15/2018.

TABLE 3.12

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
<b>Bilateral Government-to-Government Projects</b>					
Power Transmission Expansion and Connectivity (PTEC)	Da Afghanistan Breshna Sherkat	1/1/2013	12/31/2023	\$316,713,724	\$262,427,145
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2020	35,000,000	0
<b>Multi-Donor Trust Funds</b>					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	6/30/2020	\$2,700,000,000	\$2,455,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

\*USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from all ARTF awards is currently \$3,827,677,528.

Source: USAID, response to SIGAR data call, 7/11/2020.

## Civilian On-Budget Assistance

USAID has provided on-budget civilian assistance in two ways: bilaterally to Afghan government entities; and through contributions to two multidonor trust funds, the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF).<sup>333</sup> According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.<sup>334</sup>

The ARTF provides funds to the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.<sup>335</sup> The AITF coordinates donor assistance for infrastructure projects.<sup>336</sup>

As of April 2020, the United States remains the largest cumulative donor to the ARTF (31.1% of contributions); the next-largest donor is the United Kingdom (16.7% of contributions).<sup>337</sup>

## ARTF Recurrent-Cost Window

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries and operations and maintenance expenses. The recurrent-cost window is also the vehicle for channeling reform-based incentive funds, such as the Incentive Program Development Policy Grant (IP DPG).<sup>338</sup>

As of April 2020, the ARTF recurrent-cost window has cumulatively provided the Afghan government approximately \$2.6 billion for wages, \$600 million for operations and maintenance costs, \$1.1 billion in incentive program funds, and \$773 million in ad hoc payments since 2002.<sup>339</sup>

The \$400 million 2020 Incentive Program Policy Grant (IP-DPG) is funded with \$160 million in World Bank International Development Association (IDA) funds and \$240 million in ARTF monies.<sup>340</sup> IP-DPG consists of 11 tranches with the first tranche worth \$200 million for four "prior actions."<sup>341</sup> These prior actions call for the Afghan government to (1) launch a human resources management information system,<sup>342</sup> (2) implement changes to reduce the time needed to obtain a construction permit in Kabul,<sup>343</sup> (3) mandate electronic filing for all large taxpayers and some medium and small taxpayers,<sup>344</sup> and (4) publish on the Ministry of Finance (MOF) website full government expenditure data for the past five years.<sup>345</sup> The remaining 10 tranches (summarized in Table 3.13, see page 106) will each be worth \$20 million.<sup>346</sup> Once the tranches are complete and the incentive funds are transferred to the Afghan government, these monies become a part of the government's overall budget resources.<sup>347</sup>

## On-Budget Assistance to the ANDSF

Approximately 70% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.<sup>348</sup>

### SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess "the internal controls of multilateral trust funds for Afghanistan reconstruction that receive U.S. contributions, to include any third-party evaluations of the internal controls of the Afghan government ministries receiving assistance from multilateral trust funds, and SIGAR is directed to report to the Committee if access to records is restricted for programs funded with U.S. contributions." SIGAR has initiated this work and anticipates issuing multiple public reports in early 2021, each examining a different trust fund.

DOD provides on-budget assistance through direct contributions from the Afghanistan Security Forces Fund (ASFF) to the Afghan government to fund a portion of Ministry of Defense (MOD) and Ministry of Interior (MOI) requirements.<sup>349</sup> For the multidonor Law and Order Trust Fund for Afghanistan (LOTFA), DOD described its current funding as a “token amount” so that CSTC-A can participate in donor deliberations on LOTFA.<sup>350</sup>

According to DOD, most of the ASFF appropriation is not on-budget because it is spent on equipment, supplies, and services for the Afghan security forces using DOD contracts.<sup>351</sup> The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the MOF, which allots it incrementally to the MOD and MOI.<sup>352</sup> UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.<sup>353</sup>

CSTC-A said the Afghan government continues to assert this quarter that they have met all of the conditions donors set to transfer police payroll from UNDP to MOI management. However, the LOTFA donors require an independent assessment to determine whether the MOF, MOI, UNDP, and CSTC-A conditions have been met or are unquantifiable.<sup>354</sup> If the condition is unquantifiable or cannot be met, an audit firm is expected to propose alternative methods for assessing the condition and conclude whether the modified indicator was met.<sup>355</sup>

In an April letter to the MOI, LOTFA donors appeared frustrated with the “several months of discussions” they had had with MOF and MOI representatives over the transfer of LOTFA’s non-fiduciary payroll management functions to the Afghan government. Writing “we hope this letter concludes this line of discussion,” the LOTFA donors deferred future consideration until they had time to deliberate on the results of a new independent audit.<sup>356</sup>

For Afghan fiscal year (FY) 1399 (December 2019–December 2020), CSTC-A plans to provide the Afghan government the equivalent of up to \$725.3 million to support the MOD. Of this amount, approximately \$636.7 million (88%) is for salaries.<sup>357</sup> To support the MOI, CSTC-A plans to provide up to \$146.6 million in FY 1399. Of these funds, approximately \$54.0 million (37%) is for salaries, with the remaining funds for purchase of goods, services, or assets.<sup>358</sup>

As of May 19, CSTC-A had provided the Afghan government the equivalent of \$278.0 million to support the MOD for FY 1399. Almost all of these funds (92%) paid for salaries.<sup>359</sup> As of June 12, CSTC-A has provided no funds to support the MOI.<sup>360</sup>

CSTC-A, facing significant accessibility challenges to inform its assessments, seeks to balance the risks of delegating resources to its Afghan partners with the need to develop their capacity to use those resources. According to CSTC-A, they work with “reliable partners” who “prove through their words and actions their desire to work with Resolute Support to build an institutionally viable MOD and MOI.” (DOD has also referred to

# GOVERNANCE

TABLE 3.13

## WORLD BANK'S 2020 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS

Policy Action	Indicator Name	Baseline (as of the end of 2019)	Target (end of 2021)
To simplify tax-payment procedures, the government has integrated systems for e-payments.	Volume of tax and customs dues paid using electronic payments	0%	20%
To strengthen expenditure control and combat corruption, the Independent Administration Reform and Civil Service Committee (IARCSC) has issued a procedure requiring the rollout of a new Human Resource Management Information System (HRMIS) system.	Proportion of civil servants included on the HRMIS	25%	100%
To support implementation of the new civil servants law: (1) the high-level pay committee approves cadre allowances for procurement and customs cadres based on cadre regulations and pay policy; (2) Afghanistan Customs Department advertises 40 positions for competitive hire under new cadre regulations for grades 3–6; (3) IARCSC approves a competency pay framework for teachers in accordance with pay policy specifying methods and instruments for competency verification.	Proportion of customs and procurement staff receiving cadre allowance	0% (Men) 0% (Women)	25% (Men) 25% (Women)
To support private sector development, the Ministry of Finance (MOF) and Ministry of Industry and Commerce (MOIC) will create a link between the revenue department's information technology system and the Afghanistan Central Business Registry (ACBR) database to facilitate the digital issuance of tax clearance certificates and their utilization for business license renewals.	Proportion of business license renewals issued based on ACBR receipt of digital tax clearance certificates	0%	20%
To support private-sector development. Kabul Municipality has approved rules of procedures under the Kabul Urban Design Framework (KUDF) and new Municipalities Law to significantly reduce the time required to obtain a construction permit.	Doing Business score against acquiring construction permits	34.5	40
To improve land administration: (1) Cabinet approves and submits to the National Assembly a new Land Survey Law; (2) the Minister of Urban Development and Land approve new cadaster procedures; (3) the Minister of Urban Development and Land approves specifications for a new land-information system, including requirement for gender-disaggregated data.	Number of municipal districts in which an administrative land system is operating	1	2
	Sex-disaggregated land-registry data available	No	Yes
To support improved institutional arrangements in the hydrocarbons sector: (1) Cabinet approves the Administrative Regulation under Chapters II and III of the 2017 Hydrocarbons Law regarding the roles and responsibilities therein assigned to Ministry of Mines and Petroleum and Afghanistan Oil and Gas Regulatory Authority; (2) Afghanistan Oil and Gas Regulatory Authority is operationalized through the appointment of its CEO.	Number of hydrocarbons sector regulations and contract templates jointly developed by the Ministry of Mines and Petroleum and Afghanistan Oil and Gas Regulatory Authority and approved by cabinet	0	5
To improve the sustainable operations of National Energy Utility of Afghanistan (DABS): (1) the Minister of Finance approves the conversion to equity of DABS outstanding debt to MOF; (2) Cabinet approves new articles of incorporation for DABS to strengthen governance; and (3) DABS board approves revisions to the tariff schedule.	Technical losses as a proportion of network generation	17.3%	15%

# GOVERNANCE

## Background and Justification\*

Afghanistan has among the lowest rates of financial inclusion in the world, as defined by number of transaction accounts. Most large customs and tax payments are currently cash-based and take place at commercial banks in Kabul and provinces. Commercial bank systems are not interoperable with the central bank, customs, and tax systems, which makes the payment process cumbersome and slow. The inability to pay taxes and customs duties digitally increases opportunities for corruption, constrains women's economic participation (due to cultural constraints to physical travel), and weakens incentives for use of e-money systems, with businesses forced to hold and transact cash.

The public sector faces major issues of corruption and in the retention and progression of skilled staff. Corruption and patronage are widespread within the Afghanistan public service. Hiring and promotion is often politicized and driven by nepotism, including civil servants being hired based on special orders or decrees rather than through competitive processes. The lack of a functional HRMIS constrains strategic prioritization and alignment of resources with policy objectives, and the equitable allocation of human resources. Fragmented and mostly manual payroll verification and management increases vulnerability to misuse of public funds, adding to concerns regarding ghost employees (especially teachers), and continues to obstruct efforts towards establishment of an integrated and automated payroll system.

A new Civil Servants Law passed in 2018 introduced a cadre system for civil service management. The cabinet has approved cadre regulations for customs officer and procurement specialist cadres. These regulations establish a competency framework for cadres, allowing recognition of specialist skills and establishing a career path, addressing attrition, and allowing transfer and rotation within cadre groups. The Afghanistan Customs Department will commence the hiring of staff in accordance with new customs cadre regulations, including requirements for computerized testing, imposition of qualification requirements, and polygraph testing for some key roles.

The complexity and bureaucracy involved in paying taxes is one of the major hurdles for the private sector in Afghanistan. The country ranks 178 out of 190 economies and scores well below the regional average in the World Bank's Doing Business 2020 report. In 2015, the Afghanistan Revenue Department introduced a regulation which set a 21-day limit on the issuance of tax-clearance certificates. However, this procedure remains lengthy and cumbersome in practice. With the recent introduction of e-filing, this process has become somewhat smoother for those taxpayers that use e-filing and are compliant with the requirements of the tax administration. Upon receiving the tax-clearance certificates, however, taxpayers must still submit several paper forms before tax-clearance certificates are recognized and business-license renewals can be processed.

Obtaining construction permits for commercial buildings in Afghanistan is complex, costly, and cumbersome. The cost of obtaining construction permits in Afghanistan is five times higher than the regional average, driven primarily by requirements to construct private water sources and septic tanks due to lack of water infrastructure in the country. Around 60% of the firms are expected to give gifts (bribes) for obtaining construction permits. It takes 96 to 199 days to obtain a construction permit for commercial properties in different provinces, going through 13 to 23 steps. High compliance costs have led to very low levels of compliance, undermining effective enforcement. Consequently, 70% of the buildings in Kabul are built illegally outside the area approved by the city master plan, without observing any construction standards or holding construction permits.

Afghanistan is pursuing its medium-term goal of establishing a modern land-administration system that will secure land-tenure rights for all citizens and the state. To date, land management has been the responsibility of the courts across most of Afghanistan. This has led to negative outcomes, including a lack of unified records, substantial delays and opportunities for corruption when processing land transactions, and weaknesses and ambiguity in land property rights contributing to widespread problems of land-grabbing and land-related contestation and conflict. Formal land registration remains low in Afghanistan, with only 30% of urban properties and 10% of rural properties formally registered.

Hydrocarbons could contribute substantially to Afghanistan's development, playing an important part in its energy transition and in improving energy access. Development of the sector will require an adequate legal and institutional framework. Afghanistan enjoys substantial endowments of natural resources, including extensive hydrocarbon deposits. Energy access is at 31% of the population the lowest in South Asia. To date, investment in the sector has been constrained by an unstable and incomplete regulatory and legal framework and a lack of clarity regarding the roles of respective government agencies in governing the sector.

Under prior on-lending agreements with the MOF, DABS is expected to pay interest and financing charges averaging \$16–17 million per year over the next decade, peaking at \$22 million in 2022. Debt service obligations risk undermining sustainability and squeezing out room for necessary maintenance and investment. The DABS Board currently includes only public sector representatives from shareholding ministries. The Board often lacks necessary financial, management, and business skills to effectively address DABS's current financial challenges. The electricity tariff has not been adjusted since 2015 while unit costs of supply have risen dramatically owing both to the need to access higher-cost sources and the long-term depreciation of the Afghani against currencies in which energy imports are denominated. The current tariff structure is inequitable, unsupported by any cost analysis, and cumbersome with respect to its multiple tariff categories.

*Continued on the next page*

# GOVERNANCE

TABLE 3.2 (CONTINUED)

WORLD BANK'S 2020 ARTF INCENTIVE PROGRAM REFORMS, INDICATORS, AND JUSTIFICATIONS			
Policy Action	Indicator Name	Baseline (as of the end of 2019)	Target (end of 2021)
To strengthen resilience to climate-change shocks, new regulations are gazetted, governing utilization of the existing contingency reserve funds, establishing standard operating procedures, clearly defining eligible expenditures, including for weather-related events, and establishing reporting requirements.	Contingency fund allocations as a percentage of limits established under the Public Finance and Expenditure Management (PFEM) law	140%	<100%
	Proportion of contingency reserve eligible for use in responding to natural disasters	3%	50%
To improve public-investment management, new Public Investment Management regulations are gazetted establishing a regulatory framework for project appraisal and approval based on economic, strategic fit, and gender analysis.	Proportion of new projects over \$7.5 million approved for implementation in the discretionary development budget that have undergone economic and gender analysis	75%	100%
To improve tax administration, Afghan Revenue Department (ARD) issues a circular mandating e-filing for all large taxpayers and selected sectors in medium taxpayer office (MTO) and small taxpayer office (STO).	Proportion of LTO, MTO and STO clients that make use of e-filing	"35% (LTO) 0% (MTO) 0% (STO)"	"100% (LTO) 6.5% (MTO) 9.3% (STO)"
To underpin implementation of the new operations and maintenance (O&M) policy, Cabinet approves a 2021 executive budget in accordance with the budget norms and guidelines for three asset categories in at least five ministries.	Budgetary allocations for O&M expenditures included in contingency reserves	100%	50%
To strengthen audit independence, Cabinet approves and submits to the National Assembly a revised Supreme Audit Office (SAO) law in line with international good practice and consistent with relevant provisions of the constitution and the public-finance and expenditure-management law.	Number of the Mexico Declaration Principles with which the Afghanistan SAO legal framework complies	2	6
To improve fiscal transparency and accountability, the Ministry of Finance publishes on its website full data on expenditures over the past five years at the line-item level.	Number of downloads of the public expenditure database	0	100

\*Unless otherwise noted, these are the justifications offered by the World Bank in its proposal to ARTF donors.

Note: The World Bank has linked provision of up to \$400 million of support to the Afghan government's budget to achievement of these targets.

“trusted partners” who “demonstrate a willingness to take action against corruption.”<sup>361</sup>) CSTC-A may later reassess a reliable partner as unreliable. For example, CSTC-A cited the case of an assistant minister of defense for construction and program management who they deemed a reliable partner in 2019. However, a 2020 reassessment of this individual’s reliability resulted in this individual being transferred elsewhere in the Afghan government. CSTC-A reports that this person’s replacement is a reliable partner.<sup>362</sup> When SIGAR requested copies of documentation CSTC-A generates to track the reliability of its partners, CSTC-A responded that it uses no formal written criteria or assessment documentation to identify reliable partners.<sup>363</sup>

# GOVERNANCE

## Background and Justification\*

Afghanistan's capacity to respond effectively to natural disasters is constrained by weak management of existing contingency reserves. Afghanistan is highly exposed to natural disasters, especially flooding and drought. Government response to natural disasters has been constrained over recent years by the slow disbursement or non-availability of contingency resources from the national budget. While a substantial contingency reserve is established through the annual budget, only a small proportion of reserves is available to support response to natural disasters. Current budget- and expenditure-management systems do not allow the effective tracking or reporting of expenditures authorized under the contingency reserve, and data regarding the use of contingency reserves is not published.

With expected reductions in grant support, Afghanistan faces difficult fiscal adjustments over coming years. With a shrinking resource envelope, optimizing public expenditure towards the greatest development needs remains a key challenge. Political considerations have historically dominated project selection, undermining both project quality and policy alignment. Lack of thorough project appraisals led to major challenges with budget execution, with projects often encountering delays and avoidable cost overruns. Finally, the selection process for projects was gender-neutral and failed to reflect and address the different and often more-serious constraints to service access and economic empowerment faced by women.

Further automation of tax collection is needed to strengthen domestic revenue collection and improve the business climate. In 2019, the ARD initiated mandatory fast-track tax filing for banking and telecommunication sectors in the large taxpayer office (LTO) and made it available for optional use in the MTO. This was an important step toward improved ease of filing and payment of taxes. In fast-track tax filing, all steps are electronic, except a final printed submission form that also serves as a receipt for the taxpayer. This receipt is submitted when the taxpayer makes a payment at the central bank. While this initial step towards electronic filing for a subset of large taxpayers is an important one, the ultimate aim is to expand this to a significantly larger group.

Over the past two decades, development partners and the Afghan government have invested intensively in public infrastructure. Assets financed by development partners are being progressively transferred to government management, bringing increased requirements for adequate operations- and-maintenance spending. At the same time, resources available for required O&M expenditure are increasingly constrained in the context of declining grant support and expectations that government takes on an increased share of security-sector spending.

Corruption is widespread in Afghanistan, including in the public sector. In this context, it is vital that oversight institutions are able to operate independently and free from interference. The Supreme Audit Office currently faces important limits to its independence when compared against international good practice. The 2018 Afghanistan Public Expenditure and Financial Accountability Assessment gives a score of "D" under SAO independence, citing lack of constitutional provisions relating to external audit of the SAO, SAO's budget being subject to the MOF's review and cuts, and its organizational structure and human resources matters being subject to decisions of the Independent Administrative Reform and Civil Service Commission.

Afghanistan faces important shortfalls in fiscal transparency. Accountability to the public over the utilization of public resources has been associated with increased state legitimacy and improvements in tax compliance. Public accountability requires full transparency over the utilization of public resources. Afghanistan's development partners are increasingly calling for improved efforts to ensure effective and transparent utilization of public resources as they consider future grant financing levels. Afghanistan's fiscal transparency performance is mixed. An important current weakness is that accurate and timely information is not available to the public or development partners on actual government expenditures at the line-item level. Budget documents include only budgeted estimates of previous-year expenditures and at a high level of aggregation, despite evidence that variance between budget and actual expenditures is often considerable.

Source: World Bank, Project Document: 2020 Incentive Program Development Policy Grant Project, 4/8/2020.

As evidence of the effectiveness of its approach, CSTC-A cited how the MOI arrested over 50 people for fraud associated with delegated authorities to use CSTC-A funds. CSTC-A also reduced the delegated authority of 15 provincial chiefs of police after CSTC-A determined they had misused these funds. When CSTC-A removes delegated authorities from a local commander, the authority to use the funds reverts to the ministry level. According to CSTC-A, this ensures that the local level police do not suffer for the corruption of their leaders.<sup>364</sup> CSTC-A told SIGAR this quarter that its access to MOI training facilities has been severely constrained this quarter due to COVID-19.<sup>365</sup> This constraint might suggest that it is difficult for

CSTC-A to determine whether its approach is having the desired effect at presumably even more inaccessible police posts throughout the country.

## NATIONAL GOVERNANCE

### Attempted Changes to Ministries and High-Level Appointments Raise Eyebrows

#### Travel Ban Issued for 68 Senior MOF Officials

After the Afghan government ordered, then reversed, the reorganization of the MOF last quarter,<sup>366</sup> on June 12, the National Directorate of Security, acting on President Ghani's verbal order, issued a travel ban on 68 senior MOF officials. This list appears to cover virtually all senior MOF officials involved in revenue, finance, and administration, including three deputy ministers and the minister's chief of staff.<sup>367</sup> The civil-society transparency organization Integrity Watch Afghanistan labeled the travel ban "a political and extreme move." President Ghani's spokesman said the travel ban is the government's attempt to address reports of corruption.<sup>368</sup>

On June 19, Afghan media reported that the MOF employees subject to the travel ban had not yet been referred to the Attorney General's Office for investigation. Further, Ghani's spokesman reportedly said all MOF employees had to receive official permission from the president's office to travel, apparently extending the ban to all ministry staff.<sup>369</sup>

According to State, while the presidential decree to divide the MOF was not implemented, another decree to restructure the Ministry of Mines and Petroleum into directorates has proceeded, a move critics contend would place revenue-generating parts of the ministry under the influence of the president's office.<sup>370</sup>

#### Appointment of Mahmoud Karzai as Acting Minister of Urban Development and Housing

This quarter, President Ghani appointed several high-ranking government officials; one was Mahmoud Karzai, brother of former president Hamid Karzai and a prominent figure in the Kabul Bank scandal, to serve as acting minister of urban development. In a speech, Inspector General John F. Sopko described this particular appointment as "a step backwards, not forwards, in the fight against corruption."<sup>371</sup> According to State, the following senior officials were recently appointed by President Ghani:<sup>372</sup>

- Acting Minister of Finance Abdul Hadi Arghandiwal (appointed in March 2020), previously Minister of Economy and Minister of Finance
- Chief of Staff to the President Shakir Kargar (appointed in March 2020), previously Minister of Power and Water and Minister of Commerce and Industry

- Director General of the Administrative Office of the President Fazel Fazly, (appointed in April 2020), previously Chief Advisor to the President
- Acting Minister of Urban Development and Housing Mahmoud Karzai (appointed June 2020), previously a businessman and shareholder of Kabul Bank
- Acting Minister of Mines and Petroleum Haroon Chakhansuri (appointed in June 2020), previously Acting Minister of Foreign Affairs and Deputy Chief of Staff to the President
- Acting Foreign Minister Hanif Atmar (appointed in April 2020), previously Minister of Education, Minister of Interior, and Chairman of the National Security Council
- Acting Public Health Minister Mohammad Javad Osmani (appointed in May 2020)
- Chief Executive Officer of the electric utility Da Afghanistan Breshna Sherkat (DABS) Daud Noorzai (appointed in May 2020), previously Head of the Administrative Office of the President
- State Minister for Parliamentary Affairs Zia Ul Haq Amarkhail (appointed in May 2020), previously head of the Independent Election Commission's Secretariat and Ghani's Senior Advisor on Public and Political Affairs
- State Minister for Disaster Management Ghulam Bahaudin Jailani (appointed in May 2020)
- Acting Minister of Women's Affairs Hasina Safi (appointed in May 2020), previously Acting Minister of Information and Culture
- Acting Minister of Information and Culture Tahir Zuhair (appointed in April 2020), previously Governor of Bamyan Province
- Acting Minister of Education Rangina Hammed (appointed in June 2020), previously leader of a nongovernmental organization in Kandahar Province promoting women's employment
- National Directorate of Security Director Ahmad Zia Seraj (appointed in April 2020), previously Acting NDS Director

## The Executive, Not Legislative Branch, Leads on Lawmaking

According to the UN, presidential decrees, rather than laws passed by parliament, are routinely used to legislate in Afghanistan. Presidential decrees under emergency powers resulted in 17 legislative acts in 2019, compared to only nine laws passed by parliament under normal procedures. Several key pieces of legislation—including the Penal Code, Anticorruption Law, and the Whistle-Blower Protection Law—have uncertain status as they were passed through decree, but have not yet been considered by parliament.<sup>373</sup>

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## SUBNATIONAL GOVERNANCE

### Provincial and Municipal Programs

USAID has two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.14 summarizes total program costs and disbursements to date.

TABLE 3.14

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	3/31/2021	\$73,499,999	\$66,552,546
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	7/30/2020	48,000,000	45,684,374
Citizens' Charter Afghanistan Project (CCAP)*	3/31/2012	6/30/2020	N/A	67,111,625

\*This includes USAID contributions to ARTF with an express preference for the Citizens' Charter Afghanistan Project.

Source: USAID, response to SIGAR data call, 7/11/2020.

### Initiative to Strengthen Local Administrations

The \$48 million ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement, leading to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.<sup>374</sup> To accomplish this, ISLA tries to enhance the institutional and human capacity of provincial line directorates and provincial development committees to ensure that local priorities are integrated into the national budgets through provincial development plans (PDPs).<sup>375</sup>

ISLA assisted Afghan officials in seven provinces in reviewing 1,091 project concept notes for inclusion into their province development plans. ISLA reports that all of the proposed concept notes were approved. However, 196 of these concept notes were later disqualified as they did not meet the ISLA-approved standards. In order to be included in the provincial development plan, project concept notes are approved by four types of committees in the province.<sup>376</sup>

### Strong Hubs for Afghan Hope and Resilience

The objective of the \$74 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. SHAHAR partners with municipalities to, among other things, deliver capacity-building for outreach and citizen

# GOVERNANCE

consultation, improved revenue forecasting and generation, and budget formulation and execution.<sup>377</sup>

SHAHAR sponsored Shir Sultan mobile-theater performances to educate children on the value of clean cities and urban culture. These performances occurred in 15 provinces and had 22,900 audience members.<sup>378</sup>

## Citizens' Charter Afghanistan Project

In October 2018, USAID began explicitly contributing a portion of its ARTF funds to the Citizens' Charter Afghanistan Project (CCAP), which began in 2016. USAID requested that \$34 million of its \$300 million contribution to the World Bank's ARTF be spent on CCAP. According to the Afghan government, CCAP is the centerpiece of the government's national inclusive development strategy for rural and urban areas. CCAP works through Community Development Councils (CDC) to implement community projects. CCAP defines a suite of minimum basic services for each community covering health, education, and a choice of infrastructure investments (such as road access, electricity, or small-scale irrigation for rural communities).<sup>379</sup>

Both the World Bank and Afghan government have proposed expanding CCAP in the event of peace.<sup>380</sup>

## RULE OF LAW AND ANTICORRUPTION

### Summary of rule of law and anticorruption programs

As shown in Table 3.15, the United States supports a number of active rule-of-law and anticorruption programs in Afghanistan.

TABLE 3.15

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$33,984,638
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	8,612,073
Corrections System Support Program (OASIS CSSP) Option Year 2*	6/1/2018	5/31/2022	18,901,615	6,833,924
Justice Sector Support Program OASIS Contract*	8/28/2017	8/27/2022	38,607,100	28,739,911
Continuing Professional Development Support (CPDS)*	2/6/2018	6/30/2020	8,640,922	8,640,922

\*Disbursements as of 6/17/2020.

Source: State, INL, response to SIGAR data call, 6/17/2020; USAID, response to SIGAR data call, 7/11/2020.

## **Afghanistan's Measure for Accountability and Transparency (AMANAT)**

In August 2017, USAID awarded the contract for Afghanistan's Measure for Accountability and Transparency (AMANAT) program to support the Afghan government's efforts to reduce and prevent corruption in government public services.<sup>381</sup> According to USAID, AMANAT supports select Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.<sup>382</sup>

This quarter, AMANAT adapted its Ministry of Public Health (MOPH) anticorruption communications campaign to include COVID-19 messages. MOPH outreach beyond the capital is reportedly very limited. The ministry requested that AMANAT messaging encourage social distancing via radio dramas and mobile-phone messages. Some of these messages seek to improve transparency of the ministry's use of funding to fight COVID-19.<sup>383</sup>

## **Assistance for the Development of Afghan Legal Access and Transparency (ADALAT)**

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."<sup>384</sup> ADALAT collaborates with the Ministry of Justice (MOJ) Department of the Huquq ("rights"). Huquq offices provide citizens the opportunity to settle civil cases within the formal system before beginning a court case.<sup>385</sup> ADALAT's efforts to increase demand for quality legal services includes providing grants to (1) civil-society organizations to promote legal awareness and legal rights, and (2) private universities to prepare future "practical problem-solvers" within formal and traditional dispute-resolution institutions.<sup>386</sup>

This quarter, ADALAT reported on the challenge of finding sufficient Huquq personnel to participate in trainings. More than half of the MOJ's 415 Huquq professionals are being replaced. As a result, the MOJ is reluctant to release its remaining staff to participate in trainings as that would further reduce the number of staff available to work. Further, ADALAT described how several other donor-funded programs approach MOJ to ask for personnel to participate in trainings.<sup>387</sup> Overall, ADALAT has trained 1,602 judicial personnel and 801 judges.<sup>388</sup>

## **Justice Sector Support Program (JSSP)**

State's Justice Sector Support Program is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an

estimated cost of \$38.6 million. The previous JSSP contract, which began in 2010, cost \$280 million.<sup>389</sup>

JSSP provides technical assistance to Afghan justice-sector institutions to: (1) build the capacity of justice institutions to be professional, transparent, and accountable; (2) assist the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) support the case-management system so that Afghan justice institutions work in interlinked harmony and resolve cases in a transparent and legally sufficient manner.<sup>390</sup>

JSSP advises various Afghan government offices on how to use its 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.<sup>391</sup> As of May 15, 2020, the CMS had recorded 521,505 criminal cases and 109,678 civil cases.<sup>392</sup>

This quarter, JSSP participated in the MOJ's Criminal Law Reform Working Group (CLRWG) wherein a counter narcotics and intoxicants bill was finalized. The bill aims to prevent the cultivation and transmission of poppies and other narcotic-producing plants; ensure coordination between government and nongovernmental organizations in the fight against drug trafficking and intoxicants; encourage farmers to grow crops other than narcotic-producing plants; and invite nongovernmental organizations to join in Afghanistan's fight against drug trafficking, psychotropic substances, and intoxicants.<sup>393</sup>

## **Corrections System Support Program (CSSP)**

State's Corrections System Support Program (CSSP) provides mentoring and advising support, training assistance, leadership capacity-building initiatives, infrastructure assistance and nationwide case management for correctional facilities.<sup>394</sup>

As of April 30, 2020, the latest date for which adult prison population data is available, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 28,818 males and 676 females (down from 34,799 males and 844 females as of January 31, 2020). This total does not include detainees held by any Afghan governmental organization other than the GDPDC and JRD. INL does not have access to data for other organizations.<sup>395</sup>

This quarter, State highlighted how one of their implementers directed their vocational trainers for the Female Prison and Detention Center in Kabul to start producing face masks to protect against COVID-19. These trainers are now producing 30 masks per day for inmates and their children as well as facility staff.<sup>396</sup>



## Afghanistan's Attorney General Farid

**Hamidi** discusses the UN's fourth annual Afghanistan anticorruption report. Following its publication, the United States and other donors, said they were "deeply concerned about the slowdown in Afghanistan's anticorruption efforts." (UNAMA screen shot)

## Anticorruption

In its fourth annual anticorruption report, the UN observed that the disputed Afghan presidential election distracted from the sustained attention needed to advance the anticorruption agenda. For example, the Afghan government's anticorruption strategy expired in December 2019, but no successor document is yet written.<sup>397</sup>

The UN expressed concern at the government's failure to establish the Anticorruption Commission called for in the 2018 anticorruption strategy, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee's (MEC) loss of staff and funding, the failure to provide a clear legal foundation for the government's ombudsperson's office, the reduced productivity of the High Council for Rule of Law and Anti-Corruption, and the lack of effective police support for the Anti-Corruption and Justice Centre (ACJC).<sup>398</sup>

The UN welcomed the progress made by the Independent Administrative Reform and Civil Service Commission in improving public administration.<sup>399</sup>

Other observations include:

- The anticorruption-related Geneva Mutual Accountability Framework indicators became a source of controversy between partners in part because of disputes over the wording of benchmarks.<sup>400</sup> Therefore, the framework did not catalyze reforms as much as expected.<sup>401</sup>
- The Anticorruption Law has had little impact on anti-corruption reforms.<sup>402</sup>
- More public officials declared their assets but improvements to the verification of these declarations were marginal.<sup>403</sup>

Following up on the UN report, a group of donors, including the United States, said they were "deeply concerned about the slowdown in Afghanistan's anticorruption efforts." These donors called for an end to "polarization through mutual accusations of corrupt practices." Further, they urged the Afghan government to deliver on President Ghani's assurances that anticorruption will be high on his political agenda. Saying a "strong and positive signal" is needed from the Afghan government, international partners said they would closely follow the Afghan government's progress in responding to corruption.<sup>404</sup>

Domestic actors also criticized the Afghan government's response to corruption. Members of the upper house of parliament complained of the government's handling of corruption allegations against a former acting minister of finance,<sup>405</sup> the governor of Herat Province claimed more than 5,000 trucks entered Afghanistan without paying customs,<sup>406</sup> and a transparency-focused civil society group accused the Afghan government of having made insufficient progress in recovering stolen Kabul Bank funds during President Ghani's term with only \$30 million recovered in six years.<sup>407</sup>

The Afghan government made little progress pursuing high-profile corruption cases this quarter, DOJ said, blaming the COVID-19 pandemic.<sup>408</sup>

In a vulnerability-to-corruption assessment of the MOF, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) reported on alleged interference by Afghan government officials and parliamentarians in the operations of the MOF customs and revenue departments. This, the MEC said, resulted in corrupt practices. Bribes as well as coercion against MOF staff resulted in lost state revenue and eroded the rule of law. The MEC found widespread circumvention of approved civil service hiring practice, leading to long-term vacancies and unqualified hires. Further, the MEC observed limited state investment in MOF facilities, equipment, and systems, increasing the risk of corruption.<sup>409</sup>

## Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC). At the ACJC, elements of the Major Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption. The ACJC's jurisdiction covers major corruption cases in any province involving senior officials (up to the deputy minister), generals and colonels, or cases involving substantial monetary losses. Substantial losses are defined as a minimum of five million afghani—approximately \$73,000—in cases of bribes, money laundering, selling of historical or cultural relics, illegal mining, and appropriation of Afghan government property; or a minimum of 10 million afghani—approximately \$146,000—in cases of embezzlement.<sup>410</sup>

According to the UN, the ACJC held more trials in 2019 than in previous years, but the average rank of the accused parties declined.<sup>411</sup> The UN observed that the Afghan government has yet to execute outstanding ACJC warrants and summonses that were meant to be executed prior to the November 2018 Geneva Conference. Further, the UN said donors and the Afghan government agreed on a list of 127 outstanding ACJC warrants and summonses as an unambiguous benchmark to measure the steps taken to confront corruption by law enforcement authorities. This list increased to 255 arrest warrants and summonses (later consolidated into warrants).<sup>412</sup>

By March 2020, MOI reported it executed 171 warrants and had 84 outstanding. Of the 171 executed warrants, Afghan authorities immediately released all but four defendants.<sup>413</sup>

## CSTC-A Funded Items at Significant Risk

The demand for and ease with which criminals can traffic CSTC-A-funded items creates significant risk, CSTC-A said. The principal corrupt activities CSTC-A has observed are “senior-level” criminals targeting CSTC-A-funded commodities, maintenance, and facilities-support contracts through bribery, extortion, embezzlement, pay for position, bid rigging, abuse of power, and murder.<sup>414</sup> DOD said insufficient progress by the Afghan government to

## SIGAR AUDIT

S. Rept. 116-126, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2020 directed SIGAR to assess “the Government of Afghanistan’s implementation, resourcing, and administration of the ‘Afghanistan National Strategy for Combating Corruption,’ including whether such government is making progress toward achieving its anti-corruption objectives, addressing impunity of powerful individuals, and meeting international commitments.” SIGAR has initiated this work and anticipates issuance of a public report in early 2021.

counter corruption in managing U.S.-funded equipment and materiel could trigger a DOD decision to withhold ASFF in the near future.<sup>415</sup>

CSTC-A reported that national-level political uncertainty, COVID-19 challenges, and continuing violence have negatively impacted countercorruption efforts. For example, administrative punishments and removals in both the MOD and MOI have been concentrated at the regional (rather than national) level. CSTC-A has received multiple reports of attempted interference by military commanders and elected officials in countercorruption investigations.<sup>416</sup>

CSTC-A says its detection of theft and diversion of commodities it funds is uneven as the command lacks the access necessary for independent verification. While CSTC-A is aware of several risks, it cannot, for example, determine whether stolen vehicles have been inappropriately labeled as combat losses or whether foodstuffs have been sold or replaced with cheaper items.<sup>417</sup> CSTC-A says it has helped the Afghan security forces identify corps/regional-level contracting problems; however, the Afghan government has been slow to act on case referrals through the highly centralized government contracting system.<sup>418</sup>

Despite these challenges, CSTC-A said its efforts helped MOD remove 40 corrupt actors whose cases stagnated through mandatory retirement or assignment to the active reserve.<sup>419</sup> For example, the deputy minister of interior for personnel and training was removed after a four-year effort. According to CSTC-A, this deputy minister had control over all police training centers; there are active investigations of his subordinate partners.<sup>420</sup> CSTC-A has been unable to assess police recruit welfare and the state of training facilities due to COVID-19-related restrictions on site visits.<sup>421</sup>

Among the MOD and MOI elements tasked with combating corruption, CSTC-A provided the following assessments and updates:<sup>422</sup>

- Major Crimes Task Force (MCTF) effectiveness is steadily improving. The new director has replaced or fired several section chiefs while implementing changes to the organization's personnel structure. The MCTF has an active corruption investigation into a deputy minister who reportedly participated in forgeries involving 65 construction cases billed to CSTC-A. Also, the former MCTF director for corruption is under investigation by the MCTF for corruption. (Further, the UN Secretary-General observed that the failure to reform the MCTF has left the ACJC without a functioning police component.<sup>423</sup>)
- General Directorate for Internal Security (GDIS) arrested approximately 1,025 police and government officials over the past year as part of its countercorruption, counter-insider threat, and counterespionage efforts. GDIS, partnering with the National Directorate of Security for an insider threat assessment in Kandahar, Zabul, Helmand, and Uruzgan Provinces, found that approximately 50% of the police in these provinces used drugs and 50% to 70% of police

positions were “ghost soldiers. CSTC-A and DOD commented that this was a draft MOI-NDS report that cannot be corroborated.”<sup>424</sup>

- Established in June 2019,<sup>425</sup> the MOD CID has not yet reached full operational capability, but has already had a positive impact on reducing corruption, CSTC-A says. MOD CID investigations led to the removal or retirement of “several high profile officers,” CSTC-A reported.

## COUNTERNARCOTICS

### 2020 Opium-Poppy Harvest Largely Uninterrupted by COVID-19

Recent United Nations Office on Drugs and Crime (UNODC) reporting indicates that Afghanistan’s 2020 opium-poppy harvest was largely uninterrupted by COVID-19. The key months for Afghanistan’s opium harvest are March to June.<sup>426</sup> Earlier reporting suggested a shortage of opium-poppy lancers (a type of specialized labor) due to border closures with Pakistan could have affected the opium harvest.<sup>427</sup> UNODC subsequently confirmed the shortage of poppy-lancers in the western and southern provinces early in the season, but said the void was filled by women in poppy-growing households and by those who had lost their jobs due to the COVID-19 crisis.<sup>428</sup>

### UNODC Releases 2020 World Drug Report

This quarter, the UNODC published its 2020 *World Drug Report* which said the decline in Afghanistan’s 2019 opium-poppy cultivation did not affect Afghanistan’s potential opium production. The UNODC estimated 163,000 hectares (ha; one ha is roughly 2.5 acres) of opium poppy were cultivated in Afghanistan during 2019. This is a 38% decline from 2018 (263,000 ha) and a 50% decline from the high point of cultivation in 2017 (328,000 ha). Overall, opium-poppy cultivation in 2019 was at its lowest point since 2012 (154,000 ha).<sup>429</sup> These significant declines in opium-poppy production in Afghanistan, as well as declines in Burma, drove a global reduction in opium-poppy cultivation in both 2018 (17% decline) and 2019 (30% decline).<sup>430</sup> Nonetheless, neither disease nor drought affected the quality of opium-poppy in 2019 as it had in previous years. Therefore, UNODC estimated that the potential production of opium from Afghanistan was 6,400 tons for 2019, the same as in 2018.<sup>431</sup>

UNODC also reported global opiate seizures continue to steadily rise. In 2018, Afghanistan reported seizing 27 tons of opium and 18 tons of morphine, a level of seizures second only to Iran (644 tons of opium and 21 tons of morphine seized).<sup>432</sup>

Despite a decline in opium-poppy cultivation and a rise in opiate seizures, the latest available figures on global trafficking in opiates continues to indicate that trafficking is dominated by Afghan opiates. These 2018 data indicate that Afghan opiate production accounted for 84% of the global morphine and heroin seized, although only about 1% of the opiates seized in North America can be traced to Southwest Asian opiate production.<sup>433</sup>

## 2019 Afghanistan Opium Survey Not Likely to be Released

INL reported that the 2019 *Afghanistan Opium Survey* that would have been jointly produced by UNODC and the Afghan government is unlikely ever to be released since the Afghanistan National Statistics and Information Authority (NSIA) has not approved UNODC's opium-production figure.<sup>434</sup> Only the most significant data from the annual survey, mainly the estimated cultivation area and opium production, were released as part of the 2020 *World Drug Report*.<sup>435</sup> Since 2006, State INL has funded UNODC to produce the annual survey in partnership with Afghan government agencies. INL has so far disbursed \$17.7 million to fund this program.<sup>436</sup>

Afghan opium poppy is harvested in the spring, and UNODC has historically released the cultivation report in the following autumn. During the next spring, UNODC releases a socioeconomic report about the previous year's harvest. For the past two quarters, SIGAR has reported that since Afghanistan's Ministry of Counter Narcotics (MCN) has been dissolved by President Ghani, the annual opium surveys would no longer be produced with the MCN and that UNODC would henceforth partner with NSIA.<sup>437</sup>

According to INL, a March 14, 2020, presidential decree further strengthened NSIA's role by giving the NSIA all responsibility for poppy-survey-related work.<sup>438</sup> Disagreements emerged when NSIA objected to UNODC's measurement of the opium-poppy yield, despite UNODC's use of a long-standing methodology that employs field measurements of mature poppy plants. NSIA specifically objected to the use of opportunistic sampling, which UNODC started to implement in 2012 to improve data quality. INL explained that UNODC's opportunistic sampling method allowed surveyors operating in a small number of highly insecure areas some discretion in selecting sample areas within a district.<sup>439</sup>

INL further reported that NSIA performed no field sampling, random or otherwise, in 2020. UNODC is now developing a methodology to estimate the 2020 opium-poppy yield using satellite imagery.<sup>440</sup>

## CNPA Takes Over Counternarcotics Policymaking

INL reported that the Ministry of Interior's Counternarcotics Police of Afghanistan (CNPA) has taken over responsibility for policymaking, to include updating the 2015–2019 Afghan National Drug Action Plan (NDAP). This responsibility is in addition to its traditional law-enforcement role.<sup>441</sup> According to INL, moving CN policymaking under the CNPA has the

potential for greater efficiency and more effective coordination since all CN functions are now located within a single entity.<sup>442</sup> The five-year 2015–2019 Afghan National Drug Action Plan (NDAP) has been revised and the document awaits final MOI clearance; INL is currently unaware of when it may be issued.<sup>443</sup>

Supplementing the NDAP is the “Afghan Counternarcotics Roadmap,” which was approved by acting Minister of Interior Massoud Andarabi in January 2020.<sup>444</sup> According to INL, the Roadmap outlines challenges in combating the illegal drug trade, but does not include milestones or performance indicators to show how the Afghan government intends to pursue the indicated goals. Further, substantial donor support would be needed to implement most of the Roadmap’s objectives.<sup>445</sup> While the Roadmap is written at a high level, it does propose interventions in areas such as public awareness, regional cooperation, and research. The Roadmap also proposes a special CNPA detachment to eradicate poppy fields.<sup>446</sup>

INL also noted that despite the CNPA having formal control over CN policy and operations, the CNPA does not have its own budget, and lacks development or programming funding for endeavors such as public-information campaigns or provincial cooperation projects. Instead, the CNPA has traditionally relied on the MOI to conduct financial transactions and procurements relevant to law-enforcement operations. Now, the CNPA must also submit proposals to the MOI for any project outside of routine law-enforcement functions, such as public-information campaigns. According to Afghan contacts that informed INL, this is a very unclear and confusing process.<sup>447</sup>

Further, INL support to increase CNPA’s financial capacity is still in a very early stage. INL is trying to recruit financial advisors to assist the CNPA with the MOI’s bureaucratic funding process. Although the process for recruiting advisors has been delayed by COVID-19, financial advisors would provide the CNPA with expertise to prepare budgets and request funding for projects unrelated to basic law-enforcement operations.<sup>448</sup>

## **Afghan Counter Narcotics Police Organization and Funding**

State INL provides support to specialized units within the CNPA.<sup>449</sup> The CNPA are located in all 34 provinces and comprise regular police as well as specialized units. The CNPA’s counternarcotics operations include controlling precursor chemicals, airport interdiction, operating the forensic laboratory, crop eradication, and managing mobile detection teams. CNPA also coordinates with Afghan customs to stop drug trafficking.<sup>450</sup>

CNPA specialized units consist of three major components: the U.S.-supported National Interdiction Unit (NIU) and Sensitive Investigative Unit (SIU), and the UK-supported Intelligence and Investigation Unit (IIU).<sup>451</sup> Additionally, the U.S.-supported Technical Investigative Unit (TIU) provides support to the NIU and SIU components.<sup>452</sup> This quarter, the U.S.

# GOVERNANCE

Drug Enforcement Administration (DEA) reported that the NIU and SIU conducted a combined total of 14 DEA-mentored, partnered, or otherwise supported operations.<sup>453</sup>

The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from DEA and NATO Special Operations Component Command-Afghanistan (NSOCC-A), including U.S. Special Forces. The NIU typically maintains forward-based personnel in Kandahar, Kunduz, and Herat.<sup>454</sup>

The SIU's mission is to identify significant drug-trafficking organizations operating in Afghanistan and dismantle them through the criminal-justice system. The SIU receives mentoring from the DEA and consists of hand-picked personnel who are thoroughly vetted.<sup>455</sup> The SIU also has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.<sup>456</sup>

The Technical Investigative Unit (TIU) is a CNPA component consisting of 100 translators who work within the Judicial Wire Intercept Platform (JWIP). The JWIP is a State-funded project to provide technical systems associated with the wiretap program and is executed by DEA through an interagency agreement with State. JWIP supports DEA operations as well as SIU and NIU investigations.<sup>457</sup>

Other Afghan law-enforcement elements such as the special operations General Command of Police Special Units execute high-risk arrests and operations including counterterrorism, counternarcotics, and counter-organized crime.<sup>458</sup> The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.<sup>459</sup>

The Special Mission Wing (SMW) is a rotary- and fixed-wing aircraft force established in 2012 to support NIU counternarcotics missions, as well as counterterrorism missions conducted by Afghan special security forces. In recent years, however, nearly all its missions have been counterterrorism support, with none of the SMW's 165 unilateral sorties from April 1 through May 27, 2020, supporting CN missions.<sup>460</sup> The SMW is the only Afghan National Defense and Security Forces organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of assault squadrons in Kabul, Kandahar, and Mazar-e Sharif. There is also an imagery, surveillance, and reconnaissance squadron in Kabul.<sup>461</sup> More information on the SMW is available in the Security section on pp. 81–82.

## **U.S. Funding for Afghan Counternarcotics Elements**

This quarter, INL reported that it continues to work under the 2017 South Asia Strategy, which is the main policy document for U.S. efforts in Afghanistan, including counternarcotics policy.<sup>462</sup> Both INL and DEA also reported that while there are no formal U.S. interagency working groups focused on Afghan-specific or regional counternarcotics, both entities coordinate with relevant Afghan or regional CN stakeholders as needed. In addition to coordinating with one another, other stakeholders often include DOD's Central Command and UNODC, among others.<sup>463</sup>

INL estimates that it funds approximately \$21 million per year in operations and maintenance for the NIU, SIU, and other INL programming. Costs directly attributable to NIU and SIU include \$6 million for two years of JWIP (not including other costs DEA may incur), \$9.6 million for two years of other interagency-agreement support, and \$825,000 per year for NIU salary supplements.<sup>464</sup> Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. A graduated scale of supplements is provided to all NIU officers, from police officers to unit commanders.<sup>465</sup>

## **COVID-19 Affects U.S. Advising and CNPA Operations**

In response to the COVID-19 pandemic, CSTC-A reported that in early March 2020, Resolute Support commander General Austin S. Miller limited face-to-face advising between the Coalition and their Afghan counterparts. Advisors subsequently shifted to remote advising, using video-teleconferences and other forms of communication. Coalition advisors reinforced the need for protective measures to their Afghan counterparts, including the need for social distancing, wearing masks, and using hand sanitizer.<sup>466</sup>

To protect the ANP, the MOI drafted in early April 2020 a "Strategy for Combatting COVID-19." CSTC-A said that Coalition advisors coordinated with the CNPA to use the CNPA facility to house quarantined MOI personnel.<sup>467</sup>

State's Bureau of International Narcotics and Law Enforcement Affairs (INL) also reported that the specialized units of the CNPA, the National Interdiction Unit (NIU) and the Sensitive Investigative Unit (SIU), are operating under a presidential decree to limit MOI staff exposure to COVID-19. According to INL, the tempo of these specialized units has slowed due to COVID-19, although they continue to investigate, plan, and execute interdiction and CN operations when possible.<sup>468</sup> The DEA also reported uninterrupted contact with specialized units in the pursuit of joint investigations, although Afghan-led CN operations and DEA training has slowed due to COVID-19 mitigation protocols.<sup>469</sup>

# GOVERNANCE

## Interdiction Results

Between March 14 and July 1, 2020, DOD reported that U.S.-supported interdiction activities by Afghan security forces included 48 operations resulting in seizures of 1,500 kilograms (kg) (3,307 lbs) of opium, 93 kg (205 lbs) of heroin, and 73 kg of methamphetamines (161 lbs). No one was detained and no precursor chemicals or hashish was seized by Afghan security forces during this period.<sup>470</sup> Table 3.16 contains interdiction results provided by DOD.

TABLE 3.16

INTERDICTION RESULTS, FISCAL YEARS 2010–2020												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>1</sup>	TOTAL
Number of Operations	263	624	669	518	333	270	196	157	198	152	87	<b>3,467</b>
Detainees	484	862	535	386	442	394	301	152	274	170	70	<b>4,070</b>
Hashish seized (kg)	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	148,604	149,426	<b>1,163,994</b>
Heroin seized (kg)	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	3,507	444	<b>43,919</b>
Morphine seized (kg)	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	11,859	–	<b>183,329</b>
Opium seized (kg)	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	13,751	3,342	<b>401,243</b>
Precursor chemicals seized (kg)	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	81,182	–	<b>834,045</b>
Methamphetamine <sup>2</sup> (kg)	–	50	–	11	23	11	14	31	143	1,308	77	<b>1,668</b>
Amphetamine (kg)	–	–	–	–	–	–	17	–	–	2,010	–	<b>2,027</b>

Note: The significant spike in FY 2015 precursor seizures is due to a 12/22/2014 seizure of 135,000 kg of precursor chemicals.

– indicates no data reported.

<sup>1</sup> Results for period 10/1/2019–7/1/2020.

<sup>2</sup> In crystal or powder form.

Source: DOD(CN), response to SIGAR data call, 7/8/2020.

Despite the improved capabilities of Afghan specialized units over the years, drug seizures and arrests have had minimal impact on the country's opium-poppy cultivation and production. For example, total opium seizures since FY 2008 are equivalent to approximately 8% of the country's 6,400 metric tons of opium production for the single year of 2019, as reported by UNODC.<sup>471</sup>

## Eradication Update

INL said it still plans no direct financial support for eradication and cannot verify eradication performed under the MOI in 2020. INL said MOI has not been vetted for vulnerabilities that could adversely affect the responsible implementation of U.S. eradication assistance, as required by U.S. law. Funds that were provided prior to 2020 conformed to these requirements because INL said it worked with the MCN on eradication programming and the MCN had been vetted for vulnerabilities. INL is reviewing whether it is feasible to instead assist the CNPA directly as the implementing entity for

U.S.-funded opium-poppy eradication assistance. SIGAR will continue to report on these developments.<sup>472</sup>

Despite the lack of INL eradication assistance, INL said the CNPA Narcotics Survey and Analysis Directorate (NSAD) reported 536 hectares of opium poppy had been eradicated during the 2020 season. NSAD reported that most eradication occurred in Helmand Province (384 ha), followed by Nangarhar (125 ha), Balkh (12 ha), Nimroz (6 ha), Herat (3 ha), Jowzjan (3 ha), Kunar (2 ha), and Laghman Provinces (1 ha). INL noted that these numbers had not been validated or endorsed by UNODC field verifiers because of disagreements between MOI and UNODC on who would bear the cost of contracting independent verifiers. INL concluded that for these reasons, “the international community will have concerns regarding NSAD reported results.”<sup>473</sup> Last quarter, INL reported that crop eradication has been on a long-term downward trend, in part due to opium-poppy cultivation in inaccessible or insecure areas.<sup>474</sup>

## Governor-Led Eradication

Prior to the MCN’s dissolution, INL provided direct eradication assistance through the Governor-Led Eradication (GLE) program. According to INL, the MOI now manages this ongoing program with the CNPA implementing independent Afghan eradication and GLE.<sup>475</sup> When MCN managed the GLE program, which began in 2005, INL reimbursed provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.<sup>476</sup>

This quarter, INL reported that although the program is ongoing, monetary support for the GLE program is currently inoperative due to the need to complete an audit of financial control mechanisms before further support can be provided to the MOI. INL added that previous vetting of the MCN has not been a rapid process and INL did not expect MOI vetting to be rapid. INL is exploring the possibility of vetting only the CNPA element that would be involved in GLE. Until that audit and any needed remediation occurs, INL has no ability to reimburse MOI for verified eradication.<sup>477</sup>

## AFGHAN REFUGEES

As of June 20, the United Nations High Commissioner for Refugees (UNHCR) reported that 356 **refugees** have voluntarily returned to Afghanistan in 2020. Almost all (306) of these refugee returns were from Iran.<sup>478</sup>

According to State, UNHCR suspended refugee repatriations from Pakistan on March 17, 2020, following Pakistan’s decision to close its border crossings with Afghanistan in an effort to limit the spread of COVID-19.<sup>479</sup>

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**Refugees:** persons who are outside their country of origin for reasons of feared persecution, conflict, generalized violence, or other circumstances that have seriously disturbed public order and, as a result, require international protection. According to the UNHCR, refugees have the right to safe asylum and should receive at least the same rights and basic help as any other foreigner who is a legal resident.

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Source: United Nations, “Refugees and Migrants: Definitions,” 2019; UNHCR, “Protecting Refugees: questions and answers,” 2/2002.

## Undocumented Afghan Migrant Returnees

As of May 30, the International Organization of Migration (IOM) reported that 298,679 undocumented Afghans returned from Iran and 1,833 undocumented Afghan migrants returned from Pakistan in 2020.<sup>480</sup>

According to State, fears of COVID-19 spreading in Iran have led to record numbers of spontaneous returns of Afghan migrant laborers from Iran.<sup>481</sup> For comparison, as of May 25, 2019, 181,933 undocumented Afghan migrants had returned from Iran that year.<sup>482</sup>

In May, the Iranian and Afghan governments announced a joint investigation into allegations that Iranian border guards killed at least 16 Afghan migrants after torturing them and throwing them into a river.<sup>483</sup> Afghan officials later claimed 45 migrants were killed in this way. In another incident in June, Afghan officials accused Iranian police of killing three Afghan migrants by firing on and setting their vehicle on fire.<sup>484</sup>

## Conflict-Induced Internal Displacement

Compared to the same period last year, the number of conflict-induced internally displaced persons recorded by the UN Office for the Coordination of Humanitarian Affairs (OCHA) in 2019 is 61% lower. As of June 21, conflicts in 2020 had induced 88,536 Afghans to flee their homes. The office recorded 224,147 displaced persons in the same period last year.<sup>485</sup>

## WOMEN'S ADVANCEMENT

According to USAID, Promote aims to strengthen women's participation in civil society, boost female participation in the economy, increase the number of women in decision-making positions within the Afghan government, and help women gain business and management skills.<sup>486</sup> Table 3.17 show the current Promote programs.

TABLE 3.17

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Promote: Women in the Economy	7/1/2015	8/31/2020	\$71,571,543	\$68,166,610
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	24,804,105
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	6,882,206
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2020	7,098,717	6,962,858
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272

Source: USAID, response to SIGAR data call, 7/11/2020.

According to USAID, of the 74,903 total Promote beneficiaries, 31,643 have found employment. Of these, 1,892 have been hired by the Afghan government and 18,976 have secured permanent employment in the private sector. There are also 10,775 Promote beneficiaries holding private-sector internships.<sup>487</sup> (There may be double counting: Promote beneficiaries counted as interns may be counted again when they secure permanent employment.)<sup>488</sup>

To date 19,893 young women graduated from the “Forward Together” scholarship program, which offers job skills courses including kindergarten teaching, communication, finance, and health care courses.<sup>489</sup>

Promote sponsored a two-day conference on the role of mayors in the peace process which was attended by participants from over 22 provinces. According to USAID, mayors who participated expressed concerns about the centralized process of the negotiations and the pressures they face as their communities anticipate jobs once a peace settlement is reached.<sup>490</sup>

## HUMAN RIGHTS

On June 27, two members of the Afghanistan Independent Human Rights Commission were assassinated in Kabul when an explosive device attached to their vehicle exploded.<sup>491</sup>

### State Downgrades Afghanistan’s Human-Trafficking Rating to Lowest Level

State downgraded Afghanistan’s human-trafficking rating to the lowest level since State first rated the country in 2002, saying the Afghan government does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so.<sup>492</sup>

According to State, there is an Afghan government policy or pattern of sexual slavery in government compounds (bacha bazi, or “boy play”) and the recruitment and use of child soldiers. State says the Afghan government has never prosecuted a police officer for bacha bazi nor prosecuted any military or police official for recruitment or use of child soldiers. This continues despite local officials’ widespread acknowledgement that many police, especially commanders at remote checkpoints, recruited boys for bacha bazi. The Afghan security institutions denied that Afghan security forces recruited or used child soldiers, despite multiple cases during the reporting period. According to State, Afghan security forces recruited boys for bacha bazi in every province.<sup>493</sup>

State observed a decrease in Afghan government law enforcement efforts against both civilian and government official perpetrators of trafficking, concluding officials complicit in recruitment and use of child soldiers and bacha bazi continued to operate with impunity. State said the Afghan government lacks the resources and political will to hold perpetrators accountable. For more information about bacha bazi in schools see page 152.<sup>494</sup>

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## ECONOMIC AND SOCIAL DEVELOPMENT

### KEY ISSUES & EVENTS

COVID-19 continued to ravage Afghanistan this quarter, further straining the country's rudimentary health-care system.

Testing remains limited, but nearly 43% of samples were testing positive as of July 15, one of the highest rates in the world.

Afghanistan has likely entered a recession because of the pandemic; the economy is projected to shrink 3–10% in 2020.

Reflecting the economic damage, the Afghan government's sustainable domestic revenues declined by 23.4%, year-on-year, over the first six months of 2020.

COVID-19 continued to ravage Afghanistan this quarter, overwhelming the country's rudimentary health-care system and, as UNAMA head Deborah Lyons put it, casting "a huge shadow" over Afghan daily life.<sup>495</sup> As of July 15, 2020, the number of reported deaths remained low at just 1,094, but this figure may vastly undercount the true toll of the virus: testing capacity remained limited and many Afghans do not have access to medical facilities.<sup>496</sup> Afghans tell foreigners that the illness is already widespread. The Asia Foundation's country director wrote at the end of June, "I have been unable to keep track of the growing number of deaths among my own acquaintances, relatives, and friends' families."<sup>497</sup> At a press conference in June 2020, the governor of Kabul Province, Mohammad Yaqub Haidari, said the capital's ambulance service had reported an average of approximately 33 deaths per day.<sup>498</sup> Commenting on the lack of an accurate death count, the head of a Kabul-based hospital dedicated to treating COVID-19 patients estimated that roughly 75% of those who died at the hospital had not been tested.<sup>499</sup>

Available COVID-19 data point to rapid spread with undetected infection.<sup>500</sup> As of early June, Afghanistan's Ministry of Public Health could test only 2,000 of the 10,000–20,000 samples received daily, according to the

International Rescue Committee (IRC), a humanitarian-oriented nongovernmental organization.<sup>501</sup> Consequently, up to 90% of potential cases are not being tested.<sup>502</sup> Afghanistan’s positivity rate—or the proportion of tests that return a positive result divided by the total number of tests conducted—was nearly 43%, as of July 15, 2020.<sup>503</sup> This was one of the highest positivity rates in the world, based on data collected by Johns Hopkins University (JHU) and, separately, by the IRC.<sup>504</sup> While JHU did not calculate the rate for all countries and although Afghanistan was apparently excluded from the JHU rankings, Brazil (at nearly 37%) was listed as having the highest positivity rate globally.<sup>505</sup> Overall, the IRC said, Afghanistan faced a “humanitarian disaster.”<sup>506</sup>

The potential for disaster is heightened by the probability that the pandemic will have secondary effects on broader health outcomes.<sup>507</sup> State pointed to research from JHU suggesting a possible 18% increase in child mortality and a 14% increase in maternal mortality in Afghanistan as indirect consequences of the virus’ spread.<sup>508</sup> Complicating matters, public-health workers in some provinces, like Nangarhar and Herat, only recently received their salaries after a hiatus of several months, State added.<sup>509</sup>

Perhaps reflecting widespread desperation among many Afghans, thousands of people swarmed an herbal clinic in Kabul hoping to receive a dose of a solution falsely marketed as a COVID-19 vaccine.<sup>510</sup> Local residents initially resisted Afghan government efforts to shut down the clinic, burning tires and blocking roads.<sup>511</sup> The government eventually forced the clinic’s proprietor, an herbalist named Hakeem Alokozai, out of Kabul after tests revealed that the solution Alokozai had represented as a vaccine was merely an amalgamation of several types of narcotics.<sup>512</sup> As of mid-June, Alokozai’s brother—Alokozai himself is reportedly in hiding, with a warrant out for his arrest—was still distributing drops of the concoction to several thousand Afghans in Kandahar City every day, according to the *New York Times*.<sup>513</sup>

Beyond social effects, COVID-19 began disrupting the Afghan economy this quarter, and estimates of the magnitude of economic disruption varied widely. The IMF said that Afghanistan had likely entered a recession, forecasting that Afghanistan’s GDP would contract by 3% in 2020.<sup>514</sup> Projected economic contraction by other experts ranged from 3% to 10%.<sup>515</sup> Describing the outlook as “dire,” the World Bank said South Asia would likely experience its worst economic performance in the last four decades and predicted that Afghanistan would be the worst regional performer in 2020, other than the Maldives.<sup>516</sup> “The pandemic is inflicting severe economic and social damage, with its depth and duration subject to great uncertainty,” the IMF said.<sup>517</sup>

Driven in part by COVID-19, the Afghan government’s **sustainable domestic revenues** contracted by 23.4%, year-on-year, over the first six months

### Sustainable Domestic Revenues:

According to Afghanistan Ministry of Finance officials, these are revenues like customs, taxes, and nontax fees. Multilateral institutions such as the World Bank and the IMF use reports of these revenues to judge the Afghan government’s fiscal performance.

**One-Off Domestic Revenues:** These are nonrecurring revenues arising from one-time transfers of funds, such as central bank profits, to the Afghan government. The IMF excludes central bank transfers from its definition of domestic revenues for the purpose of monitoring Afghanistan’s fiscal performance under its Extended Credit Facility arrangement with the government.

Source: SIGAR, communications with MOF officials, 8/21/2017; SIGAR, communications with IMF officials, 9/7/2017.



**Balkh Chamber of Commerce** raised over 2 million afghanis to support Afghan families in need due to COVID-19 and distributed 15,000 sacks of flour at reduced prices. (U.S. Embassy photo)

of 2020, SIGAR analysis of Afghan government accounting data showed. In the first quarter of the year, prior to the pandemic, revenues already were falling as a result of deep political uncertainty that followed the contested September 2019 Afghan presidential election, only resolved in May 2020.<sup>518</sup> The impact of COVID-19 and government actions to halt its spread exacerbated this decline. With the Afghan government so heavily reliant upon customs duties and taxes—comprising approximately one-fifth of all revenues—the ongoing border closures due to COVID-19 were a major contributor to this contraction. In the first six months of 2020, customs duties and taxes dropped 31.6% from the same period last year. With the pandemic driving increases in both unemployment and prices for essential goods, sales-tax revenue—another major source of income for the Afghan government—also decreased substantially from the previous year.<sup>519</sup>

As revenues declined, expenditures increased at the outset of the lockdown beginning in late March, rising by 5% over the next two months compared to the same period in the prior year. Nevertheless, a significant drop in expenditures in Month 6 (May 21–June 20, 2020) meant that cumulative, year-on-year expenditures through the first half of 2020 decreased by 1.6%, in part due to restricted government activity during the lockdown, according to the MOF. In Month 6 of FY 1399 (December 22, 2019–December 21, 2020), expenditures were 31% lower than the previous year.<sup>520</sup>

### **COVID-19 Has Prompted Generosity Among Some Afghans**

Amidst a growing public health and economic crisis in Afghanistan, some Afghans are reportedly responding to the pandemic with generosity, according to the *New York Times*. In many areas, landlords have waived rent—some until the crisis passes. For example, in Taloqan, the capital of Takhar Province in the country's north, the owner of a 40-shop business center informed his tenants that rent would be forgiven temporarily, and possibly until the end of 2020 if the pandemic persists.

Source: New York Times, "Waiving Rent and Making Masks, Afghans Meet Coronavirus With Kindness," 3/31/2020 (updated 6/24/2020).



**Provincial governments in Afghanistan** are using mass media campaigns, including billboards, to increase public awareness of best practices to prevent the spread of COVID-19. (USAID photo)

## COVID-19 INTENSIFIES IN AFGHANISTAN

The COVID-19 epidemic in Afghanistan has intensified since the first case was confirmed in Herat Province on February 24, 2020.<sup>521</sup> As of July 15, 2020, the country has reached 34,994 confirmed cases with 1,094 deaths attributed to the disease, according to the Afghan Ministry of Public Health (MOPH). Confirmed cases have been largely concentrated in urban centers, with the highest number in Kabul.<sup>522</sup> However, Afghan public-health officials have warned that actual cases are likely much higher given the government's low testing capacity.<sup>523</sup> With limited resources to deal with the spreading disease and high poverty levels inhibiting compliance with government-mandated lockdowns, experts have warned that Afghanistan is headed for a humanitarian disaster.<sup>524</sup>

### Millions Going Hungry

The economic shock of the pandemic—including increased unemployment, food-supply disruptions due to border closures, and rising food prices—has exacerbated Afghans' food insecurity, already impacted by the ongoing conflict and high poverty levels. In May 2020, the Integrated Food Security Phase Classification (IPC), a common global scale for classifying the severity and magnitude of food insecurity and malnutrition, warned that about one-third of Afghanistan's estimated 32.2 million people remain in either a crisis or emergency state of food insecurity and require urgent action.<sup>525</sup> Further, Save the Children assessed that 7.3 million Afghan children will face food shortages due to the pandemic.<sup>526</sup>

Due to supply shortages and panic buying, prices of essential food items have steadily risen. When comparing World Food Programme (WFP) price data from March 14 to May 28, wheat flour has increased by as much as 17%, wheat by 9%, cooking oil by 24%, pulse by 11%, and sugar by 10%. At the same time, the purchasing power of casual labor has dropped significantly by 13%.<sup>527</sup> Amid reports of food-price inflation of 16.7%, the Afghan government initiated a bread-distribution program in early May to help Afghan families.<sup>528</sup> Soon thereafter, seven protesters reportedly died after demonstrations broke out in Ghor Province over perceived unfair food distribution.<sup>529</sup>

## Donors Commit Economic Aid Despite Concerns of Corruption and Mismanagement

Various international donors have committed economic aid for Afghanistan to mitigate the COVID-19 crisis. The Asian Development Bank (ADB) provided a \$40 million emergency-assistance grant to help Afghanistan construct and rehabilitate hospitals, procure medical supplies, and train health workers.<sup>530</sup> The World Bank approved a \$400 million grant, comprising \$160 million from the International Development Association (IDA)—the World Bank Group’s fund for the poorest countries—and \$240 million from the Afghanistan Reconstruction Trust Fund (ARTF).<sup>531</sup> The European Union provided an additional EUR 50 million to help strengthen Afghanistan’s health system.<sup>532</sup> However, Integrity Watch Afghanistan, an Afghan-based NGO, raised concerns about the Afghan government’s ability to properly manage and monitor funds allocated for the COVID-19 response.<sup>533</sup>

Other reports suggest public-health resources are being mismanaged. More than 200 doctors and medical staff took part in protests in Herat on May 19, 2020, saying they had not been paid for three months while risking their lives to treat COVID-19 patients.<sup>534</sup> Furthermore, 13

doctors resigned from a Herat hospital designated to treat COVID-19 patients, citing a lack of equipment, unpaid salaries, and increased workload.<sup>535</sup> Amid this and other health-related crises, Minister of Public Health Ferozuddin Feroz announced on May 31 that he was stepping down. President Ghani appointed Mohammad Javad Osmani as the new acting Minister of Public Health.<sup>536</sup>

## Challenges to Limiting Spread of COVID-19

The Afghan government has launched several information campaigns in urban and rural areas to promote public-health recommendations for containing the spread of the disease, such as frequent hand washing, use of masks in public spaces, social distancing, and staying at home as much as possible. Many impoverished families have ignored government recommendations to stay at home because they will not be able to afford to feed their families if they do not work. Despite the rising number of cases and government warnings, Afghans are increasingly moving about in Kabul. The government food-distribution plan has drawn many vulnerable families outside, putting them in severe risk of contracting COVID-19.<sup>537</sup> A similar situation was reported in Herat, where health officials warned that the public was not paying sufficient attention to the crisis.<sup>538</sup>

Public-health conditions in areas under Taliban control remain unclear. The group has released messages and videos as part of a public relations campaign highlighting its COVID-19 response, including enforcing quarantine. Yet, as aid officials have argued, it has been difficult to assess the effectiveness of the Taliban’s actions. Reports have said Taliban messaging is mere propaganda, with no preventive public-health measures occurring in local communities. Others portrayed Taliban officials as attempting to help mitigate the crisis by holding the Afghan

government accountable for delivering necessary supplies.<sup>539</sup>

## Lack of Testing and Medical Equipment

Afghanistan has carried out 81,934 tests in a population estimated at more than 30 million people, as of July 15, 2020. The UN Office for the Coordination of Humanitarian Affairs reports that Afghanistan has a test-positivity rate (positive tests as a percentage of total tests) of nearly 43%, of which more than 10% are healthcare staff, one of the highest rates in the world.<sup>540</sup> Confirmed cases rose by 684% in May 2020, as the MOPH struggled to scale up testing. As of June 1, 2020, the MOPH had the capacity to test only 2,000 of the 10,000–20,000 samples it receives daily.<sup>541</sup>

Afghanistan also lacks the medical equipment necessary to treat patients diagnosed with COVID-19. While the Afghan government approved the purchase of 500 ventilators in April, the country's hospitals currently have only 300 ventilators to help patients.<sup>542</sup> Furthermore, Kabul hospitals have also reported a severe lack of oxygen, resulting in relatives bringing makeshift oxygen balloons to help suffering patients.<sup>543</sup>

## Slowdown in Economic Activity

Largely as a result of border closures and the resulting loss in customs revenues, Afghanistan's sustainable domestic revenues contracted by 23.4% in the first two quarters of 2020, as compared to the same period in the previous year.<sup>544</sup> The World Bank's latest *Global Economic Prospects* report predicts Afghanistan will experience an economic contraction of 5.5% of real GDP.<sup>545</sup> Further, a panel of experts at a May 14, 2020, event titled "Economic Implications of COVID-19 for South Asia" hosted by the Wilson Center in Washington, DC, also

predicted that the Afghan economy could contract 3–10% due to the pandemic.<sup>546</sup> Experts predict that an additional 8 million people will fall into poverty, pushing the poverty rate from 55% to 80%.<sup>547</sup>

The shutdown of trade routes by neighboring countries has damaged Afghanistan's economy. Members of the Afghan Chamber of Commerce and Investment (ACCI) claim that millions of dollars' worth of economic activity will be lost due to the pandemic.<sup>548</sup> The IMF projected an \$857 million balance of payments deficit for Afghanistan in 2020.<sup>549</sup> By early July 2020, five border crossings with Pakistan (Angor Adda, Kharlachi, Torkham, Chaman, and Ghulam Khan) were open for trade. However, traders have complained of lost revenues as trucks face slow clearance processes, especially as severe delays put perishable cargo at high risk of rotting.<sup>550</sup>

## **U.S. SUPPORT FOR ECONOMIC AND SOCIAL DEVELOPMENT: THEORY, OBJECTIVES, AND PROSPECTS**

Since the outset of the intervention, the United States has sought to advance economic and social conditions in Afghanistan in the service of U.S. national security interests.<sup>551</sup> While the intensity and emphasis of policies and programs have changed over the years, the core U.S. belief and theory of change that expansive programming across a wide array of disparate sectors could contribute to stability and security has remained constant.<sup>552</sup>

The U.S. sees such programming as contributing positively to security through several channels. Economic growth raises living standards and can provide gainful employment to the young, unemployed men who may be most likely to join the insurgency.<sup>553</sup> Improved Afghan government delivery of key services like health and education, meanwhile, are believed to increase the government's legitimacy, thereby fostering greater stability as Afghan citizens' confidence in the Afghan state rises.<sup>554</sup>

However, the causal processes by which countries become more stable and prosperous are not well understood.<sup>555</sup> Additionally, scholars have found the evidence that development can reduce violence in conflict zones is, at best, mixed.<sup>556</sup>

Nevertheless, these theories continue to inform current U.S. economic and social development programming in Afghanistan. The U.S. government's current Integrated Country Strategy (ICS) states that economic prosperity in Afghanistan depends upon the United States' ability to advance private-sector-led export growth and job creation, and to bolster gains in health, education, and women's empowerment.<sup>557</sup>

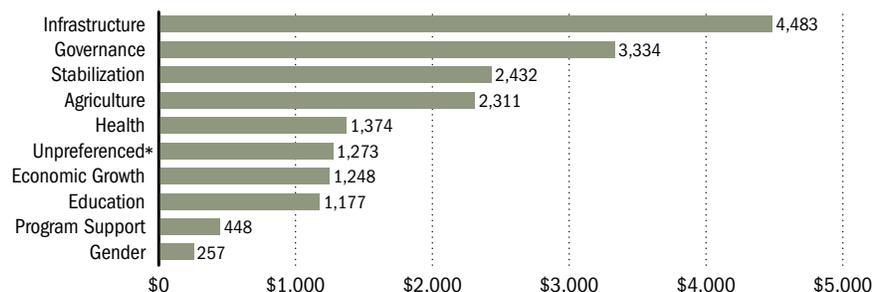
USAID's Country Development Cooperation Strategy (CDCS) for Afghanistan is nested within the ICS.<sup>558</sup> The objectives of the CDCS are to:<sup>559</sup>

- accelerate private-sector-driven, export-led economic growth
- advance social gains in health, education, and gender equality
- increase the Afghan government's accountability to its citizens

Making progress toward these goals faces numerous obstacles. After growing by 2.9% in 2019, Afghanistan's economy faces major headwinds as COVID-19 continues to spread across the country.<sup>560</sup> A panel of experts convened by the Wilson Center in May predicted that Afghanistan's GDP would contract sharply in 2020, perhaps by as much as 10%.<sup>561</sup> Economic and social conditions in Afghanistan faced significant challenges even before the pandemic. Since 2014—the year in which U.S. and Coalition forces completed a phased drawdown—annual GDP growth has not surpassed 3%, poverty has increased, some social-development indicators have stagnated, and the proportion of Afghans who perceive corruption as a problem in daily life has remained roughly unchanged.<sup>562</sup>

FIGURE 3.37

**USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF JULY 9, 2020**  
(\$ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. USAID gender programs managed by the agency's Office of Gender are presented as a separate category. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and programs that build health and education facilities. OFM activities (e.g. audits and pre-award assessments) included under Program Support funds.

\*Unpreferred funds are U.S. contributions to the ARTF that can be used for any ARTF-supported initiatives.

Source: SIGAR analysis of USAID, response to SIGAR data call, 7/9/2020; SIGAR analysis of World Bank, ARTF, Administrator's Report on Financial Status as of April 19, 2020, 6/14/2020.

As of June 30, 2020, the U.S. government has provided approximately \$35.85 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly \$21.05 billion—were appropriated to USAID's Economic Support Fund (ESF). Of this amount, more than \$19.60 billion has been obligated and nearly \$17.65 billion has been disbursed. Figure 3.37 shows USAID assistance by sector.<sup>563</sup>

## ECONOMIC PROFILE

The overall economic goal of the current U.S. strategy is to transition Afghanistan from an assistance recipient to an enduring economic partner.<sup>564</sup> This transition will be difficult, as Afghanistan remains poor, aid-dependent, and conflict-affected.<sup>565</sup> Donor grants totaling \$8.5 billion per year (combined security and civilian assistance) currently finance more than half the Afghan government's budget and 75% of total public expenditures (including funds not channeled through government ministries).<sup>566</sup>

Approximately 55% of Afghans live below the poverty line, according to the most recent household survey data—up from 34% in 2008.<sup>567</sup> Although increased service provision and an economy fueled by donor funds rapidly improved many development outcomes through the 2014 drawdown of most international troops, licit GDP growth of just under 10% dropped to low-single-digit levels as the Afghan government assumed responsibility for the fight against the Taliban insurgency.<sup>568</sup>

Poverty likely worsened in 2019 and “remains at unacceptably high levels,” according to the World Bank.<sup>569</sup> The IMF said the COVID-19 pandemic is likely to push more Afghans below the poverty line—approximately \$1 per day—in 2020, as remittances from Afghans working in

adjacent countries decline, household budgets are stretched by a spike in food prices, and lockdowns and border closures dampen domestic economic activity.<sup>570</sup>

Short-term prospects for the Afghan economy are not bright. Weak domestic demand and trade disruption due to border closures intended to contain the virus' spread are weighing on Afghan businesses, according to the IMF.<sup>571</sup> The IMF added that Afghanistan had likely entered a recession and projected that GDP would contract by at least 3%.<sup>572</sup> Some experts expected a drop of as much as 10%.<sup>573</sup> Raising Afghanistan's licit exports in accordance with current U.S. development strategy will be very difficult.<sup>574</sup> Exports are expected to decline in 2020 as key regional economies—primarily India and Pakistan—slow.<sup>575</sup> Declining exports and slowing remittance inflows that could eventually fall by as much as 50% have reportedly opened up a more than \$850 million deficit in Afghanistan's balance of payments—the net value of financial transactions between Afghanistan and the rest of the world.<sup>576</sup>

Overall, while much uncertainty remains regarding the full impact of the pandemic, the IMF assessed that “risks to the outlook are high and to the downside,” with additional uncertainty surrounding prospects for a political settlement between the Afghan government and the Taliban.<sup>577</sup>

### **Afghanistan's True GDP Growth Remains Highly Sensitive to the Narcotics Trade**

More than any other domestic factor, the success or failure of the opium trade has the greatest effect on Afghanistan's gross domestic product (GDP) when illicit activity is taken into account. The country's statistical authority (NSIA) includes the opium economy in one version of its annual GDP calculation. The NSIA reported that when estimated opium production dropped by nearly 30% in 2018 due to drought and a supply surplus left over from the previous year, the Afghan economy contracted by 0.2%. By comparison, the NSIA estimated that licit growth in the same year was 2.7%.

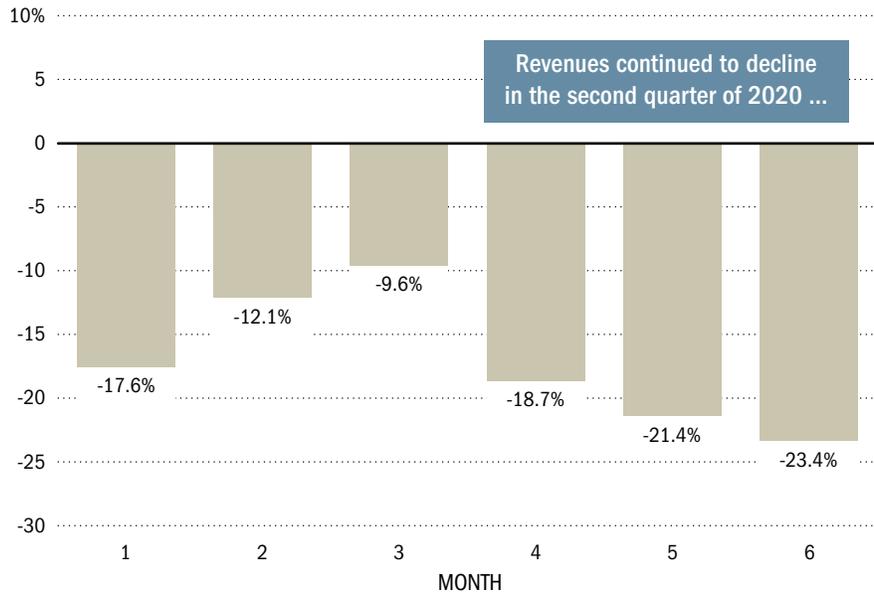
By contrast, when opium production increased by nearly 90% in 2017, GDP growth including the opium economy in 2017 was 7.2%. Afghanistan's licit GDP growth rate in 2017 was 2.7%, according to the Bank and IMF.

Unlike the NSIA, neither the IMF nor the World Bank consider the narcotics economy in their GDP growth estimates. However, there appears to be increasing interest from the Bank on this issue. In a March 2020 paper described by its authors as “the first . . . to consider impacts [of conflict] across formal, informal, and illicit activities simultaneously,” the Bank found that while violence in Afghanistan negatively impacted licit economic activity, it did not materially affect aggregate economic activity because of the high prevalence of opium-poppy cultivation.

Source: NSIA, Afghanistan Statistical Yearbook 2017–2018, 8/2018, p. 110; World Bank, Afghanistan Development Update: Building Confidence Amid Uncertainty, 7/2019, p. 18; IMF, Fifth Review under the Extended Credit Facility Arrangement and Request for Modification of Performance Criteria, 5/15/2019, p. 24; SIGAR, Quarterly Report to the United States Congress, 1/30/2019, pp. 150, 152; UNODC, Afghanistan Opium Survey 2018: Cultivation and Production, 11/2018, pp. 5, 8; NSIA, “Growth-Rate-of-GDP” 6/10/2019; NSIA, Afghanistan Statistical Yearbook 2018–19, 7/2019, posted to the NSIA website 11/2019, ii; UNODC, Afghanistan Opium Survey 2017: Cultivation and Production, 11/2018, p. 40; World Bank, Conflict and the Composition of Economic Activity in Afghanistan, 3/2020, pp. 12, 19.

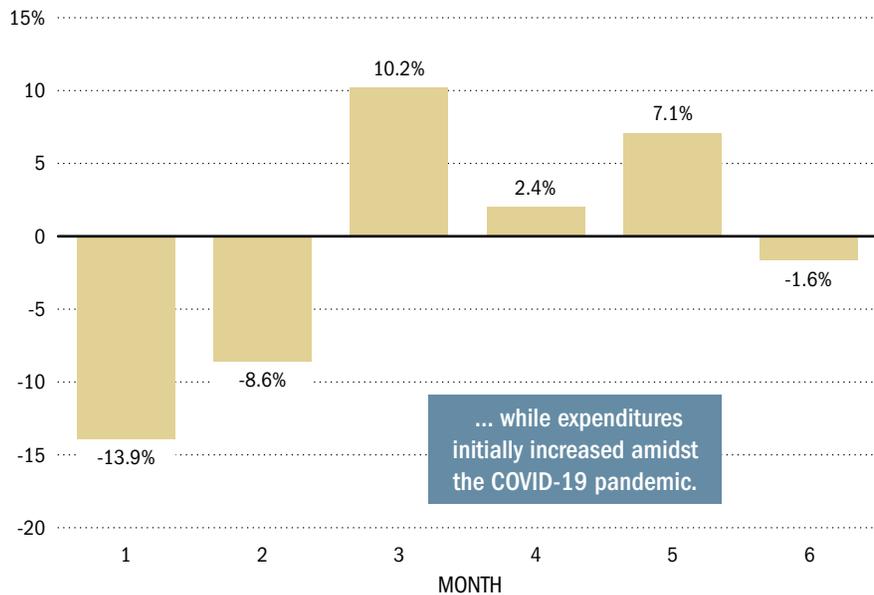
FIGURE 3.38

## CUMULATIVE SUSTAINABLE REVENUE GAINS (FY 1398-1399) VERSUS SAME MONTH PRIOR YEAR



Source: SIGAR analysis of MOF-provided AFMIS data exported 7/11/2020; SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020.

## CUMULATIVE EXPENDITURE INCREASES (FY 1398-1399) VERSUS SAME MONTH PRIOR YEAR



Source: SIGAR analysis of MOF-provided AFMIS data exported 7/13/2020; SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020.

## Fiscal Update: Revenues Contract Substantially, Driven by Decline in Customs

Afghanistan's sustainable domestic revenues contracted by 23.4% in the first two quarters of 2020 as compared to the same period in the previous year, reflecting further fallout from the pandemic.<sup>578</sup> According to State, the Afghan government expects tax revenue to contract by \$715 million to \$1.99 billion in 2020, 26% shy of the \$2.7 billion in revenues that were projected before the emergence of COVID-19.<sup>579</sup> Beginning in March 2020, customs revenues dropped “to close to zero for several months,” State said.<sup>580</sup>

Among revenue categories, customs revenues—on which the Afghan government relies for approximately one-fifth of its domestically generated income—are uniquely vulnerable to border closures. Pakistan, one of Afghanistan's key trading partners, closed the Chaman-Spin Boldak and Torkham border crossings with Afghanistan in March 2020 in an attempt to contain the spread of COVID-19.<sup>581</sup> As a result, customs revenues dropped by 54.2% from Month 3 (February 20–March 19, 2020) to Month 4 (March 20–April 19, 2020) of the Afghan fiscal year, according to publicly available data from the Afghanistan Revenue Department. Although customs revenues rebounded in Month 5 (April 20–May 20, 2020), the cumulative gap compared to prior-year revenues continued to widen. At Month 6 (May 21–June 20, 2020), the aggregate year-on-year decline was 31.6%.<sup>582</sup>

As of May 15, 2020, Pakistan increased the numbers of days the border was open to commercial traffic to six days a week, according to State.<sup>583</sup> More recently, the Pakistani and Afghan governments had coordinated to allow five border crossings to reopen to commercial traffic on a regular schedule, as of July 12, 2020.<sup>584</sup> Consequently, it is possible that customs revenues may recover somewhat over the second half of the year (though much uncertainty remains especially with traders reporting corruption and delays at the border).<sup>585</sup> Figure 3.38 shows cumulative sustainable revenue gains through Month 6 of FY 1399. Expenditures over the first six months of 2020 (also presented in Figure 3.38), meanwhile, decreased overall by 1.6%, in part due to restricted government activity during the lockdown, according to the MOF.<sup>586</sup>

## ECONOMIC GROWTH

Through its current strategy, USAID is seeking to accelerate export-led growth by providing support to Afghanistan's private sector.<sup>587</sup> Specifically, the strategy aims to:<sup>588</sup>

- strengthen trade connections between Afghanistan and neighboring countries
- increase the competitiveness of Afghan private industry by supporting export-ready firms
- create jobs via that firm-level support and by improving the enabling environment for businesses



**An Afghan man** sells cameras at Kabul bazaar. (SIGAR photo by Adam Bonfanti)

## Treasury Provides USAID with Final Report on Financial-Sector Technical Assistance

Last quarter, SIGAR reported that Treasury had not yet provided a final project-performance report required by an interagency agreement with USAID through which Treasury provided technical assistance to Afghanistan’s financial sector. This quarter, Treasury informed SIGAR it had provided the report to USAID on April 13, 2020. Treasury also provided SIGAR with a copy of the report.

The final project report described Treasury’s efforts to increase the Afghan government’s public financial-management capacity through training on how to better project future expenditures. It also described Treasury’s technical assistance to Afghanistan’s central bank (DAB) for improving DAB’s ability to supervise and oversee Afghanistan’s financial sector.

SIGAR was particularly interested to understand what metrics Treasury had used to assess progress in building up Afghan government capacity in these areas. According to USAID, the metrics against which USAID and Treasury tracked progress were the “number of meetings and number of trainings with Treasury’s [Afghan] counterparts.”

In the final project report, Treasury indicated that “timely workshops” and “opinions valued by [the Ministry of Finance]” were metrics used to assess progress against objectives. While Treasury said it used additional measures—such as actual Afghan government “adoption and implementation” of improved budgeting techniques—SIGAR could not verify, judging by the report, whether such progress had actually been achieved and, if so, the extent to which Treasury’s technical assistance played a role.

Source: SIGAR, communication with Treasury official, 5/27/2020; Treasury, OTA, “USAID-OTA IAA Afghanistan Final Report,” 4/13/2020, p. 1; USAID, OEG, response to SIGAR data call, 3/18/2020.

However, given current obstacles, tightening trade connections, increasing Afghanistan’s licit exports, and creating jobs may not be possible within the timeframe set by USAID’s strategy (which covers development support through 2023).<sup>589</sup> Afghanistan’s economy is likely to face a significant contraction this year.<sup>590</sup> Even before the pandemic took hold, licit economic growth was too low vis-à-vis Afghanistan’s population growth to reduce poverty and improve living standards for most Afghans.<sup>591</sup> Moreover, licit export levels stagnated in 2019, even though the Afghan government covers a majority of transit costs for exports via air freight in subsidized air corridors to incentivize trade within the region.<sup>592</sup> Although the full effects of COVID-19 have not yet been felt, the IMF projected that unemployment and poverty would rise in 2020.<sup>593</sup>

USAID’s active economic-growth programs—which have included technical assistance to the mining and financial sectors, recent developments within which are discussed in this section—have a total estimated cost of \$331 million and can be found in Table 3.18.

# ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.18

<b>USAID ACTIVE ECONOMIC-GROWTH PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 7/9/2020</b>
Afghanistan Competitiveness of Export-Oriented Businesses Activity (ACEBA)	1/28/2020	1/27/2025	\$105,722,822	\$1,052,156
Women in Economy (WIE)	7/1/2015	8/31/2020	71,571,543	68,166,610
Multi-Dimensional Legal Economic Reform Assistance (MELRA)	2/7/2018	9/30/2024	29,990,258	3,371,197
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	7,016,783
Commercial Law Development Program (CLDP)	3/1/2014	9/29/2020	17,864,283	12,826,970
INVEST	9/28/2017	9/27/2020	15,000,000	6,811,649
Afghanistan Investment Climate Reform Program (AICR)	3/27/2015	3/26/2022	13,300,000	6,851,149
Carpet and Jewelry Value Chains	1/31/2019	4/30/2023	9,941,606	2,402,755
The Goldozi Project	4/5/2018	4/4/2022	9,718,763	4,087,713
Livelihood Advancement for Marginalized Population (LAMP)	8/1/2018	7/31/2022	9,491,153	1,915,464
Establishing Kabul Carpet Export Center (KCEC)	6/6/2018	6/5/2021	9,416,507	4,659,066
Recycling Plant Value Chain in Northern Afghanistan	6/5/2019	6/4/2023	7,250,000	520,278
Trade Show Support (TSS) Activity	6/7/2018	12/6/2020	6,921,728	6,197,800
Development Credit Authority (DCA) with Ghazanfar Bank	9/1/2018	8/30/2025	2,163,000	40,015
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	142,100
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	732
<b>Total</b>			<b>\$331,201,689</b>	<b>\$126,583,238</b>

Source: USAID, response to SIGAR data call, 7/12/2020.

## Mahmoud Karzai Appointed Minister Despite Alleged Involvement in Kabul Bank Crisis

On June 1, 2020, President Ghani appointed Mahmoud Karzai—the brother of former Afghan President Hamid Karzai—as the new Acting Minister of Urban Development and Land.<sup>594</sup> Karzai is a former investor in the now-defunct, but still infamous, Kabul Bank, which nearly collapsed in 2010 after almost \$1 billion was stolen by a group of politically connected executives and shareholders.<sup>595</sup> Orchestrated by Kabul Bank chairman Sher Khan Farnood and head of security turned chief executive officer Khalilullah Ferozi, the scheme involved money laundering and fraudulent lending.<sup>596</sup> Funds flowed to shareholders, such as Karzai, through the loans or via inflated or falsified asset purchases.<sup>597</sup> The crimes stressed the still incipient formal Afghan financial system, resulting in a \$500 million run on Kabul

**In a list of new Afghan government appointments provided to SIGAR this quarter, State explicitly referred to Acting Minister of Urban Development and Housing Mahmoud Karzai as a “shareholder of Kabul Bank.”**

Source: State, SCA, response to SIGAR data call, 6/18/2020.

Bank and eventually an \$825 million bailout (an amount equivalent to approximately 5–6% of the country’s GDP at the time).<sup>598</sup>

Karzai, who for a time was reportedly allowed to live in one of Farnood’s Dubai villas, maintains his innocence.<sup>599</sup> He claimed he was offered a 7.5% share in Kabul Bank in 2007, purchased the shares with a \$6 million loan from Farnood, but had no knowledge of the fraud and embezzlement.<sup>600</sup> The same year, Karzai founded a cement business using additional loans from the bank.<sup>601</sup> In November 2019, investigative reporting from the London-based Bureau of Investigative Journalism based on leaked property data revealed that Karzai owned luxury property in Dubai (not an indication of wrongdoing in itself).<sup>602</sup> Records from the Kabul Bank Receivership, established to manage the bank’s bad assets, show that Karzai had paid back all but \$585,537 of \$13.0 million owed, as of December 2019.<sup>603</sup> The remaining balance has been in dispute.<sup>604</sup>

Overall, \$587.5 million—59.5% of the \$987.0 million total amount of stolen funds—remains unrecovered by the Afghan government.<sup>605</sup> Hope rose that the government would compel additional payments after President Ghani first took office in September 2014.<sup>606</sup> A presidential decree issued two days after he was sworn in purported to address all remaining aspects of the case,<sup>607</sup> although, little progress has been made since.<sup>608</sup>

## Mining Equipment of Guernsey-Based Firm Could be in Taliban Hands

The mining equipment of CENTAR Ltd., a Guernsey-based company whose contracts for large-scale gold and copper concessions were recently canceled by the Afghan government, may be in the hands of the Taliban, according to the *Financial Times*.<sup>609</sup> “The Taliban have established their own ministry of mining in Qatar, with their own people on the ground collecting revenues and operating mines nationally, which has led to a profitable mining industry of which our mine in Badakhshan [Province] is a great success,” CENTAR founder and former UK Special Air Services officer Ian Hannam said in a colorful letter to CENTAR shareholders quoted in the *Financial Times*.<sup>610</sup>

The contracts for the Badakhshan gold and Balkhab copper concessions were signed at a ceremony at the Afghan Embassy in Washington, DC, in the fall of 2018.<sup>611</sup> At the time, some claimed the contracts resulted from pressure applied to the Afghan government by the Trump administration.<sup>612</sup> According to the *Financial Times*, CENTAR did initiate a lobbying campaign targeting both the U.S. and Afghan governments.<sup>613</sup> However, according to the Afghanistan Compact—a reform-tracking device containing economic benchmarks (among others) mutually agreed upon by the U.S. and Afghanistan—the Afghan government had committed merely to “approve, reject, [or] retender the then-stalled contracts.”<sup>614</sup>

The signed contracts—finally moving after a seven-year delay—seemed to revive long-held hopes that Afghanistan’s extractives sector could be leveraged for the country’s economic development.<sup>615</sup> But controversy soon followed.<sup>616</sup> Civil society organizations, concerned about corruption in Afghanistan’s mining sector, contended the contracts had been awarded illegally, due to the involvement of former Minister of Housing and Urban Development Sadat Naderi, whose firm held the mining license.<sup>617</sup>

Documented Western interest in Afghan minerals extends back more than 200 years. As early as 1808, surveyors from Britain’s armed, quasigovernmental East India Company “scrambled through Afghanistan attempting to exploit its riches ahead of their Russian competitors.”<sup>618</sup> In 2010, the U.S. government estimated the value of the country’s extractives sector at more than \$1 trillion.<sup>619</sup> Yet, as in other areas of reconstruction, efforts to develop extractives have been hindered by unrealistic implementation timelines and inflated expectations, sometimes shaped by overestimation of the Afghan government’s ability to provide critical enabling support.<sup>620</sup>

## AGRICULTURE

Licit agriculture remains the base of Afghanistan’s formal economy. The sector directly employs approximately 40% of Afghanistan’s labor force and directly or indirectly supports an estimated 80% of the total population.<sup>621</sup> While the agricultural industry’s importance has diminished somewhat since the outset of reconstruction due to the rise of the country’s service sector, it remains an important driver of GDP growth.<sup>622</sup>

Because of its economic significance, developing Afghanistan’s agricultural sector has long been a priority for donors. In a strategic document published in 2002, USAID said agriculture was a “cornerstone of recovery and a pillar of reconstruction for a sustainable future.”<sup>623</sup> Even today, the agency’s strategy says, “Agriculture, the biggest driver of the Afghan economy, presents major opportunities for job creation, poverty reduction, and economic growth.”<sup>624</sup>

While donors continue to support the development of licit Afghan agriculture, illicit opium-poppy cultivation thrives. According to the Afghanistan Research and Evaluation Unit, a Kabul-based think tank, as many as 507,000 Afghans worked in the opium economy in 2018, including indirect employment, making the drug trade one of Afghanistan’s largest employers.<sup>625</sup>

Since 2002, USAID has disbursed over \$2.3 billion to improve licit agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production.<sup>626</sup> USAID’s active agriculture programs have a total estimated cost of \$390 million and can be found in Table 3.19. Total disbursements for State’s active alternative-livelihood projects (Table 3.20)—which aim to transition opium-poppy farmers into licit agriculture—were \$79 million, as of June 17, 2020.

# ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.19

<b>USAID ACTIVE AGRICULTURE PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 7/9/2020</b>
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	\$87,905,437	\$30,717,548
Commercial Horticulture and Agriculture Marketing Program (CHAMP)	2/1/2010	1/31/2020	71,292,850	71,285,455
Afghanistan Value Chains—Livestock	6/9/2018	6/8/2021	55,672,170	15,476,686
Afghanistan Value Chains—High-Value Crops	8/2/2018	8/1/2023	54,958,860	13,787,319
Agricultural Marketing Program (AMP)	1/28/2020	1/27/2023	30,000,000	1,359,301
Regional Agriculture Development Program-East (RADP East)	7/21/2016	7/20/2021	28,126,111	18,220,200
Grain Research and Innovation (GRAIN)	11/8/2012	9/30/2022	19,500,000	10,273,530
Promoting Value Chain—West	9/20/2017	9/19/2020	19,000,000	13,900,963
Catalyzing Afghan Agricultural Innovation	5/28/2018	5/27/2023	8,000,000	2,887,581
SERVIR	10/1/2015	9/30/2020	3,100,000	2,367,493
USDA PAPA	09/30/2016	9/29/2021	12,567,804	0
<b>Total</b>			<b>\$390,123,232</b>	<b>\$180,276,077</b>

Note: CHAMP is the only project USAID continues to code as an alternative-development intervention in its financial data. All other projects are coded as agricultural interventions.

Source: USAID, response to SIGAR data call, 7/12/2020.

TABLE 3.20

<b>STATE-INL ACTIVE ALTERNATIVE-DEVELOPMENT PROJECTS</b>			
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Obligated and Disbursed, Cumulative, as of 6/17/2020</b>
Community-Based Agriculture and Alternative Development-West (CBARD-West)	9/1/2016	4/30/22	\$24,368,607
Community-Based Agriculture and Alternative Development-East (CBARD-East)	11/11/17	4/30/22	22,128,683
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)	8/12/16	8/12/20	20,000,000
Community-Based Agriculture and Alternative Development-Access to International Markets (CBARD-AIM)	7/30/19	4/30/23	8,900,000
Monitoring and Impact Assessment of High-Value Agricultural Based Interventions	8/30/16	11/10/20	3,810,530
<b>Total</b>			<b>\$79,207,820</b>

Source: State, INL, response to SIGAR data call, 6/17/2020.

## Major Activities of USAID's SWIM Project Continue Despite Pandemic

USAID's five-year, \$57 million Strengthening Watershed and Irrigation Management (SWIM) project saw some training and meetings delayed as a result of COVID-19, implementer DT Global said in its latest quarterly report (January through March 2020).<sup>627</sup> However, canal-rehabilitation efforts were "ongoing and for the most part on schedule," DT Global added.<sup>628</sup> Operating in six provinces in northern Afghanistan, SWIM has several components.<sup>629</sup>

The project aims to increase the sustainability and production of agricultural water use: rehabbing irrigation canals and watersheds; strengthening Afghanistan’s regulatory framework for water use; and building the capacity of local entities to better manage water resources.<sup>630</sup>

Specifically, among other effects of COVID-19, DT Global was forced to postpone water evaluation and planning training that was intended to serve as a platform for reviewing catchment data (that is, information about areas from which rainfall flows into rivers) for different locations of the Kunduz river basin.<sup>631</sup> However, irrigation-rehabilitation delays reported by DT Global did not appear to be related to the pandemic. For example, cold weather and severe rain delayed work on canals in the Choghai and Joy Zendam areas of Samangan Province for 54 days and 50 days, respectively.<sup>632</sup> Nevertheless, rehabilitation progress on the canals sped up after subcontractors marshalled additional labor and arranged for longer working hours.<sup>633</sup>

## INFRASTRUCTURE AND ESSENTIAL SERVICES

A major goal of the U.S.-led reconstruction effort has been to provide Afghanistan with a physical infrastructure base. Since 2002, the U.S. has built electricity infrastructure, bridges and roads, and education and health facilities.<sup>634</sup> USAID alone has disbursed more than \$4.4 billion for infrastructure projects.<sup>635</sup>

In more recent years, however, the U.S. reconstruction focus has shifted away from large capital projects like road construction. Several high-dollar-value projects are still being implemented, but there are presently no plans to bilaterally underwrite any new major infrastructure, according to State.<sup>636</sup> Below, SIGAR provides an update on remaining U.S.-funded power-infrastructure projects.

### U.S. Efforts to Expand Afghanistan’s Power Grid

A top U.S. development priority has been to build out and improve Afghanistan’s two major power grids, which are currently “islanded,” or unconnected. Specifically, DOD and USAID have been working to connect the country’s **Northeast Power System (NEPS)** with its southeastern counterpart, the **Southeast Power System (SEPS)**.<sup>637</sup> A 470-kilometer transmission line constructed by USAID will eventually link them.<sup>638</sup> The fragmented nature of Afghanistan’s power sector presents a number of technical challenges to establishing this link, such as synchronization. Islanded power grids rely on different supply sources, including imported power, and therefore generate electricity at different speeds and frequencies. Da Afghanistan Breshna Sherkat (DABS)—Afghanistan’s national power utility—is responsible for working with neighboring countries to match (or synchronize) imported power with domestically generated power

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**NEPS:** imports electricity from Central Asia to provide power to Kabul and the communities north of Kabul.

**SEPS:** draws most of its power from the Kajaki Dam and from diesel generators in Kandahar City to provide power in the Helmand and Kandahar areas.

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Source: DOD, Report on Progress Toward Security and Stability in Afghanistan, 11/2013, p. 107.

## SIGAR OVERSIGHT OF AFGHANISTAN'S ENERGY SECTOR

Given the U.S. government's significant investment in Afghanistan's energy sector and the importance of available, reliable power to support the overall success of the reconstruction effort, SIGAR has focused a considerable portion of its oversight portfolio on projects and programs in the sector. SIGAR is currently performing an audit to examine the entirety of the U.S. investment in the Afghan energy sector, including efforts to improve generation, transmission, and distribution. Additionally, SIGAR has a number of ongoing inspections of key energy infrastructure projects to examine whether construction was completed in accordance with requirements and whether the constructed infrastructure is being used as intended and maintained.

before electricity can safely flow from NEPS to SEPS once the connection is established.<sup>639</sup>

During the high-water mark of the Afghanistan intervention (roughly 2010–2012), DOD and State justified the development of Afghanistan's power sector based on the U.S. government's counterinsurgency (COIN) strategy. Applying COIN doctrine meant trying to contain the Taliban insurgency by addressing its presumed root causes. Confidence in the Afghan government would grow as the government demonstrated it could provide essential services (such as electricity), the thinking went. Popular confidence would translate into support for the Afghan government—and thereby, under a zero-sum paradigm, reduce support to the insurgency.<sup>640</sup>

The proportion of Afghans with access to grid-based electricity rose from less than 6% in 2002 to over 30% in early 2019, according to USAID.<sup>641</sup> However, it is unclear whether this improvement contributed to COIN outcomes: A 2017 SIGAR audit that examined a subset of infrastructure projects funded by Fiscal Year (FY) 2011 monies found that U.S. agencies had not assessed whether the projects had achieved their COIN objectives.<sup>642</sup> Although USAID plans to conduct an assessment to better understand how electricity access and socioeconomic conditions improved as a result of its investment in power-infrastructure, it will not examine COIN-related outcomes.<sup>643</sup>

Currently, agencies claim their remaining efforts to bolster Afghanistan's power sector will contribute to Afghanistan's economic development.<sup>644</sup> Still, USAID links the projects to stability when it says that all development objectives articulated in its current strategy “address the security and development challenges that have made Afghanistan a safe haven for terrorists and violent extremist organizations and have driven the conflict with the Taliban.”<sup>645</sup>

### Some Remaining USAID Power-Infrastructure Projects Face Delays

USAID has five ongoing power-infrastructure projects; DOD's projects are complete. Current USAID projects include the construction of:<sup>646</sup>

- a transmission line between Ghazni and Kandahar Provinces (21.7% complete, with an expected completion date of December 31, 2020)
- substations along the transmission line from Ghazni to Kandahar (expected completion date of July 30, 2023, but still in the design phase)
- transmission lines and substations in SEPS (expected completion date of July 30, 2023, but still in the design phase, which was delayed this quarter due to COVID-19 lockdowns in India, USAID said)
- a wind farm in Herat Province (no completion date established, but at least two years away)

# ECONOMIC AND SOCIAL DEVELOPMENT

- a floating solar power plant to be constructed on the Naghlu Dam Reservoir in Kabul Province (no completion date established, but at least one-and-a-half years away)

Three of USAID’s five active projects are delayed.<sup>647</sup> The transmission line and substations between Ghazni and Kandahar were originally supposed to be complete by the end of 2016—putting them more than three-and-a-half years behind schedule.<sup>648</sup> USAID’s work on SEPS evolved from a separate contract that was originally supposed to be complete by November 2013—now more than six-and-a-half years behind schedule.<sup>649</sup> This quarter, USAID finally completed the Salang substation, located near a strategic pass between Baghlan and Parwan Provinces.<sup>650</sup> Only contract-closeout activities remain.<sup>651</sup> Like the Ghazni-to-Kandahar transmission lines and substations, the Salang substation was more than three years behind schedule.<sup>652</sup>

Cumulatively, USAID has disbursed more than \$1.9 billion since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector.<sup>653</sup> USAID’s active power-infrastructure projects have a total estimated cost of \$828 million and are presented in Table 3.21.

TABLE 3.21

USAID ACTIVE ENERGY PROJECTS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/9/2020
Power Transmission Expansion and Connectivity (PTEC)	1/1/2013	12/31/2023	\$316,713,724	\$262,427,145
SEPS Completion and NEPS-SEPS Connector Substations	7/3/2019	7/30/2023	159,794,733	39,551,606
Contribution to AITF (Afghanistan Infrastructure Trust Fund)	3/7/2013	3/6/2023	153,670,184	153,670,184
Engineering Support Program	7/23/2016	1/22/2020	125,000,000	79,534,193
25 MW Wind Farm in Herat Province	10/22/2019	12/24/2021	22,994,029	0
Design and Acquisition of SEPS Completion and NEPS-SEPS Connector	3/7/2018	6/27/2022	20,151,240	3,994,795
20 MW Floating Solar Installation–Naghlu	1/27/2020	7/26/2021	16,100,000	0
Kandahar Solar Project (10MW solar photovoltaic plant in Kandahar City)	2/23/2017	12/29/2019	10,000,000	10,000,000
Spare Parts for Tarakhil Power Plant	8/14/2019	8/31/2020	2,136,850	1,849,965
Energy Loss Management Visualization Platform Activity	1/25/2020	1/24/2022	1,579,973	0
<b>Total</b>			<b>\$828,140,733</b>	<b>\$551,027,888</b>

Source: USAID, response to SIGAR data call, 7/12/2020.



**The USAID-supported 10 MW solar power Plant** in Kandahar Province. (USAID photo)

## **Involving Private Sector in Afghan Energy is a Bet on Continued Donor Funding**

Donors have presented their efforts to attract private investment in Afghanistan’s energy sector as a push towards sustainability. But even if they succeed in finding some private investors, these projects may continue to rely indirectly on international largesse.

In their efforts to develop Afghanistan’s power sector, USAID and other donors are attempting to pivot away from large capital projects—like transmission-line construction—and towards incentivizing private-sector involvement.<sup>654</sup> For example, USAID is subsidizing the upfront costs of independent power producers (IPPs) who wish to construct power plants, thereby making such investments more attractive for the private sector.<sup>655</sup> Similarly, the Asian Development Bank (ADB) announced this quarter that it had signed a \$10 million loan with a private firm—the Afghan Power Plant Company Limited (APPC)—to construct and subsequently operate a 58.6 megawatt (MW) gas-fired power plant near the city of Mazar-e Sharif in northern Afghanistan.<sup>656</sup>

Such projects are introduced with great fanfare. In announcing the \$10 million loan—a virtually immaterial amount compared to ADB’s overall \$2.2 billion energy-sector portfolio in Afghanistan—an ADB official said the apparently inevitable success of the power plant “will send an important signal to the market that Afghanistan’s power industry is now ready to attract more private sector investment and financing.”<sup>657</sup> Likewise, a USAID press release describing the groundbreaking ceremony for a 10 MW solar-power plant that received a \$10 million construction subsidy from USAID called the plant a “landmark infrastructure project.”<sup>658</sup>

Beneath this rhetoric, though, the pivot to encouraging more private investment in Afghanistan’s power sector involves numerous challenges. First, it will be a long time before such a pivot is fully actualized. As explained earlier in this section, USAID is still struggling to complete several large capital projects involving the construction of transmission lines and substations—legacy projects underpinned by the assumption that the best way to expand electricity access in Afghanistan was to build a nationwide power grid.<sup>659</sup> Likewise, ADB is still funding, or has pledged to fund, extremely ambitious transnational power-infrastructure projects.<sup>660</sup> ADB’s initiatives, for example, include the Turkmenistan, Uzbekistan, Tajikistan, Afghanistan, and Pakistan (TUTAP) project, which aims to leverage Afghanistan’s geographical location between Central Asia and Pakistan to export excess electricity from the former to the latter.<sup>661</sup>

An additional and more vexing challenge is that the commercial viability of these projects is ultimately contingent on power-purchase agreements struck between the IPPs and DABS. A typical agreement involves a commitment from DABS to purchase electricity from an IPP at a set rate schedule for a number of years.<sup>662</sup> The IPPs make money as they sell electricity to

DABS. Profit from electricity sales allows the IPPs to recover their share of upfront construction costs as well as steady-state operations and maintenance expenditures.

Thus, whether the projects will ultimately be profitable for the private sector and successful for Afghanistan in the long run depends on DABS' ability to purchase electricity.<sup>663</sup> That in turn hinges on DABS' financial sustainability and, because DABS is nationalized, the financial sustainability of the Afghan government.<sup>664</sup> As the World Bank said about the aforementioned gas-fired power plant project co-financed by ADB's \$10 million loan, "The cost of gas is the responsibility of the electricity off-taker (DABS) and by extension the [Government of Afghanistan]."<sup>665</sup>

This is where things get tricky. The Afghan government continues to face "substantial constraints to fiscal sustainability," according to the World Bank.<sup>666</sup> Donors currently finance more than half the Afghan government budget and 75% of total public expenditures.<sup>667</sup> The result is that donors pay for at least half of a government that in turn owns the national electricity utility purchasing the power from the IPPs. Ultimately, therefore, unless the Afghan government is able to mobilize sustainable sources of domestic revenue, including more effective DABS billing for its electricity sales, donor efforts in Afghanistan's energy sector that are overtly bets on the private sector are in reality a collective bet on donors themselves.

## EDUCATION

Progress in Afghanistan's education sector has been held up as a significant achievement since the U.S.-led intervention of 2001.<sup>668</sup> Millions more Afghan children are in school today compared to the number under the Taliban, which generally banned girls from attending.<sup>669</sup> But poor data quality makes it difficult to determine fully the extent of success. Figures for the number of children and youth in school vary widely.<sup>670</sup> Additionally, Afghanistan's Ministry of Education (MOE) counts students who have been absent for up to three years as still enrolled, in the belief that they may reenter school.<sup>671</sup> While this may be a reasonable policy given the desire to mitigate barriers for children who wish to return to school, it means that enrollment data cannot be used as a close proxy for attendance.<sup>672</sup>

Currently, USAID aims to increase access to, and improve the quality of, basic education for children while also building management capacity at the MOE.<sup>673</sup> USAID's strategy advances the theory that advancing the education sector will spur greater confidence in the Afghan government, ultimately making the country more stable.<sup>674</sup> However, the Taliban has reportedly co-opted Afghan government-run education services in areas under their control.<sup>675</sup>

An additional justification for USAID's current education projects is to increase Afghanistan's self-reliance.<sup>676</sup> A better-educated workforce could



**Afghan students** participate in community schooling, which helps Afghan youth with limited access to formal schools receive an education. (USAID photo)

theoretically contribute to long-term sustainable economic growth.<sup>677</sup> Moreover, increasing access to education in Afghanistan may be a worthy goal unto itself, as a commonly held view is that education is a fundamental human right.<sup>678</sup> Nevertheless, there are concerns with the sustainability of a nation-wide education system established and supported through donor funds, given the many challenges the Afghan government currently faces to becoming a self-financing state.<sup>679</sup> Complicating matters, according to the World Bank, population growth of approximately 2.3% per year could necessitate increases in public-expenditures to maintain service delivery,<sup>680</sup> with investments in education potentially taking years to contribute to positive economic growth.

Setting aside the end-goals of USAID's investments in Afghanistan's education sector, the country has struggled to improve its education outcomes in recent years. Attendance rates of primary-school age children did not improve between two comprehensive surveys conducted by Afghanistan's statistical authority (NSIA) in 2011–2012 and 2016–2017. "This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country," the NSIA commented.<sup>681</sup>

Moreover, given continuing violence that often makes it difficult for children to physically travel to school—and wariness on the part of parents who may not want to send them in areas where the risk of harm is high—stagnation (and possibly deterioration) of education-sector indicators may have been even greater, but for continued donor funding.<sup>682</sup> Thus, while donors may have been unable to bolster education outcomes from 2011–2012 and 2016–2017, continued commitment to Afghanistan's education sector may have at least held them constant.<sup>683</sup>

TABLE 3.22

<b>USAID ACTIVE EDUCATION PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 7/9/2020</b>
Support to the American University of Afghanistan (AUAF)	8/1/2013	8/31/2020	\$90,681,844	\$80,254,987
Increasing Access to Basic Education and Gender Equality	9/17/2014	6/30/2020	77,402,457	77,402,457
Afghan Children Read (ACR)	4/4/2016	4/3/2021	69,547,810	48,169,788
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2020	44,835,920	39,392,473
Textbook Printing and Distribution II	9/15/2017	12/31/2020	35,000,000	0
Let Girls Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	25,000,000
Capacity-Building Activity at the Ministry of Education	2/1/2017	1/31/2022	23,212,618	17,413,626
Financial and Business Management Activity	7/5/2017	10/31/2020	4,384,058	3,735,749
<b>Total</b>			<b>\$370,064,707</b>	<b>\$291,369,079</b>

Source: USAID, response to SIGAR data call, 7/12/2020.

Since 2002, USAID has disbursed more than \$1.1 billion for education programs in Afghanistan, as of July 9, 2020.<sup>684</sup> The agency's active education programs have a total estimated cost of \$370 million and can be found in Table 3.22.

## School Closures Present Challenges for Education Outcomes

On March 14, 2020, the Afghan government announced it would close all schools for an initial one-month period to help stem the spread of COVID-19.<sup>685</sup> Although, at the time, the government tentatively planned to reopen the education system by April 18, this quarter the closure was extended into at least September.<sup>686</sup>

In Afghanistan, where widespread online education is not possible because of limited internet access and where traditional gender roles already limit girls' relative access to education, school closures run the risk of exacerbating existing challenges even if they help address the first-order health crisis caused by the pandemic.<sup>687</sup> In mid-June, Human Rights Watch (HRW), a nongovernmental organization that focuses on girls' education, among other issues, in Afghanistan said that although Afghan schools faced a "crisis" before the pandemic, "now things are even worse."<sup>688</sup> Prior to the spread of COVID-19, nearly 2.6 million girls were out of school, SIGAR analysis of NSIA data shows.<sup>689</sup>

Specifically, HRW raised concerns that because girls generally have less internet access, more social isolation, and greater housework burdens than boys, they may be less likely to return to school when the education system opens again.<sup>690</sup> HRW underscored that physical abuse at home and

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The practice of *bacha bazi*, or “boy play,” in which authority figures sexually abuse young boys, is widespread in Afghanistan. A SIGAR report released in January 2018 found that DOD was providing security-related training and support to certain Afghan security-force units credibly accused of being involved in child sexual assault.

the prevalence of early marriages were additional risks disproportionately faced by out-of-school girls during the pandemic.<sup>691</sup>

At the same time, school closures and other socially restrictive policies appear to significantly curtail the spread of COVID-19.<sup>692</sup> In a study published on June 8, 2020, that analyzed emergency health measures in six major countries—including Afghanistan’s neighbor Iran—UC Berkeley researchers found that restrictive policies, including school closures, may have averted approximately 530 million infections.<sup>693</sup> While the full impact of COVID-19 on Afghanistan remains uncertain, the issue of school closures underscores the difficulties inherent in balancing public health outcomes with other fundamental areas of social development.

## Two Convictions, Ten Arrests in AGO’s Investigation of Logar Sexual Abuse Scandal

The Afghanistan Attorney General’s Office’s (AGO’s) investigation into allegations that at least 165 boys were sexually abused in Logar Province continued this quarter, resulting in two convictions and one additional arrest, according to State.<sup>694</sup> The AGO made nine arrests last quarter.<sup>695</sup>

The allegations were made public by the Logar Youth, Social, and Civil Institution, which said it had discovered more than 100 videos of abuse on a Facebook page.<sup>696</sup> According to State, civil-society activists identified 59 suspected perpetrators—20 of whom have now been identified by the AGO’s investigation.<sup>697</sup> It is not clear whether these suspected perpetrators were part of a single criminal ring, State told SIGAR this quarter.<sup>698</sup>

Two activists were subsequently detained by Afghanistan’s intelligence agency, the National Directorate of Security (NDS), and coerced into confessing that their accusations were untrue.<sup>699</sup> Then-U.S. Ambassador to Afghanistan John Bass decried NDS tactics as “Soviet-style” and “appalling.” For safety reasons, both activists left the country with their families after their release.<sup>700</sup>

Perhaps because they feared for their safety, the activists neither shared their report with the MOE nor met with ministry officials, according to an MOE statement provided to donors.<sup>701</sup> To assess the truth of the allegations, a team of MOE officials visited the schools where the abuse was said to have occurred and distributed confidential questionnaires to students and teachers.<sup>702</sup> According to the MOE’s analysis of data collected, “some respondents reported [the] possibility of individuals who could have [an] inclination towards child abuse; however, no child abuse was reported.”<sup>703</sup> According to the MOE, ministry officials then requested that the AGO investigate.<sup>704</sup>

## HEALTH

Increasing caseloads resulting from the COVID-19 pandemic are significantly stretching the capacity of Afghanistan’s already limited healthcare system, State reported this quarter.<sup>705</sup> The strain comes despite efforts by health officials to increase the number of hospital beds available in provincial and district centers.<sup>706</sup> Underscoring the toll the outbreak is taking on Afghanistan’s health infrastructure, approximately 10% of Afghans who have tested positive for the virus work in the healthcare sector, according to the United Nations (UN).<sup>707</sup> Complicating matters, in some provinces such as Herat and Nangarhar, public health workers only recently received their salaries after a hiatus of several months.<sup>708</sup>

State added that the pandemic was likely to impact substantially a range of health outcomes not overtly related to COVID-19.<sup>709</sup> For example, researchers at Johns Hopkins University estimated a potential 18% increase in child mortality and a 14% increase in maternal mortality in the country as a secondary result of the virus’ prevalence.<sup>710</sup>

USAID asserts in its current strategy that advancing gains in Afghanistan’s health sector will help the country become more stable and self-reliant.<sup>711</sup> As the agency told SIGAR as it was developing the strategy in December 2017, “healthy people and health[y] communities are the bedrock of a peaceful and stable nation.”<sup>712</sup> However, there is reason to question the independent influence of public-health improvements on stability due to confounding factors and data failing to support a causal link. In fact, insecurity has risen even as health outcomes have improved. And even severely insecure areas have demonstrated progress in health service coverage, according to the World Bank.<sup>713</sup> Moreover, as the Bank summarized in a 2018 policy brief, “In the period between 2011 and 2015, there was no detectable difference in unadjusted improvements in health systems performance between facilities located in areas of low, medium, and high insecurity.”<sup>714</sup> Adjusting the analysis for potentially confounding variables did not alter “evidence of resilience to conflict,” the Bank added.<sup>715</sup> In other words, it appears that, at least in Afghanistan, better health care coexists with ongoing instability.

Additionally, some reports (unverified by SIGAR) indicate that health-care delivery in areas controlled by the insurgency may actively work against stability by reinforcing insurgent governance. Such research suggests that the Taliban co-opt Afghan government health services delivered in areas under their control, thereby bolstering their own legitimacy and authority rather than the Afghan government’s.<sup>716</sup>

U.S. on- and off-budget assistance to Afghanistan’s health sector totaled more than \$1.3 billion as of July 9, 2020.<sup>717</sup> USAID’s active health programs have a total estimated cost of \$283 million, and are listed in Table 3.23 on the following page.

### Kabul Maternity Ward Attacked

On May 12, 2020, three men of undetermined affiliation attacked a Kabul maternity ward. Dressed in ANDSF uniforms and armed with AK-47s and hand grenades, the attackers killed 24 people, including 19 women and three children. An additional 23 people were injured, including two children and one newborn. No group claimed responsibility for the incident.

The maternity ward was operated by Médecins Sans Frontiers (MSF, also known as Doctors Without Borders), which in a statement described the attack as a “deliberate assault” on its operations “with the purpose of killing mothers in cold blood.” Concerned about the possibility of further attacks, MSF announced on June 15, 2020, that it would close the maternity ward.

Source: UNAMA, Afghanistan Protection of Civilians in Armed Conflict Special Report: Attacks On Healthcare During the COVID-19 Pandemic, 6/20/2020, pp. 12–13; MSF, “They came to kill the mothers” in Kabul maternity hospital attack, 5/14/2020; Reuters, “Doctors Without Borders to close Kabul maternity clinic after attack,” 6/15/2020.

TABLE 3.23

<b>USAID ACTIVE HEALTH PROGRAMS</b>				
<b>Project Title</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost</b>	<b>Cumulative Disbursements, as of 7/9/2020</b>
Helping Mothers and Children Thrive (HEMAYAT)	1/7/2015	10/6/2020	\$66,292,151	\$60,242,137
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/11/2016	9/11/2020	57,645,037	46,667,373
Disease Early Warning System Plus (DEWS Plus)	7/1/2014	6/30/2022	54,288,615	34,588,615
Health Sector Resiliency (HSR)	9/28/2015	9/27/2020	27,634,654	23,429,554
Medicines, Technologies and Pharmaceuticals Services (MTaPS)	9/20/2018	9/20/2023	20,000,000	29,620
Challenge Tuberculosis	1/1/2015	1/31/2020	15,700,000	15,389,341
Enhancing Community Access & Utilization of Zinc and ORS for the Management of Childhood Diarrhea	7/21/2015	7/20/2020	13,000,000	13,000,000
Sustaining Health Outcomes through the Private Sector (SHOPS) Plus	10/11/2015	9/30/2020	12,500,000	10,579,393
Afghanistan Demographic and Health Survey (ADHS) Follow-On	10/9/2018	9/9/2023	10,500,000	2,000,000
Central Contraceptive Procurement (CCP)	4/20/2015	4/19/2020	2,343,773	1,350,309
Global Health Supply Chain Quality Assurance (GHSC-QA)	1/2/2015	12/31/2019	1,500,000	1,348,802
Sustaining Technical and Analytic Resources (STAR)	5/1/2018	9/30/2023	1,000,000	362,010
TB Data, Impact Assessment and Communications Hub (TB DIAH)	9/24/2018	9/24/2023	600,000	180,419
Global Health Supply Chain Management (GHSCM-PSM)	4/20/2015	4/19/2020	176,568	176,568
4 Children	9/15/2014	9/16/2019	20,000	20,000
<b>Total</b>			<b>\$283,200,798</b>	<b>\$209,364,141</b>

Source: USAID, response to SIGAR data call, 7/12/2020.

## UN Expresses Concern Regarding Attacks on Health Facilities During Pandemic

In a special report, the UN voiced “grave concern” regarding the extent of deliberate attacks against healthcare facilities and workers in Afghanistan even as the country faced the health crisis of the pandemic.<sup>718</sup> According to the UN, “both Anti-Government Elements and Pro-Government Forces were responsible for incidents that significantly undermined healthcare delivery.”<sup>719</sup>

The UN monitored attacks against health facilities and health-care workers in Afghanistan during the approximately two-and-a-half month period from March 11, 2020, (when the World Health Organization officially declared the pandemic) to May 23, 2020 (which marked the end of Ramadan and the commencement of a three-day ceasefire).<sup>720</sup> In that period, 15 incidents were documented, 12 of which were categorized as deliberate attacks and three of which were “incidental” in that parties were fighting in the vicinity of healthcare provision.<sup>721</sup> The UN attributed two-thirds (10) of the documented attacks to the Taliban.<sup>722</sup>



**USAID supported training** for agribusinesses in Afghanistan on safety measures to reduce the risks of COVID-19 transmission. (USAID photo)

## USAID's IHSAN Projects Faces Significant Disruption due to COVID-19

In a sign that the pandemic is beginning to disrupt some U.S. development programming, USAID's \$57.6 million Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) project “cancelled all planned workshops, training sessions, monitoring programs and supportive supervision visits” due to the government-imposed lockdown in Kabul, implementer Family Health International (FHI 360) said in a semiannual report finalized this quarter.<sup>723</sup> IHSAN aims to assist the Afghan government, civil society organizations, and the private sector to implement and scale hygiene and nutrition interventions in order to improve the health of women and young children.<sup>724</sup>

Prior to the pandemic, USAID had already decided to move up IHSAN's project end date by eight months from May 11, 2021, to September 11, 2020, and reduce its budget from \$75.5 million to \$57.6 million as part of a transition to the new National Health Technical Assistance Program and Urban Health Initiative.<sup>725</sup> When the pandemic struck, COVID-19 forced IHSAN to cancel “train-the-trainer” sessions intended to promote and support breastfeeding at hospitals across 24 provinces.<sup>726</sup> At the same time, IHSAN adjusted some of its programming to directly address the pandemic. For example, project implementers provided a COVID-19 “orientation session” for Afghan government public health officials.<sup>727</sup> Overall, the pandemic had a “major impact” on IHSAN operations across Afghanistan, FHI 360 wrote in its semiannual project report.<sup>728</sup> The pandemic's effects on IHSAN are emblematic of broader ramifications for USAID health programs in Afghanistan as they have been adjusted to address COVID-19 directly, mitigate the secondary impact of the virus, and protect project staff, according to USAID.<sup>729</sup>



# 4 OTHER AGENCY OVERSIGHT



# OTHER AGENCY OVERSIGHT CONTENTS

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<b>Ongoing Oversight Activities</b>	<b>166</b>

**Photo on previous page**

A civilian contractor at Bagram Air Field loads COVID-19 test kits onto a helicopter for shipment to forward bases in Afghanistan. (U.S. Army photo by Sgt. Briaira Tolbert)

## OTHER AGENCY OVERSIGHT

SIGAR's enabling legislation requires it to keep the Secretary of State and the Secretary of Defense fully informed about problems relating to the administration of Afghanistan reconstruction programs, and to submit a report to Congress on SIGAR's oversight work and on the status of the U.S. reconstruction effort no later than 30 days after the end of each fiscal quarter. The statute also instructs SIGAR to include, to the extent possible, relevant matters from the end of the quarter up to the submission date of its report.

Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section compiles these updates. Copies of completed reports are posted on the agencies' respective public websites.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full names; standardized capitalization, punctuation, and preferred spellings; and third-person instead of first-person construction.

These agencies perform oversight activities in Afghanistan and provide results to SIGAR:

- Department of Defense Office of Inspector General (DOD OIG)
- Department of State Office of Inspector General (State OIG)
- Government Accountability Office (GAO)
- U.S. Army Audit Agency (USAAA)
- U.S. Agency for International Development Office of Inspector General (USAID OIG)

# OTHER AGENCY OVERSIGHT

## COMPLETED OVERSIGHT ACTIVITIES

Table 4.1 lists the 13 oversight reports related to Afghanistan reconstruction that participating agencies completed this quarter.

TABLE 4.1

RECENTLY COMPLETED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF JUNE 30, 2020			
Agency	Report Number	Date Issued	Report Title
DOD OIG	DODIG-2020-096	6/24/2020	Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan
DOD OIG	DODIG-2020-094	6/18/2020	Audit of Army Contracting Command-Afghanistan's Award and Administration of Contracts
State OIG	AUD-MERO-20-26	4/22/2020	Audit of Global Engagement Center Federal Assistance Award Management and Monitoring
State OIG	AUD-MERO-20-34	6/8/2020	Management Assistance Report: Quarterly Reporting Involving the Afghan Special Immigrant Visa Program Needs Improvement to Fully Comply with Congressional Requirements
State OIG	AUD-MERO-20-35	6/16/2020	Review of the Afghan Special Immigrant Visa Program
GAO	GAO-20-226SU	6/5/2020	Security Force Assistance: Army Has Made Progress Developing New Advisor Brigades, but Actions Are Needed to Better Equip and Train Them for Future Deployments
USAID OIG	8-306-20-32-N	6/30/2020	NFA Audit of Fund Accountability Statement of Blumont Global Development Inc.
USAID OIG	8-306-20-036-N	6/30/2020	NFA Financial Audit of Costs Incurred by DT Global Inc.
USAID OIG	8-306-20-034-N	6/30/2020	NFA Audit of Fund Accountability Statement of the American University of Afghanistan (AUAF)
USAID OIG	8-306-20-038-N	6/30/2020	NFA Financial Audit of Costs Incurred by JHPIEGO Corporation Inc.
USAID OIG	8-306-20-30-N	6/15/2020	NFA Audit of Fund Accountability Statement of Internews Network Inc.
USAID OIG	8-306-20-028-N	6/8/2020	NFA Audit of Fund Accountability Statement of Counterpart International Inc.
USAID OIG	8-306-20-027-N	5/21/2020	NFA Closeout Audit of the Fund Accountability Statement of Checchi and Company Consulting Inc.

Source: DOD OIG, response to SIGAR data call, 6/17/2020; State OIG, response to SIGAR data call, 6/16/2020; GAO, response to SIGAR data call, 6/19/2020; USAID OIG, response to SIGAR data call, 6/16/2020; USAAA, response to SIGAR data call, 5/21/2020.

## U.S. Department of Defense Office of Inspector General

During this quarter, DOD OIG released two reports related to Afghanistan reconstruction.

### Audit of Army Contracting Command-Afghanistan's Award and Administration of Contracts

DOD OIG determined the Army Contracting Command-Afghanistan (ACC-A) did not award and administer any of the 15 contracts in its sample in accordance with applicable federal regulations and ACC procedures. In addition, DOD OIG determined that ACC-A contracting officials did not have the required knowledge, training, or experience needed to award and administer contracts in accordance with regulations and procedures.

DOD OIG also found that ACC-A contracting officials could not always access the Army's contract award and administration systems to perform their duties, resulting in missed deadlines for mission-critical functions. As a result, the ACC-A deployed contracting officials to Afghanistan with limited knowledge and experience of contingency-contracting requirements and tasked them with using electronic recordkeeping and

contract-management systems that were not reliably accessible. Therefore, the ACC-A did not have reasonable assurance that it successfully mitigated contracting risks, such as nonperformance, improper payments, and mismanagement of government property.

DOD OIG recommended that the ACC Commanding General identify and coordinate with required theater officials to develop and implement a force structure or similar manpower authorization document for the ACC-A that identifies the staffing levels, positions, roles, and responsibilities of ACC-A personnel. Additionally, the ACC-A Commander should develop and implement a plan to improve the hiring process for civilian contracting personnel.

DOD OIG also recommended that the Deputy Assistant Secretary of the Army for Procurement develop and implement a written plan to engage the ACC-HQ in developing and testing the new Army Contract Writing System (ACWS) to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment. DOD OIG also recommended they provide contracting officials access to the Army Contract Writing System in the field for testing before the system achieves full operational capability and for identifying any potential issues or challenges unique to the contingency operating environment, including the ability to operate the system effectively under unreliable network conditions.

## **Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan**

DOD OIG determined that U.S. Forces-Afghanistan (USFOR-A) did not seek full reimbursement for dining-facility services provided to Coalition partners at Resolute Support Headquarters through the Logistics Civil Augmentation Program (LOGCAP) contract. Acquisition and Cross-Servicing Agreement (ACSA) coordinators did not initiate bills or consistently calculate the amount owed in accordance with USFOR-A guidance because the ACSA program manager did not ensure that all bills were initiated and prepared in accordance with USFOR-A guidance or develop a training program for ACSA coordinators that addressed processing of ACSA transactions in Afghanistan.

In addition, the ACSA coordinators did not establish the terms and conditions, including rate and calculation method, with each Coalition partner before services were provided. As a result of USFOR-A not initiating billing, between January 2016 and September 2019, DOD contractors provided an estimated \$6.3 million in dining-facility services to Coalition partners that was never billed to Coalition partners. In addition, by not using correct rates, USFOR-A underbilled Coalition partners by \$2.9 million. ACSA Global Automated Tracking and Reporting System records indicate that ACSA coordinators initiated bills for only \$4.7 million, and as of October 2019,

# OTHER AGENCY OVERSIGHT

Coalition partners had reimbursed DOD only \$880,000. Unless USFOR-A establishes terms and conditions with Coalition partners before providing services, develops training specific to Afghanistan, and performs oversight, the DOD will continue to not initiate bills for the full reimbursable amount for dining-facility services provided under the anticipated LOGCAP V contract.

DOD OIG recommended that the USFOR-A Multinational Logistics Branch Chief develop agreements with each Coalition partner detailing the terms and conditions for dining-facility services at RSHQ before providing services, determine the months for which ACSA orders were not initiated, and negotiate collection with each Coalition partner for services provided, and develop and implement a process for overseeing ACSA coordinators. DOD OIG also recommended that the ARCENT Multinational Logistics Branch Chief update the Multinational Logistics Standard Operating Procedures to define the oversight roles and responsibilities of the ACSA program manager.

## **U.S. Department of State Office of Inspector General–Middle East Regional Operations**

During this quarter, State OIG released three reports related to Afghanistan reconstruction.

### **Audit of Global Engagement Center Federal Assistance Award Management and Monitoring**

State OIG conducted this audit to determine whether federal assistance awards provided by State’s Global Engagement Center (GEC) aligned with GEC’s statutory mandate and authority and whether GEC monitored those awards in accordance with federal requirements, State policies and guidance, and the terms and conditions of each award. The National Defense Authorization Act for FY 2017 mandated that GEC “lead, synchronize, and coordinate efforts of the Federal Government to recognize, understand, expose, and counter foreign state and non-state propaganda and disinformation efforts aimed at undermining United States national security interests.” GEC’s counter-disinformation efforts relate to state actors including Russia, China, and Iran, and to non-state terrorist groups including ISIS and al-Qaeda.

State OIG reviewed all 39 grants and cooperative agreements that GEC awarded in FY 2018 and found that the stated purpose of 38 of 39 awards aligned with GEC’s statutory mandate and authority. However, State OIG selected 10 of the 39 awards for detailed testing and found that GEC did not consistently manage and monitor those awards in accordance with Federal requirements, Department of State policies and guidance, and award terms and conditions. Specifically, State OIG found that (1) GEC officials did not always clearly designate roles and responsibilities for grants-management

personnel, (2) three of 10 risk assessments for the selected awards contained errors, and (3) nine of 10 monitoring and evaluation plans for the selected awards did not include all required elements and did not demonstrate a direct link to the award's scope of work.

Moreover, State OIG found that GEC officials did not review award recipients' performance reports. State OIG determined that these deficiencies occurred, in part, because (1) GEC did not have enough experienced personnel to issue, manage, and monitor cooperative agreements when the FY 2018 awards were issued; and (2) GEC had not formally adopted internal policies, processes, and procedures for managing and monitoring federal assistance awards.

State OIG made five recommendations to GEC that are intended to improve the GEC's administration of federal assistance awards. GEC concurred with all five recommendations and State OIG considered all five recommendations resolved pending further action at the time the report was issued.

## **Management Assistance Report: Quarterly Reporting Involving the Afghan Special Immigrant Visa Program Needs Improvement to Fully Comply with Congressional Requirements**

The FY 2020 National Defense Authorization Act (NDAA) directed State OIG to review obstacles to effective protection of Afghan allies through the special immigrant visa (SIV) program. The SIV program was established to resettle Afghans who worked on behalf of the United States and who experienced an ongoing and serious threat as a result of that employment.

During the mandated review of the Afghan SIV program, State OIG found that the method for collecting, verifying, and reporting on applicant wait times was inconsistent and potentially flawed. The FY 2014 NDAA required State and the Department of Homeland Security to publish quarterly reports that describe the average wait times for an SIV applicant for four stages of visa application and issuance. State OIG found that the State Department and the Department of Homeland Security were using differing methodologies to perform their calculations.

Moreover, State OIG found that none of the 23 quarterly reports published between April 2014 and October 2019 contained descriptions of necessary efficiency improvements, information required by the FY 2014 NDAA. State OIG determined that the differing methodologies and incomplete reports occurred because State, having assumed the lead role in preparing the reports, had not developed guidance that would ensure that each entity involved in the Afghan SIV process was using a uniform and consistent method to calculate and report the average wait times. Similarly, State OIG determined that the State Department had not established

# OTHER AGENCY OVERSIGHT

internal controls to ensure that the information in the quarterly reports contained all required pieces of information.

State OIG made three recommendations to State's Bureau of Consular Affairs to address the identified deficiencies. The Bureau of Consular Affairs concurred with all three recommendations and State OIG considered all three recommendations resolved pending further action at the time the report was issued.

## **Review of the Afghan Special Immigrant Visa Program**

The FY 2020 National Defense Authorization Act (NDAA) directed State OIG to review eight obstacles to effective protection of Afghan allies through the special immigrant visa (SIV) program. The SIV program was established to resettle Afghans who worked on behalf of the United States and experienced an ongoing and serious threat as a result of their employment with the U.S. government.

State OIG evaluated the eight obstacles identified in the NDAA. State OIG found that (1) two of the eight obstacles did not significantly affect the State's implementation of the Afghan SIV program; (2) one obstacle, the uncertainty of visa availability, affects implementation, but depends on Congressional SIV allocation; and (3) five obstacles would, if unaddressed, remain impediments to implementing the Afghan SIV program and achieving the statutory goal of issuing SIVs within nine months. State OIG found that these obstacles existed, in part, because the Senior Coordinating Official position, which was intended to oversee and direct the Afghan SIV program, had been vacant since January 2017. As a result, State's management of resources and strategic planning for the Afghan SIV program were decentralized and lacked the focus needed to continuously evaluate the program and seek improvements.

State OIG made six recommendations to State intended to improve the SIV program. The State's Undersecretary for Management concurred with all six recommendations. Based on the Undersecretary for Management's comments and the actions State took in response to the recommendations, State OIG considered one recommendation closed and five recommendations resolved pending further action at the time the report was issued.

## **Government Accountability Office**

During this quarter, GAO released one report related to Afghanistan reconstruction.

## **Security Force Assistance: Army Has Made Progress Developing New Advisor Brigades, but Actions Are Needed to Better Equip and Train Them for Future Deployments**

This report is FOUO. GAO reviewed: (1) the extent to which DOD, in conjunction with NATO, has defined advisor team missions, goals, and

objectives; (2) the extent to which advisors were trained and equipped for their specific missions in Afghanistan; (3) the ability of the Army's Security Force Assistance Brigade to meet current and future advisor requirements in Afghanistan and elsewhere; (4) what adjustments, if any, are being made to the manning, training and equipping, and deployment of the second and third SFABs; and (5) any other issues the Comptroller General determines appropriate with respect to the advise and assist mission in Afghanistan.

## **U.S. Army Audit Agency**

The USAAA completed no audits related to Afghanistan reconstruction this quarter.

## **U.S. Agency for International Development Office of the Inspector General**

During this quarter, USAID OIG released seven financial-audit reports related to Afghanistan reconstruction.

- NFA Audit of Fund Accountability Statement of Blumont Global Development Inc. under multiple awards in Afghanistan, January 1 to December 31, 2018
- NFA Financial Audit of Costs Incurred by DT Global Inc. under USAID's Strengthening Watershed and Irrigation Management (SWIM) program, Contract No. AID-306-C-17-00001, October 1, 2018, to September 30, 2019
- NFA Audit of Fund Accountability Statement of the American University of Afghanistan (AUAF), Support of the American University of Afghanistan Project, Cooperative Agreement No. AID-306-A-13-00004, August 1, 2015, to June 30, 2019
- NFA Financial Audit of Costs Incurred by JHPIEGO Corporation Inc. under USAID's Helping Mothers and Children Thrive program, Award No. AID-306-A-15-00002, July 1, 2017, to June 30, 2018
- NFA Audit of Fund Accountability Statement of Internews Network Inc. RASANA (Media) Program in Afghanistan, Cooperative Agreement No. AID-306-A-17-00001, January 1 to December 31, 2018
- NFA Audit of Fund Accountability Statement of Counterpart International Inc., Afghanistan Civic Engagement Program, Award No. AID-306-A-14-00001, October 1, 2017, to September 30, 2018
- NFA Closeout Audit of the Fund Accountability Statement of Checchi and Company Consulting Inc., Services under Program and Project Office for Results Tracking (SUPPORT II) Program in Afghanistan, Contract AID-306-C-12-000-12, April 1, 2018, to July 4, 2019

# OTHER AGENCY OVERSIGHT

## ONGOING OVERSIGHT ACTIVITIES

As of June 30, 2020, the participating agencies reported 13 ongoing oversight activities related to reconstruction in Afghanistan. These activities are listed in Table 4.2 and described in the following sections by agency.

TABLE 4.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF JUNE 30, 2020			
Agency	Project Number	Date Initiated	Project Title
DOD OIG	D2020-DEV0SR-0095.000	3/2/2020	Evaluation of the Operational Support Capabilities of Naval Support Activity Bahrain Waterfront Facilities
DOD OIG	D2020-DEV0PC-0079.000	2/18/2020	Evaluation of U.S. Central Command's Defense of Critical Assets Within its Area of Responsibility Against Missiles and Unmanned Aircraft Systems
DOD OIG	D2020-D000RJ-0078.000	2/3/2020	Audit of the Air Force Remotely Piloted Aircraft Operations and Maintenance Contract
DOD OIG	D2020-DEV0PD-0026.000	10/28/2019	Evaluation of Combatant Command Counter Threat Finance Activities
DOD OIG	D2019-DEV0PD-0192.000	8/26/2019	Evaluation of DOD Processes to Counter Radio Controlled Improvised Explosive Devices
DOD OIG	D2019-D000RJ-0179.000	7/8/2019	Audit of Management of Pharmaceutical Inventories in Support of Overseas Contingency Operations
DOD OIG	D2019-D000RJ-0175.000	6/24/2019	Audit of the Core Inventory Management System Implementation
DOD OIG	D2019-DISPA2-0051.000	2/6/2019	Evaluation of U.S. CENTCOM Kinetic Targeting Processes and Reporting Procedures
State OIG	20AUD044	12/9/2019	Audit of the Food Services Task Order Under the Afghanistan Life Support Services Contract
GAO	104132	3/24/2020	Review of DOD's Contingency Contracting
GAO	104151	2/28/2020	DOD Oversight of Private Security Contractors
GAO	103076	10/1/2018	Afghanistan Reconstruction Projects—Waste, Fraud, and Abuse
USAID OIG	881F0119	9/30/2019	Audit of USAID/Afghanistan's Risk Management and Project Prioritization

Source: DOD OIG, response to SIGAR data call, 6/17/2020; State OIG, response to SIGAR data call, 6/16/2020; GAO, response to SIGAR data call, 6/19/2020; USAID OIG, response to SIGAR data call, 6/16/2020; USAAA, response to SIGAR data call, 5/21/2020.

### U.S. Department of Defense Office of Inspector General

DOD OIG has eight ongoing projects this quarter that relate to reconstruction or security operations in Afghanistan.

#### Evaluation of the Operational Support Capabilities of Naval Support Activity Bahrain Waterfront Facilities

DOD OIG is determining whether the Ship Maintenance Support Facility and Mina Salman Pier, which the U.S. Navy accepted in 2019, meet the operational requirements of the U.S. Navy. Specifically, DOD OIG is determining whether the Ship Maintenance Support Facility meets staging and laydown requirements, and whether the Mina Salman Pier meets berthing requirements for homeported and deployed vessels.

#### Evaluation of U.S. Central Command's Defense of Critical Assets Within its Area of Responsibility Against Missiles and Unmanned Aircraft Systems

DOD OIG is determining whether U.S. Central Command is prepared to defend critical assets within its area of responsibility against missile and unmanned aircraft system threats.

## **Audit of the Air Force Remotely Piloted Aircraft Operations and Maintenance Contract**

DOD OIG is determining whether the U.S. Air Force's oversight and management of the Remotely Piloted Aircraft Operations and Maintenance contract ensured that the contractor complied with contractually required maintenance procedures and performance requirements.

## **Evaluation of Combatant Command Counter Threat Finance Activities**

DOD OIG is determining whether U.S. Africa Command, U.S. Central Command, U.S. European Command, and U.S. Indo-Pacific Command are planning and executing counter-threat finance activities to impact adversaries' ability to use financial networks to negatively affect U.S. interests.

## **Evaluation of DOD Processes to Counter Radio Controlled Improvised Explosive Devices**

The objectives for this DOD OIG evaluation are For Official Use Only.

## **Audit of Management of Pharmaceutical Inventories in Support of Overseas Contingency Operations**

DOD OIG is determining whether the military services properly stored, tracked, and safeguarded pharmaceuticals at their overseas locations supporting overseas contingency operations.

## **Audit of the Core Inventory Management System Implementation**

DOD OIG is determining whether DOD's implementation of the Core Inventory Management System improved weapons and vehicle accountability.

## **Evaluation of U.S. Central Command's (CENTCOM) Kinetic Targeting Processes and Reporting Procedures**

DOD OIG is evaluating CENTCOM's target development and prosecution processes, as well as post-strike collateral damage and civilian casualty assessment activities.

# OTHER AGENCY OVERSIGHT

## **U.S. Department of State Office of Inspector General–Middle East Regional Operations**

State OIG has one ongoing project this quarter related to Afghanistan reconstruction.

### **Audit of the Food Services Task Order Under the Afghanistan Life Support Services Contract**

The audit will examine the food-services task order under the Afghanistan Life Support Services contract.

## **Government Accountability Office**

GAO has three ongoing projects this quarter related to Afghanistan reconstruction.

### **Review of DOD’s Contingency Contracting**

DOD has long relied on contractors to support a wide range of worldwide operations in a contingency environment, including military and stability operations, and recovery from natural disasters, humanitarian crises, and other calamitous events. Contracting in the contingency environment includes logistics and base operations support, equipment processing, construction, and transportation. During recent U.S. military operations in Iraq and Afghanistan, contractors frequently accounted for more than half of the total DOD presence. In 2008, Congress established in law the Commission on Wartime Contracting (CWC) to review and make recommendations on DOD’s contracting process for current and future contingency environments. The CWC issued its final report in August 2011.

GAO will review (1) the extent to which DOD has addressed the recommendations of the Commission on Wartime Contracting (CWC) in policy, guidance, education, and training; (2) how DOD has used contractors to support contingency operations from January 1, 2009, to December 31, 2019; and (3) the extent to which DOD has established processes to track and report contractor personnel to support contingency operations.

### **DOD Oversight of Private Security Contractors**

In 2007, private security contractors (PSCs) working for the U.S. government killed and injured a number of Iraqi civilians, bringing attention to the increased use of PSCs supporting the military in contingency environments, such as ongoing operations in Iraq or Afghanistan. In 2020, DOD reported that almost one-fifth of the roughly 27,000 contractors in Afghanistan were performing security functions, including some 3,000 armed PSCs. DOD’s Office of the Under Secretary of Defense for Acquisition and Sustainment and the Geographic Combatant Commands are responsible for guiding and monitoring the department’s use of PSCs. GAO has previously reported on

and made several recommendations to improve DOD's tracking and oversight of PSCs.

GAO will review the extent to which, since calendar year 2009, (1) DOD has tracked and reported on the use of PSCs in support of contingency, humanitarian, and peacekeeping operations and exercises; and (2) whether laws, regulations, and requirements on the use of PSCs changed and how DOD has implemented them into its processes improved oversight.

## **Afghanistan Reconstruction Projects—Waste, Fraud, and Abuse**

The U.S. government has funded numerous reconstruction projects in Afghanistan since September 2001. Costs for U.S. military, diplomatic, and reconstruction and relief operations have exceeded \$500 billion, and GAO has issued about 90 reports focused in whole or in part on Afghanistan since that time. GAO received a request to review past work assessing reconstruction efforts in Afghanistan and identify the dollar value of any waste, fraud, or abuse uncovered during the course of those reviews.

GAO will review prior work conducted on reconstruction efforts in Afghanistan that identified waste, fraud, and abuse, and will assess the overall dollar amount of waste, fraud, and abuse uncovered through these efforts.

## **U.S. Army Audit Agency**

The USAAA has no ongoing audits related to Afghanistan reconstruction this quarter.

## **U.S. Agency for International Development Office of Inspector General**

This quarter, USAID OIG has one ongoing report related to Afghanistan reconstruction.

## **Audit of USAID/Afghanistan's Risk Management and Project Prioritization**

The objectives of this audit are to determine to what extent USAID/Afghanistan has a risk-management process in place to identify and mitigate risks in the face of potential staff and program reductions that could impact its development programs; how programs recommended for reduction or elimination were determined; and what impact recommended changes would have on USAID/Afghanistan's current and future programs and related risk management.

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**The Official Seal of SIGAR**

The official seal of SIGAR represents the coordination of efforts between the United States and Afghanistan to provide accountability and oversight of reconstruction activities. The phrases in Dari (top) and Pashto (bottom) on the seal are translations of SIGAR's name.

# APPENDICES AND ENDNOTES



# APPENDICES

## APPENDIX A

### CROSS-REFERENCE OF REPORT TO STATUTORY REQUIREMENTS

This appendix cross-references the sections of this report to the quarterly reporting and related requirements under SIGAR’s enabling legislation, the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 1229 (Table A.1), and to the semiannual reporting requirements prescribed for inspectors general more generally under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3) (Table A.2) and the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, §1521. (Table A.3)

TABLE A.1

<b>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229</b>			
<b>Public Law Section</b>	<b>SIGAR Enabling Language</b>	<b>SIGAR Action</b>	<b>Report Section</b>
<b>Purpose</b>			
Section 1229(a)(3)	To provide for an independent and objective means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress on corrective action	Ongoing; quarterly report	Full report
<b>Supervision</b>			
Section 1229(e)(1)	The Inspector General shall report directly to, and be under the general supervision of, the Secretary of State and the Secretary of Defense	Report to the Secretary of State and the Secretary of Defense	Full report
<b>Duties</b>			
Section 1229(f)(1)	OVERSIGHT OF AFGHANISTAN RECONSTRUCTION – It shall be the duty of the Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of amounts appropriated or otherwise made available for the reconstruction of Afghanistan, and of the programs, operations, and contracts carried out utilizing such funds, including subsections (A) through (G) below	Review appropriated/ available funds  Review programs, operations, contracts using appropriated/ available funds	Full report
Section 1229(f)(1)(A)	The oversight and accounting of the obligation and expenditure of such funds	Review obligations and expenditures of appropriated/ available funds	SIGAR Oversight Funding
Section 1229(f)(1)(B)	The monitoring and review of reconstruction activities funded by such funds	Review reconstruction activities funded by appropriations and donations	SIGAR Oversight
Section 1229(f)(1)(C)	The monitoring and review of contracts funded by such funds	Review contracts using appropriated and available funds	Note
Section 1229(f)(1)(D)	The monitoring and review of the transfer of such funds and associated information between and among departments, agencies, and entities of the United States, and private and nongovernmental entities	Review internal and external transfers of appropriated/ available funds	Appendix B

*Continued on the next page*

# APPENDICES

TABLE A.1 (CONTINUED)

<b>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229</b>			
<b>Public Law Section</b>	<b>SIGAR Enabling Language</b>	<b>SIGAR Action</b>	<b>Report Section</b>
Section 1229(f)(1)(E)	The maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such fund[s]	Maintain audit records	SIGAR Oversight Appendix C Appendix D
Section 1229(f)(1)(F)	The monitoring and review of the effectiveness of United States coordination with the Governments of Afghanistan and other donor countries in the implementation of the Afghanistan Compact and the Afghanistan National Development Strategy	Monitoring and review as described	Audits
Section 1229(f)(1)(G)	The investigation of overpayments such as duplicate payments or duplicate billing and any potential unethical or illegal actions of Federal employees, contractors, or affiliated entities, and the referral of such reports, as necessary, to the Department of Justice to ensure further investigations, prosecutions, recovery of further funds, or other remedies	Conduct and reporting of investigations as described	Investigations
Section 1229(f)(2)	OTHER DUTIES RELATED TO OVERSIGHT – The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duties under paragraph (1)	Establish, maintain, and oversee systems, procedures, and controls	Full report
Section 1229(f)(3)	DUTIES AND RESPONSIBILITIES UNDER INSPECTOR GENERAL ACT OF 1978 – In addition, ... the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978	Duties as specified in Inspector General Act	Full report
Section 1229(f)(4)	COORDINATION OF EFFORTS – The Inspector General shall coordinate with, and receive the cooperation of, each of the following: (A) the Inspector General of the Department of Defense, (B) the Inspector General of the Department of State, and (C) the Inspector General of the United States Agency for International Development	Coordination with the inspectors general of DOD, State, and USAID	Other Agency Oversight
<b>Federal Support and Other Resources</b>			
Section 1229(h)(5)(A)	ASSISTANCE FROM FEDERAL AGENCIES – Upon request of the Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such information or assistance to the Inspector General, or an authorized designee	Expect support as requested	Full report
Section 1229(h)(5)(B)	REPORTING OF REFUSED ASSISTANCE – Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary of State or the Secretary of Defense, as appropriate, and to the appropriate congressional committees without delay	Monitor cooperation	N/A

*Continued on the next page*

# APPENDICES

TABLE A.1 (CONTINUED)

<b>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229</b>			
<b>Public Law Section</b>	<b>SIGAR Enabling Language</b>	<b>SIGAR Action</b>	<b>Report Section</b>
<b>Reports</b>			
Section 1229(i)(1)	QUARTERLY REPORTS – Not later than 30 days after the end of each fiscal-year quarter, the Inspector General shall submit to the appropriate committees of Congress a report summarizing, for the period of that quarter and, to the extent possible, the period from the end of such quarter to the time of the submission of the report, the activities during such period of the Inspector General and the activities under programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Afghanistan, including the following –	Report – 30 days after the end of each calendar quarter  Summarize activities of the Inspector General  Detailed statement of all obligations, expenditures, and revenues	Full report Appendix B
Section 1229(i)(1)(A)	Obligations and expenditures of appropriated/donated funds	Obligations and expenditures of appropriated/donated funds	Appendix B
Section 1229(i)(1)(B)	A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Afghanistan, together with the estimate of the Department of Defense, the Department of State, and the United States Agency for International Development, as applicable, of the costs to complete each project and each program	Project-by-project and program-by-program accounting of costs. List unexpended funds for each project or program	Funding Note
Section 1229(i)(1)(C)	Revenues attributable to or consisting of funds provided by foreign nations or international organizations to programs and projects funded by any department or agency of the United States Government, and any obligations or expenditures of such revenues	Revenues, obligations, and expenditures of donor funds	Funding
Section 1229(i)(1)(D)	Revenues attributable to or consisting of foreign assets seized or frozen that contribute to programs and projects funded by any U.S. government department or agency, and any obligations or expenditures of such revenues	Revenues, obligations, and expenditures of funds from seized or frozen assets	Funding
Section 1229(i)(1)(E)	Operating expenses of agencies or entities receiving amounts appropriated or otherwise made available for the reconstruction of Afghanistan	Operating expenses of agencies or any organization receiving appropriated funds	Funding Appendix B
Section 1229(i)(1)(F)	In the case of any contract, grant, agreement, or other funding mechanism described in paragraph (2)*– (i) The amount of the contract or other funding mechanism; (ii) A brief discussion of the scope of the contract or other funding mechanism; (iii) A discussion of how the department or agency of the United States Government involved in the contract, grant, agreement, or other funding mechanism identified and solicited offers from potential contractors to perform the contract, grant, agreement, or other funding mechanism, together with a list of the potential individuals or entities that were issued solicitations for the offers; and (iv) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition	Describe contract details	Note

*Continued on the next page*

# APPENDICES

TABLE A.1 (CONTINUED)

<b>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229</b>			
<b>Public Law Section</b>	<b>SIGAR Enabling Language</b>	<b>SIGAR Action</b>	<b>Report Section</b>
Section 1229(i)(3)	PUBLIC AVAILABILITY – The Inspector General shall publish on a publicly available Internet website each report under paragraph (1) of this subsection in English and other languages that the Inspector General determines are widely used and understood in Afghanistan	Publish report as directed at <a href="http://www.sigar.mil">www.sigar.mil</a>  Dari and Pashto translation in process	Full report
Section 1229(i)(4)	FORM – Each report required under this subsection shall be submitted in unclassified form, but may include a classified annex if the Inspector General considers it necessary	Publish report as directed	Full report
Section 1229(j)(1)	Inspector General shall also submit each report required under subsection (i) to the Secretary of State and the Secretary of Defense	Submit quarterly report	Full report

Note: Although this data is normally made available on SIGAR's website ([www.sigar.mil](http://www.sigar.mil)), the data SIGAR has received is in relatively raw form and is currently being reviewed, analyzed, and organized for future SIGAR use and publication.

\* Covered "contracts, grants, agreements, and funding mechanisms" are defined in paragraph (2) of Section 1229(i) of Pub. L. No. 110-181 as being—  
"any major contract, grant, agreement, or other funding mechanism that is entered into by any department or agency of the United States Government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan with any public or private sector entity for any of the following purposes:  
To build or rebuild physical infrastructure of Afghanistan.  
To establish or reestablish a political or societal institution of Afghanistan.  
To provide products or services to the people of Afghanistan."

TABLE A.2

<b>CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")</b>			
<b>IG Act Section</b>	<b>IG Act Language</b>	<b>SIGAR Action</b>	<b>Section</b>
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies	Extract pertinent information from SWA/JPG member reports List problems, abuses, and deficiencies from SIGAR audit reports, investigations, and inspections	Other Agency Oversight SIGAR Oversight See Letters of Inquiry at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(2)	Description of recommendations for corrective action ... with respect to significant problems, abuses, or deficiencies	Extract pertinent information from SWA/JPG member I reports  List recommendations from SIGAR audit reports	Other Agency Oversight SIGAR Oversight See Letters of Inquiry at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(3)	Identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed	List all instances of incomplete corrective action from previous semiannual reports	Posted in full at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(4)	A summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted	Extract pertinent information from SWA/JPG member reports  List SIGAR Investigations that have been referred	Other Agency Oversight  SIGAR Oversight
Section 5(a)(5)	A summary of each report made to the [Secretary of Defense] under section 6(b)(2) (instances where information requested was refused or not provided)	Extract pertinent information from SWA/JPG member reports  List instances in which information was refused SIGAR auditors, investigators, or inspectors	Other Agency Oversight  SIGAR Oversight
Section 5(a)(6)	A listing, subdivided according to subject matter, of each audit report, inspection report and evaluation report issued ... showing dollar value of questioned costs and recommendations that funds be put to better use	Extract pertinent information from SWA/JPG member reports  List SIGAR reports	Other Agency Oversight  SIGAR Oversight

*Continued on the next page*

# APPENDICES

TABLE A.2 (CONTINUED)

<b>CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) (“IG ACT”)</b>			
<b>IG Act Section</b>	<b>IG Act Language</b>	<b>SIGAR Action</b>	<b>Section</b>
Section 5(a)(7)	A summary of each particularly significant report	Extract pertinent information from SWA/JPG member reports  Provide a synopsis of the significant SIGAR reports	Other Agency Oversight A full list of significant reports can be found at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(8)	Statistical tables showing the total number of audit reports and the total dollar value of questioned costs	Extract pertinent information from SWA/JPG member reports  Develop statistical tables showing dollar value of questioned cost from SIGAR reports	See reports of SWA/JPG members  In process
Section 5(a)(9)	Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management	Extract pertinent information from SWA/JPG member reports  Develop statistical tables showing dollar value of funds put to better use by management from SIGAR reports	See reports of SWA/JPG members  In process
Section 5(a)(10)	A summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period for which no management decision has been made by the end of reporting period, an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision	Extract pertinent information from SWA/JPG member reports  Provide a synopsis of SIGAR audit reports in which recommendations by SIGAR are still open	See reports of SWA/JPG members  Posted in full at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(11)	A description and explanation of the reasons for any significant revised management decision	Extract pertinent information from SWA/JPG member reports  Explain SIGAR audit reports in which significant revisions have been made to management decisions	See reports of SWA/JPG members  None
Section 5(a)(12)	Information concerning any significant management decision with which the Inspector General is in disagreement	Extract pertinent information from SWA/JPG member reports  Explain SIGAR audit reports in which SIGAR disagreed with management decision	See reports of SWA/JPG members  No disputed decisions during the reporting period
Section 5(a)(13)	Information described under [Section 804(b)] of the Federal Financial Management Improvement Act of 1996 (instances and reasons when an agency has not met target dates established in a remediation plan)	Extract pertinent information from SWA/JPG member reports  Provide information where management has not met targets from a remediation plan	See reports of SWA/JPG members  No disputed decisions during the reporting period
Section 5(a)(14)(A)	An Appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or	None conducted during the reporting period	None
Section 5(a)(14)(B)	If no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General	SIGAR has posted in full the results of, and reports from, SIGAR's last peer review by FDIC OIG for the period ending 4/29/2019  SIGAR received a rating of pass	Posted in full at <a href="http://www.sigar.mil">www.sigar.mil</a>

*Continued on the next page*

# APPENDICES

TABLE A.2 (CONTINUED)

<b>CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) (“IG ACT”)</b>			
<b>IG Act Section</b>	<b>IG Act Language</b>	<b>SIGAR Action</b>	<b>Section</b>
Section 5(a)(15)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	All peer review recommendations have been implemented	Recommendations and related materials posted in full at <a href="http://www.sigar.mil">www.sigar.mil</a>
Section 5(a)(16)	Any peer reviews conducted by SIGAR of another IG Office during the reporting period, including a list of any outstanding recommendations made from any previous peer review . . . that remain outstanding or have not been fully implemented	SIGAR assisted the SBA OIG in conducting an inspection and evaluation peer review of the HUD OIG’s Office of Evaluation. A report was issued May 12, 2020	Final report published in full at <a href="http://www.hudoig.gov">www.hudoig.gov</a>

TABLE A.3

<b>CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 115-91, §1521</b>			
<b>Public Law Section</b>	<b>NDAAs Language</b>	<b>SIGAR Action</b>	<b>Report Section</b>
Section 1521(e)(1)	(1) QUALITY STANDARDS FOR IG PRODUCTS—Except as provided in paragraph (3), each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall be prepared— (A) in accordance with the Generally Accepted Government Auditing Standards/Government Auditing Standards (GAGAS/GAS), as issued and updated by the Government Accountability Office; or (B) if not prepared in accordance with the standards referred to in subparagraph (A), in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (commonly referred to as the “CIGIE Blue Book”)	Prepare quarterly report in accordance with the Quality Standards for Inspection and Evaluation, issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), commonly referred to as the “CIGIE Blue Book,” for activities funded under the Afghanistan Security Forces Fund	Section 1 Reconstruction Update Funding
Section 1521(e)(2)	(2) SPECIFICATION OF QUALITY STANDARDS FOLLOWED—Each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall cite within such product the quality standards followed in conducting and reporting the work concerned	Cite within the quarterly report the quality standards followed in conducting and reporting the work concerned. The required quality standards are quality control, planning, data collection and analysis, evidence, records maintenance, reporting, and follow-up	Inside front cover Appendix A

# APPENDICES

## APPENDIX B

### U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION

Table B.1 lists funds appropriated for Afghanistan reconstruction by agency and fund per year, and Table B.2 lists funds appropriated for counternarcotics initiatives, as of June 30, 2020.

TABLE B.2

COUNTERNARCOTICS (\$ MILLIONS)	
Fund	Cumulative Appropriations Since FY 2002
ASFF	\$1,311.92
DICDA	3,289.88
ESF	1,454.44
DA	77.72
INCLE	2,324.48
DEA <sup>a</sup>	482.05
<b>Total</b>	<b>\$8,940.48</b>

Table B.2 Note: Numbers have been rounded. Counternarcotics funds cross-cut both the Security and Governance & Development spending categories; these funds are also captured in those categories in Table B.1. Figures represent cumulative amounts committed to counternarcotics initiatives in Afghanistan since 2002. Initiatives include eradication, interdiction, support to Afghanistan's Special Mission Wing (SMW), counternarcotics-related capacity building, and alternative agricultural development efforts. ESF, DA, and INCLE figures show the cumulative amounts committed for counternarcotics initiatives from those funds. SIGAR excluded ASFF funding for the SMW after FY 2013 from this analysis due to the decreasing number of counternarcotics missions conducted by the SMW.

<sup>a</sup> DEA receives funding from State's Diplomatic & Consular Programs account in addition to DEA's direct line appropriation listed in Appendix B.

Table B.2 Source: SIGAR analysis of counternarcotics funding, 7/17/2020; State, response to SIGAR data call, 7/13/2020; DOD, response to SIGAR data call, 7/10/2020; USAID, response to SIGAR data call, 7/11/2020; DEA, response to SIGAR data call, 6/25/2020.

Table B.1 Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, \$178 million from FY 2013 ASFF, and \$604 million from FY 2019 ASFF to fund other DOD requirements. DOD reprogrammed \$230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, \$400 million from FY 2015 in Pub. L. No. 114-113, \$150 million from FY 2016 in Pub. L. No. 115-31, and \$396 million from FY 2019 in Pub. L. No. 116-93. DOD transferred \$101 million from FY 2011 AIF, \$179.5 million from FY 2013 AIF, and \$55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.

Table B.1 Source: DOD, response to SIGAR data call, 7/17/2020, 7/15/2020, 7/10/2020, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 7/16/2020, 7/13/2020, 7/6/2020, 6/11/2020, 1/30/2020, 10/5/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012 and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data call, 7/11/2020, 7/7/2020, 10/8/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/25/2020, 10/7/2019, 6/30/2017 and 7/7/2009; DFC, response to SIGAR data call, 7/17/2020; USAGM, response to SIGAR data call, 6/16/2020; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020," 7/15/2020; OUSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 116-93, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

TABLE B.1

U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION (\$ MILLIONS)				
U.S. Funding Sources	Agency	Total	FY 2002-08	
<b>Security</b>				
Afghanistan Security Forces Fund (ASFF)	DOD	\$80,952.15	13,059.53	
Train & Equip (T&E)	DOD	440.00	440.00	
Foreign Military Financing (FMF)	State	1,059.13	1,059.13	
International Military Education and Training (IMET)	State	19.57	6.01	
Voluntary Peacekeeping (PKO)	State	69.33	69.33	
Afghanistan Freedom Support Act (AFSA)	DOD	550.00	550.00	
Drug Interdiction & Counter-Drug Activities (DICDA)	DOD	3,289.88	888.17	
<b>Total - Security</b>		<b>86,380.06</b>	<b>16,072.18</b>	
<b>Governance &amp; Development</b>				
Commander's Emergency Response Program (CERP)	DOD	3,709.00	1,088.33	
Afghanistan Infrastructure Fund (AIF)	DOD	988.50	0.00	
Task Force for Business and Stability Operations (TFBSO)	DOD	822.85	0.00	
Economic Support Fund (ESF)	USAID	21,049.44	5,628.70	
Development Assistance (DA)	USAID	887.59	884.50	
Child Survival & Health (CSH + GHAI)	USAID	557.59	333.86	
Commodity Credit Corp (CCC)	USAID	34.95	19.57	
USAID (Other)	USAID	54.06	27.46	
Non-Proliferation, Antiterrorism, Demining & Related (NADR)	State	881.34	288.41	
International Narcotics Control & Law Enforcement (INCLE)	State	5,421.16	1,781.23	
Human Rights and Democracy Fund (HRDF)	State	13.77	2.01	
Educational and Cultural Exchange Programs (ECE)	State	96.56	28.72	
Contributions to International Organizations (CIO) - UNAMA	State	463.54	12.74	
U.S. International Development Finance Corporation (DFC)	DFC	320.39	198.20	
U.S. Agency for Global Media (USAGM)	USAGM	281.17	0.00	
Drug Enforcement Administration (DEA)	DOJ	272.64	108.56	
<b>Total - Governance &amp; Development</b>		<b>35,854.56</b>	<b>10,402.30</b>	
<b>Humanitarian</b>				
PL 480 Title II	USAID	1,095.68	591.38	
International Disaster Assistance (IDA)	USAID	1,099.68	315.14	
Transition Initiatives (TI)	USAID	37.54	32.58	
Migration & Refugee Assistance (MRA)	State	1,437.86	453.05	
Emergency Refugee & Migration Assistance (ERMA)	State	25.20	25.00	
USDA Programs (Title I, §416(b), FFP, FFE, ET, PRTA)	USDA	288.26	270.47	
<b>Total - Humanitarian</b>		<b>3,984.22</b>	<b>1,687.62</b>	
<b>Civilian Operations</b>				
Oversight		647.68	16.80	
Other		10,993.18	1,268.10	
<b>Total - International Affairs Operations</b>		<b>11,640.86</b>	<b>1,284.90</b>	
<b>Total Funding</b>		<b>\$137,859.71</b>	<b>29,446.99</b>	

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	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	5,606.94	9,166.77	10,619.28	9,200.00	4,946.19	3,962.34	3,939.33	3,502.26	4,162.72	4,666.82	3,920.00	4,199.98
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	1.40	1.76	1.56	1.18	1.42	1.50	1.05	0.86	0.80	0.80	0.43	0.80
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	230.06	392.27	379.83	472.99	255.81	238.96	0.00	138.76	135.61	118.01	10.18	29.24
	<b>5,838.40</b>	<b>9,560.80</b>	<b>11,000.67</b>	<b>9,674.16</b>	<b>5,203.43</b>	<b>4,202.80</b>	<b>3,940.38</b>	<b>3,641.88</b>	<b>4,299.12</b>	<b>4,785.62</b>	<b>3,930.61</b>	<b>4,230.02</b>
	550.67	1,000.00	400.00	400.00	200.00	30.00	10.00	5.00	5.00	5.00	10.00	5.00
	0.00	0.00	299.00	400.00	145.50	144.00	0.00	0.00	0.00	0.00	0.00	0.00
	14.44	59.26	239.24	245.76	138.20	122.24	3.72	0.00	0.00	0.00	0.00	0.00
	2,077.48	3,346.00	2,168.51	1,836.76	1,802.65	907.00	831.90	633.27	767.17	500.00	350.00	200.00
	0.40	0.30	0.00	0.00	0.35	0.00	0.95	0.00	0.00	0.00	1.09	0.00
	58.23	92.30	69.91	0.00	0.25	0.01	0.06	0.04	0.02	0.01	0.00	2.89
	4.22	4.22	3.09	0.38	0.00	0.00	0.00	0.00	1.95	1.52	0.00	0.00
	2.81	3.45	6.25	7.10	1.84	0.80	0.82	2.91	0.29	0.00	0.00	0.33
	59.92	70.74	69.30	65.32	52.60	43.20	43.50	37.96	37.00	36.60	38.30	38.50
	493.90	589.00	400.00	357.92	593.81	225.00	250.00	210.00	184.50	160.00	87.80	88.00
	1.18	1.29	0.60	1.98	1.63	0.10	0.99	0.76	0.25	2.99	0.00	0.00
	7.86	5.76	6.45	8.17	2.46	7.28	3.95	2.65	2.39	2.71	9.08	9.08
	16.74	36.92	49.92	58.73	53.03	43.17	41.79	41.35	40.31	36.12	32.72	0.00
	6.85	60.25	40.25	3.00	0.00	10.00	0.00	0.00	0.00	1.85	0.00	0.00
	15.54	27.41	24.35	21.54	21.54	22.11	22.68	23.86	25.91	25.74	25.89	24.60
	18.88	19.20	18.70	18.70	17.00	18.70	9.05	3.31	11.03	11.11	13.01	5.39
	<b>3,329.11</b>	<b>5,316.09</b>	<b>3,795.57</b>	<b>3,425.34</b>	<b>3,030.85</b>	<b>1,573.62</b>	<b>1,219.40</b>	<b>961.11</b>	<b>1,075.83</b>	<b>783.65</b>	<b>567.89</b>	<b>373.80</b>
	73.01	58.13	112.55	59.20	46.15	65.97	53.73	26.65	4.69	4.22	0.00	0.00
	27.13	29.61	66.23	56.00	21.50	28.13	24.50	39.78	93.84	119.64	152.35	125.85
	0.75	0.84	1.08	0.62	0.32	0.82	0.49	0.04	0.00	0.00	0.00	0.00
	76.79	80.93	65.00	99.56	76.07	107.89	129.27	84.27	89.24	77.19	85.40	13.21
	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	17.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>195.67</b>	<b>169.51</b>	<b>244.85</b>	<b>215.38</b>	<b>144.04</b>	<b>202.82</b>	<b>207.99</b>	<b>150.74</b>	<b>187.76</b>	<b>201.05</b>	<b>237.75</b>	<b>139.06</b>
	25.20	34.40	37.20	59.00	58.70	62.65	68.60	62.37	55.74	55.67	55.81	55.56
	1,038.52	1,743.53	888.92	1,347.10	1,203.13	806.30	858.21	818.47	797.73	101.38	94.34	27.46
	<b>1,063.72</b>	<b>1,777.93</b>	<b>926.12</b>	<b>1,406.10</b>	<b>1,261.83</b>	<b>868.95</b>	<b>926.81</b>	<b>880.84</b>	<b>853.47</b>	<b>157.04</b>	<b>150.14</b>	<b>83.01</b>
	<b>10,426.90</b>	<b>16,824.32</b>	<b>15,967.20</b>	<b>14,720.98</b>	<b>9,640.15</b>	<b>6,848.18</b>	<b>6,294.58</b>	<b>5,634.57</b>	<b>6,416.18</b>	<b>5,927.36</b>	<b>4,886.39</b>	<b>4,825.89</b>

# APPENDICES

## APPENDIX C

### SIGAR WRITTEN PRODUCTS\*

#### SIGAR Audits

##### Completed Performance Audit

SIGAR issued one performance-audit report during this reporting period.

##### COMPLETED SIGAR PERFORMANCE AUDIT AS OF JUNE 30, 2020

Report Identifier	Report Title	Date Issued
SIGAR 20-44-AR	Afghan National Army: DOD Did Not Conduct Required Oversight or Assess the Performance and Sustainability of the \$174 Million ScanEagle Unmanned Aerial System Program	7/2020

##### New Performance Audits

SIGAR initiated three new performance audits during this reporting period.

##### NEW SIGAR PERFORMANCE AUDITS

Project Identifier	Project Title	Date Initiated
SIGAR 141A	Post-Peace Planning	5/2020
SIGAR 142A	Vanquish NAT Contract	7/2020
SIGAR 143A	No Contracting With The Enemy Follow Up	6/2020

##### Ongoing Performance Audits

SIGAR had nine ongoing performance audits during this reporting period.

##### ONGOING SIGAR PERFORMANCE AUDITS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
SIGAR 140A	ACC-A BAF Base Security	4/2020
SIGAR 139A	Anti-Corruption 3	2/2020
SIGAR 138A-2	DOD Enforcement of Conditionality (Full Report)	11/2019
SIGAR 137A	ANA Trust Fund	12/2019
SIGAR 136A	DOD's End Use Monitoring	9/2019
SIGAR 135A	U.S. Investments in Afghan Energy	9/2019
SIGAR 134A	DOD Womens' Infrastructure Projects	9/2019
SIGAR 133A	Building a Professional AAF and SMW	5/2019
SIGAR 132A-2	Counternarcotics/Counter Threat Finance (Full Report)	2/2019

\* As provided in its authorizing statute, SIGAR may also report on products and events occurring after June 30, 2020, up to the publication date of this report.

## Completed Evaluation

SIGAR issued one evaluation report during this reporting period.

### COMPLETED SIGAR EVALUATION, AS OF JUNE 30, 2020

Report Identifier	Report Title	Date Issued
SIGAR 20-46-IP	USAID Recommendations Follow-Up: U.S. Agency for International Development Implemented More than 80 Percent of Recommendations from SIGAR Audits and Inspections	7/2020

## Ongoing Evaluations

SIGAR had five ongoing evaluations during this reporting period.

### ONGOING SIGAR EVALUATIONS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
SIGAR-E-007	ARTF-2	5/2020
SIGAR-E-006	State Recommendation Follow-up	3/2020
SIGAR-E-005	Financial Audit Summary	2/2020
SIGAR-E-003	Capital Assets	10/2019
SIGAR-E-002	Fuel Follow-Up	10/2019

## Completed Financial Audits

SIGAR issued six financial audit reports during this reporting period.

### COMPLETED SIGAR FINANCIAL AUDITS AS OF JUNE 30, 2020

Report Identifier	Report Title	Date Issued
SIGAR 20-37-FA	Department of State's Assistance to the Legal Education Support Program-Afghanistan II: Audit of Costs Incurred by the University of Washington	5/2020
SIGAR 20-39-FA	Department of State's Antiterrorism Assistance Program in Afghanistan: Audit of Costs Incurred by Alutiiq LLC	6/2020
SIGAR 20-40-FA	USAID's Afghanistan Health Sector Resiliency Project: Audit of Costs Incurred by Palladium International LLC	6/2020
SIGAR 20-41-FA	USAID's Afghanistan Development Assistance for Legal Access and Transparency Program: Audit of Costs Incurred by Checchi and Company Consulting Inc.	6/2020
SIGAR 20-42-FA	Department of the Army's UH-60A Afghanistan Enhanced Phase Maintenance Inspection Program: Audit of Costs Incurred by Support Systems Associates Inc.	7/2020
SIGAR 20-43-FA	Department of State's Humanitarian Mine Action, Conventional Weapons Destruction, and Technical Assistance in Afghanistan: Audit of Costs Incurred by Janus Global Operations LLC	7/2020

# APPENDICES

## New Financial Audits

SIGAR initiated five new financial audits during this reporting period.

### NEW SIGAR FINANCIAL AUDITS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
F-209	Engility LLC	6/2020
F-208	PAE Government Services	6/2020
F-207	Miracle Systems LLC	6/2020
F-206	The Asia Foundation (TAF)	6/2020
F-205	Demining Agency of Afghanistan (DAFA)	6/2020

## Ongoing Financial Audits

SIGAR had 33 financial audits in progress during this reporting period.

### ONGOING SIGAR FINANCIAL AUDITS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
SIGAR-F-204	AECOM International Development Inc.	3/2020
SIGAR-F-203	FHI 360	3/2020
SIGAR-F-202	The Asia Foundation	3/2020
SIGAR-F-201	DAI-Development Alternatives Inc.	3/2020
SIGAR-F-200	Development Alternatives Inc.	3/2020
SIGAR-F-199	Development Alternatives Inc.	3/2020
SIGAR-F-198	Chemonics International Inc.	3/2020
SIGAR-F-197	Internews Network Inc.	3/2020
SIGAR-F-196	ATC	12/2019
SIGAR-F-195	IDLO	12/2019
SIGAR-F-194	AUAF	12/2019
SIGAR-F-193	IAP Worldwide Services Inc.	12/2019
SIGAR-F-192	IAP Worldwide Services Inc.	12/2019
SIGAR-F-191	Sierra Nevada Corporation	12/2019
SIGAR-F-190	International Rescue Committee	12/2019
SIGAR-F-189	Save the Children Federation Inc.	12/2019
SIGAR-F-188	Associates in Rural Development	12/2019
SIGAR-F-187	Blumont Global Development Inc.	12/2019
SIGAR-F-186	Roots of Peace	12/2019
SIGAR-F-185	Counterpart International Inc.	12/2019
SIGAR-F-184	Development Alternatives Inc.	12/2019
SIGAR-F-183	Tetra Tech ARD	12/2019
SIGAR-F-180	AAR Supply Chain Inc. (dba AAR Defense Systems & Logistics) changed to AAR Government Services, Inc.	9/2019
SIGAR-F-179	AAR Government Services Inc.	9/2019
SIGAR-F-178	Redstone Defense Systems	9/2019
SIGAR-F-177	Janus Global Operations	9/2019

# APPENDICES

Project Identifier	Project Title	Date Initiated
SIGAR-F-176	Tigerswan Inc.	9/2019
SIGAR-F-171	Creative Associates International-Afghan Children Read (ACR)	9/2019
SIGAR-F-169	CH2M HILL Inc.-Cooperative Biological Engagement Program (CBEP)	8/2019
SIGAR-F-167	The Colombo Plan-Drug Demand Reduction Project	8/2019
SIGAR-F-166	Mercy Corps-Introducing New Vocational Educational Skills Training (INVEST 3)	8/2019
SIGAR-F-165	HALO Trust-Weapons Removal and Mine Clearing	8/2019
SIGAR-F-164	MDC-Demining Projects	8/2019

## SIGAR Inspections Completed Inspections

SIGAR issued two inspection reports during this reporting period.

### COMPLETED SIGAR INSPECTIONS AS OF JUNE 30, 2020

Product Identifier	Report Title	Date Issued
SIGAR 20-38-IP	Afghan National Army and Train Advise Assist Command-Air Joint Air Force Hangar I Complex: Construction and Renovation Generally Met Requirements and Standards	6/2020
SIGAR 20-45-IP	Afghan Ministry of Interior Security Upgrades: Project Was Generally Completed According to Contract Requirements, but Construction and Maintenance Problems Exist	7/2020

## Ongoing Inspections

SIGAR had nine ongoing inspections during this reporting period.

### ONGOING SIGAR INSPECTIONS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
SIGAR-I-068	Pol-I Charkhi Substation Expansion	4/2020
SIGAR-I-067	MSOE @ Camp Commando	4/2020
SIGAR-I-066	KNMH Elevators	3/2020
SIGAR-I-065	ANA NEI in Dashti Shadian	1/2020
SIGAR-I-063	Inspection of the ANA MOD HQ Infrastructure & Security Improvements	11/2019
SIGAR-I-062	Inspection of the NEI Kunduz Expansion Project	11/2019
SIGAR-I-061	Inspection of the Kandahar 10 MW Solar Power Plant	7/2019
SIGAR-I-060	Inspection of the Pol-I Charkhi Prison Wastewater Treatment	6/2019
SIGAR-I-058	Inspection of the ANA NEI in Pul-e Khumri	10/2018

# APPENDICES

## SIGAR Special Projects Completed Special Projects

SIGAR issued one special-projects report during this reporting period.

### COMPLETED SIGAR SPECIAL PROJECTS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Issued
SIGAR 20-47-SP	Inconsistent Afghan Visa Policies Increased the Cost to Deploy Contractors to Afghanistan	7/2020

## SIGAR Lessons Learned Program Ongoing Lessons Learned Projects

SIGAR has four ongoing lessons-learned projects this reporting period.

### ONGOING SIGAR LESSONS-LEARNED PROJECTS AS OF JUNE 30, 2020

Project Identifier	Project Title	Date Initiated
SIGAR LL-14	Empowering Afghan Women and Girls	10/2019
SIGAR LL-13	Police and Corrections	9/2019
SIGAR LL-11	U.S. Support for Elections	9/2018
SIGAR LL-10	Contracting	8/2018

# APPENDIX D

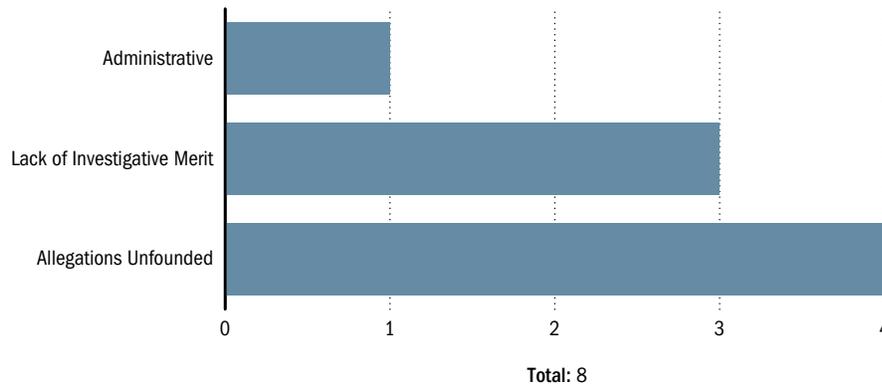
## SIGAR INVESTIGATIONS AND HOTLINE

### SIGAR Investigations

This quarter, SIGAR opened three new investigations and closed eight, bringing the total number of ongoing investigations to 123. Of the closed investigations, most were closed due to administrative action, unfounded allegations, or lack of investigative merit, as shown in Figure D.1. Of the new investigations, most were related to procurement and contract fraud, as shown in Figure D.2.

FIGURE D.1

SIGAR'S CLOSED INVESTIGATIONS, APRIL 1-JUNE 30, 2020



Source: SIGAR Investigations Directorate, 6/30/2020.

FIGURE D.2

SIGAR NEW INVESTIGATIONS, APRIL 1-JUNE 30, 2020



Source: SIGAR Investigations Directorate, 6/30/2020.

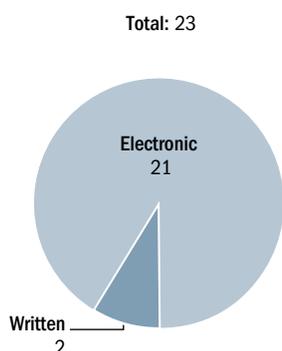
# APPENDICES

## SIGAR Hotline

The SIGAR Hotline (866-329-8893 in the USA, or 0700107300 via cell phone in Afghanistan) received 23 complaints this quarter, as shown in Figure D.3. In addition to working on new complaints, the Investigations Directorate continued its work this quarter on complaints received prior to April 1, 2020. This quarter, the directorate processed 55 complaints, most of which are under review or were closed, as shown in Figure D.4.

FIGURE D.3

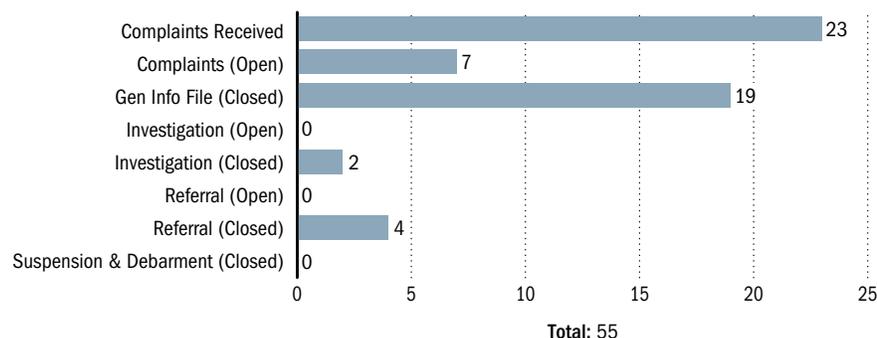
**SOURCE OF SIGAR HOTLINE COMPLAINTS, APRIL 1–JUNE 30, 2020**



Source: SIGAR Investigations Directorate, 6/30/2020.

FIGURE D.4

**STATUS OF SIGAR HOTLINE COMPLAINTS: APRIL 1–JUNE 30, 2020**



Source: SIGAR Investigations Directorate, 7/1/2020.

## SIGAR SUSPENSIONS AND DEBARMENTS

Table D.1 is a comprehensive list of finalized suspensions, debarments, and special entity designations relating to SIGAR’s work in Afghanistan as of July 1, 2020. *SIGAR lists its suspensions, debarments and special-entity designations for historical purposes only.* For the current status of any individual or entity listed herein as previously suspended, debarred or listed as a special-entity designation, please consult the System for Award Management, [www.sam.gov/SAM/](http://www.sam.gov/SAM/).

Entries appearing in both the suspension and debarment sections are based upon their placement in suspended status following criminal indictment or determination of non-responsibility by agency suspension and debarment official. Final debarment was imposed following criminal conviction in U.S. Federal District Court and/or final determination by agency suspension and debarment official regarding term of debarment.

# APPENDICES

TABLE D.1

## SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2020

### Special Entity Designations

Arvin Kam Construction Company	Noh-E Safi Mining Company	Saadat, Wakil
Arvin Kam Group LLC, d.b.a. "Arvin Kam Group Security," d.b.a. "Arvin Kam Group Foundation," d.b.a. "Arvin Global Logistics Services Company"	Noor Rahman Company	Triangle Technologies
Ayub, Mohammad	Noor Rahman Construction Company	Wasim, Abdul Wakil
Fruzi, Haji Khalil	Nur Rahman Group, d.b.a. "NUCCL Construction Company," d.b.a. "RUCCL Rahman Umar Construction Company," d.b.a. "Rahman Trading and General Logistics Company LLC	Zaland, Yousef
Muhammad, Haji Amir	Rahman, Nur, a.k.a. "Noor Rahman, a.k.a. "Noor Rahman Safa"	Zurmat Construction Company
Haji Dhost Mohammad Zurmat Construction Company	Rhaman, Mohammad	Zurmat Foundation
Jan, Nurullah		Zurmat General Trading
Khan, Haji Mohammad Almas		Zurmat Group of Companies, d.b.a. "Zurmat LLC"
		Zurmat Material Testing Laboratory

### Suspensions

Al-Watan Construction Company	Autry, Cleo Brian	Farouki, Abul Huda
Basirat Construction Firm	Chamberlain, William Todd	Farouki, Mazen
Naqibullah, Nadeem	Cook, Jeffrey Arthur	Maarouf, Salah
Rahman, Obaidur	Harper, Deric Tyron	ANHAM FZCO
Robinson, Franz Martin	Walls, Barry Lee, Jr.	ANHAM USA
Aaria Middle East	International Contracting and Development	Green, George E.
Aaria Middle East Company LLC	Sobh, Adeen Nagib, a.k.a. "Ali Sobh"	Tran, Anthony Don
Aftech International	Stallion Construction and Engineering Group	Vergez, Norbert Eugene
Aftech International Pvt. Ltd.	Wazne Group Inc., d.b.a. "Wazne Wholesale"	Bunch, Donald P.
Albahar Logistics	Wazne, Ayman, a.k.a. "Ayman Ibrahim Wazne"	Kline, David A.
American Aaria Company LLC	Green, George E.	Farouki, Abul Huda
American Aaria LLC	Tran, Anthony Don	Farouki, Mazen
Sharpway Logistics	Vergez, Norbert Eugene	Maarouf, Salah
United States California Logistics Company	Bunch, Donald P.	ANHAM FZCO
Brothers, Richard S.	Kline, David A.	ANHAM USA
Rivera-Medina, Franklin Delano		

### Debarments

Farooqi, Hashmatullah	Mariano, April Anne Perez	Abbasi, Shahpoor
Hamid Lais Construction Company	McCabe, Elton Maurice	Amiri, Waheedullah
Hamid Lais Group	Mihalcz, John	Atal, Waheed
Lodin, Rohullah Farooqi	Qasimi, Mohammed Indress	Daud, Abdullilah
Bennett & Fouch Associates LLC	Radhi, Mohammad Khalid	Dehati, Abdul Majid
Brandon, Gary	Safi, Fazal Ahmed	Fazli, Qais
K5 Global	Shin Gul Shaheen, a.k.a. "Sheen Gul Shaheen"	Hamdard, Mohammad Yousof
Ahmad, Noor	Espinoza-Loor, Pedro Alfredo	Kunari, Haji Pir Mohammad
Noor Ahmad Yousufzai Construction Company	Campbell, Neil Patrick*	Mushfiq, Muhammad Jaffar
Ayeni, Sheryl Adenike	Navarro, Wesley	Mutallib, Abdul
Cannon, Justin	Hazrati, Arash	Nasrat, Sami
Constantino, April Anne	Midfield International	National General Construction Company
Constantino, Dee	Moore, Robert G.	Passerly, Ahmaad Saleem
Constantino, Ramil Palmes	Noori, Noor Alam, a.k.a. "Noor Alam"	Rabi, Fazal
Crilly, Braam	Northern Reconstruction Organization	Rahman, Atta
Drotteff, Christopher	Shamal Pamir Building and Road Construction Company	Rahman, Fazal
Fil-Tech Engineering and Construction Company	Wade, Desi D.	Roshandil, Mohammad Ajmal
Handa, Sdilharth	Blue Planet Logistics Services	Saber, Mohammed
Jabak, Imad	Mahmodi, Padres	Safi, Azizur Rahman
Jamally, Rohullah	Mahmodi, Shikab	Safi, Matiullah
Khalid, Mohammad	Saber, Mohammed	Sahak, Sher Khan
Khan, Daro	Watson, Brian Erik	Shaheed, Murad

Continued on the following page

\* Indicate that the individual or entity was subject to two final agency actions by an agency suspension and debarment official, resulting in a suspension followed by final debarment following the resolution of a criminal indictment or determination of non-responsibility by agency suspension and debarment official.

# APPENDICES

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2020 (CONTINUED)		
Debarments (continued)		
Shirzad, Daulet Khan	Ali, Esrar	Tito, Regor
Uddin, Mehrab	Gul, Ghanzi	Brown, Charles Phillip
Watson, Brian Erik	Luqman Engineering Construction Company, d.b.a. "Luqman Engineering"	Sheren, Fasela, a.k.a. "Sheren Fasela"
Wooten, Philip Steven*	Safiullah, a.k.a. "Mr. Safiullah"	Anderson, Jesse Montel
Espinoza, Mauricio*	Sarfarez, a.k.a. "Mr. Sarfarez"	Charboneau, Stephanie, a.k.a. "Stephanie Shankel"
Alam, Ahmed Farzad*	Wazir, Khan	Hightower, Jonathan
Greenlight General Trading*	Akbar, Ali	Khan, Noor Zali, a.k.a. "Wali Kahn Noor"
Aaria Middle East Company LLC*	Crystal Construction Company, d.b.a. "Samitullah Road Construction Company"	Saheed, a.k.a. "Mr. Saheed," a.k.a. "Sahill," a.k.a. "Ghazi-Rahman"
Aaria Middle East Company Ltd. - Herat*	Samitullah (Individual uses only one name)	Weaver, Christopher
Aaria M.E. General Trading LLC*	Ashna, Mohammad Ibrahim, a.k.a. "Ibrahim"	Al Kaheel Oasis Services
Aaria Middle East*	Gurvinder, Singh	Al Kaheel Technical Service
Barakzai, Nangjalai*	Jahan, Shah	CLC Construction Company
Formid Supply and Services*	Shahim, Zakirullah a.k.a. "Zakrullah Shahim", a.k.a. "Zikrullah Shahim"	CLC Consulting LLC
Aaria Supply Services and Consultancy*	Alyas, Maiwand Ansunullah a.k.a. "Engineer Maiwand Alyas"	Complete Manpower Solutions
Kabul Hackle Logistics Company*	BMSCS	Mohammed, Masiuddin, a.k.a. "Masi Mohammed"
Yousef, Najeebullah*	Maiwand Haqmal Construction and Supply Company	Rhoden, Bradley L., a.k.a. "Brad L. Rhoden"
Aaria Group*	New Riders Construction Company, d.b.a. "Riders Construction Company," d.b.a. "New Riders Construction and Services Company"	Rhoden, Lorraine Serena
Aaria Group Construction Company*	Riders Constructions, Services, Logistics and Transportation Company	Royal Super Jet General Trading LLC
Aaria Supplies Company LTD*	Riders Group of Companies	Super Jet Construction Company
Rahimi, Mohammad Edris*	Domineck, Lavette Kaye*	Super Jet Fuel Services
All Points International Distributors Inc.*	Markwith, James*	Super Jet Group
Hercules Global Logistics*	Martinez, Rene	Super Jet Tours LLC, d.b.a. "Super Jet Travel and Holidays LLC"
Schroeder, Robert*	Maroof, Abdul	Super Solutions LLC
Helmand Twinkle Construction Company	Qara, Yousef	Abdullah, Bilal
Waziri, Heward Omar	Royal Palace Construction Company	Farmer, Robert Scott
Zadran, Mohammad	Bradshaw, Christopher Chase	Mudiyanselage, Oliver
Afghan Mercury Construction Company, d.b.a. "Afghan Mercury Construction & Logistics Co."	Zuhra Productions	Kelly, Albert III
Mirzali Naseeb Construction Company	Zuhra, Niaza	Ethridge, James
Montes, Diyana	Boulware, Candice a.k.a. "Candice Joy Dawkins"	Fernridge Strategic Partners
Naseeb, Mirzali	Dawkins, John	AISC LLC*
Martino, Roberto F.	Mesopotamia Group LLC	American International Security Corporation*
Logiotatos, Peter R.	Nordloh, Geoffrey	David A. Young Construction & Renovation Inc.*
Glass, Calvin	Kieffer, Jerry	Force Direct Solutions LLC*
Singleton, Jacy P.	Johnson, Angela	Harris, Christopher*
Robinson, Franz Martin	CNH Development Company LLC	Hernando County Holdings LLC*
Smith, Nancy	Johnson, Keith	Hide-A-Wreck LLC*
Sultani, Abdul Anas a.k.a. "Abdul Anas"	Military Logistic Support LLC	Panthers LLC*
Faqiri, Shir	Eisner, John	Paper Mill Village Inc.*
Hosmat, Haji	Taurus Holdings LLC	Shroud Line LLC*
Jim Black Construction Company	Brophy, Kenneth Michael*	Spada, Carol*
Arya Ariana Aryayee Logistics, d.b.a. "AAA Logistics," d.b.a. "Somo Logistics"	Abdul Haq Foundation	Welventure LLC*
Garst, Donald	Adajar, Adonis	World Wide Trainers LLC*
Mukhtar, Abdul a.k.a. "Abdul Kubar"	Calhoun, Josh W.	Young, David Andrew*
Noori Mahgir Construction Company	Clark Logistic Services Company, d.b.a. "Clark Construction Company"	Woodruff and Company
Noori, Sherin Agha	Farkas, Janos	Borcata, Raul A.*
Long, Tonya*	Flordeliz, Alex F.	Close, Jarred Lee*
Isranuddin, Burhanuddin	Knight, Michael T. II	Logistical Operations Worldwide*
Matun, Navidullah, a.k.a. "Javid Ahmad"	Lozado, Gary	Taylor, Zachery Dustin*
Matun, Wahidullah	Mijares, Armando N. Jr.	Travis, James Edward*
Navid Basir Construction Company	Mullakhiel, Wadir Abdullahmatin	Khairfullah, Gul Agha
Navid Basir JV Gagar Baba Construction Company	Rainbow Construction Company	Khaili Rahimi Construction Company
NBCC & GBCC JV	Sardar, Hassan, a.k.a. "Hassan Sardar Inqilab"	Momand, Jahanzeb, a.k.a. "Engineer Jahanzeb Momand"
Noori, Navid	Shah, Mohammad Nadir, a.k.a. "Nader Shah"	Yar-Mohammad, Hazrat Nabi
Asmatullah, Mahmood, a.k.a. "Mahmood"		Walizada, Abdul Masoud, a.k.a. "Masood Walizada"
Khan, Gul		Alizai, Zarghona
Khan, Solomon Sherdad, a.k.a. "Solomon"		Aman, Abdul
Mursalin, Ikramullah, a.k.a. "Ikramullah"		Anwari, Laila
Musafer, Naseem, a.k.a. "Naseem"		Anwari, Mezhgan
		Anwari, Rafi

Continued on the following page

# APPENDICES

TABLE D.1 (CONTINUED)

## SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2020 (CONTINUED)

### Debarments (continued)

Arghandiwal, Zahra, a.k.a. "Sarah Arghandiwal"	Veterans Construction/Lakeshore JV LLC	Tamerlane Global Services Inc., d.b.a. "Tamerlane Global LLC," d.b.a. "Tamerlane LLC," d.b.a. "Tamerlane Technologies LLC"
Azizi, Farwad, a.k.a. "Farwad Mohammad Azizi"	Afghan Royal First Logistics, d.b.a. "Afghan Royal"	Sherzai, Akbar Ahmed*
Bashizada, Razia	American Barriers	Jean-Noel, Dimitry
Coates, Kenneth	Arakozia Afghan Advertising	Hampton, Seneca Darnell*
Gibani, Marika	Dubai Armored Cars	Dennis, Jimmy W.
Haidari, Mahboob	Enayatullah, son of Hafizullah	Timor, Karim
Latifi, Abdul	Farhas, Ahmad	Wardak, Khalid
McCammon, Christina	Inland Holdings Inc.	Rahmat Siddiqi Transportation Company
Mohibzada, Ahmadullah, a.k.a. "Ahmadullah Mohebzada"	Intermaax, FZE	Siddiqi, Rahmat
Neghat, Mustafa	Intermaax Inc.	Siddiqi, Sayed Attallah
Qurashi, Abdul	Karkar, Shah Wali	Umbrella Insurance Limited Company
Raouf, Ashmatullah	Sandman Security Services	Taylor, Michael
Shah, David	Siddiqi, Atta	Gardazi, Syed
Touba, Kajim	Specialty Bunkering	Smarasinghage, Sagara
Zahir, Khalid	Spidle, Chris Calvin	Security Assistance Group LLC
Aryubi, Mohammad Raza Samim	Vulcan Amps Inc.	Edmondson, Jeffrey B.*
Atlas Sahil Construction Company	Worldwide Cargomasters	Montague, Geoffrey K.*
Bab Al Jazeera LLC	Aziz, Haji Abdul, a.k.a. "Abdul Aziz Shah Jan," a.k.a. "Aziz"	Ciampa, Christopher*
Emar-E-Sarey Construction Company	Castillo, Alfredo, Jr.	Lugo, Emanuel*
Muhammad, Pianda	Abbasi, Asim	Bailly, Louis Matthew*
Sambros International, d.b.a. "Sambros International LTD," d.b.a. "Sambros-UK JV"	Muturi, Samuel	Kumar, Krishan
Sambros JV Emar-E-Sarey Construction Company, d.b.a. "Sambros JV ESCC"	Mwakio, Shannel	Marshal Afghan American Construction Company
Antes, Bradley A.	Ahmad, Jaweed	Marshal, Sayed Abbas Shah
Lakeshore Engineering & Construction Afghanistan Inc., d.b.a. "Lakeshore General Contractors Inc."	Ahmad, Masood	Masraq Engineering and Construction Company
Lakeshore Engineering Services Inc.	A & J Total Landscapes	Miakhil, Azizullah
Lakeshore Engineering Services/Toltest JV LLC	Aryana Green Light Support Services	Raj, Janak
Lakeshore Toltest - Rentenbach JV LLC	Mohammad, Sardar, a.k.a. "Sardar Mohammad Barakzai"	Singh, Roop
Lakeshore Toltest Corporation, d.b.a. "Lakeshore Group," d.b.a. "LTC Newco d.b.a. "LTC CORP Michigan," d.b.a. "Lakeshore Toltest KK"	Pittman, James C., a.k.a. "Carl Pittman"	Stratton, William G
Lakeshore Toltest Guam LLC	Poaipuni, Clayton	Umeer Star Construction Company
Lakeshore Toltest JV LLC	Wiley, Patrick	Zahir, Mohammad Ayub
Lakeshore Toltest RRCC JV LLC	Crystal Island Construction Company	Peace Thru Business*
Lakeshore/Walsh JV LLC	Bertolini, Robert L.*	Pudenz, Adam Jeff Julius*
LakeshoreToltest METAG JV LLC	Kahn, Haroon Shams, a.k.a. "Haroon Shams"*	Green, Robert Warren*
LTC & Metawater JV LLC	Shams Constructions Limited*	Mayberry, Teresa*
LTC Holdings Inc.	Shams General Services and Logistics Unlimited*	Addas, James*
LTC Italia SRL	Shams Group International, d.b.a. "Shams Group International FZE"*	Advanced Ability for U-PVC*
LTC Tower General Contractors LLC	Shams London Academy*	Al Bait Al Amer*
LTCCORP Commercial LLC	Shams Production*	Al Iraq Al Waed*
LTCCORP E&C Inc.	Shams Welfare Foundation*	Al Quraishi Bureau*
LTCCORP Government Services-OH Inc.	Swim, Alexander*	Al Zakoura Company*
LTCCORP Government Services Inc.	Norris, James Edward	Al-Amir Group LLC*
LTCCORP Government Services-MI Inc.	Afghan Columbia Construction Company	Al-Noor Contracting Company*
LTCCORP O&G LLC	Ahmadi, Mohammad Omid	Al-Noor Industrial Technologies Company*
LTCCORP Renewables LLC	Dashti, Jamsheed	
LTCCORP Inc.	Hamdard, Eraj	
LTCCORP/Kaya Djibouti LLC	Hamidi, Mahrokht	
LTCCORP/Kaya East Africa LLC	Raising Wall Construction Company	
LTCCORP/Kaya Romania LLC	Artemis Global Inc., d.b.a. "Artemis Global Logistics and Solutions," d.b.a. "Artemis Global Trucking LLC"	
LTCCORP/Kaya Rwanda LLC	O'Brien, James Michael, a.k.a. "James Michael Wienert"	
LTCORP Technology LLC		
Toltest Inc., d.b.a. "Wolverine Testing and Engineering," d.b.a. "Toledo Testing Laboratory," d.b.a. "LTC," d.b.a. "LTC Corp," d.b.a. "LTC Corp Ohio," d.b.a. "LTC Ohio"		
Toltest/Desbuil Germany JV LLC		

Continued on the following page

# APPENDICES

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2020 (CONTINUED)		
Debarments (continued)		
California for Project Company*	Fayaz Afghan Logistics Services	Emmons, Larry
Civilian Technologies Limited Company*	Fayaz, Afghan, a.k.a. "Fayaz Alimi," a.k.a. "Fayaz, Son of Mohammad"	Epps, Willis*
Industrial Techniques Engineering Electromechanically Company*	Gul, Khuja	Etihad Hamidi Group; d.b.a. "Etihad Hamidi Trading, Transportation, Logistics and Construction Company"
Pena, Ramiro*	Habibullah, Son of Ainuddin	Etihad Hamidi Logistics Company; d.b.a. "Etihad Hamidi Transportation, Logistic Company Corporation"
Pulsars Company*	Hamidullah, Son of Abdul Rashid	Hamidi, Abdul Basit; a.k.a. Basit Hamidi
San Francisco for Housing Company	Haq, Fazal	Kakar, Rohani; a.k.a. "Daro Khan Rohani"
Sura Al Mustakbal*	Jahangir, Son of Abdul Qadir	Mohammad, Abdullah Nazar
Top Techno Concrete Batch*	Kaka, Son of Ismail	Nasir, Mohammad
Albright, Timothy H.*	Khalil, Son of Mohammad Ajan	Wali Eshaq Zada Logistics Company; d.b.a. "Wali Ashqa Zada Logistics Company"; d.b.a. "Nasert Nawazi Transportation Company"
Insurance Group of Afghanistan	Khan, Mirullah	Ware, Marvin*
Ratib, Ahmad, a.k.a. "Nazari"	Khan, Mukamal	Belgin, Andrew
Jamil, Omar K.	Khoshal, Son of Sayed Hasan	Afghan Bamdad Construction Company, d.b.a. "Afghan Bamdad Development Construction Company"
Rawat, Ashita	Malang, Son of Qand	Areeb of East Company for Trade & Farzam Construction Company JV
Qadery, Abdul Khalil	Masom, Son of Asad Gul	Areeb of East for Engineering and General Trading Company Limited, d.b.a. "Areeb of East LLC"
Casellas, Luis Ramon*	Mateen, Abdul	Areeb-BDCC JV
Saber, Mohammad a.k.a. "Saber," a.k.a. "Sabir"	Mohammad, Asghar	Areebel Engineering and Logisitics - Farzam
Zahir, Shafiullah Mohammad a.k.a. "Shafiullah," a.k.a. "Shafie"	Mohammad, Baqi	Areebel Engineering and Logistics
Achiever's International Ministries Inc., d.b.a. "Center for Achievement and Development LLC"	Mohammad, Khial	Areeb-Rixon Construction Company LLC, d.b.a. "Areeb-REC JV"
Bickersteth, Diana	Mohammad, Sayed	Carver, Elizabeth N.
Bonview Consulting Group Inc.	Mujahid, Son of Abdul Qadir	Carver, Paul W.
Fagbenro, Oyetayo Ayoola, a.k.a. "Tayo Ayoola Fagbenro"	Nangiali, Son of Alem Jan	RAB JV
Global Vision Consulting LLC	Nawid, Son of Mashoq	Ullah, Izat; a.k.a. "Ezatullah"; a.k.a. "Izatullah, son of Shamsudeen"
HUDA Development Organization	Noorullah, Son of Noor Mohammad	Saboor, Baryalai Abdul; a.k.a. "Barry Gafuri"
Strategic Impact Consulting, d.b.a. "Strategic Impact KarKon Afghanistan Material Testing Laboratory"	Qayoum, Abdul	Stratex Logistic and Support, d.b.a. "Stratex Logistics"
Davies, Simon	Roz, Gul	Jahanzeb, Mohammad Nasir
Gannon, Robert, W.	Shafiq, Mohammad	Nasrat, Zaulhaq, a.k.a. "Zia Nasrat"
Gillam, Robert	Shah, Ahmad	Blevins, Kenneth Preston*
Mondial Defence Systems Ltd.	Shah, Mohammad	Banks, Michael*
Mondial Defense Systems USA LLC	Shah, Rahim	Afghan Armor Vehicle Rental Company
Mondial Logistics	Sharif, Mohammad	Hamdard, Javid
Khan, Adam	Waheedullah, Son of Sardar Mohammad	McAlpine, Nebraska
Khan, Amir, a.k.a. "Amir Khan Sahel"	Wahid, Abdul	Meli Afghanistan Group
Sharq Afghan Logistics Company, d.b.a. "East Afghan Logistics Company"	Wais, Gul	Badgett, Michael J.*
Hafizullah, Sayed; a.k.a. "Sadat Sayed Hafizullah"; a.k.a. "Sayed Hafizullah Delsooz"	Wali, Khair	Miller, Mark E.
Sadat Zohori Construction and Road Building Company; d.b.a. "Sadat Zohori Cons Co."	Wali, Sayed	Anderson, William Paul
Abdullah, Son of Lal Gul	Wali, Taj	Kazemi, Sayed Mustafa, a.k.a. "Said Mustafa Kazemi"
Ahmad, Aziz	Yaseen, Mohammad	Al Mostahan Construction Company
Ahmad, Zubir	Yaseen, Son of Mohammad Aajan	Nazary, Nasir Ahmad
Aimal, Son of Masom	Zakir, Mohammad	Nazanin, a.k.a. "Ms. Nazanin"
Ajmal, Son of Mohammad Anwar	Zamir, Son of Kabir	
Fareed, Son of Shir	Rogers, Sean	
	Slade, Justin	
	Morgan, Sheldon J.*	
	Dixon, Regionald	

Continued on the following page

# APPENDICES

TABLE D.1 (CONTINUED)

## SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2020 (CONTINUED)

### Debarments (continued)

Ahmadzai, Sajid
Sajid, Amin Gul
Elham, Yaser, a.k.a. "Najibullah Saadullah"*
Everest Faizy Logistics Services*
Faizy Elham Brothers Ltd.*
Faizy, Rohullah*
Hekmat Shadman General Trading LLC*
Hekmat Shadman Ltd., d.b.a. "Hikmat Shadman Ltd."*
Hikmat Shadman Construction and Supply Company*
Hikmat Himmat Logistics Services Company*
Hikmat Shadman Logistics Services Company, d.b.a. "Hikmat Shadman Commerce Construction and Supply Company," d.b.a. "Hikmat Shadman Commerce Construction Services"*
Saif Hikmat Construction Logistic Services and Supply Co.*
Shadman, Hikmatullah, a.k.a. "Hikmat Shadman," a.k.a. "Haji Hikmatullah Shadman," a.k.a. "Hikmatullah Saadulah"*
Omonobi-Newton, Henry
Hele, Paul
Highland Al Hujaz Co. Ltd.
Supreme Ideas - Highland Al Hujaz Ltd. Joint Venture, d.b.a. SI-HLH-JV
BYA International Inc. d.b.a. BYA Inc.
Harper, Deric Tyrone*
Walls, Barry Lee, Jr.*
Cook, Jeffrey Arthur*
McCray, Christopher
Jones, Antonio
Autry, Cleo Brian*
Chamberlain, William Todd*
JS International Inc.
Perry, Jack
Pugh, James
Hall, Alan
Paton, Lynda Anne

# APPENDICES

## APPENDIX E

### SIGAR DATA CALL QUESTIONS THAT RECEIVED CLASSIFIED OR UNCLASSIFIED BUT NOT PUBLICLY RELEASABLE RESPONSES

Every quarter, SIGAR sends U.S. implementing agencies in Afghanistan a list of questions about their programs. This quarter, United States Forces-Afghanistan (USFOR-A) classified or designated unclassified but not publicly releasable its responses to the bolded portions of ten questions from SIGAR's data call (below).

#### SECURITY

Question ID	Question
Jul-Sec-01	<p><b>1. Please provide the following classified information on ANA strength as of the latest available date (month-end):</b></p> <p><b>a. the most recent ANA APPS month-end report with "as of" dates on each.</b></p> <p>2. Please provide the following unclassified information on ANA strength as of the latest available date (month-end):</p> <p>a. the topline strength of the ANA (with "as of" date provided).</p> <p>b. a description of general ANA attrition trends over the last quarter.</p> <p>3. On ANA attrition:</p> <p>a. Given current attrition trends, does CSTC-A feel that the ANA manned at adequate levels and how specifically has this affected ANA readiness and performance?</p> <p>b. What are the steps MOD is taking to minimize attrition from desertion, AWOL, or refusals to reenlist? Please comment how effective these have or haven't been.</p>
Jul-Sec-04	<p><b>1. On the ANDSF's performance:</b></p> <p><b>a. Please provide a recent assessment of the ANDSF elements below the ministerial level. The assessment can be general or anecdotal, but please cover key performance areas such as reporting, training, planning, operational readiness, and leadership.</b></p> <p><b>b. Please provide the latest, classified NATO Periodic Mission Review (PMR). If there will be no PMR released this quarter, please say so.</b></p> <p>2. Please provide a recent, unclassified assessment of the ANDSF at the ministerial level.</p> <p>3. The December 2019 1225 report states that "sustained levels of violence and ANDSF casualties contributed to ANDSF attrition outpacing recruitment and retention." On the recruitment aspect of that equation alone, can you provide a description of recruitment trends for both the ANA and the ANP (separately) over the reporting period to include the following: How does it compare to similar periods in previous years? To what do you attribute the change, if it has changed? Are all recruits completing their basic training courses or are they being pushed directly to their operational commands due to high operational tempo?</p> <p>4. Please provide the most recent monthly or quarterly reports quantifying ANDSF performance using the new ANET assessment system.</p> <p>5. Can the CCAG please provide an update on the status of corruption problems and the current conditions at Kabul Military Training Center (as they did last quarter)? Please include what the problems were, which problems remain, any further mitigation efforts (successful or not) this quarter by the CCAG, other Coalition groups, and the ANDSF, and whether anyone existing or new have been held accountable?</p>
Jul-Sec-08	<p><b>1. Please provide the following classified information on ANP strength as of the latest available date (month-end):</b></p> <p><b>a. the most recent ANP APPS month-end report with "as of" dates on each.</b></p> <p>2. Please provide the following unclassified information on ANA strength as of the latest available date (month-end):</p> <p>a. the topline strength of the ANP (with "as of" date provided).</p> <p>b. a description of general ANP attrition trends over the last quarter.</p> <p>3. On ANP attrition:</p> <p>a. Given current attrition trends, does CSTC-A feel that the ANP manned at adequate levels and how specifically has this affected ANP readiness and performance?</p> <p>b. What are the steps MOI is taking to minimize attrition from desertion, AWOL, or refusals to reenlist? Please comment how effective these have or haven't been.</p>

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# APPENDICES

<b>Jul-Sec-23</b>	<p>1. Please provide information on insider attacks against Coalition Forces from April 1, 2020, through the latest available date (month end):</p> <ol style="list-style-type: none"><li>the number of insider attacks against U.S. and Coalition military personnel</li><li>the number of U.S. and Coalition military personnel wounded or killed from insider attacks</li><li>the number of insider attacks against ANDSF</li><li>the number of ANDSF personnel wounded or killed as a result of insider attacks</li></ol> <p><b>2. Please provide the classified CIDNE Excel file export of all ANDSF casualties from April 1, 2020, through the latest available date (month end). It is not necessary to filter the CIDNE export, but, at a minimum, these data should include the unit (lowest level available), location (highest fidelity possible), and date for all casualties.</b></p> <p>3. Please provide us a response to the following: In an unclassified, publicly releasable format, describe how ANDSF casualty rates during the quarter compare to casualty rates during the same quarter one year ago. Differentiate between casualties that occurred during offensive operations and those that occurred during defensive operations.</p> <p>4. In reference to changes to the U.S. military posture resulting from the implementing arrangements of the U.S.-Taliban agreement, what is USFOR-A doing operationally to help prevent Taliban/other enemy attacks on the ANDSF and to help prevent high ANDSF casualties (i.e. more air strikes, etc.)? Have these measures impacted or changed what MOD and MOI are doing to prevent Taliban/other enemy attacks on the ANDSF and to prevent high ANDSF casualties? Please provide as much detail as you can in an unclassified format and anything else classified.</p>
<b>Jul-Sec-26</b>	<p><b>1. Regarding USG support to the Special Mission Wing (SMW):</b></p> <ol style="list-style-type: none"><li>Please provide a recent, comprehensive update of the SMW as of the latest possible date.</li><li><b>Please identify each type of aircraft in the SMW inventory and the number of each. If aircraft became unusable during this reporting period, please indicate when and the reason for each.</b></li><li>Please provide the number of aircraft purchased but not yet fielded and what the anticipated dates are for fielding.</li><li>Please complete the attached ANDSF spreadsheet/SMW tab, or provide the applicable data. (Sec-26 tab Data Call Attachment Spreadsheet)</li><li>What percentage of the SMW sorties are in support of counternarcotics? Of counterterrorism? or counternexus (CN &amp; CT)?</li><li><b>How many aircrew members does the SMW currently have, by crew position and airframe? Please break out their level of mission qualification (e.g. Certified Mission Ready (night-vision qualified), the daytime equivalent, etc.):</b><ol style="list-style-type: none"><li>Mi-17 Pilots and Pilot Trainers</li><li>Mi-17 Flight Engineers</li><li>Mi-17 Crew Chiefs</li><li>PC-12 Pilots</li><li>PC-12 Mission System Operators</li></ol></li><li><b>Please provide an update on the operational readiness rate of the SMW and its achievement benchmarks this quarter, if one is available.</b></li><li><b>How many and what type of aircraft maintainers are currently assigned / authorized? Are these SMW personnel or contractors? If contractors, are they Afghan or international contractors?</b></li><li><b>Provide the cost of aircraft maintenance being paid with ASFF or money from other countries.</b></li></ol>
<b>Jul-Sec-58</b>	<p><b>1. On U.S. and Afghan air strikes in Afghanistan, please provide any updates necessary for the following totals from last quarter, as well as this quarter's data (April 1, 2020, through the latest available month-end date):</b></p> <ol style="list-style-type: none"><li><b>How many air strikes have been carried out monthly by U.S. forces? If classified, please provide some unclassified statements on data trends (like with EIA/EEIA data in Sec-63).</b></li><li>How many civilian casualties have been incurred from these air strikes monthly?</li><li>How many civilian casualties resulted from AAF air strikes monthly?</li></ol> <p>2. Please provide any updates necessary for the overall RS/USFOR-A tracked Afghan civilian casualty figures from last quarter, as well as this quarter's data from April 1, 2020, through the latest available month-end date (in the Data Call Attachment Spreadsheet, Tabs Sec-58) and include:</p> <ol style="list-style-type: none"><li>the monthly breakout of the data</li><li>the breakout of civilian casualties by each province</li><li>the percentage breakdown of the top causes of the total civilian casualties</li><li>the breakout of civilian casualties by responsible party (i.e. ANDSF, U.S. and Coalition forces, insurgents). In RS's civilian casualty collection methodology, if an enemy initiated attack occurs, and the Coalition or Afghan response (e.g., ground operation or air strike) kills or injures Afghan civilians, to whom are civilian casualties attributed?</li></ol>

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# APPENDICES

Jul-Sec-61	<p>1. Provide a spreadsheet documenting all concluded ANDSF CONOPs for offensive operations conducted from April 1, 2020, through the latest available date (month-end date). Each concluded operation should be its own row. For our purposes, an operation involves (1) at least one ANA kandak or (2) a combination of units from at least two Afghan security entities (MOI, MOD, and/or NDS). For each operation, we request the following information:</p> <ul style="list-style-type: none"><li>a. the district in which the operation primarily occurred (District name)</li><li>b. the province in which the operation primarily occurred (Province name)</li><li>c. the start date of the operation (YYYY-MM-DD)</li><li>d. the end date of the operation (YYYY-MM-DD)</li><li>e. whether AAF A-29s or AC-208 provided direct support during the operation (Yes/No)</li><li>f. whether AAF MD-530s, UH-60, or Mi-17 provided direct support during the operation (Yes/No)</li><li>g. whether ANASOC MSFVs provided direct support during the operation (Yes/No)</li><li>h. whether the operation involved ANA units (Yes/No)</li><li>i. whether the operation involved MOI units (Yes/No)</li><li>j. whether the operation involved NDS units (Yes/No)</li><li>k. whether the operation involved ANASOC units (Yes/No)</li><li>l. whether the operation was enabled by U.S. or Coalition air support (Yes/No)</li><li>m. whether the operation was enabled by U.S. or Coalition ground support (Yes/No)</li><li>n. whether any U.S. or Coalition military aircraft provided medical evacuation support (Yes/No)</li></ul>
Jul-Sec-63	<p>1. Please provide any updates to last quarter's data on the total number of enemy-initiated attacks from January 1, 2020, through March 31, 2020. Please also provide the following new data for this quarter (April 1, 2020, through June 30, 2020) in the Data Call Attachment Spreadsheet, tab Sec-63:</p> <ul style="list-style-type: none"><li>a. the total number of enemy initiated attacks by month</li><li>b. the attacks broken out by categories, to include direct fire, IED/mine strikes, indirect fire, SAFIRE, etc.</li><li>c. the attacks broken out by province</li></ul> <p>2. Please provide any updates to last quarter's data on the total number of effective enemy-initiated attacks from January 1, 2020, through March 31, 2020. Please also provide the following new data for this quarter (April 1, 2020, through June 30, 2020) in the Data Call Attachment Spreadsheet, tab Sec-63:</p> <ul style="list-style-type: none"><li>a. the total number of enemy initiated attacks by month</li><li>b. the attacks broken out by types of attacks, to include direct fire, IED/mine strikes, indirect fire, SAFIRE, etc.</li><li>c. the attacks broken out by province</li></ul> <p>3. For the 2019 data provided to us last quarter, please provide the following in the Data Call Attachment Spreadsheet, tab Sec-63: Any updates to 2019 EIA and/or EEIA monthly totals Please provide the monthly and provincial breakdowns of both EIA and EEIA that occurred from (April 1, 2019, through June 30, 2019).</p> <p>4. If there has been any change in margin of error or time period lag in the data, please explain what the change is and why it occurred.</p> <p>5. If questions 1-3 remain U//FOUO this quarter, please provide the same level of unclassified description of EIA trends provided to us in your vetting response last quarter.</p>
Jul-Sec-65	<p>1. In an unclassified format, please explain whether or not there was a direct connection (explicit or implicit in the form of spoken or understood agreements) between the U.S.-Afghan Joint Declaration and/or U.S.-Taliban Agreement and the ANDSF's defensive posture that it adopted in late-February 2020 during the reduction-in-violence period. Did the U.S. request that the ANDSF assume a defensive posture?</p> <p>2. In an unclassified format, please describe the main characteristics of the ANDSF's stated "active defense" posture, adopted in March 2020, and whether or not the ANDSF remains in that posture. Is the "active defense" a doctrinal ANDSF mission?</p> <p>3. Have Taliban attacks on the ANDSF since March (and the level of those attacks) been in violation of the letter of the agreement?</p> <p>4. Please provide any classified appendices/implementing arrangements of the agreement.</p>
Jul-Sec-71	<p>1. Please provide a narrative and/or Excel spreadsheet updates on the status of the ANA-TF rollout to include:</p> <ul style="list-style-type: none"><li>a. How many ANA-TF companies are currently serving under their command Corps and what provinces are they located in? Please provide an unclassified list if the map is not unclassified.</li><li>b. How many ANA-TF companies are currently in training and where are they located? Please provide an unclassified list if the map is not unclassified.</li><li>c. Is ANA-TF recruitment and expansion still on hold pending ANA integration issues? If so, please explain what those issues are and how RS/CSTC-A is TAAing to address them. If not, please update us on the new number of planned tolays and the expected completion date for the expansion.</li><li>d. Have ANA-TF operations thus far provided any indications of the success or shortcomings of the ANA-TF companies? Please provide examples.</li></ul>

# APPENDICES

## APPENDIX F ABBREVIATIONS AND ACRONYMS

<b>ACRONYM OR ABBREVIATION</b>	<b>DEFINITION</b>
AAF	Afghan Air Force
ACBR	Afghanistan Central Business Registry
ACC	Army Contracting Command
ACI	Assist Consultants Inc.
ACJC	Anti-Corruption Justice Center
ACLED	Armed Conflict Location & Event Data Project
ADALAT	Assistance for Development of Afghan Legal Access and Transparency
ADB	Asian Development Bank
ADS	Automated Directives System
AFMIS	Afghan Financial Management Information System
AFN	afghani (currency)
AGO	Attorney General's Office
AITF	Afghanistan Infrastructure Trust Fund
ALP	Afghan Local Police
AMANAT	Afghanistan's Measure for Accountability and Transparency
ANA	Afghan National Army
ANASOC	ANA Special Operations Corps
ANDSF	Afghan National Defense and Security Forces
ANP	Afghan National Police
ANTS	Afghan National Tracking Systems
AO	abandoned ordnance
APPS	Afghan Personnel and Pay System
AROC	Afghan Resources Oversight Council
ARTF	Afghanistan Reconstruction Trust Fund
ASFF	Afghanistan Security Forces Fund
ASSF	Afghan Special Security Forces
AUP	Afghan Uniform Police
AUAF	American University of Afghanistan
AWOL	Absent Without Leave
BAG	Budget Activity Group
CAT-C	Combined Arms Training Center

*Continued on the next page*

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ACRONYM OR ABBREVIATION	DEFINITION
CCAP	Citizen's Charter Afghanistan Project
CDCS	Country Development Cooperation Strategy
CENTCOM	U. S. Central Command
CERP	Commander's Emergency Response Program
CID	U.S. Army Criminal Investigation Command
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CLS	Contractor Logistics Support
CMS	Case Management System
CN	Counternarcotics
CNPA	Counter Narcotics Police of Afghanistan
COIN	counterinsurgency
COMAC	Conflict Mitigation Assistance for Civilians
COR	contracting officer's representative
CSO	civil-society organization
CSSP	Corrections System Support Program
CSTC-A	Combined Security Transition Command-Afghanistan
CTF	Counterterrorism Financing
CWD	Conventional Weapons Destruction
DAB	Da Afghanistan Bank
DABS	Da Afghanistan Breshna Sherkat
DCIS	Defense Criminal Investigative Service
DEA	Drug Enforcement Administration (U.S.)
DFR	dropped from rolls
DHS	Department of Homeland Security
DI	director of inspections
DICDA	Drug Interdiction and Counter-Drug Activities (U.S.)
DOD	Department of Defense (U.S.)
DOD OIG	Department of Defense Office of Inspector General
DOJ	Department of Justice (U.S.)
EEIA	effective enemy initiated attacks
EIA	enemy-initiated attacks
ERW	explosive remnants of war
ESF	Economic Support Fund
EU	European Union
FAO	Food and Agriculture Organization (UN)
FAP	Financial and Activity Plan

*Continued on the next page*

# APPENDICES

ACRONYM OR ABBREVIATION	DEFINITION
FBI	Federal Bureau of Investigation
FFP	Food for Peace
FOB	Forward Operating Base
FMS	Foreign Military Sales
FHI	Family Health International
FY	fiscal year
GAO	Government Accountability Office (U.S.)
GCPSU	General Command of Police Special Units
GDP	gross domestic product
GDPDC	General Directorate of Prisons and Detention Centers
GIROA	Government of the Islamic Republic of Afghanistan
GLE	Governor-Led Eradication
HA Yard	Humanitarian Aid Yard
HAZMAT	hazardous materials
HMMWV	high mobility multipurpose wheeled vehicle (commonly known as a humvee)
HQ	headquarters
HRMIS	Human Resource Management Information System
HSR	Health Sector Resiliency
IARCS	Independent Administration Reform and Civil Service Committee
ICRC	International Committee of the Red Cross
ICS	Integrated Country Strategy
ICCTF	International Contract Corruption Task Force
IDA	International Development Association
IDP	Internally Displaced Persons
IEC	Independent Election Commission (Afghan)
IED	improvised explosive device
IG	inspector general
IHSAN	Initiative for Hygiene, Sanitation, and Nutrition
IIU	Intelligence and Investigation Unit (Afghan)
IMF	International Monetary Fund
INCLE	International Narcotics Control and Law Enforcement (U.S.)
INL	Bureau of International Narcotics and Law Enforcement Affairs (U.S.)
IOM	International Organization for Migration
IPP	independent power producers
IS-K	Islamic State-Khorasan
ISLA	Initiative to Strengthen Local Administrations Program
ISR	Intelligence, Surveillance, and Reconnaissance (ISR)

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<b>ACRONYM OR ABBREVIATION</b>	<b>DEFINITION</b>
IWA	Integrity Watch Afghanistan
JAF	Joint Air Force
JSSP	Justice Sector Support Program (State)
JWIP	judicial wire intercept program
kg	kilogram
KIA	killed in action
KMTC	Kabul Military Training Center
LLP	Lessons Learned Program
LOA	Letters of authorization
LOTFA	Law and Order Trust Fund for Afghanistan
MAIL	Ministry of Agriculture, Irrigation and Livestock (Afghan)
MAG	ministerial advisory group
MAPA	Mine Action Programme for Afghanistan
MCN	Ministry of Counter-Narcotics (Afghan)
MCTF	Major Crimes Task Force
MELRA	Multi-Dimensional Legal Economic Reform Assistance
MIGA	Multilateral Investment Guarantee Agency
MOCI	Ministry of Commerce and Industry (Afghan)
MOD	Ministry of Defense (Afghan)
MOD CID	MOD Criminal Investigation Directorate
MOD IG	Ministry of Defense Inspector General
MOE	Minister of Education (Afghan)
MOEc	Ministry of Economy (Afghan)
MOF	Ministry of Finance (Afghan)
MOHE	Ministry of Higher Education (Afghan)
MOI	Ministry of Interior (Afghan)
MOIC	Ministry of Industry and Commerce
MOI CID	Ministry of Interior (Afghan) Criminal Investigation Directorate
MOI IG	Ministry of Interior (Afghan) Inspector General
MOJ	Ministry of Justice (Afghan)
MOMP	Ministry of Mines and Petroleum (Afghan)
MOPH	Ministry of Public Health (Afghan)
MOU	memorandum of understanding
MOWA	Ministry of Women's Affairs
MPTF	Multi-Partner Trust Fund
MPD	Ministry of Interior Affairs and Police Development Project

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<b>ACRONYM OR ABBREVIATION</b>	<b>DEFINITION</b>
MPGC	Military Police Guard Command
MRA	Migration and Refugee Assistance
MRRD	Ministry of Rural Rehabilitation and Development (Afghan)
MW	Megawatt
NAVAIR	Naval Air Systems Command
NADR	Non-Proliferation, Antiterrorism, Demining, and Related Programs
NATF	NATO ANA Trust Fund
NATO	North Atlantic Treaty Organization
NCO	noncommissioned officers
NDAA	National Defense Authorization Act
NDS	National Directorate of Security (Afghan)
NEPS	Northeast Power System
NGO	nongovernmental organization
NSA	National Security Advisor
NSAD	Narcotics Survey and Analysis Directorate
NSC	National Security Council
NSIA	National Statistics and Information Authority (Afghan)
NSOCC-A	NATO Special Operations Component Command-Afghanistan
NSPA	NATO Support and Procurement Agency
O&M	operations and maintenance
OCHA	Office for the Coordination of Humanitarian Affairs
OCO	Overseas Contingency Operations
OEG	Office of Economic Growth (USAID)
OFDA	Office of U.S. Foreign Disaster Assistance
OFS	Operation Freedom's Sentinel
OIG	Office of the Inspector General
OSD-P	Office of the Undersecretary of Defense for Policy
OTA	Office of Technical Assistance (U.S. Treasury)
OTI	Office of Transition Initiatives
PAA	Personnel Asset Audits
PAI	Personnel Asset Inventory
PM/WRA	Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (State)
PPA	power-purchase agreement
PRM	Bureau of Population, Refugees and Migration (U.S. State)
PTEC	Power Transmission Expansion and Connectivity
RADP	Regional Agriculture Development Program

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<b>ACRONYM OR ABBREVIATION</b>	<b>DEFINITION</b>
RC	Recurrent Cost
RFE/RL	Radio Free Europe/ Radio Liberty
RIV	reduction in violence
RS	Resolute Support
SAG	Subactivity Group
SEPS	Southeast Power System
SFAB	Security Force Assistance Brigade
SHAHAR	Strong Hubs for Afghan Hope and Resilience
SHOPS	Sustaining Health Outcomes through the Private Sector
SIGACT	significant act (violence against coalition troops)
SIU	Sensitive Investigative Unit (Afghan)
SME	subject-matter expert
SMW	Special Mission Wing (Afghan)
SOF	Special Operations Forces
SRAR	Special Representative for Afghanistan Reconciliation
SSAI	Support Systems Associates Inc.
State OIG	Department of State Office of the Inspector General
SWIM	Strengthening Watershed and Irrigation Management
TAA	train, advise, and assist
TAAC	train, advise, and assist command
TAAC-Air	train, advise, and assist command-air
TAF	The Asia Foundation
TF	task force
TIU	Technical Investigative Unit
UN	United Nations
UN WFP	United Nations World Food Programme
UNAMA	United Nations Assistance Mission in Afghanistan
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMAS	United Nations Mine Action Service
UNODC	United Nations Office on Drugs and Crime
USAAA	U.S. Army Audit Agency
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USAID OIG	USAID Office of the Inspector General

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<b>ACRONYM OR ABBREVIATION</b>	<b>DEFINITION</b>
USD	U.S. dollar
USFOR-A	U.S. Forces-Afghanistan
USIP	United States Institute of Peace
UTEDC	Unified Training, Education and Doctrine Command
UXO	unexploded ordnance
WASH	water, sanitation and hygiene
WHO	World Health Organization
WIA	Wounded in Action
WTO	World Trade Organization

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1. This amount consists primarily of funding for the Afghanistan Security Forces Fund (ASFF). It does not include unquantified, but significant amounts for DOD uniformed and civilian employees, and their related infrastructure, equipment, and support costs involved in the administration of ASFF and the train, advise, and assist mission in Afghanistan. SIGAR, Quarterly Report to the United States Congress, 4/30/2020, pp. 166–167.
2. SIGAR, Testimony before the Subcommittee on National Security, Committee on Oversight and Government Reform, U.S. House of Representatives, “Why ANSF Numbers Matter: Inaccurate and Unreliable Data, and limited Oversight of On-Budget Assistance Put Millions of U.S. Taxpayer Dollars at Risk,” 4/29/2015, p. 2.
3. According to a senior CSTC-A official, “moving the Afghans from a manual based accounting to an automated accounting is difficult under the best of circumstances, let alone during 20 years of war. The alternative is to only pay for those that are physically validated by a Coalition member, which has never been resourced by NATO or the United States. Failure to pay the ANDSF would result in the collapse of the ANDSF, which is unacceptable.” DOD, response to SIGAR vetting, 7/19/2020.
4. SIGAR, Itinerary: Special Inspector General Visit to Afghanistan, 5/30/2013.
5. SIGAR, Testimony before the Subcommittee on National Security, Committee on Oversight and Government Reform, U.S. House of Representatives, “Why ANSF Numbers Matter: Inaccurate and Unreliable Data, and Limited Oversight of On-Budget Assistance Put Millions of U.S. Taxpayer Dollars at Risk,” 4/29/2015, p. 2.
6. SIGAR, Testimony before the Subcommittee on National Security, Committee on Oversight and Government Reform, U.S. House of Representatives, “Why ANSF Numbers Matter: Inaccurate and Unreliable Data, and limited Oversight of On-Budget Assistance Put Millions of U.S. Taxpayer Dollars at Risk,” 4/29/2015, p. 7; SIGAR, Despite Improvements in MOI’s Personnel Systems, Additional Actions Are Needed to Completely Verify ANP Payroll Costs and Workforce Strength, SIGAR-11-10, 4/25/2011, Executive Summary; SIGAR, Afghan National Army: Millions of Dollars At Risk Due to Minimal Oversight of Personnel and Payroll Data, SIGAR-15-54-AR, 4/23/2015, Executive Summary; SIGAR, Afghan National Police: More than \$300 Million in Annual, U.S.-funded Salary Payments Is Based on Partially Verified or Reconciled Data, SIGAR-15-26-AR, 1/7/2015, Executive Summary; DOD OIG, Audit of the Planning for and Implementation of the Afghan Personnel and Pay System, Audit DODIG-2019-115, 8/19/2019.
7. SIGAR, Testimony before the Subcommittee on National Security, Committee on Oversight and Government Reform, U.S. House of Representatives, “Why ANSF Numbers Matter: Inaccurate and Unreliable Data, and limited Oversight of On-Budget Assistance Put Millions of U.S. Taxpayer Dollars at Risk,” 4/29/2015, p. 2.
8. CSTC-A, CJ8, Payroll Assessment Report: Provincial Headquarters (PHQ), Mustufiat and Provincial Training Center (PTC), 12/2010.
9. At the time, SIGAR tried, with no success, to contact the provincial council head in order to learn more. AP, “Afghan forces struggle as ranks thinned by ‘ghost’ soldiers,” 1/10/2016.
10. In comments, DOD clarified that it considers this Afghan government assessment to be “an unsubstantiated Afghan claim” and that it shared the findings with SIGAR only because it demonstrates “that we investigate these claims and continue to perform data cleansing of all data, including previous data.” According to CSTC-A, it is unclear from the Afghan report whether these “fictitious entries” were eligible for pay or had simply been identified as records that needed to be cleansed; APPS data-cleansing efforts for MOI are lagging behind the MOD efforts. A senior CSTC-A official said this assessment “shows that progress has been made despite the [Afghan National Police] not yet [being] completely enrolled in APPS.” DOD, response to SIGAR vetting, 7/19/2020.
11. Ghost soldiers/police can refer to a number of situations, including: completely fabricated records of individuals who never existed or served, records for individual soldiers or police who in fact exist but do not serve at their expected duty station, and records for individual soldiers and police who may have once served but have since left the service. DOD, CSTC-A, response to SIGAR data call, 6/23/2020.
12. DOD, “Department of Defense Press Briefing by Gen. Campbell via satellite in the Pentagon Briefing Room,” 10/2/2014.
13. SIGAR, Oversight Bubble Inquiry Letter, SIGAR 14-4-SP, 10/10/2013.
14. DOD, response to SIGAR vetting, 7/19/2020.
15. In April 2015, when briefing SIGAR on the plan for what would ultimately become the APPS, DOD acknowledged SIGAR’s audits as highlighting the weaknesses of the existing army and police personnel and pay systems. DOD, Afghanistan Personnel and Pay System Assessment: SIGAR, 4/28/2015.
16. SIGAR, Quarterly Report to the United States Congress, 10/30/2019, p. 77; SIGAR, Quarterly Report to the United States Congress, 1/30/2019, pp. 81–82.
17. Personnel asset inventories to count and biometrically enroll Afghan security forces have been employed in Afghanistan before. For example, DOD touted the accountability and planning benefits of physically counting, fingerprinting, performing facial recognition and iris scans of Afghan police in 2012. DVIDS, “Combined ANP-NTM-A team helps RC-South police departments account for their people,” 1/17/2012.
18. DOD, response to SIGAR vetting, 7/19/2020.
19. DOD, response to SIGAR vetting, 10/10/2019; DOD, response to SIGAR vetting, 6/25/2020.
20. DOD OIG, Audit of the Planning for and Implementation of the Afghan Personnel and Pay System, Audit DODIG-2019-115, 8/19/2019, i; DOD, response to SIGAR vetting, 6/25/2020.
21. DOD, response to SIGAR vetting, 6/25/2020.
22. CSTC-A has since said that Lt. Gen. Rainey’s comments were “accurate as of that time” and that the cleansing of “tens of thousands of [personnel] records from [APPS] saved millions of U.S. dollars from being wasted on payroll costs that could not be verified,” which would seem to suggest that millions were lost under the earlier system when payroll costs could not be verified. SIGAR, Meeting Record: LTG Jim Rainey, Commander of Combined Security Transition Command-Afghanistan (CSTC-A), 10/19/2019; DOD, response to SIGAR vetting, 7/19/2020.
23. DOD, response to SIGAR vetting, 10/10/2019.

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24. While DOD may have considered the APPS-derived data more rigorously supported than the previous data (by having personnel biometrically enrolled and eligible for pay in the case of APPS), DOD also argued that there were additional personnel who were biometrically enrolled in APPS but not yet slotted in an authorized tashkil position and would not be eligible for pay. Therefore, DOD told SIGAR in October 2019, the ANDSF was closer to their authorized strength than a comparison of new APPS-derived data to the previous year's data would suggest. DOD, response to SIGAR vetting, 10/10/2019.
25. SIGAR, Quarterly Report to the United States Congress, 10/30/2019, p. 83.
26. SIGAR, Quarterly Report to the United States Congress, 7/30/2019, p. 64.
27. SIGAR, analysis of CSTC-A-provided data, 6/2020.
28. For example, SIGAR's audit files included the CSTC-A Organizational Clothing and Individual Equipment (OCIE) working group's comprehensive methodology (also known as the "spreadsheet from hell"). This methodology considered the estimated actual forces sizes ("recap force") as the basis for estimating annual replenishment requirements for individually issued equipment and uniforms. In this methodology, CSTC-A assumed that maintaining too much excess individual equipment and uniform stock at depots (25% of requirements) would lead to "waste" as the Afghan government "will not manage the depot properly." SIGAR, Meeting Record: Initial Meeting with EF5 and SAO on OCIE Procurement, 5/28/2015; DOD, CSTC-A, "OCIE Methodology," n.d.
29. For example, in January 2019, President Ashraf Ghani said that "over 45,000 Afghan security personnel have paid the ultimate sacrifice [since September 2014]." Islamic Republic of Afghanistan, "CNN anchor, Fareed Zakaria's conversation with President Mohammad Ashraf Ghani during World Economic Forum's annual meeting (2019) in Davos, Switzerland," 1/25/2019. Otherwise, the Afghan government has consistently classified such data, and DOD follows suit.
30. There are certainly exceptions. For example, rotary-wing airframes arrived at Afghan units before the full complement of trained pilots and maintenance personnel. A "Field of Dreams" approach (referring to the 1989 movie's "build it and they will come" theme) may have merits when procurement and human capital do not neatly synchronize.
31. DOD repeatedly told SIGAR that only individual police and soldiers who were "slotted against the tashkil" [organizational structure of the ANDSF with associated personnel and equipment authorizations] in APPS would be eligible for payment using CSTC-A funds. CSTC-A, response to SIGAR vetting, 10/10/2019.
32. SIGAR, Meeting Record: LTG Jim Rainey, Commander of Combined Security Transition Command-Afghanistan (CSTC-A), 10/19/2019.
33. SIGAR, Meeting Record: CSTC-A Resource Management, 12/9/2019.
34. SIGAR, Quarterly Report to the United States Congress, 1/30/2020, p. 74.
35. SIGAR, Meeting Record: CSTC-A Resource Management, 3/7/2020.
36. DOD, response to SIGAR vetting, 7/19/2020.
37. Removing 50,000 ghost soldiers, as Lt. Gen. James Rainey told Inspector General Sopko in October 2019, should have had an observable effect on salaries and wages unless these illegitimate entries were rapidly replaced with new recruits or transfers. SIGAR, Meeting Record: LTG Jim Rainey, Commander of Combined Security Transition Command-Afghanistan (CSTC-A), 10/19/2019.
38. SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020 and 4/14/2020; SIGAR analysis of USAID-provided AFMIS data exported 10/18/2017 and 1/12/2019.
39. SIGAR, Quarterly Report to the United States Congress, 10/30/2019, p. 80.
40. DOD, response to SIGAR vetting, 6/25/2020.
41. According to DOD, in fiscal year 2019, the MOD would include elements of the Afghan Border Force (ABF) and eight brigades of the Afghan National Civil Order Force (ANCOF). The ABF was created in November 2017 when approximately 19,000 members of the Afghan Border Police (ABP) were transferred from MOI to MOD. The ANCOF was to be created in March 2018 when approximately 12,500 members of the Afghan National Civil Order Police (ANCOP) were transferred from MOI to MOD. Unfortunately, AFMIS is not helpful for determining the magnitude of the effect these transfers may have had on MOD wages and salaries. The newly created MOD units (the ABF and ANCOF) represented only 0.07% of total MOD wages and salary payments recorded in AFMIS that were attributed to CSTC-A in AFY 1398. This is likely due to the way expenditures are recorded rather than there being essentially no ABF or ANCOF. DOD, Justification for FY 2019 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF), 2/12/2018, p. 6; SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020. SIGAR, Quarterly Report to the United States Congress, 10/30/2018, p. 85.
42. DOD, response to SIGAR vetting, 6/25/2020.
43. As one DOD commenter wrote in response to an earlier draft of this analysis, "It's about right, we did not 'save' any money." DOD, response to SIGAR vetting, 6/25/2020.
44. DOD, response to SIGAR vetting, 7/19/2020.
45. SIGAR analysis of IMF, Afghanistan Country Report No. 19-382, 12/2019, p. 6/127 and DOD, response to SIGAR data call, 4/8/2019, 7/5/2019, 10/18/2019, 1/9/2019, and 4/10/2020.
46. Additionally, for police salaries, the United States has significantly reduced its contributions to LOTFA after donating \$114.40 million in 2016, \$26.71 million in 2017, \$1.04 million in 2018, \$0.95 million in 2019, and no funds so far in 2020. Thus, while overall U.S. contributions to MOD and MOI salaries see a much sharper decline than just the contribution for MOD salaries, this decrease is driven by these lower LOTFA contributions that preceded CSTC-A's implementation of APPS by several years. When SIGAR asked CSTC-A to explain this dramatic decrease in U.S. financial support for Afghan police salaries, CSTC-A responded that their reductions to LOTFA was meant to "allows other nations the ability to support the MOI through the Trust Fund." SIGAR, Quarterly Report to the United States Congress, 4/30/2020, p. 57; DOD, CSTC-A, response to SIGAR data call, 9/18/2019.
47. A senior CSTC-A official noted, "this is not simple math." DOD, response to SIGAR vetting, 7/19/2020.

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48. Since 2008 CSTC-A has used CoreIMS as the system of record to manage and track equipment, weapons, and vehicles provided to the Afghan government by DOD. CoreIMS is an Internet-based property accountability system placed into service through U.S.-funded contracts to track equipment, weapons, and vehicles across the ANDSF. According to DOD, although use of the CoreIMS as a logistics automation system continues, the ANDSF remain challenged to fully implement CoreIMS across the ANDSF. For example, the ANDSF are able to use CoreIMS at all national warehouses and regional depots. However, the ANDSF did not fully implement CoreIMS at their local-level sites. Specifically, even though CoreIMS is available, the ANDSF did not use CoreIMS at 78 of 191 local sites. DOD, *Enhancing Security and Stability in Afghanistan*, 6/2020, pp. 33–34.
49. For example, CSTC-A officials said APPS could enable CSTC-A to conclude that an individual unit did not have sufficient assigned personnel to require the full tashkil complement of equipment and associated consumables. Suppose, CSTC-A offered, that the personnel and equipment tashkil for a particular MOD unit had 100 soldiers (personnel) each equipped with an M4 carbine (equipment). However, CSTC-A continued, if this unit only had 70 personnel recorded in APPS, this could mean there are excess carbines. After accounting for other factors (such as weapons attrition), CSTC-A could argue that MOD should move any excess equipment to other units that have sufficient personnel but a deficit in equipment (“cross-leveling”). While CSTC-A framed this as a concrete example of how APPS could positively impact more than personnel-related decisions, SIGAR interpreted the story as a hypothetical scenario rather than a specific instance involving a specific unit. Further, the CSTC-A official describing the scenario said that cross-leveling is difficult even in the U.S. Army, implying that it may be rare even in a force that has much more robust and established personnel and equipment accountability systems.
50. A senior CSTC-A official confirmed this, saying “This is exactly how the DOD does it. We base our financial plans off of projected manning levels taken from validated requirements.” DOD, response to SIGAR vetting, 7/19/2020.
51. DOD, response to SIGAR vetting, 7/19/2020.
52. SIGAR, Meeting Record: CSTC-A OS and SAO, 12/9/2019.
53. CSTC-A officials did acknowledge that Rainey’s policy on no new major procurements had yet to fully have an effect since items procured during previous commands were still arriving in Afghanistan. This could confuse CSTC-A’s Afghan counterparts since the message of no new HMMWVs was accompanied by newly arrived HMMWVs. SIGAR, Meeting Record: CSTC-A OS and SAO, 12/9/2019.
54. According to OUSD-P, equipment authorizations are mainly a function of unit mission and the associated mission-essential task list. For example, if an army company is understrength by 15% that does not mean its vehicle fleet should be reduced by 15% of authorized levels. If it is equipped to 100% but manned at 85%, OUSD-P maintained, that means its equipment will have a longer lifespan and require less operation and maintenance (O&M) than if the unit were operating at full strength, holding operational tempo constant. SIGAR, Meeting Record: CSTC-A OS and SAO, 12/9/2019; DOD, OUSD-P, response to vetting, 6/25/2020.
55. Email with OUSD-P, 6/15/2020; SIGAR, Meeting Record: CSTC-A Operational Sustainment, 3/7/2020.
56. SIGAR, Meeting Record: CSTC-A Resource Management, 12/9/2019.
57. DOD, response to SIGAR data call, 7/19/2020.
58. A senior CSTC-A official said APPS is helping inform development of the ANDSF “Future Force,” writing that APPS-derived information “is driving decisions as CSTC-A can now better determine how many slots in the tashkil remain unfilled per month. However, he wrote, that there is an average of over XXk slots unfilled per month. However, that being said, changing the tashkil does not save US dollars.” Other DOD officials, however, told SIGAR that the future force effort is still under discussion on a “predecisional” basis. DOD, response to SIGAR vetting, 7/19/2020.
59. DOD, Cost of War Monthly Report, Data as of December 31, 2019, provided in response to SIGAR data call, 7/6/2020.
60. Deputy Secretary of Defense, “Afghanistan Resources Oversight Council (AROC) memorandum,” 8/3/2011; Pub. L. No. 116-93, 12/20/2019.
61. DOD, Reprogramming Action FY 19-02 RA, Support for DHS Counter-Drug Activity Reprogramming Action, 5/9/2019, and Pub. L. No. 116-93, 12/20/2019.
62. DFAS, “AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020,” 7/15/2020; DFAS, “AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2020,” 4/15/2020.
63. Pub. L. No. 116-93, 12/20/2019.
64. DFAS, “AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020,” 7/15/2020; “AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2020,” 4/15/2020.
65. DOD, Fiscal Year 2019, Afghanistan Security Forces Fund (ASFF), Line Item Detail, two versions received, 1/15/2020 and 7/16/2019; and Tab B - FY 2019 ASFF FAP 19-4 as of 11Mar2020, received 4/6/2020.
66. DOD, response to SIGAR data call, 7/24/2020; and AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2020, accessed at [www.dfas.mil/dodbudgetaccountreports](http://www.dfas.mil/dodbudgetaccountreports) on 7/21/2020.
67. Pub. L. No. 116-93, 12/20/2019.
68. DOD, response to SIGAR data call, 7/17/2020.
69. DOD, response to SIGAR data call, 1/18/2019.
70. DOD, response to SIGAR data call, 4/9/2019 and 10/9/2019.
71. DOD, response to SIGAR data call, 7/10/2020.
72. USAID, U.S. Foreign Assistance Reference Guide, 1/2005, p. 6.
73. USAID, response to SIGAR data call, 7/11/2020 and 4/10/2020; State, response to SIGAR data call, 7/13/2020.
74. USAID, response to SIGAR data call, 1/22/2019.
75. USAID, response to SIGAR data call, 1/13/2020 and 1/14/2020.
76. USAID, response to SIGAR data call, 7/7/2020 and 4/14/2020.
77. USAID, Office of U.S. Foreign Disaster Assistance, “Afghanistan-Complex Emergency, Fact Sheet #4, FY 2017,” [www.usaid.gov](http://www.usaid.gov), accessed 4/9/2020.
78. USAID, response to SIGAR data call, 7/11/2020.
79. USAID/OFDA, response to SIGAR data call, 7/7/2020.
80. State, response to SIGAR data call, 10/13/2009.

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81. State, response to SIGAR data call, 7/13/2020, 1/3/2020, and 10/5/2018.
82. State, response to SIGAR data call, 4/15/2020 and 1/10/2020.
83. Department of State, Congressional Budget Justification, Foreign Operations, Appendix 2, FY 2019, Released February 12, 2018, pp. 44–52; and State, response to SIGAR data call, 4/17/2019.
84. State, response to SIGAR data call, 7/16/2020 and 4/14/2020.
85. Department of State, Congressional Budget Justification, Foreign Operations, Appendix 2, FY 2019, Released February 12, 2018, p. 423.
86. State, response to SIGAR data call, 3/29/2013.
87. State, response to SIGAR data call, 7/13/2020, 1/3/2020, and 10/5/2018.
88. World Bank, ARTF: Administrator’s Report on Financial Status as of April 19, 2020 (end of 4th month of FY 1399) [www.artf.af](http://www.artf.af), accessed, 7/9/2020, p. 4.
89. World Bank, Quarterly Country Update: Afghanistan, 4/2011, p. 16.
90. World Bank, ARTF: Administrator’s Report on Financial Status as of April 19, 2020 (end of 4th month of FY 1399) [www.artf.af](http://www.artf.af), accessed, 7/9/2020, p. 2.
91. The World Bank Group in Afghanistan, Country Update, April 2020, p. 40.
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97. DOD, response to SIGAR data call, 10/12/2018.
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99. DOD, response to SIGAR data call, 1/18/2019.
100. The World Bank Group in Afghanistan, Country Update, April 2020, pp. 4–5; and World Bank Group, response to SIGAR data call, 4/9/2020.
101. The World Bank Group, United States, Shares and Voting Power, <https://www.worldbank.org/>, accessed on 4/21/2020.
102. Asian Development Bank, response to SIGAR data call, 4/7/2020.
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105. CSTC-A, response to SIGAR data call, 6/18/2020.
106. USFOR-A, response to SIGAR vetting, 7/17/2020.
107. Embedded photos of statement by USFOR-A Spokesman Col Sonney Leggett, Tweet by USFOR-A Spokesman Col Sonney Leggett (@USFOR\_A), “@Zabehulah\_M33 You asked for clarity on Gen Miller’s calls for the Taliban to reduce violence. Let’s clarify: The people of #Afghanistan want #peace.
108. RS, response to SIGAR vetting, 7/17/2020 and 7/19/2020.
109. TOLONews, “Last Week ‘Deadliest’ in 19 Years of War: NSC,” 6/22/2020.
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112. OUSD-P, response to SIGAR data call, 6/23/2020.
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A boy in Kabul sells face masks during the COVID-19 outbreak. (U.S. Army Reserve photo by Spc. Jeffery J. Harris)

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#### Quarterly Report Staff

**Atif Ahmad**, Research Assistant

**Harrison Akins**, Economic and Social Development Subject Matter Expert

**Michael Bindell**, Deputy Director of Research and Analysis Directorate

**Theodore Burns**, Funding Subject Matter Expert

**Jason Davis**, Visual Information Specialist

**Daniel Fisher**, Economic and Social Development Subject Matter Expert

**Alyssa Goodman**, Research Assistant

**Clark Irwin**, Lead Writer/Editor

**Vong Lim**, Senior Visual Information Specialist

**James Misencik**, Security Subject Matter Expert

**Heather Robinson**, Security Subject Matter Expert

**Deborah Scroggins**, Director of Research and Analysis Directorate

**Omar Sharif**, Project Coordinator

**Daniel Weggeland**, Governance Subject Matter Expert

SIGAR  
SPECIAL INSPECTOR GENERAL  
FOR AFGHANISTAN RECONSTRUCTION

2530 Crystal Drive  
Arlington, VA 22202

[www.sigar.mil](http://www.sigar.mil)

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