FLYGTNINGENÆVNET

816

Flygtningenævnets baggrundsmateriale

Bilagsnr.:	**816**
Land:	Afghanistan
Kilde:	Special Inspector General for Afghanistan Reconstruction (SIGAR)
Titel:	Quarterly report to the United States Congress
Udgivet:	Januar 2018
Optaget på baggrundsmaterialet:	17. august 2018

SIGAR

Special Inspector General for Afghanistan Reconstruction

JAN 30 2018

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

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

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

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

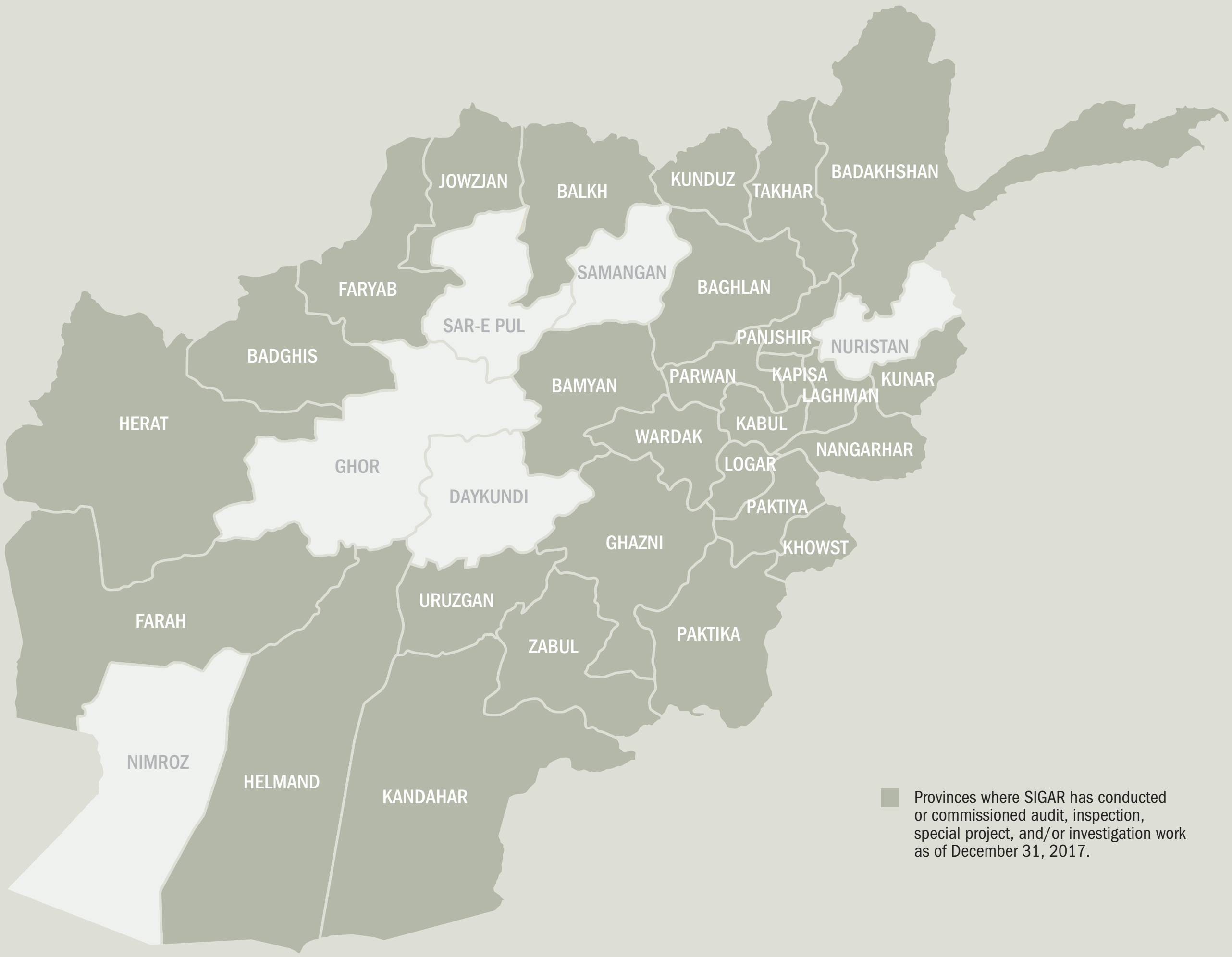
As required by the National Defense Authorization Act for FY 2018 (P.L. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Source: P.L. 110-181, "National Defense Authorization Act for FY 2008," 1/28/2008, P.L. 115-91,"National Defense Authorization Act for FY 2019," 12/12/2017.

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

Cover photo:
In this photograph taken on December 27, 2016, Afghan laborers work at a stone mine on the outskirts of Jalalabad. (AFP photo by Noorullah Shirzada)

PUBLISHED IN ACCORDANCE WITH THE QUALITY STANDARDS FOR INSPECTION AND EVALUATION.



Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of December 31, 2017.

SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress and the Secretaries of State and Defense, SIGAR's 38th quarterly report on the status of the U.S. reconstruction effort in Afghanistan.

This quarter, the Department of Defense (DOD) instructed SIGAR not to release to the public data on the number of districts, and the population living in them, controlled or influenced by the Afghan government or by the insurgents, or contested by both.* SIGAR has been reporting district-control data since January 2016, and later added estimates of population and land-area control reported by DOD. As shown in Appendix E of this quarterly report, SIGAR was informed this quarter that DOD has determined that although the most recent numbers are unclassified, they are not releasable to the public.

This development is troubling for a number of reasons, not least of which is that this is the first time SIGAR has been specifically instructed not to release information marked "unclassified" to the American taxpayer.

Aside from that, the number of districts controlled or influenced by the Afghan government had been one of the last remaining publicly available indicators for members of Congress—many of whose staff do not have access to the classified annexes to SIGAR reports—and for the American public of how the 16-year-long U.S. effort to secure Afghanistan is faring. Historically, the number of districts controlled or influenced by the government has been falling since SIGAR began reporting on it, while the number controlled or influenced by the insurgents has been rising—a fact that should cause even more concern about its disappearance from public disclosure and discussion.

This worrisome development comes as DOD this quarter, for the first time since 2009, also classified the exact strength figures for most Afghan National Defense and Security Forces (ANDSF), another vital measure of ANDSF reconstruction.** Meanwhile, for the second consecutive quarter, DOD also classified or otherwise restricted information SIGAR had previously reported including such fundamental metrics of ANDSF performance as casualties, attrition, and most capability assessments.

Ironically, DOD published population-control and exact authorized strength numbers in its own December 2017 unclassified report, *Enhancing Security and Stability in Afghanistan*. General John W. Nicholson Jr., commander of Resolute Support and U.S. forces in Afghanistan, also discussed population-control data with reporters during a press briefing on November 28. Accordingly, the population-control and authorized force-strength numbers reported in this quarterly report are drawn from either the unclassified DOD report or from General Nicholson's press briefing. The more recent data classified or deemed unreleasable to the public by DOD will, however, be reported in SIGAR's classified annex to the quarterly report.

Due to heightened interest from both U.S. and Afghan officials in Afghanistan's mining sector, Section 1 of the report contains an essay examining the prospects for mining to help the country become self-reliant. Despite Afghanistan's large and well-documented resources, mining revenues in 2016 supplied only 0.3% of the country's $6.5 billion national budget. Among other obstacles, plans to develop the country's mineral resources have been stymied by insecurity, corruption, weak governance, and a lack of infrastructure. The essay discusses the history of interest in Afghan minerals, lessons to be drawn from past U.S. efforts assisting the extractives industry in Afghanistan, and best practices and precautions for considering future undertakings.

This quarter, SIGAR issued 17 audits, inspections, and reviews. SIGAR's work to date has identified about $2 billion in savings for the U.S. taxpayer.

SIGAR published two performance audit reports this quarter. These audits examined DOD's accountability for U.S.-funded infrastructure transferred to the Afghan government and $675 million obligated by DOD's Task Force for Business and Stability Operations (TFBSO). Senator Charles E. Grassley and then-Senator Kelly Ayotte requested the audit of TFBSO.

SIGAR also published an unclassified version of its assessment of the U.S. government's experience with allegations of sexual abuse of children committed by units of Afghanistan's security forces and the manner in which DOD and the State Department implemented the Leahy Laws (22 U.S. Code § 2378d) in Afghanistan. This evaluation, which was requested in 2015 by a bipartisan group of 93 U.S. Senators and members of the House of Representatives, had been classified by DOD at the time it was published in June 2017.

SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits identified $2.7 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than $417.5 million in questioned costs.

SIGAR also published two inspection reports. These reports examined phase IV of the Afghan National Army's Camp Commando construction and construction of the American University of Afghanistan's women's dormitory.

SIGAR's Office of Special Projects issued six products on a range of issues including a USACE operations-and-maintenance contract for ANDSF facilities, observations on site visits to health facilities in Khowst Province, and DOD-procured inspection equipment for ports of entry. Special Projects also issued two inquiry letters to relevant authorities on Department of State and Overseas Private Investment Corporation plans for the Marriott Kabul Hotel and Kabul Grand Residences.

During the reporting period, SIGAR investigations resulted in two indictments, one criminal information, one guilty plea, two sentencings, four arrests, $1.6 million in cost savings to the U.S. government, more than $1.9 million in restitutions, and a recovery of nearly $6.7 million from a civil settlement. SIGAR initiated 12 new cases and closed 29, bringing the total number of ongoing investigations to 217.

This quarter, SIGAR's suspension and debarment program referred two individuals and four companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 883, encompassing 490 individuals and 393 companies.

While SIGAR's previous quarterly reports have always met or exceeded Council of the Inspectors General on Integrity and Efficiency (CIGIE) standards, this report, in accordance with the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. No. 115-91), has been prepared in compliance with CIGIE's Quality Standards for Inspection and Evaluation, commonly referred to as the "CIGIE Blue Book." Henceforth, all SIGAR quarterly reports will be prepared to that standard of excellence, something I recommend all inspector generals follow.

With support from Congress and other stakeholders, my staff and I will continue to provide vigorous oversight of the U.S.-funded reconstruction effort in Afghanistan. We also urge members of Congress and their staff with appropriate clearances to review the classified annex to our quarterly report for a more fulsome analysis of the security situation in Afghanistan.

Respectfully,

John F. Sopko
Special Inspector General for Afghanistan Reconstruction

* DOD is the primary point of contact through which SIGAR receives data about the reconstruction of the security sector. Data originate from two main sources: (1) U.S. Forces-Afghanistan (USFOR-A), the U.S. military command, and (2) the NATO Resolute Support (RS) mission to train, advise and assist the ANDSF. The RS mission comprises military personnel from the United States, including about 7,400 USFOR-A personnel, and smaller numbers from 39 other NATO members and cooperating non-NATO countries. RS officers make determinations about classification or restriction of RS-originated data that reach SIGAR. DOD is obliged to respect NATO classification markings when forwarding RS-originated data. USFOR-A also determines some classifications and/or restrictions. U.S. Army General John W. Nicholson Jr. commands both RS and USFOR-A.
** The exception was in January 2015, when DOD classified many types of ANDSF data, only to reverse itself a few weeks later.

This report summarizes SIGAR's oversight work and updates developments in the four major sectors of Afghanistan's reconstruction effort from October 1 to December 31, 2017.* It also includes an essay on offering historical lessons and best practices for efforts to promote mineral development in Afghanistan. During this reporting period, SIGAR published 17 audits, inspections, reviews, and other products assessing the U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the sale and production of narcotics. During the reporting period, SIGAR criminal investigations resulted in two indictments, one criminal information, one guilty plea, two sentencings, four arrests, $1.6 million in cost savings to the U.S. government, more than $1.9 million in restitutions, and a recovery of nearly $6.7 million from a civil settlement. SIGAR initiated 12 new cases and closed 29, bringing the total number of ongoing investigations to 217. Additionally, SIGAR's suspension and debarment program referred two individuals and four companies for suspension or debarment.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR published two performance audits, six financial audits, two inspection reports, and an evaluation report.

The **performance audits** examined:
- DOD's accountability of U.S.-funded infrastructure transferred to the Afghan government.
- The obligation of $675 million by DOD's now-closed Task Force for Business and Stability Operations.

The **financial audits** identified $2.7 million in questioned costs from internal-control deficiencies and noncompliance issues including lack of documentation and unsupported consultant costs.

The **inspection reports** found:
- Construction at the ANA's Camp Commando met contract requirements and most facilities are being used, but are not well-maintained.
- Construction on the women's dormitory at the American University of Afghanistan met contract requirements and building deficiencies were corrected.

The **evaluation report**:
- At the request of a bipartisan, bicameral group of 93 members of Congress, SIGAR this quarter issued the unclassified version of a report to Congress on DOD and State's implementation of the Leahy Laws in Afghanistan. The report concerned allegations of sexual abuse of children by members of the Afghan security forces.

* SIGAR may also report on products and events occurring after December 31, 2017, up to the publication date.

SPECIAL PROJECTS

This quarter SIGAR's Office of Special Projects wrote eight reviews, fact sheets, and inquiry letters expressing concern on a range of issues including:

- allegations related to the U.S. Army Corps of Engineers' operations-and-maintenance contract for Afghan security forces' facilities
- observations on site visits to health facilities in Khowst Province
- the status of DOD-procured inspection equipment for ports of entry

LESSONS LEARNED

During the reporting period, SIGAR's Lessons Learned Program (LLP) influenced legislation and co-hosted a conference at the National Defense University (NDU). In the FY 2018 National Defense Authorization Act, Congress acted on a key recommendation from LLP's anticorruption report calling for an interagency anticorruption strategy during a contingency operation. LLP's report on the ANDSF led to a DOD/SIGAR-hosted conference on security-sector assistance and a hearing of the House Committee on Oversight and Government Reform.

INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in two indictments, one criminal information, one guilty plea, two sentencings, four arrests, $1.6 million in cost savings to the U.S. government, more than $1.9 million in restitutions, and a recovery of nearly $6.7 million from a civil settlement. SIGAR initiated 12 new cases and closed 29, bringing the total number of ongoing investigations to 217. SIGAR's suspension and debarment program referred two individuals and four companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.

Investigations highlights include:

- a civil investigation of Farrell Lines Incorporated's transportation subcontract, yielding nearly a $6.7 million recovery for the U.S. government
- an investigation into the performance of Advanced Constructors International LLC-Salai Construction Company, Joint Venture related to reconstruction projects, resulting in $1.7 million in restitution
- an investigation into Babur Nabat Road Construction Company, resulting in $1.6 million cost avoidance for the U.S. government
- a former U.S. government contractor sentenced for accepting kickbacks
- an Afghan national convicted for using a fraudulent SIGAR identification card to carry an illegal firearm

TABLE OF CONTENTS

SECTION 1

SECTION 2

SECTION 3

TABLE OF CONTENTS

SECTION 4

APPENDICES AND ENDNOTES

“Afghanistan has tremendous mineral and natural resources, but to get them from deep underground to those places where they create jobs and support national growth will require a commitment to private sector reform.”

—Afghan President Ashraf Ghani

Source: President Ashraf Ghani, quoted in Office of the President, “President Ghani’s Remarks At Third Annual Session of SOM,” 10/5/2017.

1 LESSONS FOR AFGHAN MINERAL DEVELOPMENT

AFGHAN MINERAL CONTENTS

Photo on previous page
Afghan miners work at a site on the edge of the Hindu Kush mountains in Baghlan Province. (AFP photo by Shah Marai)

LESSONS FOR AFGHAN MINERAL DEVELOPMENT

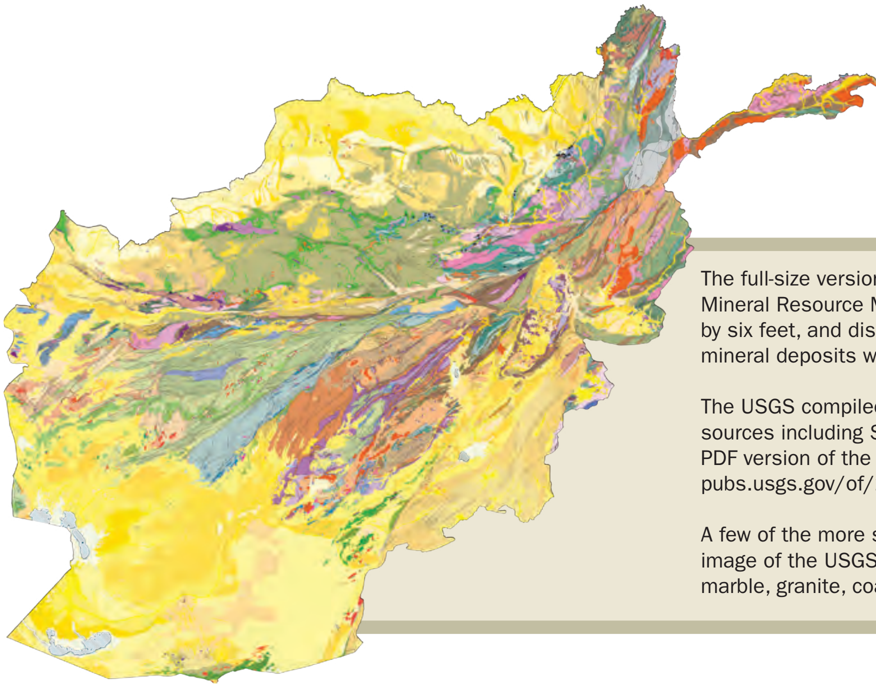
Afghanistan has produced valuable minerals since ancient times. The lustrous blue of semiprecious lapis lazuli stones made them a prized export to Mesopotamia and Egypt some 6,000 years ago. The stones were cut into jewelry and ground into a rich blue pigment.[1] Afghan miners of ancient times also worked the large copper deposits of Aynak.[2] Considering Afghanistan's deep poverty, persistent insurgency, meager domestic revenues, heavy reliance on foreign aid, and low level of exports, it is no surprise that many observers have sought to expand its ancient craft of mining. As the *New York Times* observed last year, "The lure of Afghanistan as a war-torn Klondike is well established."[3]

When U.S. President Donald Trump and Afghan President Ashraf Ghani met in New York City in the autumn of 2017, they too discussed this intriguing prospect.

A September White House statement said the two presidents agreed that tapping Afghan mineral resources "would help American companies develop materials critical to national security while growing Afghanistan's economy and creating new jobs in both countries, therefore defraying some

Shoppers examine lapis chunks and beads at an Afghan bazaar. (USGS photo)

MAPPING AFGHAN MINERALS



The full-size version of the U.S. Geological Survey's "Geologic and Mineral Resource Map of Afghanistan" measures more than four by six feet, and displays the locations of nearly 150 types of mineral deposits with swathes of color.

The USGS compiled the map from its own work and from other sources including Soviet General Staff data sheets. A 26-megabyte PDF version of the map is online at https://pubs.usgs.gov/of/2006/1038/Afghan_Mingeol_plotV2.pdf

A few of the more significant minerals shown in this much-reduced image of the USGS map include lapis lazuli, emeralds, limestone, marble, granite, coal, copper, and iron.

Source: U.S. Geological Survey, www.usgs.gov.

of the costs of United States assistance as Afghans become more self-reliant."[4] President Ghani said "The economic development and prosperity of Afghanistan depend on its mining sector, which will enable Afghanistan to pay its military expenditure and achieve self-reliance."[5]

U.S. hopes for Afghan minerals long pre-date the advent of both presidents. The U.S. Geological Survey (USGS), for example, produced 14 reports on the subject between 1956—during the Eisenhower administration—and 1979, and published 333 more in the decade following the start of its "Afghanistan Project" in 2004.[6] Aerial mapping of mineral deposits proceeded during the George W. Bush Administration and an economic-development task force that included mining among its targets started operations during the Barack Obama Administration.[7] Earlier, especially following World War II, Afghan, British, French, Soviet, Czech, and U.S. geological surveyors on the ground had identified many types of minerals scattered among sites throughout the country.[8]

"Afghanistan has abundant mineral resources," according to the USGS, "including known deposits of copper, iron, barite, sulfur, talc, chromium, magnesium, salt, mica, marble, rubies, emeralds, lapis lazuli, asbestos, nickel, mercury, gold and silver, lead, zinc, fluorspar, bauxite, beryllium, and lithium." Among more prosaic substances, Afghanistan is also well endowed with granite, limestone (used in making cement), marble, sandstone, and "abundant sand and gravel resources" for construction, road building, and other common uses.[9]

ALLURE OF AFGHAN MINERALS SPANS CENTURIES

Documented Western interest in Afghan minerals extends back at least two centuries. 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," and a Company officer conducted a commercial survey in 1836–1837 in search of coal for the Company's steamers on the Indus River.[10]

In 1841, Captain Henry Drummond of the East India Company's 3rd Light Cavalry Regiment spoke in India of his geological research in Afghanistan. "I believe," he said, "from the specimens of iron, lead, copper, sulphur, and coal, which have been brought to me … that the whole of that country is a rich mineral tract." Drummond praised the high quality of Afghan iron and copper deposits, and also described observations of marble, gypsum, lead, and graphite.[11]

Further surveys reinforced the optimism. In March 1884, Griffin W. Vyse told a London meeting of the Royal Society for the Encouragement of Arts, Manufactures and Commerce that "The mineral wealth of Afghanistan is prodigious," including gold, silver, and "iron of excellent quality."[12]

Shortly before the outbreak of World War I, Royal Geographic Society president Colonel Sir Thomas Holdich and South Asia scholar Sir Henry Yule were coauthors of a survey article on Afghanistan. Like many others to come, they expressed the hope that Afghanistan's mineral wealth might someday allow it to pay for its own government:

> Financially, Afghanistan has never, since it first became a kingdom, been able to pay for its own government, public works and army. . . . Whilst it can never (in the absence of any great mineral wealth) develop into a wealthy country, it can at least support its own population.[13]

In 2010, media outlets around the world carried the news that the U.S. government estimated that previously unknown Afghan mineral deposits were worth nearly $1 trillion. The *New York Times* account, citing U.S. government officials, said the resources could be "enough to fundamentally alter the Afghan economy and perhaps the Afghan war itself." The article quoted General David Petraeus, then head of U.S. Central Command, on the "stunning potential" of Afghanistan's mineral endowment, and cited a Pentagon memo that said Afghanistan could become the "Saudi Arabia of lithium"—a light metal in growing demand for use in high-tech electronics and batteries for electric cars.[14] An advisor to the Afghan Ministry of Mines

Lapis lazuli amulet, ca. 2nd century A.D., with Greco-Egyptian deity Serapis on a throne. (Metropolitan Museum of Art photo; amulet a gift of Miss Helen Miller Gould, 1910)

Colonel Sir Thomas Holdich (1843–1929), British frontier official and geographer who served in Afghanistan. (Imperial War Museum [UK] photo)

Ruby in a calcite/marble matrix. (StrangerThanKindness photo via Wikimedia)

and Petroleum (MOMP) predicted "This will become the backbone of the Afghan economy."[15] Afghan hopes soared.

A few days after the story of the U.S. estimates, Minister of Mines Wahidullah Shahrani was quoted as saying his country's mineral reserves were worth "at least $3 trillion."[16] And in December 2011, the Reuters news service quoted the minister as saying "Our prediction is that by 2024 the contribution of the mining sector to the country's GDP will be between 42 and 45 percent."[17]

That prediction seems dubious, but a bedrock of solid facts underlies the general optimism. The Afghanistan Investment Support Agency (AISA)—an investment-promotion, registration, and licensing entity established by a 2003 presidential decree[18]— says the more than 1,400 mineral sites so far identified contain, in addition to the minerals listed by the USGS earlier, cement-grade limestone, jade, amethyst, alabaster, tourmaline, quartz, and sapphire.[19] The U.S. Department of Commerce believes that "The Afghan extractives industry has the potential to be a leading source of economic growth, generate jobs, and increase revenue. In fact, the extractives industry is one of a handful of industries that has the potential to bring about economic stability in Afghanistan."[20]

As SIGAR reported in 2017, the United States has spent hundreds of millions of dollars since 2009 trying to stimulate and support mineral-resource development in Afghanistan.[21] The Afghan government has solicited tenders for mineral contracts and signed several deals, though many other proposals remain unsigned and some that were have not progressed at all or have produced no significant revenues for the government.

MINING STILL A NEGLIGIBLE SECTOR OF THE AFGHAN ECONOMY

Despite all the hopeful rhetoric about the promises of minerals, mining constitutes only a small share of Afghan economic activity.

In 2013, the World Bank's *Afghanistan in Transition* report said mining's contribution to the Afghan economy "has been marginal, but it has good potential." The Bank calculated that mining's share of Afghan GDP had risen from 0.1% in 2002–2003 to 0.6% in 2010–2011—a significant increase, but still under 1% of all (licit) domestic output. The Bank's base-projection of 6% real GDP growth through 2018 presumed that major projects for copper mining at Aynak and iron mining at Hajigak would proceed, but had a caveat: "Failure of the two major mining investments to materialize would result in 2 percentage points slower annual GDP growth."[22]

The projects have not yet materialized, and neither has the projected rate of growth: The Bank estimated that Afghan GDP would grow at 2.6% in 2017.[23] In November 2017, the Bank's *Afghanistan Development Update* noted that "Low levels of human capital, substantial infrastructure deficits,

Marines unloading rocks at construction site in Helmand Province, 2009. Much of Afghanistan's current mineral production consists of sand, gravel, and construction stone. (USMC photo by Lance Corporal James Purschwitz)

and weak institutions" remain challenges for development, but again said the extractives sector "has significant potential."[24] In December 2017, the U.S. Congressional Research Service noted that "Afghanistan's mining sector has been largely dormant since the Soviet invasion [of 1979]," partly for lack of rail-line investment and lack of action on mining-law revisions.[25] The consequence has been that most mining activity—legal or otherwise—is relatively small-scale. As the Central Asia–Caucasus Institute points out, "A wide discrepancy exists between the easily exploitable, low-volume, high-value material such as lapis lazuli and marble, which require little in the way of infrastructure, and the more diffuse elements such as gold, copper, and iron, which require an expensive infrastructure to extract and process from low-density ore."[26]

That distinction shows up in the lists of 1,050 mining contracts that MOMP posted on its website in November 2017.[27] SIGAR examined two of the province-sorted "Small Mines Contracts" lists as examples. MOMP's list for Balkh Province has 46 contracts, mostly for gypsum and gravel, with a few for sand, salt, and construction stone. The list for Nangarhar Province has 116 contracts, mostly for gravel and talc, and some for stone, marble, and serpentine, a family of dark-green silicate minerals used as gems, ornamental stones, and a source of asbestos.[28] (The frequent entries for talc mining may seem curious to those who encounter it most often as baby powder, but the soft mineral is an important ingredient in making paint, high-quality paper, cosmetics, and rubber products like tires.)[29]

Mining's modest scope in Afghanistan is also apparent in lists of the country's industrial output and exports. The Central Intelligence Agency (CIA) characterizes Afghan industries as consisting of "small-scale production," with coal and copper bringing up the rear of a list that includes bricks, textiles, soap, furniture, shoes, fertilizer, apparel, food, beverages, and carpets. Similarly, the CIA's list of Afghan exports leads with opium, fruits and nuts, handwoven carpets, wool, cotton, and hides and pelts, before reaching precious and semi-precious gems.[30]

To make matters worse, much of the mining that does go on is illegal. In its response to this quarter's SIGAR data call on this subject, the U.S. State Department said:

> Illegal mining is widespread throughout Afghanistan. Illegal mining operations do not need to obey government labor, safety, or environmental laws and also do not pay royalties to the [Afghan government], thereby making them more profitable compared to legal mining operations which obey Afghan laws and pay mining royalties…. Most illegal mining in Afghanistan is conducted on an artisanal or small-scale. Illegal miners typically do not utilize modern mining equipment or techniques or benefit from supporting infrastructure such as 24/7 electricity and road and rail links.[31]

Illegal mining obviously deprives the Afghan government of revenues, but perhaps worse, many of the proceeds from illegal mining benefit criminals and insurgents who undermine the rule of law and threaten the stability of the Afghan government. As the U.S. Institute of Peace observed, "In some cases, communities support insurgent or mafia control of mines expressly to avoid illegal taxation by corrupt officials or to prevent the government from removing an important source of local income," while "for the Taliban, extractives are the second-largest revenue stream after narcotics: annual revenue is estimated to be between $200 and $300 million per year—at least three hundred times more than reported government revenues from mineral extraction."[32]

WHY DOES AFGHAN MINING LANGUISH?

Many impediments lie in the path of exploiting Afghanistan's mineral wealth. Last year the CIA observed, "Corruption, insecurity, weak governance, lack of infrastructure, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth."[33] Afghanistan's security situation is daunting and the outlook for dramatic improvement in the near term is tenuous at best. The most recent United Nations Secretary-General's report on Afghanistan calls the security situation "highly volatile," and adds, "There was no meaningful progress towards a peace settlement."[34]

World Bank researchers note that "international investors do not typically consider FCS [fragile and conflict-affected situations] as hosts, owing to economic fundamentals and fragility, which are mutually reinforcing," adding that "The quality of public governance is also a major obstacle to private investment."[35] Jonathan Hillman, director of the Reconnecting Asia Project at the Center for Strategic and International Studies (CSIS), recently commented that "There is something irresistible about the idea of unearthing Afghanistan's hidden treasure," but added:

> Almost as a rule, ["megaprojects"] are delivered over-cost, over-time, and with fewer benefits than were promised. But these challenges grow exponentially in weak governance environments. Afghanistan is one of the most corrupt countries in the world. The extractive sector, which includes oil and mining, is the most corrupt sector in the world. Construction and transportation are the second and third most corrupt sectors. Without stronger institutions, sinking money into Afghanistan's mines could be a recipe for as much pain as progress.[36]

Afghan lapis lazuli from Badakhshan Province. (Didier Descouens photo via Wikimedia)

Hillman noted that in 2009, the Afghan minister of mines left office amid claims—which he denied—that he had accepted a $30 million bribe from a Chinese mining enterprise.[37]

Speaking of the mineral sector in particular, last year the United Kingdom's Department for International Development (DFID) noted that "The sector remains severely constrained by weak regulatory and legal frameworks, corruption, and government inertia." In line with the CIA analysis, DFID said "Corruption pervades all aspects of public life in Afghanistan … ranging from petty bribery to nepotism and misuse of power," while "the business environment can be opaque and bureaucratic."[38] Laurel Miller, former acting special representative for Afghanistan and Pakistan at the U.S. State Department, said last year that the Afghan mining industry remains "riddled with corruption."[39] Afghan media in 2017 reported allegations that high-ranking MOMP officials sought to extract $10 million in bribes for awarding mining contracts, and also quoted Finance Minister Eklil Hakimi as saying the "Mining industry's revenues are being embezzled by powerful individuals."[40]

SIGAR's Investigations Directorate, which has agents deployed to Afghanistan, has several times reported information on illegal mining and corrupt conspiracy to the Afghan government. In January 2016, for example, the directorate wrote to President Ghani about illegal extraction of lapis lazuli and evasion of royalties due the Afghan treasury. SIGAR's letter cited multiple sources for believing that nearly 2000 metric tons of lapis worth $60–120 million had been illegally extracted in Badakhshan Province in 2015 with minimal royalties paid because miners, traders, warlords, and corrupt officials had apparently lowballed the reported value. The letter also reported that another 5,000 metric tons of illegally mined lapis worth

$150–300 million was stored in some 300 trucks as officials again planned to undervalue the shipments.[41] There was no official response to the letter, but SIGAR understands that security threats at the mining site prevented Afghan officials from intervening there. Less than two months later, the minister of mines resigned.[42]

Even if constraining factors like insecurity, corruption, and poor business climate in Afghanistan were substantially mitigated, business conditions in the mining sector around the world are problematic. The *Wall Street Journal* recently reported that "The [global] mining industry is slowly recovering from a collapse in commodity prices in recent years that forced many companies to slash jobs and sell assets. Most big mining companies are wary of doing deals."[43] And when deals are being considered, mineral-rich countries like Australia, Canada, and the United States may strike investors as more hospitable places for doing business than Afghanistan.

Nonetheless, Afghanistan has negotiated a handful of major mineral deals, including for large-scale iron and copper mining by Chinese and Indian investors. SIGAR quarterly reports have regularly provided details on the contracts. However, in reply to recent inquiries from SIGAR, the State Department says four large-scale undertakings are "stalled," and neither State nor USAID know of any expressions of interest from other potential investors in the projects.[44] It therefore appears that U.S. efforts to assist mineral-sector development in Afghanistan are in hiatus. In response to a SIGAR request for information, USAID said it has no major active mining or hydrocarbon programs, and none are currently planned. Its most recent mining and gas-generation programs ended March 31, 2017, and July 31, 2016, respectively. The agency told SIGAR it needs a commitment to institutional reform "from the highest levels of the Afghan government" to ensure that its assistance to the mining sector is used effectively.[45] Apparently that commitment has not yet been made.

In the meantime, USAID has agreements with the Department of Commerce and the U.S. Geological Survey to provide legal advisory and technical services to the Ministry of Mines and Petroleum (MOMP), which is developing a "roadmap" to guide a market transition to generate mineral-sector growth.[46] MOMP's September 2017 Roadmap for Reform described the major impediments to developing the Afghan extractives sector such as: weak policy and legislative frameworks, low managerial/technical capacity at MOMP, an inadequate information-management system for geological data, lack of a strategy to link extractives to the broader economy, corruption, insufficient infrastructure, illegal mining, and insecurity.[47]

In some countries, companies or foreign donors will construct large support facilities for economic development. But not everywhere. A USAID consultant's 2017 "mid-course stocktaking" report states flatly, "[the expectation] that donors and private investors will make large-scale investments in transit infrastructure and logistics services which are

Acting Minister of Mines and Petroleum Nargis Nehan (in headscarf) visits a cement factory in Afghanistan. The country mines large amounts of limestone for making cement. (MOMP photo)

linked to Afghanistan is *not true*" [emphasis in original]. That same report echoed MOMP's self-diagnosis: "Continued weak institutional capacity in the Ministry of Public Works and MOMP affect management, maintenance and new development."[48] As the United States and Afghanistan continue to look to mineral resources for large sources of revenue, it is well to consider some of the lessons that emerge from SIGAR examination of previous efforts to develop Afghan mineral resources.

DIGGING UP LESSONS FROM U.S. EFFORTS

Since 2009, the Department of Defense's Task Force for Business and Stability Operations (TFBSO) and USAID have been the two main U.S. entities providing direct assistance to Afghanistan's extractive industries.[49] TFBSO efforts included assisting the Afghan government in documenting its mineral and hydrocarbon resources; researching, designing, and executing tenders for mineral and hydrocarbon contracts; rehabilitating a natural-gas pipeline between Sheberghan and Mazar-e Sharif; and developing technical capacity within the MOMP, the Afghanistan Geological Survey, and the Afghan Petroleum Authority. TFBSO obligated about $200 million in direct support of these and other extractives projects before concluding operations in Afghanistan on December 31, 2014.[50]

USAID's main extractives programs included the four-and-a-half-year Sheberghan Gas Development Project (SGDP), which concluded in

August 2016, and the four-year Mining Investment and Development for Afghanistan Sustainability (MIDAS), which ended in March 2017.[51] SGDP was originally designed to rehabilitate existing natural-gas wells, develop new natural-gas wells, construct a 200-megawatt power plant, and refurbish the Northern Fertilizer and Power Plant. SGDP established a second major program, the Sheberghan Gas Generation Activity (SGGA), to deliver technical and financial assistance to MOMP and other Afghan entities involved in the hydrocarbons sector.[52] Meanwhile, USAID's MIDAS program aimed to increase technical and institutional capacity at MOMP, assist in exploration and the development of new tenders, and support the growth of Afghan businesses involved in the extractives sector.[53] As of December 31, 2017, USAID had disbursed about $34 million for MIDAS, $30 million for SGDP, and $29 million for SGGA.[54]

SIGAR has previously documented that despite massive investment, these efforts have shown limited progress overall.[55] Speaking at a recent CSIS event, Assistant to the USAID Administrator for the Office of Afghanistan and Pakistan Affairs Greg Huger confirmed SIGAR's assessment when he commented that these efforts "really weren't very successful."[56] Yet donors continue to emphasize the potential for extractives to generate economic growth, increase government revenues, and produce foreign-exchange earnings despite the numerous challenges that SIGAR has documented here and elsewhere.[57] Although some of these challenges, such as insecurity and corruption, are inherent in the Afghanistan context, others were self-inflicted and avoidable.[58] SIGAR's previous reviews of U.S. programming in extractives, as well as others' work, suggest a handful of critical lessons that agencies should consider before pursuing any new programming in order to avoid future missteps.

Be Wary of Unrealistic Expectations

As in other areas of Afghanistan reconstruction, U.S. 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.[59]

For example, SIGAR found that despite TFBSO's $51 million investment towards building MOMP capacity for mining contract tender support, not a single tender resulted in a signed contract.[60] The failure largely reflected delays caused by the Afghan central government, such as the delayed passage of a new minerals law and the contract-review process created by the National Unity Government that emerged after the 2014 Afghan elections.[61]

Similarly, USAID's Sheberghan Gas Generation Activity program, which was intended to provide training and technical assistance in support of Afghanistan's hydrocarbons industry, completed less than a third of its program objectives for fiscal year 2014. SIGAR found that among other factors, MOMP's inability to absorb on-budget assistance—funding channeled through the Afghan government's core budget—played a significant role in USAID's inability to achieve its objectives.[62] USAID's performance evaluation of the MIDAS program, meanwhile, concluded that many of the program's capacity-building goals were "not achievable within the defined time frame and budgetary constraints."[63]

The Afghan government itself has a record of excessive optimism.[64] Although TFBSO estimated that the value of Afghanistan's mineral and hydrocarbon deposits was about $1.1 trillion, in 2010 mining minister Wahidullah Shahrani declared that the value was nearly three times that high.[65] Minister Shahrani also projected that mining revenues would provide $1.5 billion to government coffers in 2016. Actual revenues that year were $20 million, a figure which represented just 0.3% of the Afghan government's $6.5 billion national budget.[66]

Failure to achieve the $1.5 billion figure may have contributed to continuing reorganization at MOMP, which in turn has posed significant challenges to U.S. capacity-building initiatives.[67] From December 2011 to July 2016, leadership turnover at MOMP was exceedingly high: the ministry was led by no fewer than five ministers—three permanent, and two acting.[68] MOMP still lacks a permanent minister, and is unlikely to have one in the near term: Acting Minister Nargis Nehan, nominated by President Ghani for a permanent position, was rejected by the Afghan parliament in early December—the only one of 12 Ghani nominees who failed to secure a majority of parliamentarians' votes.[69] She continues to serve in an acting capacity.

Such history warrants caution and tempered expectations. Speaking at CSIS, Huger said, "We're not going to get ahead of the Afghan government and ahead of Afghanistan on supporting the extractive industry, because it can be a huge diversion and waste of money and time."[70] Time is another area for expectations management. Economist Michael Heydari, who headed a USAID project focused on Afghan mining, cautioned last year that mining projects typically have a lead time of about 10 to 12 years from deposit identification to production. But for Afghanistan, Heydari said, it is unlikely that mining companies would make large investments in a war-torn country, so "Come back in 50 years."[71]


Emerald in a matrix. (Uncredited photo via Wikimedia)

Employ a Coordinated, Whole-of-Government Approach

Previous U.S. efforts to develop Afghanistan's extractives sector were at times either duplicative, conflicting, or insufficiently attentive to the need for interagency collaboration.[72] For example, in a performance audit released this month, SIGAR found that TFBSO did not consistently coordinate its activities with other U.S. government stakeholders in Afghanistan—namely State, USAID, and U.S. Forces-Afghanistan (USFOR-A)—leading to conflicting projects and wasted money.[73]

In one case, TFBSO planned and executed a $39.6 million natural-gas pipeline project opposed by State and USAID. A senior official from the U.S.

Embassy in Kabul told SIGAR that State and USAID did not find out that TFBSO had gone through with the project until Afghan government officials thanked the American ambassador for the U.S. government's support.[74]

The lack of coordination and information sharing between TFBSO and other U.S. agencies was a long-standing problem. A Government Accountability Office (GAO) audit of the task force in 2011 found that TFBSO "has not developed written guidance to be used by its personnel in managing Task Force projects" and practiced "limited and irregular" information sharing.[75] In another case, implementers of USAID's MIDAS program failed to sufficiently engage with USGS to bring technical experts to MOMP. According to a scathing USAID evaluation report, MIDAS' lack of engagement with USGS "ultimately destroyed MOMP/AGS faith in the USAID commitment" to assisting MOMP with critical capacity-building needs.[76]

The concept of coordination implies integration not only among efforts that are ongoing, but among those past and present. Here, too, U.S. programming has at times come up short. For example, MIDAS implementers "ignored a well-documented and easily accessible record of past capacity-building interventions at MOMP and its directorates," which led to less effective training, according to a project performance-evaluation report prepared for USAID.[77]

But beyond duplicative programming, development in Afghanistan must proceed in a setting of deeply interdependent factors, inherent volatility, and limited manageability. SIGAR has previously emphasized that rampant corruption, lack of infrastructure, a flawed minerals law, and a poor security environment all pose substantial obstacles to developing Afghanistan's extractives sector.[78] All of these factors, according to DOD, "limit the willingness of international mining companies to commit risk capital to exploration and production in Afghanistan when similar resources are more efficiently extracted from other countries."[79] The presence of such obstacles underscores the need for a considered, coordinated, whole-of-government approach that extends well beyond the bounds of a particular project or sector.

Copper's greenish presence in rock. (National Institute of Standards and Technology photo by Milo Inman)

Almost 70 years ago, Syracuse University development scholar Professor Peter G. Franck stated the point plainly: "If Afghanistan is to raise its economic life to a higher plane and maintain it there, it must work out a development program which provides for simultaneous advance on several fronts [e.g., industry, agriculture, power, transportation, fuel]…. Effort expended on one front atrophies if not matched by complementary efforts on others."[80]

The passing years have done nothing to undercut the professor's exhortation. Part of the problem is ministerial capacity to oversee mining. Replying to a SIGAR inquiry, the U.S. Department of Commerce said, "At least since we have been involved with the Ministry of Mines and Petroleum for about five years, MOMP has lacked effective top leadership and competent mid-level officials. Added to that is the lack of transparency and accountability but plenty of inefficient bureaucracy within the ministry."[81] But there is an even broader concern. Commerce added, "In addition to [improving] security, Afghanistan needs to reduce corruption, promote transparency, employ an efficient commercial dispute resolution mechanism, and pass laws which make it easier for business to invest and take risks."[82] In the same vein, the State Department answered a SIGAR data call question on the Afghan minerals issue:

> The security situation deters investment in extractives development and other sectors. Moreover, investment is also discouraged by Afghanistan's poor business environment, including weaknesses in institutional capacity, rule of law, human capacity, access to power, access to finance, and arbitrary enforcement of policies and regulations affecting the private sector.[83]

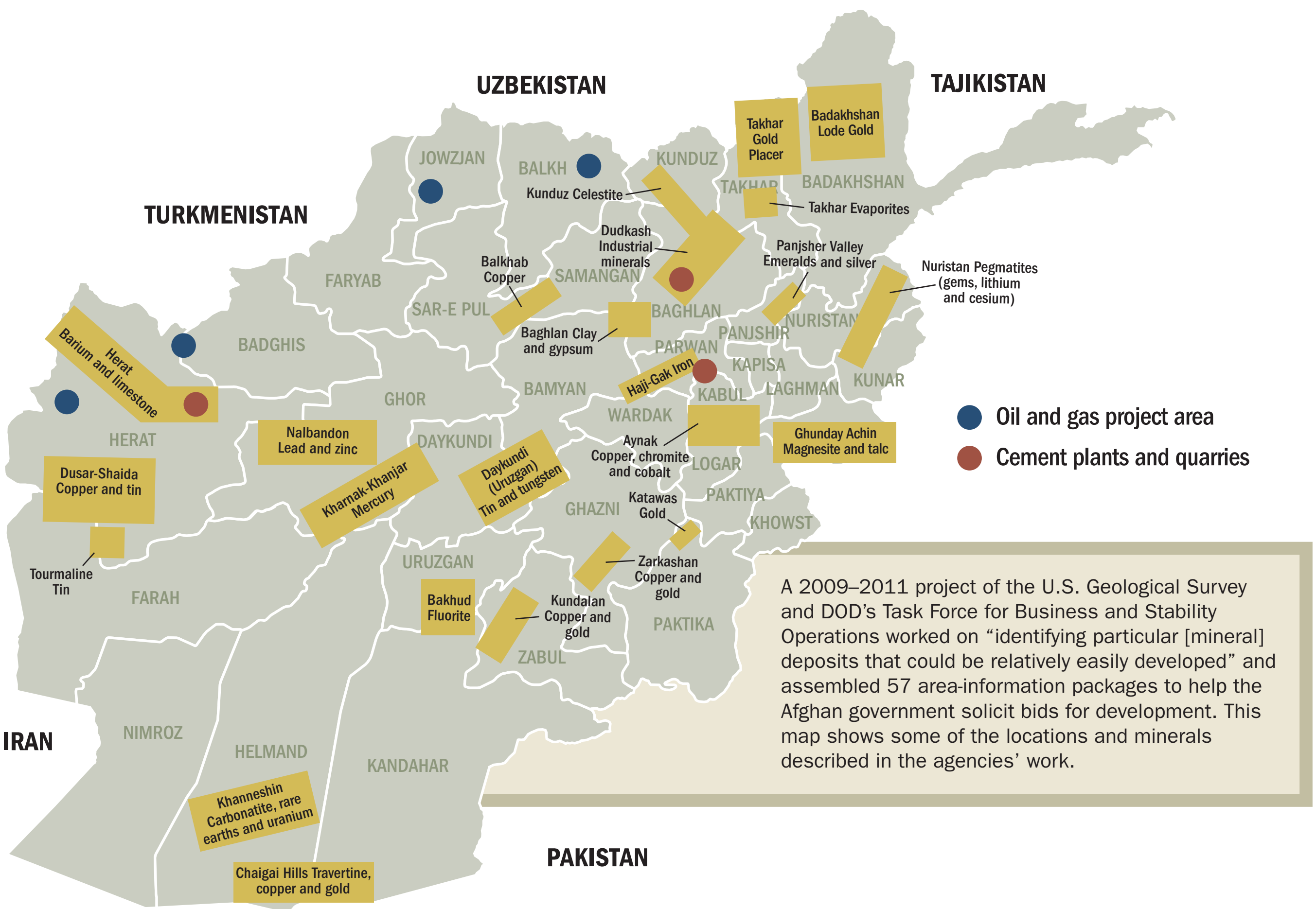
As SIGAR has often observed in its reports, U.S. reconstruction efforts in a country with as many challenges as Afghanistan faces require a strategically conceived, whole-of-government effort with close cooperation and coordination among U.S. agencies and between them and their Afghan partners. No ministry or sector, including mining, can be targeted for aid in isolation.

Recognize That Strategy, Objectives, and Metrics Are Necessary but Not Sufficient to Ensure Success

In its TFBSO performance audit, SIGAR found that TFBSO did not clearly articulate its intended mission, objectives, and strategy until more than two years after it entered Afghanistan.[84] According to a 2016 RAND Corporation report for the Department of Defense, TFBSO relied on "ad hoc, impressionistic, and ex-post approaches" to measure and report on its effectiveness in its early years in Afghanistan.[85] This had significant and deleterious repercussions: SIGAR concluded that TFBSO's lack of a strategy, coupled with the confrontational style of TFBSO's early leadership and a lack of policy direction from State and USFOR-A, brought it into almost immediate conflict with USAID and State, and strained TFBSO's early relationship with the USFOR-A commander. According to TFBSO contractors, this tension resulted in State Department obstruction of TFBSO's fiscal year (FY) 2010 funding, and the discontinuation of an early extractives project.[86]

But even a realistic and lucidly articulated strategy, coupled with clearly defined objectives and metrics, is no panacea. SIGAR found that, despite the existence of detailed performance management plans, USAID's MIDAS program failed to meet multiple key performance indicators and that SGGA completed only seven of its 24 program objectives for FY 2014.[87] If the objectives are unreasonable at the outset, simply documenting them does not make them more achievable.

IDENTIFYING MINERAL DEPOSITS FOR DEVELOPMENT



USGS-TFBSO "areas of interest" mineral map. (Based on USGS map)

Further, metrics can invite deliberate gaming or at least influence allocation of effort. The evaluators of the MIDAS program, for example, reported that program implementers placed greater emphasis on training quantity rather than on quality to "create the impression that an abundance of training was being delivered."[88] The MIDAS evaluators also noted that USAID focused more attention on "headline-grabbing wins" than on "mundane" successes essential to implementation.[89] If programmers are not honest with themselves and others about what they achieve, metrics may quickly become meaningless and irrelevant to actual outcomes.

DON'T COUNT YOUR ROCKS BEFORE THEY'RE MINED

Ultimately, all the concerns about Afghan security, governance, infrastructure, and business climate affecting development of the mineral sector must reckon with a stark reality: finding and measuring a resource is not the same thing as endowing it with economic value. If it would cost $1 million to extract, process, and market $100,000 worth of resources, those resources are of no current economic value.

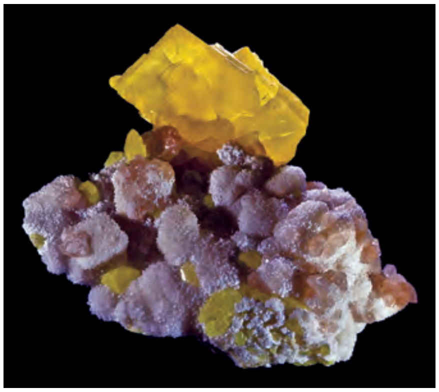
The point is well illustrated by the use of the concept "proved reserves" in connection with oil and natural-gas resources. A number for proven reserves is *not* a measure of how much of the resource exists. As the U.S. Energy Information Administration explains that proven reserves are:

> estimated volumes of hydrocarbon resources that analysis of geologic and engineering data demonstrates with reasonable certainty are recoverable *under existing economic and operating conditions*. Reserves estimates change from year to year as new discoveries are made, as existing fields are more thoroughly appraised, as existing reserves are produced, and as prices and technologies evolve.[90] [Emphasis added.]

The UN Statistics Division makes the same point about subsoil assets in general: they are "proven reserves of mineral deposits located on or below the earth's surface that are *economically exploitable*, given current technology and relative prices."[91] The World Bank said specifically of Afghanistan in 2013, "These 'projections' [of very high mineral values] have some element of truth but refer mainly to the value of minerals in the ground: they assume that the minerals are in large enough concentrations to be mined profitably and that the necessary infrastructure either will be available or can be built profitably to extract and sell them."[92]

More recently, and more colloquially, the British economic writer Tim Worstall commented on the U.S. government's view of Afghanistan's large deposits of iron, copper, and lithium: "The problem with all of this is that those minerals are worth nothing. Just bupkis." The reason for his assertion: "The value of a mineral deposit is not the value of the metal once it has been extracted. It's the value of the metal extracted minus the costs of doing the extraction. And as a good-enough rough guess the costs of extracting those minerals in Afghanistan will be higher than the value of the metals once extracted. That is, the deposits have no economic value"—"As we can tell," he adds, "from the fact that no one is lining up to pay for them."[93]

The economics of mining involve more than resource-extraction costs and market prices, however. The Afghanistan Investment Support Agency observes that "Mining is considered a 'high-risk' industry and has a finite life, which means that companies will only have a limited number of years to explore and develop mineral reserves, as well as ensure a competitive return on their investment."[94] From the Afghan government's point of view,



Sulfur embedded in other minerals. (Didier Descouens photo via Wikimedia) even a series of successful mineral contracts could entail other risks with economic impacts.

One risk, as the *New York Times* account of the 2010 announcement of new mineral discoveries cautioned, is that "The newfound mineral wealth could lead the Taliban to battle even more fiercely to regain control of the country. [And] The corruption that is already rampant … could also be amplified by the new wealth, particularly if a handful of well-connected oligarchs, some with personal ties to the president, gain control of the resources."[95] Another risk is that a surge in mineral exports could trigger the "Dutch disease"—observed in the 1960s when the Netherlands began exporting large amounts of natural gas from deposits under the North Sea—whereby an appreciating currency make non-mineral exports more costly and stimulates demand for suddenly cheaper imports, disrupting both industrial and commercial sectors of the domestic economy.[96]

Yet another risk is that mining could inflict long-lasting damage on the land and people of Afghanistan. "Unless regulated," USAID cautions, "the environmental impact of mining includes erosion, formation of sinkholes, loss of biodiversity, and contamination of soil, groundwater and surface water by chemicals from mining processes."[97] Whether effective regulation is likely to be crafted and enforced in Afghanistan is, experience suggests, another question.

Finally, even if insurgents, warlords, and terrorists could be prevented from controlling or "taxing" mining operations, they could take other steps that would negate the mining and security investments. For example, the Taliban could hinder or halt mining operations by using a tactic they have employed against health clinics built in Afghanistan. They forced a shutdown of the main hospital in Uruzgan Province in September by making threats against doctors and medical staff.[98] If insurgents were kept away from mining sites by Afghan government or private security forces, they could still impede operations by blocking access roads to prevent workers and shipments from moving. Rebels in the Democratic Republic of Congo recently forced a temporary shutdown of a Canadian company's gold mine there by such tactics.[99] Both business and government revenues would suffer if Afghan insurgents targeted mining operations.

HOW CAN THE USA BEST HELP?

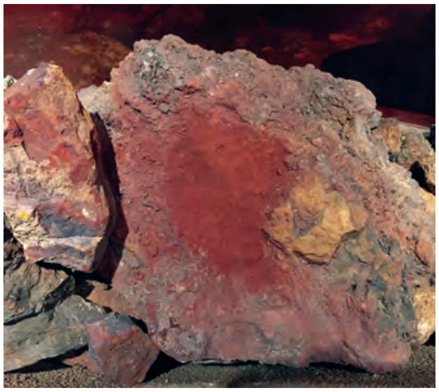
The meager results of several hundred million U.S. dollars committed to developing Afghan minerals should suggest to American officials that polite skepticism, caution, risk management, and vigilance for unintended consequences should attend future efforts. That is not to say further efforts are not worth making. As a research report prepared for USAID recently concluded, "Development of Afghanistan's extractives sector is the country's best, and perhaps only, option to achieve the degree of economic growth that supports the level of job creation needed to reduce economic inequality and, therefore, reduce support for insurgents."[100] USAID is to be commended for its efforts to improve Afghan policy and regulations on mining, and to raise the administrative capacity of the Ministry of Mines and Petroleum. But expecting better results than have been achieved in earlier programs requires a searching examination of interlinked weaknesses and threats—many already identified—and a coordinated, whole-of-government drive to counter them.

Whatever specific programs may emerge from the continued U.S. interest in developing the Afghan minerals sector, SIGAR suggests that they be framed and launched only after agencies:

1. Develop conservative, probabilistic, medium- and longer-term forecasts of market prices for the minerals at issue.
2. Identify the proposed initiative's sensitivity to considerations like electric power, transport, technical services, suitable labor, consistent and non-arbitrary regulation, and other operational issues and judge their relative weights and interdependencies.
3. Determine whether the aggregate weight of operational weaknesses and threats can be effectively neutralized or adequately mitigated. If not, cancel or postpone the proposed activity.
4. If consideration of item 3 is satisfactory, determine whether the current and projected security situation, as well as levels of capacity and corruption at ministries pose critical threats to project launch, operation, and success. If so, cancel or postpone the proposed activity.
5. Throughout the process, emphasize a whole-of-government approach and ensure that adequate coordination and information sharing exists and continues within and between the U.S. and Afghan governments and among their involved agencies.

Scrupulous vetting and continuing attention to interdependent risks—not to mention tamping down rosy expectations of quick and easy results—are vital to increasing prospects for success and avoiding costly missteps.

As Secretary of Commerce Wilbur Ross told the journal *Foreign Policy*, "I used to be in the mining business—in iron ore and coal—and it's not an easy activity. You can burn through a lot of money with not a lot to show for it."[101] History has shown that warning to be true in Afghanistan for U.S. taxpayers as well as for investors in mining companies.



A chunk of iron ore. (Mervate Salman photo via Wikimedia)

"Effective oversight and reporting is critical not only for judging particular programs, but also for providing evidence that can feed into policy refinements, best practices, and program outcomes."

—*Inspector General John Sopko*

Source: Inspector General John Sopko, "Afghanistan Reconstruction: Lessons from the U.S. Experience," remarks at the Royal Institute of International Affairs, 12/6/2017.

2 SIGAR OVERSIGHT ACTIVITIES

SIGAR OVERSIGHT ACTIVITIES CONTENTS

Photo on previous page
Joseph Windrem, right, director of SIGAR's Lessons Learned Program (LLP), and LLP Lead Analyst James Cunningham, second from right, spoke at a National Defense University gathering in October 2017 on the LLP report, *Reconstructing the Afghan National Defense and Security Forces: Lessons From the U.S. Experience in Afghanistan*. (SIGAR photo by Robert Lawrence)

SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 17 audits, inspections, and reviews. SIGAR work to date has identified about $2.1 billion in savings for the U.S. taxpayer.

SIGAR published two performance audit reports this quarter. These audits examined the Department of Defense's (DOD) accountability of U.S.-funded infrastructure transferred to the Afghan government and DOD's Task Force for Business and Stability Operations obligation of $675 million.

SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits identified $2.7 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than $417.5 million in questioned costs.

SIGAR also published two inspection reports and one evaluation report. These reports examined phase IV of the Afghan National Army's Camp Commando construction and construction of the American University of Afghanistan's women's dormitory. SIGAR also published the unclassified version of the evaluation report on child sexual assault and the implementation of the Leahy laws in Afghanistan.

SIGAR's Office of Special Projects issued six products on a range of issues including a USACE operations-and-maintenance contract for ANDSF facilities, observations on site visits to health facilities in Khowst Province, and DOD-procured inspection equipment for ports of entry. Special Projects also issued two inquiry letters to relevant authorities on Department of State and Overseas Private Investment Corporation plans for the Marriott Kabul Hotel and Kabul Grand Residences.

During the reporting period, SIGAR investigations resulted in two indictments, one criminal information, one guilty plea, two sentencings, four arrests, $1.6 million in cost savings to the U.S. government, more than $1.9 million in restitutions, and a recovery of nearly $6.7 million from a civil settlement. SIGAR initiated 12 new cases and closed 29, bringing the total number of ongoing investigations to 217.

This quarter, SIGAR's suspension and debarment program referred two individuals and four companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number

COMPLETED PERFORMANCE AUDITS

- Audit 18-19-AR: DOD Task Force for Business and Stability Operations: $775 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects
- Audit 18-29-AR: Afghan National Defense and Security Forces: DOD Cannot Fully Account for U.S.-Funded Infrastructure Transferred to the Afghan Government

COMPLETED FINANCIAL AUDITS

- Financial Audit 18-18-FA: DOD TFBSO's International Oil and Gas Sector Advisory Services Contract (Curtis)
- Financial Audit 18-20-FA: DOD TFBSO's Effort to increase Self-Sufficiency of Special Operations Forces in Afghanistan (Alion)
- Financial Audit 18-24-FA: DOD TFBSO's Business Improvement Support (Leidos Inc.)
- Financial Audit 18-25-FA: DOD TFBSO's Banking and Financial Infrastructure Development in Afghanistan and Iraq (aXseum Solutions LLC)
- Financial Audit 18-26-FA: DOD TFBSO's Mineral Tender Development and Geologic Services (SRK Consulting Inc.)
- Financial Audit 18-27-FA: DOD Contract with Lockheed Martin Integrated Systems Inc. for Afghan Air Force Spare Parts Surge Buy in Support of the Afghan Security Forces

COMPLETED INSPECTION REPORTS

- Inspection Report 18-22-IP: American University of Afghanistan Women's Dormitory: Construction Met Contract Requirements and Building Deficiencies Were Corrected
- Inspection Report 18-28-IP: Afghan National Army Camp Commando Phase IV: Construction Met Contract Requirements and Most Facilities Are Being Used, but Are Not Well Maintained

COMPLETED EVALUATIONS

- Evaluation 17-47-IP: Child Sexual Assault in Afghanistan

Continued on the next page

Continued from previous page

COMPLETED SPECIAL PROJECTS REVIEWS
- Review 18-12-SP: Warehousing for ANDSF Operations & Maintenance
- Review 18-13-SP: USAID-Supported Health Facilities in Khowst Province
- Review 18-14-SP: DOD-Procured Non-Intrusive Inspection Equipment
- Review 18-17-SP: Schools in Faryab Province
- Review 18-21-SP: State Department's Good Performers Initiative

COMPLETED SPECIAL PROJECTS FACT SHEETS
- Fact Sheet 18-23-SP: Information on USAID's Stability in Key Areas Program-Northern Region

SPECIAL PROJECTS INQUIRY LETTERS
- Inquiry Letter 18-15-SP: State Plans for Marriott Kabul Hotel and Kabul Grand Residencies
- Inquiry Letter 18-16-SP: OPIC Plans for Marriott Kabul Hotel and Kabul Grand Residencies

COMPLETED PERFORMANCE AUDITS
- Audit 18-19-AR: DOD Task Force for Business and Stability Operations: $775 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects
- Audit 18-29-AR: Afghan National Defense and Security Forces: DOD Cannot Fully Account for U.S.-Funded Infrastructure Transferred to the Afghan Government

of individuals and companies referred by SIGAR since 2008 to 883, encompassing 490 individuals and 393 companies.

AUDITS

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

Performance Audit Reports Published

SIGAR published two performance audit reports this quarter. These audits examined DOD accountability of U.S.-funded infrastructure transferred to the Afghan government and DOD's Task Force for Business and Stability Operations' obligation of $675 million.

Performance Audit 18-19-AR: DOD Task Force for Business and Stability Operations

$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects

The Task Force for Business and Stability Operations (TFBSO) was a temporary organization created by DOD that supported economic-development projects in Afghanistan between 2010 and 2014. SIGAR conducted this audit at the request of Senator Charles E. Grassley and then-Senator Kelly A. Ayotte.

The objectives of this audit were to assess (1) the extent to which TFBSO and U.S. agencies collected data and maintained documentation for TFBSO's projects and activities; (2) how TFBSO devised and communicated its mission, objectives, and strategy, and then coordinated its activities with other U.S. government agencies; (3) how TFBSO planned, awarded, and oversaw contracts and grants to implement its projects; (4) the extent to which TFBSO's projects and activities met their contracted deliverables; and (5) the extent to which TFBSO planned to transfer its projects and assets to the Department of State (State) or the U.S. Agency for International Development (USAID), or otherwise arranged for them to be operated and maintained.

In 2011, Congress authorized TFBSO to spend DOD funds to reduce violence, enhance stability, and support economic normalcy in Afghanistan through strategic business and economic activities. Congress appropriated approximately $823 million for TFBSO operations in Afghanistan, and according to contracts that SIGAR was able to review, TFBSO obligated more than $675 million in contracts. Of that amount, $316.3 million was obligated in direct support of projects related to agriculture, banking, oil and gas, indigenous industries, and mining. Of the remaining $359.5 million,

Women working in a glass factory laboratory funded by TFBSO. (JadeGlass photo)

Cashmere goat farm funded by TFBSO operating as of April 2016. (SIGAR photo)

approximately $299.8 million was obligated on indirect costs in support of TFBSO's projects and $59.7 million on general and administrative costs.

While TFBSO's poor record keeping was problematic for SIGAR's assessing its performance, it is clear that TFBSO was unable to accomplish its overall goals. Specifically, the lack of a clear mission and strategy combined with poor coordination, planning, contracting, and oversight led to conflict with other U.S. agencies and to waste. Furthermore, of the more than $675 million in obligations contained in contracts that SIGAR was able to review, TFBSO obligated only $316.3 million to contracts directly supporting projects in Afghanistan. The remaining $359.5 million went to indirect and support costs. For the $316.3 million in project contracts, SIGAR found that 78% partially met or failed to meet their required deliverables. Finally, while TFBSO submitted a plan to transfer its projects to State or USAID—as Congress had required it to do in its authorizing legislation—its assumptions about TFBSO's ability to complete its work were unrealistic.

Because TFBSO ended administrative operations in March 2015, SIGAR made no recommendations to DOD. Instead, SIGAR offered observations should DOD and Congress ever decide to authorize another TFBSO-like entity in the future. SIGAR provided a draft of this report to DOD for comment. In its response, DOD wrote that SIGAR's report is consistent with other independent assessments, which have all concluded that TFBSO had mixed results and did not achieve its intended objectives overall. DOD also agreed that TFBSO exhibited "unacceptable weaknesses and shortcomings" that can and must be addressed before similar efforts are attempted in the future.

Performance Audit 18-29-AR: Afghan National Defense and Security Forces

DOD Cannot Fully Account for U.S.-Funded Infrastructure Transferred to the Afghan Government

Since 2002, Congress has appropriated $120.8 billion for the reconstruction of Afghanistan. DOD agencies tasked with construction and oversight—the Combined Security Transition Command-Afghanistan (CSTC-A), the U.S. Army Corps of Engineers (USACE), and the Air Force Civil Engineer Center (AFCEC)—have built and overseen approximately $9 billion worth of construction at 1,162 sites to support the Afghan National Defense and Security Forces (ANDSF).

CSTC-A is responsible for training, advising, and assisting the Afghan government to provide long-term security and stability for the Afghan people, including determining the necessity of ANDSF infrastructure and other requirements. As CSTC-A's primary construction agents, USACE and AFCEC are responsible for managing and awarding contracts to perform the work, conducting quality assurance, and formally turning over completed projects to CSTC-A. CSTC-A in turn transfers control to MOD and MOI. SIGAR has previously expressed concern about U.S. oversight of the construction, transfer, and maintenance of ANDSF infrastructure projects, and about the Afghan government's ability to sustain them.

The objectives of this audit were to determine the extent to which DOD agencies tasked with construction and oversight (1) transferred ANDSF infrastructure in accordance with applicable procedures, (2) implemented construction warranties in accordance with applicable procedures, and (3) prepared ANDSF maintenance personnel to maintain their infrastructure.

From a list of 1,189 construction and capital-improvement contracts DOD awarded between October 2001 and December 2013 in support of the ANDSF, SIGAR selected a representative sample of 67 contracts, enabling it to make projections about DOD's oversight of the construction and process for transferring infrastructure to the Afghan government. These 67 contracts had a combined value of about $482 million and covered 119 ANDSF sites across Afghanistan.

After investing approximately $9 billion to build ANDSF infrastructure, DOD cannot fully account for U.S.-funded infrastructure transferred to the Afghan government. SIGAR found that CSTC-A, USACE, and AFCEC did not consistently prepare or maintain DOD real-property transfer forms—DD Forms 1354—for ANDSF infrastructure in a complete, accurate, or timely manner. As a result, CSTC-A often relied on incomplete and inaccurate information when transferring infrastructure to MOD and MOI. Had USACE and AFCEC complied with the Unified Facilities Criteria's completeness, accuracy, and timeliness standards when completing DOD real property transfer forms, and had CSTC-A ensured these standards were met, there would have been no need for DOD to spend an additional $229 million to develop a comprehensive inventory of ANDSF infrastructure.

SIGAR also found that CSTC-A does not know what infrastructure at each ANDSF site it transferred to the MOD and the MOI because CSTC-A does not have the asset-recognition letters needed to verify that the Afghan government accepted the infrastructure. CSTC-A changed standard operating procedures that removed the requirement for asset-transfer recognition letters from December 2012 to October 2014.

Compounding this situation are ANDSF infrastructure construction deficiencies that suggest shortcomings in DOD's oversight of its construction contracts. CSTC-A, USACE, and AFCEC did not fully implement construction-warranty procedures for ANDSF infrastructure. By not taking advantage of the protections afforded by warranty clauses included in construction contracts, DOD runs the risk that U.S. taxpayers or the Afghan government will have to bear the additional cost of repairing construction deficiencies.

Finally, SIGAR found that USACE and CSTC-A cannot determine whether the national maintenance contract, awarded to IDS International Government Services LLC (IDS International) with a maximum value of $245 million, is achieving its goal of preparing ANDSF personnel to independently maintain their infrastructure. This resulted from the fact that USACE did not establish meaning performance standards for the national maintenance contract and is using a December 2013 quality-assurance surveillance plan that does not include methods to evaluate additional program requirements for training ANDSF maintenance personnel.

SIGAR made six recommendations.

To better account for ANDSF infrastructure transferred to the Afghan government, SIGAR recommends that CSTC-A, in collaboration with USACE and AFCEC: (1) revise applicable standard operating procedures to require that the standards for completeness, accuracy, and timeliness, as prescribed by the Unified Facilities Criteria, are applied to DOD real property transfer forms, and that these forms are reviewed for adherence to these standards for all remaining ANDSF infrastructure that will be transferred to the MOD or the MOI; (2) revise applicable standard operating procedures to include explicit requirements that construction agents submit the DOD real property transfer forms to CSTC-A, and CSTC-A retain those forms for all remaining ANDSF infrastructure that will be transferred to the MOD or the MOI; and (3) ensure that asset recognition transfer letters for all remaining ANDSF infrastructure that will be transferred to the MOD or the MOI list grid coordinates for the project location, all infrastructure built or renovated, and unique numbers identifying each infrastructure item, and are signed by the appropriate CSTC-A and Afghan government officials.

To improve the utilization of contract warranties and ensure the timely resolution of warranty-related deficiencies, SIGAR recommends that CSTC-A, in collaboration with USACE and AFCEC (4) revise applicable standard operating procedures to require documentation of 4-month and 9-month warranty inspections for all remaining ANDSF infrastructure that will be transferred to the MOD or the MOI. To protect the U.S. investment in ANDSF infrastructure and determine whether ANDSF maintenance personnel are capable of maintaining their infrastructure, SIGAR recommends that USACE, in collaboration with CSTC-A: (5) update the quality-assurance surveillance plan for the national maintenance contract to define methods for assessing the extent to which IDS International is meeting contract requirements, including requirements for training ANDSF maintenance personnel; and (6) establish and apply more meaningful performance standards to assess IDS International's performance and the extent to which the national maintenance contract has achieved its intended outcome.

TABLE 2.1

SIGAR'S FINANCIAL AUDIT COVERAGE ($ BILLIONS)

106 completed audits	$6.66
33 ongoing audits	1.03
Total	**$7.69**

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

Source: SIGAR Audits and Inspections Directorate.

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

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

Financial Audits

SIGAR launched its financial-audit program in 2012, after Congress and the oversight community expressed concerns about oversight gaps and the growing backlog of incurred-cost audits for contracts and grants awarded in support of overseas contingency operations. SIGAR competitively selects independent accounting firms to conduct the financial audits and ensures that the audit work is performed in accordance with U.S. government auditing standards. Financial audits are coordinated with the federal inspector-general community to maximize financial-audit coverage and avoid duplication of effort. SIGAR has 33 ongoing financial audits with over $1 billion in auditable costs, as shown in Table 2.1.

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

SIGAR issues each financial-audit report to the funding agency that made the award(s). The funding agency is responsible for making the final determination on questioned amounts identified in the report's audit findings. Since the program's inception, SIGAR's financial audits have identified more than $417.5 million in questioned costs and $363,244 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of January 30, 2018, funding agencies had disallowed nearly $25.7 million in questioned amounts, which are 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 have also identified and communicated

360 compliance findings and 383 internal-control findings to the auditees and funding agencies.

SIGAR's financial audits have four specific objectives:

- Express an opinion on whether the Special Purpose Financial Statement for the award presents fairly, in all material respects, revenues received, costs incurred, items directly procured by the U.S. government, and balance for the period audited in conformity with the terms of the award and generally accepted accounting principles or other comprehensive basis of accounting.
- Evaluate and obtain a sufficient understanding of the audited entity's internal control related to the award; assess control risk; and identify and report on significant deficiencies, including material internal-control weaknesses.
- Perform tests to determine whether the audited entity complied, in all material respects, with the award requirements and applicable laws and regulations; and identify and report on instances of material noncompliance with terms of the award and applicable laws and regulations.
- Determine and report on whether the audited entity has taken adequate corrective action to address findings and recommendations from previous engagements.

A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

Special Purpose Financial Statement: a financial statement that includes all revenues received, costs incurred, and any remaining balance for a given award during a given period.

Financial Audits Published

This quarter, SIGAR completed six financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits identified $2.7 million in questioned costs as a result of internal control deficiencies and noncompliance issues. These deficiencies and noncompliance issues included ineligible travel costs and a misinterpretation of a federal acquisition regulation.

COMPLETED FINANCIAL AUDITS

- Financial Audit 18-18-FA: DOD TFBSO's International Oil and Gas Sector Advisory Services Contract (Curtis)
- Financial Audit 18-20-FA: DOD TFBSO's Effort to increase Self-Sufficiency of Special Operations Forces in Afghanistan (Alion)
- Financial Audit 18-24-FA: DOD TFBSO's Business Improvement Support (Leidos Inc.)
- Financial Audit 18-25-FA: DOD TFBSO's Banking and Financial Infrastructure Development in Afghanistan and Iraq (aXseum Solutions LLC)
- Financial Audit 18-26-FA: DOD TFBSO's Mineral Tender Development and Geologic Services (SRK Consulting Inc.)
- Financial Audit 18-27-FA: DOD Contract with Lockheed Martin Integrated Systems Inc. for Afghan Air Force Spare Parts Surge Buy in Support of the Afghan Security Forces

Financial Audit 18-18-FA: Department of Defense Task Force for Business and Stability Operations' International Oil and Gas Sector Advisory Services Contract

Audit of Costs Incurred by Curtis, Mallet-Prevost, Colt & Mosle

On June 22, 2012, DOD's Task Force for Business and Stability Operations, through the Department of the Interior's National Business Center, awarded a one-year, $4 million contract to Curtis, Mallet-Prevost, Colt & Mosle (Curtis) to provide advisory services in the international oil and gas sector. The contract required Curtis to provide strategic and contractual analysis of processes and opportunities to support the development of tenders and contracts for the exploration and production of oil and gas in Afghanistan. The contract was modified seven times, increasing the total amount to $5.9 million and extending the period of performance through July 21, 2013.

SIGAR's financial audit, performed by Williams, Adley & Company-DC (Williams Adley), reviewed $5,940,055 in reimbursable costs incurred under the contract between June 22, 2012, and July 21, 2013. Williams Adley identified three deficiencies in Curtis's internal controls and three instances of noncompliance with the terms and conditions of the contract. Specifically, Williams Adley identified unsupported payroll costs for 1.25 hours of labor charged by Curtis employees. Additionally, Williams Adley documented two instances of unsupported subcontractor costs: one for business class travel without prior approval and another for six overstated labor hours. As a result of these internal-control deficiencies and instances of noncompliance, Williams Adley identified $3,854 in total questioned costs. Reviewing prior audit reports and findings, Williams Adley did not identify any prior findings or corrective actions that affected the audit. Williams Adley issued an unmodified opinion on Curtis's special purpose financial statement, noting that it was presented fairly in all material respects.

Based on the results of the audit, SIGAR recommends that the responsible DOD program officer coordinate with the Department of Interior contracting officer to:

1. Determine the allowability of and recover, as appropriate, $3,854 in questioned costs identified in the report.
2. Advise Curtis to address the report's three internal-control findings.
3. Advise Curtis to address the report's three noncompliance findings.

Financial Audit 18-20-FA: Department of Defense Task Force for Business and Stability Operations' Effort to Increase Self-Sufficiency of Special Operation Forces in Afghanistan

Audit of Costs Incurred by Alion Science and Technology Corporation

On September 29, 2012, DOD's Information Analysis Center awarded a one-year, cost-plus-fixed-fee task order to Alion Science and Technology Corporation (Alion) to increase the self-sufficiency of U.S. Special Operations Forces by enabling them to use local resources and personnel to support mission objectives. The DOD's Task Force for Business and Stability Operations provided $2,078,398 towards the task order's estimated ceiling of $48.3 million. After modification, the period of performance was extended from September 28, 2013, to September 28, 2015.

SIGAR's financial audit, performed by Williams, Adley & Company-DC LLP (Williams Adley), reviewed $1,281,186 charged to the TFBSO-funded portion of the task order for the period of September 29, 2012, through September 28, 2015. Williams Adley found one internal-control deficiency and one instance of noncompliance with the terms and conditions of the task order. Specifically, Alion's documentation did not support the allowability of labor costs reimbursed to Alion's subcontractor, Praetorian. As a result of this internal-control deficiency and instance of noncompliance, Williams Adley questioned $606,106. Williams Adley did not identify any prior findings or corrective actions that affected the audit. Williams Adley issued a modified opinion on Curtis's special purpose financial statement, noting that, except for the effects of the questioned costs, it was presented fairly in all material respects.

Based on the results of the audit, SIGAR recommends that the responsible contracting officer at the DOD Information Analysis Center:

1. Determine the allowability of and recover, as appropriate, $606,106 in questioned costs identified in the report.
2. Advise Alion to address the report's internal-control finding.
3. Advise Alion to address the report's noncompliance finding.

Financial Audit 18-24-FA: Department of Defense Task Force for Business and Stability Operations' Business Improvement Support

Audit of Costs Incurred by Leidos Inc.

On September 12, 2013, the Department of Defense's Task Force for Business and Stability Operations, through the Army Research, Development, and Engineering Command (RDECOM), awarded a $6,665,279 task order to Science Application International Corporation (SAIC). On September 27, 2013, SAIC split, and the new company, Leidos Inc., assumed responsibility for the task order. The task order's objective was to provide direct business improvement support to various lines of operation throughout the DOD business mission area with an emphasis on stability operations in Afghanistan. After 12 modifications, the task order's ceiling was increased to $10,817,573, and the period of performance was extended one year to September 19, 2015.

SIGAR's financial audit, performed by Williams Adley and Company-DC LLP (Williams Adley), reviewed $10,752,713 in expenditures charged to the task order from September 20, 2013, to September 19, 2015. Williams Adley identified one significant weakness in Leidos's internal controls and two instances of noncompliance with the terms and conditions of the task order. Most notably, Williams Adley found that for two subcontracted awards, Leidos did not justify its decision to make sole-source awards and Leidos agreed to pay one subcontractor labor rates that were more than comparable market salaries. Because of the excessive wages charged to the task order, Williams Adley questioned $18,988 in costs. Reviewing prior audit reports and findings, Williams Adley did not identify any prior findings or corrective actions that affected the audit. Williams Adley issued an unmodified opinion on Leidos's special-purpose financial statement, noting that it was presented fairly in all material respects.

Based on the results of the audit, SIGAR recommends that the responsible DOD program officer coordinate with the RDECOM to:

1. Determine the allowability of and recover, as appropriate, $18,988 in questioned costs identified in the report.
2. Advise Leidos to address the report's internal-control finding.
3. Advise Leidos to address the report's two noncompliance findings.

Financial Audit 18-25-FA: Department of Defense Task Force for Business and Stability Operations' Banking and Financial Infrastructure Development in Afghanistan and Iraq

Audit of Costs Incurred by aXseum Solutions LLC

On December 22, 2010, DOD's Task Force for Business and Stability, through the Department of the Interior's National Business Center, awarded a one-year, $1.5 million contract to aXseum Solutions LLC (aXseum) to provide advisory services in banking and financial infrastructure development in Afghanistan and Iraq. The contract required aXseum to perform activities such as developing a database of profiles of Afghan and Iraqi banks to help modernize banking infrastructure. The contract was modified 24 times, increasing the total amount to $8.8 million and extending the period of performance through May 5, 2014.

SIGAR's financial audit, performed by Williams, Adley & Company-DC (Williams Adley), reviewed $8,799,358 in reimbursable costs incurred under the contract between December 22, 2010, and May 5, 2014.

Williams Adley identified one deficiency in internal control and two instances of noncompliance with contract terms, laws, and regulations. Specifically, Williams Adley identified unsupported consultant costs that aXseum charged to the contract. Williams Adley also noted aXseum's lack of documentation validating its checks that the consultants were neither disbarred nor suspended from federal procurements. Because of the internal-control deficiency and instance of noncompliance related to consultant costs, Williams Adley identified $183 in total questioned costs. Williams Adley reviewed prior audit reports pertinent to aXseum's activities under the contract and did not identify any prior findings and recommendations in the reports. Williams Adley issued an unmodified opinion on aXseum's special-purpose financial statement, noting that it was presented fairly in all material respects.

Based on the results of the audit, SIGAR recommends that the responsible DOD program officer coordinate with the Department of the Interior contracting officer to:

1. Determine the allowability of and recover, as appropriate, $183 in questioned costs identified in the report.
2. Advise aXseum to address the report's internal-control finding.
3. Advise aXseum to address the report's noncompliance finding.

Financial Audit 18-26-FA: Department of Defense Task Force for Business and Stability Operations' Mineral Tender Development and Geologic Services

Audit of Costs Incurred by SRK Consulting (U.S.) Inc.

On April 3, 2014, the Department of Interior (DOI) awarded a nine-month, $2 million contract to SRK Consulting (U.S.) Inc. (SRK) on behalf of the Department of Defense's Task Force for Business and Stability Operations.

The contract was intended to facilitate the tender of bids by domestic and foreign investors to explore and exploit mineral wealth in Afghanistan. After six modifications, the contract's ceiling was increased to $2,884,459.

SIGAR's financial audit, performed by Williams Adley and Company-DC LLP (Williams Adley), reviewed $2,884,459 in expenditures charged to the contract from April 3, 2014, to December 31, 2014. Williams Adley identified one significant deficiency in SRK's internal controls and one instance of noncompliance with the terms and conditions of the contract. Specifically, Williams Adley found that SRK did not maintain evidence of the project manager's approval of timesheets and SRK did not provide documentation to support a travel charge. Because of the unsupported travel expenditure charged to the contract, Williams Adley identified $764 in questioned costs. Williams Adley reviewed prior audits pertinent to the contract but did not identify any findings or recommendations from prior engagements. Williams Adley issued an unmodified opinion on SRK's special-purpose financial statement, noting that it was presented fairly in all material respects.

Based on the results of the audit, SIGAR recommends that the responsible DOD Program Officer coordinate with DOI to:

1. Determine the allowability of and recover, as appropriate, $764 in questioned costs identified in the report.
2. Advise SRK to address the report's internal-control finding.
3. Advise SRK to address the report's noncompliance finding.

Financial Audit 18-27-FA: Department of the Army's Mineral Tender Development and Geological Services

Audit of Costs Incurred by Lockheed Martin Integrated Systems

On September 30, 2009, the U.S. Army Space and Missile Defense Command (USASMDC) awarded a $14.3 million contract to Lockheed Martin Integrated Systems (Lockheed) to procure and make repairs to spare parts for Afghan government aircraft. The contract has been modified 60 times, increasing the total contract amount to $503 million and extending the period of performance through December 31, 2016.

SIGAR's financial audit, performed by Mayer Hoffman McCann (MHM), reviewed $50,224,601 in reimbursable costs incurred on the contract between September 28, 2013, and September 28, 2015. MHM identified one significant deficiency in Lockheed's internal controls and one instance of noncompliance with the terms and conditions of the contract. Specifically, MHM found that Lockheed overcharged for its contract fee. Accordingly, MHM identified $2,095,547 in questioned costs. MHM also determined that Lockheed has taken adequate corrective action to address a prior audit finding. MHM issued a qualified opinion on Lockheed's special purpose financial statement because the $2,095,547 in questioned costs was considered to be material.

Based on the results of the audit, SIGAR recommends that the responsible contracting officer at USASMDC:

1. Determine the allowability of and recover, as appropriate, $2,095,547 in questioned costs identified in the report.
2. Advise Lockheed to address the report's internal-control finding.
3. Advise Lockheed to address the report's noncompliance finding.

INSPECTIONS AND EVALUATIONS

Inspection Reports Published

This quarter, SIGAR published two inspection reports. The inspections examined phase IV of the ANA's Camp Commando construction and construction of the American University of Afghanistan's women's dormitory.

COMPLETED INSPECTION REPORTS

- Inspection Report 18-22-IP: American University of Afghanistan Women's Dormitory: Construction Met Contract Requirements and Building Deficiencies Were Corrected
- Inspection Report 18-28-IP: Afghan National Army Camp Commando Phase IV: Construction Met Contract Requirements and Most Facilities Are Being Used, but Are Not Well Maintained

Inspection Report 18-22-IP: American University of Afghanistan Women's Dormitory

Construction Met Contract Requirements and Building Deficiencies Were Corrected

In August 2015, the U.S. Agency for International Development (USAID) awarded Perez, A Professional Corporation (Perez), a $3.99 million firm-fixed-price task order to construct a three-story, 3,000-square-meter dormitory to accommodate 200 female students at the American University of Afghanistan.

Women's dormitory at the American University of Afghanistan, Kabul. (SIGAR photo)

Each bedroom was required to accommodate four students, with a bed, bedside cabinet, and cupboard for each student. Additionally, the building was required to have six or seven toilets and seven to nine showers on each floor, a communal laundry room, a fitness room, a lounge area, and a dining area. The dormitory was scheduled to be completed by August 23, 2017. However, USAID modified the task order seven times, extending the project's completion date to November 20, 2017, and increasing the task order's price to $4.1 million.

SIGAR found that Perez built a generally well-constructed dormitory that met the task order's requirements. However, SIGAR identified three construction deficiencies and one safety hazard. Specifically, SIGAR found construction deficiencies with two instances of pipes installed through partition walls without the required pipe sleeves, and one instance of improperly cured concrete parapet walls on the roof. SIGAR also found a safety hazard resulting from Perez not removing spikes from wood sheet formwork placed on the floors during the construction.

SIGAR informed USAID of the deficiencies and the safety hazard in June and July 2017, and confirmed that Perez corrected those deficiencies before the building's completion. SIGAR commended USAID and Perez for taking swift action to correct these issues, and as a result, made no recommendations in this report.

Inspection Report 18-28-IP: Afghan National Army Camp Commando Phase IV

Construction Met Contract Requirements and Most Facilities are Being Used, But Are Not Well Maintained

On September 27, 2013, the Air Force Civil Engineer Center (AFCEC) awarded a $17 million firm-fixed-price task order, number 0057, to Innovative Technical Solutions Inc. (ITSI), a U.S. company later known as Gilbane Federal, to design and construct, renovate, and demolish facilities and infrastructure under the phase IV construction of Camp Commando.

The phase IV contract required the construction of a new water-distribution system, three barracks, 3-meter blast-resistant barriers, and a drivers' waiting room. The contract also required modifications to the primary and secondary entry-control points that included constructing guard shacks, steel swinging gates, drop arms, and passive vehicular barriers to enable authorized personnel and vehicles to enter the compound securely. In addition, the contract required improvements to the existing electrical distribution system, central power generation plant, potable water infrastructure, and sanitary sewer infrastructure. The improvements included extending the medium voltage grid to the base guard and communication towers, and installing three 1,000-kilowatt prime power-rated diesel generators.

Newly constructed barracks at Camp Commando, Kabul. (SIGAR photo)

SIGAR found that the phase IV construction met contract requirements. For example, the barracks appeared to be well constructed and had no signs of settling or foundation cracks, and all windows and doors were functioning properly. All light fixtures and electrical outlets in the barracks SIGAR inspected were installed and working properly, with one exception due to a maintenance issue. In addition, SIGAR found that Gilbane Federal built the newly constructed dining facility according to the size requirements, and its kitchen contained the required cooking and dish washing facilities. Further, SIGAR found that Gilbane Federal made the required improvements to the sanitary sewer system.

Although most of the facilities are being used, they are not being well maintained. The $1.6 million water-distribution system was not functioning and no longer supplying water to the compound, and the existing wells constructed under phases I and II barely supplied enough water. SIGAR found that Gilbane Federal built the system according to contract requirements, and could not determine why it was not working. SIGAR also found nonfunctioning emergency lighting and smoke detectors, as well as missing fire extinguishers, which expose occupants to increased fire-safety risks.

Because the Afghan government is responsible for operating and maintaining Camp Commando, SIGAR made no recommendations in this report.

COMPLETED EVALUATION

- Evaluation 17-42-IP: Child Sexual Assault in Afghanistan

Evaluation Published

SIGAR published one evaluation this quarter. The evaluation examined the implementation of the Leahy laws in Afghanistan.

Evaluation Report 17-47-IP: Child Sexual Assault in Afghanistan

Implementation of the Leahy Laws and Reports of Assault by the Afghan Security Forces

On December 23, 2015, a bipartisan group of 93 U.S. Senators and members of the House of Representatives requested that SIGAR conduct an inquiry into the U.S. government's experience with allegations of sexual abuse of children committed by members of the Afghan security forces, and the manner in which DOD and State implemented the Leahy laws in Afghanistan. The Leahy laws prohibit the U.S. funding of units of foreign forces that commit gross violations of human rights.

The request asked SIGAR to review 10 specific items, including child sexual-abuse incidents, DOD and State's Leahy law policies and procedures, and actions by the Afghan government. SIGAR completed its full classified report on June 8, 2017, and immediately began working with DOD and State to release a public version of the report.

SIGAR found that prior to 2014, the DOD applied the Leahy laws only to funding for "any training program." Therefore, DOD analyzed whether the assistance it provided to the Afghan security forces constituted "training" when determining whether the Leahy laws applied. In January 2014, Congress expanded the law to cover "any training, equipment, or other assistance."

In August 2014, the Secretary of Defense issued implementation guidance recognizing that Leahy vetting was required for all activities funded through the Afghanistan Security Forces Fund (ASFF). DOD also began tracking potential gross violations of human rights incidents, including child sexual assault. As of August 12, 2016, DOD was tracking 75 reported gross violation of human rights incidents, including seven that involved child sexual assault. Although DOD and State determined that some of these allegations were credible, the Secretary of Defense has used the "notwithstanding clause" in the ASFF provision in the annual DOD appropriations acts to continue providing select training, equipment, and other assistance to some of the Afghan security forces units implicated in those incidents.

The full extent of child sexual assault committed by Afghan security forces may never be known. SIGAR found that individuals and organizations with knowledge of such incidents lacked details, were reluctant to share information with the U.S. government, or did not have explicit guidance on how to report the information. Additionally, DOD and State officials said that, due to the drawdown of U.S. forces, they have limited visibility into the Afghan security forces and rely on the Afghan government and intelligence reports to identify incidents.

The Afghan government needs to take further action to prosecute and prevent child sexual assault by Afghan security forces. The Ministry of Defense (MOD) has taken some steps to prosecute gross violations of human rights, but the Ministry of Interior (MOI) has done little. Finally, DOD and State lack sufficient guidance on reporting alleged incidents, for determining whether there is credible information that a unit committed a gross violation of human rights, and for tracking reported incidents. Frequent rotation of DOD personnel assigned to implement the Leahy laws for Afghan security forces hinders the continuity and consistency of DOD's efforts.

SIGAR made five recommendations to DOD and State, and a sixth and seventh recommendation to DOD. In addition, SIGAR offered one matter for congressional consideration regarding DOD's use of the "notwithstanding" clause in the ASFF appropriation. DOD and State concurred with all recommendations and outlined implementation steps. Congress in the 2018 National Defense Authorization Act acted upon SIGAR's seventh recommendation, "Designate a specific position within DOD to oversee the department's implementation of the Leahy law in Afghanistan" and authorized DOD to create such a position.

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 nine recommendations contained in four audit and inspection reports. These reports contained recommendations that resulted in the recovery of $18,706 in ineligible or unsupported contract costs paid by the U.S. government.

From 2009 through September 2017, SIGAR published 284 audits, alert letters, and inspection reports and made 790 recommendations to recover funds, improve agency oversight, and increase program effectiveness. SIGAR has closed over 81% of these recommendations. Closing a recommendation generally indicates SIGAR's assessment that the audited agency has either implemented the recommendation or otherwise appropriately addressed the issue. In some cases, a closed recommendation will be the subject of follow-up audit or inspection work.

The Inspector General Act of 1978, as amended, also requires SIGAR 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 144 open recommendations. There were 68 recommendations more than 12 months old for which an agency had yet to produce a corrective-action plan that SIGAR believes would resolve the identified problem or otherwise respond to the recommendations. Additionally, there are 22 recommendations more than 12 months old for which SIGAR is waiting for the respective agencies to complete their agreed-upon corrective actions.

SPECIAL PROJECTS

SIGAR's Office of Special Projects was created to examine emerging issues and deliver prompt, actionable reports to federal agencies and the Congress. The team conducts a variety of assessments, producing reports on all facets of Afghanistan reconstruction. The directorate is made up of a team of analysts supported by investigators, lawyers, subject-matter experts, and other specialists who can quickly and jointly apply their expertise to emerging problems and questions. This quarter, SIGAR's Office of Special Projects issued six products on a range of issues including a USACE operations-and-maintenance (O&M) contract for ANDSF facilities, observations on site visits to health facilities in Khowst Province, and DOD-procured inspection equipment for ports of entry. Special Projects also issued two inquiry letters to relevant authorities on the Department of State and the Overseas Private Investment Corporation plans for the Marriott Kabul Hotel and Kabul Grand Residences.

COMPLETED SPECIAL PROJECTS REVIEWS

- Review 18-12-SP: Warehousing for ANDSF Operations & Maintenance
- Review 18-13-SP: USAID-Supported Health Facilities in Khowst Province
- Review 18-14-SP: DOD-Procured Non-Intrusive Inspection Equipment
- Review 18-17-SP: Schools in Faryab Province
- Review 18-21-SP: State Department's Good Performers Initiative

Review 18-12-SP: Warehousing for ANDSF Operations & Maintenance

Allegations Related to USACE Operations and Maintenance Contract for Afghan Security and Defense Forces' Facilities

In August 2014, SIGAR investigators received a hotline complaint related to the U.S. Army Corps of Engineers' (USACE) operation and maintenance (O&M) contract that supports ANDSF facilities throughout southern Afghanistan. After investigating the complaint for possible criminal wrongdoing, SIGAR concluded that there did not appear to be any criminal offences and the complaint was referred to SIGAR's Special Projects directorate for further examination.

SIGAR found that between December 2010 and June 2015, USACE paid Exelis approximately $2.15 million to provide warehouse supply services for O&M activities at ANDSF facilities in southern Afghanistan. Under the warehouse supply-service package, USACE did not specifically pay for a certain number of warehouses or amount of space, but rather for all of the activities associated with warehousing O&M equipment and spare parts, such as warehouse space, logistics, inventory, delivery, and vehicle transfer. The firm-fixed-price contract awarded by USACE placed the financial burden of purchasing or renting containers, and the associated financial profits or losses of doing so, on Exelis.

Because USACE paid for a service, it did not require Exelis to report on the manner in which it obtained warehouse space or the discrete costs associated with procuring the space. As a result, SIGAR was unable to quantify the amount of any cost savings that may have been generated over the life of the contract if USACE had provided the space to Exelis as government-furnished equipment, or the effect of Exelis' decision to rent or purchase containers for warehouse storage. SIGAR was, however, able to determine that USACE's average monthly cost for warehouse services was $39,504 (approximately $10,000 less per month than was alleged by the complainant) and that those payments included much more than the simple provision of six containers, as was alleged. Moreover, a senior USACE official responsible for overseeing the contract told SIGAR that Exelis successfully fulfilled its contractual obligations in accordance with agreed-upon terms. As a result, SIGAR's review could not substantiate the allegations of wrongdoing.

SIGAR provided a draft of this report to USACE for comment on November 9, 2017. On November 15, 2017, USACE responded and stated that it did not have any technical or written comments on the draft report.

SIGAR conducted this special project in Washington, DC, from March 2017 to November 2017, in accordance with SIGAR's quality-control standards.

The dentistry wing at a health facility in Khowst Province. (SIGAR photo)

Review 18-13-SP: USAID-Supported Health Facilities in Khowst Province

Observations from 20 Site Visits

SIGAR conducted site inspections to verify the locations and operating conditions at 20 USAID-supported public health facilities in Khowst Province. SIGAR found substantial inaccuracies in the geospatial coordinates USAID previously provided for many of these 20 health facilities, including 15 facilities that were at least 10 kilometers away from coordinates USAID provided. SIGAR also found that not all facilities had access to reliable electricity.

USAID has made it clear that since the termination of the Partnership Contracts for Health (PCH) program, it now relies almost exclusively on reports from the World Bank to provide oversight for its funds used to support those facilities. USAID's Automated Directive System (ADS) lists the World Bank as a Category 1 Public International Organization (PIO). ADS general guidance for grants to approved PIOs states, "once funds have been disbursed in accomplishment of a significant purpose of an award, the funds are no longer considered USAID's, and the Agency's policies and procedures … no longer apply." SIGAR maintains that, given USAID's intention to contribute approximately $228 million to the World Bank's SEHAT program, USAID should take steps to ensure that its funds are used as intended. In the case of SEHAT, that means, in part, using accurate GPS data to help ensure that the correct populations are receiving intended health care services.

SIGAR provided a draft of this report to USAID for comment on November 8, 2017. USAID provided comments on November 21, 2017. In its comments, USAID said it was "pleased to receive confirmation that the 20 health facilities visited by SIGAR in Khowst Province were open, operational, and benefitting the local community." USAID also acknowledged SIGAR's finding that some global positioning system (GPS) coordinates provided by USAID to SIGAR in 2015 were inaccurate and that the current location information maintained Ministry of Public Health (MOPH) is similarly inaccurate, but added that the ministry has undertaken efforts to update and improve upon the location information—a point noted in SIGAR's report.

USAID further stated, "It is important to note, however, that USAID and our implementing partners do not require GPS coordinates to locate or otherwise engage health centers at the provincial level" and that the agency "would welcome the opportunity to meet with SIGAR to explain why GPS coordinates are viewed by the Mission as an unreliable tool in the Afghan context." In its comments, USAID also discussed the utility of accurate location information. However, USAID's position seems to directly contradict the oversight responsibilities outlined in its implementation letter with the Afghan government concerning SEHAT. As detailed in the report, USAID's implementation letter for the SEHAT program requires it to perform several monitoring and oversight activities, including field visits and household surveys, that would be made easier by maintaining accurate location information for the clinics it supports. This information is also important to accurately report on accessibility to health care throughout the country. Nevertheless, SIGAR is committed to working with USAID to better understand their perspective.

SIGAR conducted its work in Washington, DC; Khowst, Afghanistan; and Kabul, Afghanistan, from March 2017 through September 2017.

Review 18-14-SP: DOD Procured Non-Intrusive Inspection Equipment

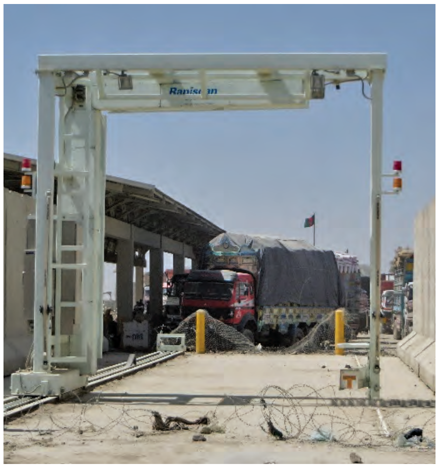
$9.48 Million Worth of Equipment Sits Unused at Borders in Afghanistan

By procuring and installing nonintrusive inspection (NII) equipment at Afghan borders and customs depots, the U.S. Central Command (CENTCOM) and the Border Management Task force (BMTF) hoped to improve the Afghan government's ability to reduce commercial smuggling, and increase the efficiency of the customs process and domestic revenue collection. SIGAR conducted this review to identify the amount of DOD funds spent to procure, operate, and maintain NII equipment installed at Afghan border crossings and customs depots, and to examine the extent to which that equipment is being maintained and used for its intended purpose.

A response from DOD showed that, in 2006, CENTCOM procured eight pieces of NII equipment at a cost of $12.1 million. Over the course of several years, the equipment was installed at five locations across Afghanistan, and the BMTF provided assistance and training in the use of the equipment through October 2014. In order to maintain the NII equipment, CENTCOM also provided funding for contracts with Rapiscan (the equipment manufacturer) to maintain the equipment, which amounted to approximately 15–20% of the unit purchase price per year, or $10.8 million to $14.4 million in additional maintenance costs. CENTCOM stopped funding maintenance costs in 2014, when the BMTF ceased operations in Afghanistan and the equipment was formally turned over to the Afghan government.

In March and April 2017, SIGAR conducted site inspections at each of the five locations and examined the condition of the NII equipment. Unfortunately, SIGAR found that only one location, the Kabul airport, had any functional CENTCOM-purchased NII equipment that was being used for its intended purpose. None of the equipment, valued at $9.48 million, at any of the other locations was operational.

SIGAR interviewed Afghan government officials at each location to determine why the equipment was not being used. Afghan officials SIGAR spoke with cited technical and software problems, maintenance issues/broken parts, and a lack of capable operators as reasons for the non-functional



An inoperable and unused cargo scanner at the Wesh-Chaman border crossing, Kandahar Province. (SIGAR photo) equipment. While Afghan officials at most of the locations stated that they or their staff had received training on the use of the equipment, an official at one location noted that they had not been trained to maintain it or troubleshoot even minor problems. At three locations (Torkham, Wesh-Chaman, and Shir Khan Bandar), Afghan officials stated that the equipment had been inoperable for two or more years. SIGAR site inspections showed that, outside of Kabul, the equipment became inoperable nearly as soon as BMTF mentors left the border locations and the equipment was turned over to the Afghan government.

SIGAR provided a draft of this report to DOD and DHS for comment on October 30, 2017, and received written comments from DOD on November 14, 2017. SIGAR also received technical comments from DHS on November 15, 2017, which were incorporated, as appropriate. SIGAR conducted its work in Kabul, Afghanistan; at inland customs depots and border crossing points throughout Afghanistan; and in Washington, DC, from September 2016 through August 2017.

Review 18-17-SP: Schools in Faryab Province

Observations from Site Visits at 17 Schools

This report is the fourth in a series that discusses SIGAR's findings from site visits at schools across Afghanistan that were either built or rehabilitated by USAID. The 17 schools discussed in the report are in Faryab Province. The

Structural damage at a school in Faryab Province. (SIGAR photo) purpose was to determine the extent to which those schools were open and operational, and to assess their current condition.

SIGAR found that all 17 schools were open and in generally usable condition. However, there may be problems with student and teacher absenteeism at one school in Maymana District, and several schools have structural deficiencies (e.g., roofs that were not structurally sound) that could affect the delivery of education.

SIGAR provided a draft of this report to USAID for comment on November 21, 2017. USAID provided comments on December 2, 2017. In its comments, USAID stated that it "has informed the appropriate authorities within the [Ministry of Education] of the schools that SIGAR identified as lacking clean water, having poor sanitation conditions, or showing signs of structural damage and safety hazards." Additionally USAID stated that it had alerted the Faryab Provincial Education Director of the observed low attendance rates in one school.

SIGAR conducted its work in Kabul and Faryab Provinces, Afghanistan, and in Washington, DC, from May through September 2017 in accordance with SIGAR's quality-control standards.

Review 18-21-SP: State Department's Good Performers Initiative

Status of Six Completed Projects in Faryab Province

SIGAR conducted site inspections at six Good Performers Initiative (GPI) infrastructure projects in Faryab Province that were funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). These six projects were completed at a cost of about $2.42 million. SIGAR conducted the inspections as part of its ongoing effort to verify the location and operating conditions of facilities built, refurbished, or funded by the U.S. as part of the reconstruction effort in Afghanistan.

SIGAR found that INL's reported geospatial coordinates for five of the six projects were less than two kilometers from the actual project location. However, the sixth project SIGAR inspected was located more than 50 kilometers away from the location reported by INL. SIGAR also found that the projects were in usable condition, with access to power and water.

SIGAR provided a draft of this report to State for comment on December 14, 2017, and INL provided comments on January 5, 2018. In its comments, INL stated that the "discrepancy in geospatial coordinates" for the Qaisar health clinic, the facility we found to be more than 50 kilometers away from the location reported by INL, was the result of "poor GPS unit calibration" and that the facility was in its intended location. INL also stated that it recognized the importance of accurate geospatial information and had all of the GPS units it used for the GPI program recalibrated in June 2017. INL also stated that the Afghan Ministry of

Well-maintained and structurally sound economics department classroom in Maymana, Faryab Province. (SIGAR photo)

A playground built with International Narcotics and Law Enforcement Affairs funding in Faryab Province. (SIGAR photo)

Counter Narcotics notified the ministries responsible for facility maintenance about the issues we identified and that "The ministries have committed to address the issues." SIGAR conducted this special project in Washington, DC, and in Faryab and Kabul Provinces, Afghanistan, from May 2017 to September 2017, in accordance with SIGAR's quality control standards.

COMPLETED SPECIAL PROJECTS FACT SHEET

- Fact Sheet 18-23-SP: Information on USAID's Stability in Key Areas Program-Northern Region

Fact Sheet 18-23-SP: Information on USAID's Stability in Key Areas Program-Northern Region

SIKA-North Fact Sheet

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

USAID's Stability in Key Areas (SIKA) North program was one such effort. It was intended to reduce the impact of the insurgency in northern Afghanistan by promoting good governance in unstable and high-threat districts and increasing the Afghan public's confidence in the Afghan government to lead the country after the security transition. The SIKA-North program was one of four regional SIKA programs implemented by USAID between March 2012 and July 2015. In March 2012, USAID awarded Development Alternatives Inc. (DAI) a $23.7 million, 18-month cost-plus-fixed-fee contract to implement projects in the SIKA-North region. Over the course of the program, USAID spent approximately $37 million to implement SIKA-North.

In June 2017, SIGAR sent an inquiry letter to USAID requesting that the agency provide a complete list of SIKA projects by title, type of project, location, project status, and cost. SIGAR used this information to categorize SIKA projects and determine the types of projects undertaken, project location, completion status, and the overall scope of SIKA operations in SIKA-North.

This fact sheet is the first in what is intended to be a series of reports that document SIKA's reach throughout Afghanistan, and provides detail of USAID's initiatives for the SIKA-North program. SIGAR provided a draft of this fact sheet to USAID on December 21, 2017. USAID provided written comments on January 11, 2018. In its comments, USAID stated that it concluded its last stabilization program in 2015, and now works to provide technical guidance to help the Afghan government deliver essential services to the people of Afghanistan. SIGAR conducted this special project in Washington, DC, from August 2017 to December 2017, in accordance with SIGAR's quality control standards.

Inquiry Letter 18-15-SP: State Plans for Marriott Kabul Hotel and Kabul Grand Residencies

On December 11, 2017, SIGAR sent an inquiry letter to U.S. Ambassador to Afghanistan John Bass to request information regarding the Department of State's plans for the Marriott Kabul Hotel and Kabul Grand Residences, which are co-located across the street from U.S. Embassy Kabul.

On November 14, 2016, SIGAR had issued an alert letter highlighting neglect and abandonment of the site, and serious deficiencies in the Overseas Private Investment Corporation's (OPIC) management and oversight of $85 million in loans to Fathi Taher and his U.S. sponsors for the construction of these facilities. SIGAR reported that OPIC provided the monies for these two projects, but did not conduct direct oversight or receive an objective, independent assessment of construction progress, and that it provided loan disbursements based on inaccurate and potentially fraudulent information, which in turn resulted in a significant loss of U.S. taxpayer dollars. SIGAR also noted that the persistence of an apparently abandoned structure so close to the U.S. Embassy Kabul poses a security threat, requiring the embassy to assume responsibility for security at the project site.

However, more than one year after SIGAR informed OPIC of the results of its review, it does not appear that there has been any further progress in constructing these facilities, and the U.S. Embassy Kabul continues to provide security for the project site. Given the security risk to U.S. personnel and the continuing financial burden placed upon U.S. Embassy Kabul and taxpayers, SIGAR issued this inquiry letter to obtain information on Department of State's plan for the future of these projects and the project site.

SPECIAL PROJECTS INQUIRY LETTERS

- Inquiry Letter 18-15-SP: State Plans for Marriott Kabul Hotel and Kabul Grand Residencies
- Inquiry Letter 18-16-SP: OPIC Plans for Marriott Kabul Hotel and Kabul Grand Residencies

Inquiry Letter 18-16-SP: OPIC Plans for Marriott Kabul Hotel and Kabul Grand Residencies

On December 11, 2017, SIGAR sent an inquiry letter to OPIC president and chief executive officer Ray Willets Washburne to request information regarding OPIC's plans for the Marriott Kabul Hotel and Kabul Grand Residences, which are co-located across the street from U.S. Embassy Kabul. As SIGAR reported in November 2016, both the hotel and the residences appear to be abandoned, and SIGAR's review of agency records uncovered serious deficiencies in OPIC's management and oversight of $85 million in loans to Fathi Taher and his U.S. sponsors for the construction of these facilities.

SIGAR reported that OPIC provided loan disbursements based on inaccurate and potentially fraudulent information, which in turn resulted in a significant loss of U.S. taxpayer dollars. SIGAR also noted that the persistence of an apparently abandoned structure so close to the U.S. Embassy Kabul poses a security threat, requiring the embassy to assume responsibility for security at the construction site.

Now, more than one year later, it does not appear that there has been any further progress in constructing these facilities, and the U.S. Embassy Kabul continues to provide security for the project site. Given the security risk to U.S. personnel and the continuing financial burden placed upon U.S. Embassy Kabul and taxpayers, SIGAR issued this inquiry letter to obtain information on OPIC's progress in addressing the issues described above.

LESSONS LEARNED

Inspector General Sopko at a joint meeting hosted by SIGAR's Lessons Learned Program and the National Defense University. (SIGAR photo by Robert Lawrence)

SIGAR's Lessons Learned Program (LLP) was created to identify and preserve lessons from the U.S. reconstruction experience in Afghanistan, and to make recommendations to Congress and executive agencies on ways to improve efforts in current and future operations. LLP has published comprehensive reports on anticorruption efforts in Afghanistan and the reconstruction of the Afghan National Defense and Security Forces (ANDSF).

In the FY 2018 National Defense Authorization Act, Congress acted on a key recommendation from LLP's anticorruption report calling for an interagency anticorruption strategy during a contingency operation. The bill, which the president signed into law last December, requires the Department of Defense, Department of State, and USAID to develop a joint anticorruption strategy for any reconstruction effort associated with U.S. contingency operations.. In addition, LLP's report on the ANDSF led to a joint DOD/SIGAR-hosted conference on security-sector assistance at the National Defense University in October 2017 as well as a hearing of the House Committee on Oversight and Government Reform in November 2017. Also in November, SIGAR presented the findings, lessons, and recommendations from the ANDSF report at the NATO Stability Policing Conference in Rome.

SOCOM Establishes SIGAR as Key Contributor to Counter Threat Finance Training

Since 2014, SIGAR has taken an active role in United States Special Operations Command (SOCOM) Counter Threat Finance (CTF) training sessions through the Joint Special Operations University (JSOU). The training focuses on counter-threat finance and money laundering, with the target audience being members of the DOD special operations forces community; specifically U.S. Army Special Forces, U.S. Navy SEALs, and their analysts.

SIGAR is currently the sole law-enforcement agency invited to participate in the training due to the emphasis placed on Afghanistan and money connected to terrorists and criminals flowing in and out of Afghanistan. The training is conducted in a classified environment in various locations to which SOF military and civilian personnel are assigned. Participants are briefed on SIGAR's mission, jurisdictional boundaries, unique authority, and capabilities. SIGAR agents present generic case-related examples of criminals who have been federally prosecuted for fraudulent activity occurring in Afghanistan. To date, SIGAR has participated in 15 CTF training sessions, addressing over 400 SOF personnel preparing for deployments to Afghanistan.

Since 2014, a SIGAR special agent has been assigned to the SOCOM headquarters CTF team at MacDill Air Force Base, Florida. SIGAR's integrated presence within SOCOM led to this unique training opportunity which has served to significantly expand the reach and impact of SIGAR's mission.

SIGAR Special Agent Chip Curington outside a Special Operations Command facility after training personnel preparing to deploy to Afghanistan. (SIGAR photo by Ron Greer)

LLP currently has three projects underway: private-sector development and economic growth, counternarcotics efforts, and stabilization. The program is preparing to launch a fourth project on security-sector assistance in coalition operations.

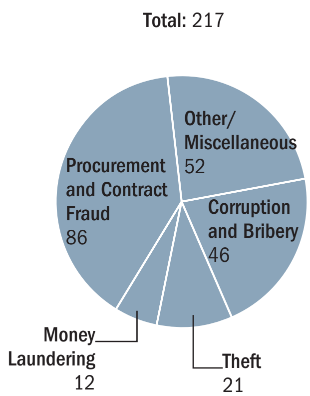
INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in two indictments, one criminal information, one guilty plea, two sentencings, four arrests, $1.6 million in cost savings to the U.S. government, more than $1.9 million in restitutions and a recovery of nearly $6.7 million from a civil settlement. SIGAR initiated 12 new cases and closed 29, bringing the total number of ongoing investigations to 217, as shown in Figure 2.1.

To date, SIGAR investigations have resulted in a cumulative total of 116 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlement recoveries, U.S. government cost savings and recoveries total more than $1.2 billion.

FIGURE 2.1

SIGAR INVESTIGATIONS: NUMBER OF OPEN INVESTIGATIONS, AS OF DECEMBER 31, 2017



Source: SIGAR Investigations Directorate, 1/3/2018.

Civil Investigation Yields Nearly $6.7 Million Recovery for the U.S. Government

On December 8, 2017, Farrell Lines Incorporated (Farrell) agreed to an administrative settlement with the United States Transportation Command (USTRANSCOM) for $6.7 Million. The agreement was made as a result of false claims made by Farrell concerning retrograde shipments of cargo from

Afghanistan. During an administrative review, USTRANSCOM determined false proof of delivery (PODs) claims resulted in overpayment to Farrell in excess of $14 million under a Universal Services Contract.

Farrell subcontracted Waterlink Pakistan Ltd. (Waterlink) to transport cargo from various locations in Afghanistan to Port Qasim, Pakistan. An investigation determined that Waterlink representatives cut open cargo containers, removed U.S. government property, and then resealed the containers prior to transporting them to their final destinations. Farrell failed to provide necessary oversight of Waterlink, resulting in this systematic pilferage of the containers.

Farrell provided PODs to USTRANSCOM regarding the delivery of these containers, falsely indicating the integrity of the containers had not been compromised. In 2014, the Pakistani government, with the FBI's assistance, prosecuted the individuals involved in the thefts and the FBI file was closed. Subsequently, SIGAR and co-investigative agencies conducted a review of the FBI file and determined that Farrell management intentionally failed to provide oversight for Waterlink which allowed for the theft.

Following the issuance of a subpoena, Farrell agreed to pursue an administrative settlement with USTRANSCOM. This civil investigation was led by the Defense Criminal Investigative Service (DCIS), with assistance from SIGAR, U.S. Army Criminal Investigation Command (USCID), U.S. Air Force Office of Special Investigations (AFOSI) and Naval Criminal Investigative Service (NCIS).

Investigation Results in Over $1.7 Million in Restitution

On October 30, 2017, the U.S. government received restitution of $1,777,092 as a result of an investigation into the performance of Advanced Constructors International LLC–Salai Construction Company, Joint Venture (ACI-SCC JV), related to reconstruction projects in Afghanistan.

ACI-SCC JV had been awarded multiple contracts by the U.S. Army Corps of Engineers (USACE). However, it was determined that the company had either no ability or no intention of completing the work on nine contracts, despite receiving payment for them from the U.S. government. Due to this failure to perform, USACE issued ACI-SCC JV six Terminations for Default and three Terminations for Convenience. As part of the USACE's settlement with ACI-SCC JV, the settlement amount was incorporated into an escrow account for the purpose of addressing claims made by 19 Afghan sub-contractors of ACI-SCC JV, for work and materials that the subcontractors had provided, and which ACI-SCC JV had accepted as part of the contractual agreements with the USACE, without being paid.

U.S. Contractor Pleads Guilty to Theft of Government Property

On October 30, 2017, in the Middle District of Florida, Jeremy Serna pleaded guilty to a one-count criminal information for the theft of government property. Serna is a former employee of Leonie Industries LLC (Leonie) based in Arlington, Virginia.

During June and July 2012, Serna was assigned to work on a $249 million U.S. Army contract for face-to-face public opinion polling in Afghanistan. When Serna was requested by an individual to provide confidential government information relating to the Leonie contract, Serna stole the information and provided it to the individual, who used it to negotiate and obtain a subcontract award from Leonie. In return for the information, the individual offered Serna cash as well as employment with ORB International, a United Kingdom public-opinion polling company.

This investigation was conducted by SIGAR, DCIS, and USCID, Major Procurement Fraud Unit, with assistance from the Defense Finance and Accounting Service.

Investigation Results in Over $1.6 Million Savings to the U.S. Government

As a result of a SIGAR investigation, the CJSOTF-A Contracting office denied a settlement proposal request resulting in a cost avoidance of $1,692,015.

On September 22, 2013, U.S. Army/SOJTF-A awarded a $4,923,860 contract to Babur Nabat Road Construction Company (BNRC) to repair and build a road outside of Bagram Airfield. On September 11, 2014, BNRC was notified that the contract was being terminated for convenience.

BNRC subsequently submitted a settlement proposal of $1,692,015 to the CJSOTF-A Contracting office for reimbursement for expenses related to the road contract. The documentation submitted by BNRC as justification for the settlement proposal included a number of suspicious-looking bank statements and other financial documents. A SIGAR investigation determined the bank statements were fraudulent, and that expenses claimed by BNRC were inflated. As a result of SIGAR's investigative efforts, on December 17, 2017, the CJSOTF-A Contracting office denied BNRC's settlement proposal request, resulting in a cost avoidance of $1,692,015.

Former U.S. Military Member Sentenced

On November 6, 2017, in the Eastern District of North Carolina, former U.S. Army Specialist Michael Banks was sentenced to three years' supervised probation for theft and conversion of government property. He was ordered to pay $144,638 in restitution and a $100 special assessment.

Federal agents conducted financial analysis and discovered that the spouse of Banks' co-conspirator, Kenneth Blevins, had received several suspicious wire transfers originating from Afghanistan in small denominations to skirt reporting requirements. These funds totaled more than $17,000.

Further investigation revealed the funds previously wired were proceeds from a scheme orchestrated by Blevins and Banks to sell food and dry goods from the dining facility (DFAC) to which they were assigned at Camp Dyer, Afghanistan. As food-service specialists responsible for the preparation and service of food at the DFAC, Blevins and Banks conspired to over-order government-appropriated food and supplies meant to feed U.S. Special Forces members. Once a substantial amount of supplies were set aside, Blevins and Banks used local Afghan DFAC daily workers who acted as negotiators and smuggled the stolen supplies off base to a local bazaar, where they were sold on the black market. A small portion of proceeds from the scheme was shared with the Afghan workers.

Former U.S. Government Contractor Sentenced for Accepting Kickbacks

On November 28, 2017, in the Northern District of Georgia, Nebraska McAlpine, former project manager of a DOD prime contractor in Afghanistan, was sentenced to 21 months' incarceration and three years' supervised release.

McAlpine and an Afghan executive agreed that in exchange for illicit kickbacks, McAlpine would ensure that the executive's companies were awarded lucrative subcontracts. McAlpine repeatedly informed his supervisors that these companies should be awarded sole-source subcontracts, which allowed them to supply services to the prime contractor without having to competitively bid on them. As a result of the kickback scheme, the prime contractor paid over $1.6 million to the subcontractor to assist with maintaining the Afghanistan Ministry of the Interior ultra-high frequency radio communications system in Kabul, Afghanistan.

The executive agreed to pay kickbacks to McAlpine totaling approximately 15% of the value of the subcontracts and, in 2015 and 2016, McAlpine accepted over $250,000 in kickbacks. McAlpine hid these cash payments from his employer and took steps to secretly bring the funds back to his home in Georgia. Upon receipt of the cash in Afghanistan, McAlpine stored the money at the secure facility near the Kabul Airport and physically transported the cash when he traveled by airplane from Afghanistan to the United States on leave. McAlpine deposited the majority of these funds—approximately $183,250—into his bank accounts between August 2015 and May 2016.

Afghan National Convicted for Use of Fraudulent SIGAR Identification to Carry Illegal Firearm

On December 10, 2017, SIGAR was informed by the Commander of the Kabul CID Police Unit that on August 15, 2017, Sayed Mustafa Kazemi was sentenced to 13 months in prison for possessing an illegal handgun and for possession and use of fraudulent SIGAR identification. Kazemi had brought the firearm to his place of employment in Kabul and had utilized the fraudulent identification as a permit to illegally carry the firearm.

On May 1, 2017, SIGAR special agents met with Kabul police officials to share evidence they had obtained and to inform them that the SIGAR name, and government symbols and seals were being fraudulently represented on Kazemi's identification.

Special agents emphasized the importance of an investigation, both from SIGAR's credibility as an investigative agency in Afghanistan and the significance of an Afghan national illegally using a fraudulent SIGAR identification to carry firearms in Afghanistan. SIGAR and the Kabul Police Department agreed to further collaborate in the investigation and discussed investigative options.

That same day, Kazemi was arrested for possessing an illegal handgun and for possession and use of false identification, and a criminal investigation was initiated. SIGAR special agents provided further documentary evidence and official letters to the Kabul Police, and the matter was subsequently transferred to the Criminal Investigation Division of the Kabul Police who referred it to the Afghan Attorney General's Office for further legal action.

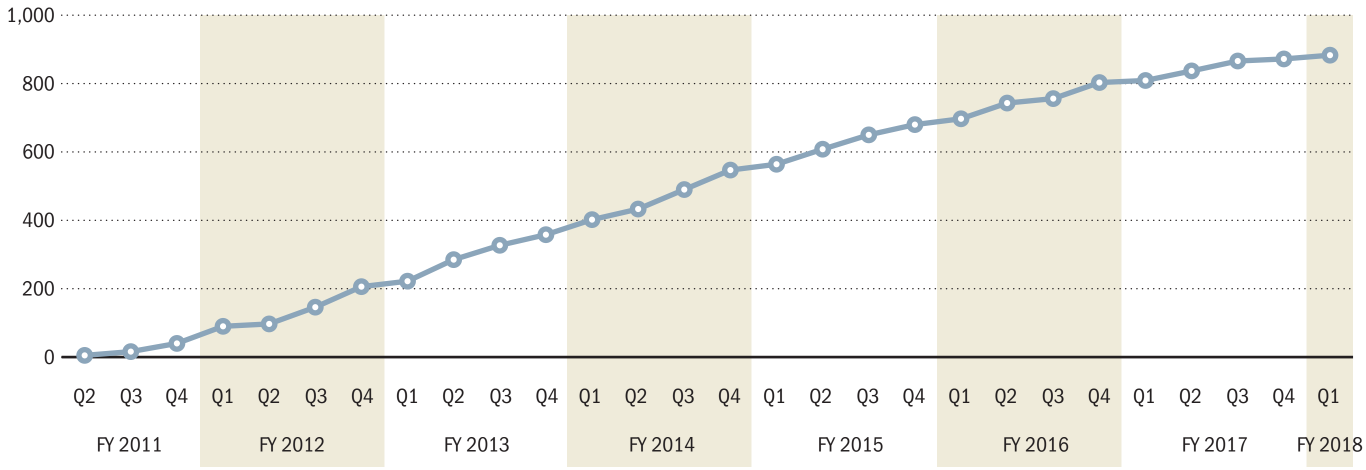
Suspensions and Debarments

This quarter, SIGAR's suspension and debarment program referred two individuals and four companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 883, encompassing 490 individuals and 393 companies, as shown in Figure 2.2.

As of the end of December 2017, the efforts of SIGAR to utilize suspension and debarment to address fraud, corruption, and poor performance

FIGURE 2.2

SIGAR INVESTIGATIONS: CUMULATIVE REFERRALS FOR SUSPENSION AND DEBARMENT, Q2 FY 2011–Q1 FY 2018



Source: SIGAR Investigations Directorate, 1/9/2018.

in Afghanistan have resulted in a total of 136 suspensions and 524 finalized debarments/special entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 23 individuals and companies have entered into administrative-compliance agreements with the government in lieu of exclusion from contracting since the initiation of the program.

During the first quarter of FY 2018, SIGAR's referrals resulted in three additional finalized debarments of individuals and entities by agency suspension and debarment officials. An additional six individuals and companies are currently in proposed debarment status, awaiting final adjudication of their debarment decisions.

Suspensions and debarments are an important tool for ensuring that agencies award contracts only to responsible entities. SIGAR's program addresses three challenges posed by U.S. policy and the contingency contracting environment in Afghanistan: the need to act quickly, the limited U.S. jurisdiction over Afghan nationals and Afghan companies, and the vetting challenges inherent in the use of multiple tiers of subcontractors.

SIGAR continues to look for ways to enhance the government's responses to these challenges through the innovative use of information resources and investigative assets both in Afghanistan and the United States. SIGAR makes referrals for suspensions and debarments—actions taken by U.S. agencies to exclude companies or individuals from receiving federal contracts or assistance because of misconduct—based on completed investigations that SIGAR 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 support 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.

SIGAR's emphasis on suspension and debarment is exemplified by the fact that of the 883 referrals for suspension and debarment that have been made by the agency to date, 856 have been made since the second quarter of 2011. During the 12-month period prior to December 31, 2017, referrals by SIGAR's suspension and debarment program resulted in the exclusion of 81 individuals and companies from contracting with the government. SIGAR's referrals over this period represent allegations of theft, fraud, poor performance, financial support to insurgents and mismanagement as part of reconstruction contracts valued at approximately $140.1 million.

SIGAR IMPACTS 2018 NATIONAL DEFENSE AUTHORIZATION ACT

On December 12, 2017, President Trump signed the National Defense Authorization Act (NDAA) for fiscal year 2018 into law. The Act contains multiple provisions implementing SIGAR recommendations. One such provision requires that within 180 days, the Department of State, Department of Defense, and USAID develop a joint interagency strategy to combat corruption in reconstruction efforts. This provision is a modified version of a recommendation from SIGAR's inaugural Lessons Learned Program report, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan*, which focused on anticorruption efforts in Afghanistan.

The Act also requires that DOD conduct a cost-benefit analysis of any future uniform purchases for the Afghan National Security Forces, a recommendation made by SIGAR's Office of Special Projects report on the procurement of camouflage uniforms for the Afghan National Army.

Finally, the Act authorizes DOD to create a position to oversee vetting of the Afghan National Security Forces to ensure compliance with the Leahy laws, which prohibit U.S. funding of units of foreign forces that commit gross violations of human rights. This provision is based on a recommendation made in SIGAR's evaluation of DOD and State compliance with the Leahy laws in Afghanistan. The Senate Appropriations Committee's version of the FY 2018 Department of Defense Appropriations Act, introduced in November, also mandates that DOD create such a position.

President Donald J. Trump signs the National Defense Authorization Act for FY 2018. Onlookers include Secretary of Defense James Mattis, left, Joint Chiefs Chairman General Joseph Dunford, at President's left, and Vice President Michael Pence, right foreground. (White House photo by Stephanie Chasez)

OTHER SIGAR OVERSIGHT ACTIVITIES
- SIGAR Congressional Testimony
- Deputy Inspector General Aloise Addresses the Naval Postgraduate Schools Senior International Defense Management Course, Monterrey, CA
- Inspector General Sopko Speaks at the Association of Inspectors General Annual Conference, Austin TX
- Inspector General Sopko Addresses the United Kingdom's Department for International Development
- Inspector General Sopko Speaks at the Royal Institute of International Affairs, London
- Deputy Inspector General Aloise Discusses Lessons Learned Program Report with the Director of the Center of Excellence for Stability Police Units, Carbinieri Corps, Arlington VA

OTHER SIGAR OVERSIGHT ACTIVITIES

SIGAR Congressional Testimony

On November 1, Inspector General John F. Sopko testified before the National Security Subcommittee of the House Oversight and Government Reform Committee. The hearing, "Overview of 16 Years of Involvement in Afghanistan," focused on the findings, lessons, and recommendations of SIGAR's newest Lessons Learned Program report, *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*, and other reconstruction-oversight matters.

Deputy Inspector General Aloise Addressed the Naval Postgraduate School's Senior International Defense Management Course, Monterrey, CA

On November 7, 2017, Deputy Inspector General Eugene Aloise addressed the Naval Postgraduate School's Senior International Defense Management Course. Aloise spoke about the findings, lessons, and recommendations in SIGAR's new Lessons Learned Program report, *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*, and described SIGAR's reporting on U.S. efforts to stem corruption and narcotics in Afghanistan.

Inspector General Sopko Speaks at the Association of Inspectors General Annual Conference, Austin, TX

On November 15, 2017, IG Sopko spoke to state and federal inspectors general and other government oversight professionals at the Association of Inspectors General annual training conference. His remarks, "From Kabul to Your Hometown: Useful Tips for Effective IG Oversight," explained SIGAR's unique mission in Afghanistan and described important lessons from reconstruction oversight that are applicable to all government accountability and oversight efforts.

Inspector General Sopko Addresses the United Kingdom's Department for International Development, London

On December 5, 2017, IG Sopko addressed personnel at the United Kingdom's Department for International Development during a Peace Talk lecture event and spoke about the complexity of conducting stabilization efforts in Afghanistan. He identified critical issues on which policymakers and planners must focus when developing future stabilization plans, including having the right number of people with the right expertise to conduct the mission. He also discussed SIGAR's Lessons Learned Program, which is developing a lessons-learned report examining stabilization efforts in Afghanistan between 2002 and 2016, among other projects.

Deputy Inspector General Aloise speaks with Brigadier General Giovanni Pietro Barbano, director of the Carabinieri Corps' Center of Excellence for Stability Police Units. (SIGAR photo by Lauren Mick)

Inspector General Sopko Speaks at the Royal Institute of International Affairs, London

On December 6, 2017, IG Sopko spoke at the Royal Institute of International Affairs, more commonly known as Chatham House. His remarks, "Afghanistan Reconstruction: Lessons from the U.S. Experience," highlighted some of the key findings, lessons, and recommendations from SIGAR's Lessons Learned Program reports on U.S. anticorruption and security-sector assistance efforts in Afghanistan. He also explained how SIGAR works closely and collaboratively with other U.S. agencies to design and implement its lessons-learned recommendations.

Deputy Inspector General Aloise Discusses Lessons Learned Program Report with the Director of the Center of Excellence for Stability Police Units, Carabinieri Corps, Arlington, VA

On December 12, 2017, Deputy IG Aloise met with officials from the Italian *Carabinieri* paramilitary forces to discuss SIGAR's second Lessons Learned Program report, *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*.

SIGAR BUDGET

SIGAR is fully funded through FY 2018 at $54.9 million under the Consolidated Appropriations Act, 2017. 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 the Special Projects Team and the Lessons Learned Program.

SIGAR STAFF

SIGAR's staff count remained steady since the last report to Congress, with 185 employees on board at the end of the quarter: 24 SIGAR employees were at the U.S. Embassy Kabul and two others were at Bagram Airfield. SIGAR employed six Afghan nationals in its Kabul office to support the Investigations and Audits Directorates. In addition, SIGAR supplements its resident staff with personnel assigned to short-term temporary duty in Afghanistan. This quarter, SIGAR had 23 employees on temporary duty in Afghanistan for a total of 309 days.

"Afghanistan has come quite a distance already in terms of creating a much more vibrant population, a much more vibrant government, educational systems, a larger economy. And so there are opportunities to strengthen the foundations for a prosperous Afghanistan society."

—Secretary of State Rex Tillerson

Source: Secretary of State Rex Tillerson, remarks at Bagram Airfield, 10/23/17.

3 RECONSTRUCTION UPDATE

RECONSTRUCTION UPDATE CONTENTS

Photo on previous page
An Afghan woman collects saffron flowers in a field on the outskirts of Herat. Parts of the flower are made into a costly spice and coloring agent. (AFP photo by Hoshang Hashimi)

RECONSTRUCTION UPDATE

This quarter, General John W. Nicholson Jr., commander of United States Forces-Afghanistan (USFOR-A), said that the Afghan National Defense and Security Forces (ANDSF) have reached a turning point in the war and are increasingly on the offensive, with all six ANA corps simultaneously conducting operations in their respective areas for the first time since the Afghans took responsibility for their security in 2015. Additionally, the expanded authorities provided to U.S. forces in Afghanistan have resulted in a significant uptick in U.S. air strikes and special operations against the insurgency, with the U.S. dropping 653 munitions in October 2017, a record high since 2012 and a more than three-fold increase from October 2016.

These actions have yet to increase the Afghan government's control over its population. General Nicholson said in a press briefing on November 28 that 64% of the population is under government control or influence, 12% are under insurgent control or influence, and the remaining 24% are in contested areas. The goal of the Afghan government is to control 80% of its population within the next two years.

Both General Nicholson and DOD reported population-control figures publicly this quarter, but restricted public release of the full district, population, and land-area control data they provided to SIGAR. Afghan government control or influence has declined and insurgent control or influence has increased overall since SIGAR began reporting control data in January 2016.

The United States Agency for International Development (USAID) is developing its new Country Development and Cooperation Strategy (CDCS), a first for Afghanistan. The strategy should be concluded by summer 2018. At present, USAID's strategic guidance remains the USAID/Afghanistan Plan for Transition (2015–2018).[102] USAID recently commissioned an assessment of their current 2015–2018 strategy to inform development of the new CDCS. The assessment found that many key components of USAID's development approach in Afghanistan have not proven to be valid. USAID's transition plan envisioned that private sector-led economic growth would become the main source for increased Afghan government revenue. These new revenues would allow the Afghan government to take increasing responsibility for key service provision.

If Afghan government service delivery improved along with security and equitable rule of law, USAID expected that confidence in the legitimacy and effectiveness of the Afghan government would increase, ultimately fostering stability. According to the assessment, most of the critical assumptions that underpin the strategy are either partially or wholly invalid. For example, the Afghan economy showed slow growth, and the assessors said there is little evidence that the Afghan government has greatly improved development expenditures.[103]

In spite of these findings, USAID officials and implementing partner staff said USAID's development approach—as outlined in the 2015–2018 strategy—remains valid. While some senior USAID officials reportedly questioned the overall goal of the strategy for Afghan-led, sustainable development (believing this goal to be largely aspirational), the assessors concluded that this did not question the validity of the underlying goals of expanding sustainable agriculture-led economic growth, maintaining and enhancing health, education and female empowerment gains, and improving the performance and legitimacy of the Afghan government.[104]

This quarter, USAID told SIGAR that it is conducting an energy-sector assessment to ensure that its power infrastructure projects are aligned with the Trump Administration's new South Asia strategy announced on August 21, 2017. USAID said two key segments of its $725 million Power Transmission and Connectivity (PTEC) program would be on hold until the review is complete.

SIGAR analysis this quarter showed that Afghan government revenue growth remained strong in FY 1396 (December 22, 2016–December 21, 2017). The Ministry of Finance categorizes domestic revenue as either "sustainable" or "one-off." While sustainable domestic revenues increased by 15%, aggregate revenues grew by 7%, year-on-year from FY 1395 to FY 1396.

The United States has appropriated $8.7 billion for counternarcotics efforts since 2002, but more Afghan land was under opium-poppy cultivation in 2017 than ever before. According to the United Nations Office of Drugs and Crime, cultivation levels increased 63% from the previous year to 328,000 hectares. Potential opium production levels increased 87% to 9,000 tons from 2016. Eradication levels also increased from the prior year's results, but the 750 hectares eradicated barely registered against the cultivation figure.

Under new authorities provided in the Administration's new South Asia strategy, the U.S. military launched a campaign targeting Taliban financial networks and revenue streams. According to DOD, since the launch of the campaign in November, 28 narcotics labs have been destroyed, denying over $101 million in estimated revenue to drug-trafficking organizations and over $20 million to the Taliban.[105] Afghan forces led air strikes with their A-29 attack planes, with support from U.S. Air Force aircraft such as B-52 bombers and F/A-18 and F-22 fighters.

At the end of the fiscal quarter, the U.S. government was operating under a continuing resolution for FY 2018. The Afghanistan reconstruction funding data presented in this report includes amounts made available for obligation under continuing resolutions. As of December 31, 2017, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately $122.1 billion. Of the total cumulative amount appropriated for Afghanistan reconstruction, $103.1 billion went to the seven major reconstruction funds featured in the Status of Funds subsection of this report. Approximately $6.9 billion of this amount remained available for potential disbursement, as of December 31, 2017.

STATUS OF FUNDS CONTENTS

STATUS OF FUNDS

To fulfill SIGAR's legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of December 31, 2017, the United States had appropriated approximately $122.09 billion for relief and reconstruction in Afghanistan since FY 2002. This total has been allocated as follows:

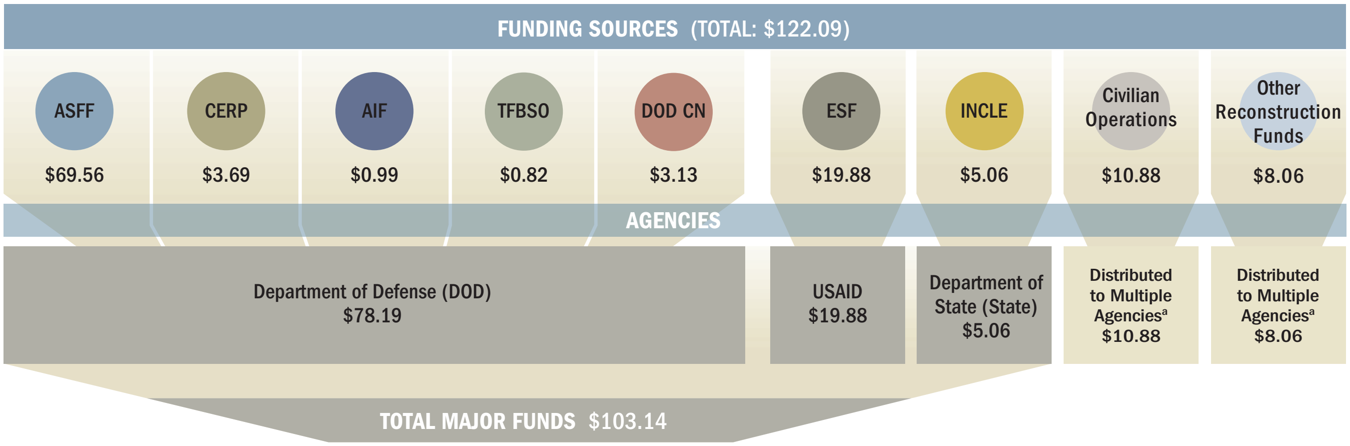
- $74.83 billion for security ($4.44 billion for counternarcotics initiatives)
- $32.99 billion for governance and development ($4.25 billion for counternarcotics initiatives)
- $3.39 billion for humanitarian aid
- $10.88 billion for civilian operations

Figure 3.1 shows the major U.S. funds that contribute to these efforts.

ASFF: Afghanistan Security Forces Fund
CERP: Commander's Emergency Response Program
AIF: Afghanistan Infrastructure Fund
TFBSO: Task Force for Business and Stability Operations
DOD CN: DOD Drug Interdiction and Counter-Drug Activities
ESF: Economic Support Fund
INCLE: International Narcotics Control and Law Enforcement

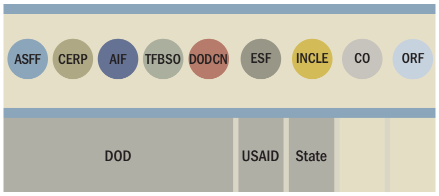
FIGURE 3.1

U.S. FUNDS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS ($ BILLIONS)



Note: Numbers have been rounded.
[a] Multiple agencies include DOJ, State, DOD, USAID, Treasury, USDA, DEA, BBG, and SIGAR.

Source: DOD, response to SIGAR data call, 1/17/2018, 1/11/2018, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 1/17/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012, and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013, and 1/4/2013; USAID, response to SIGAR data call, 1/18/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/30/2017 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.



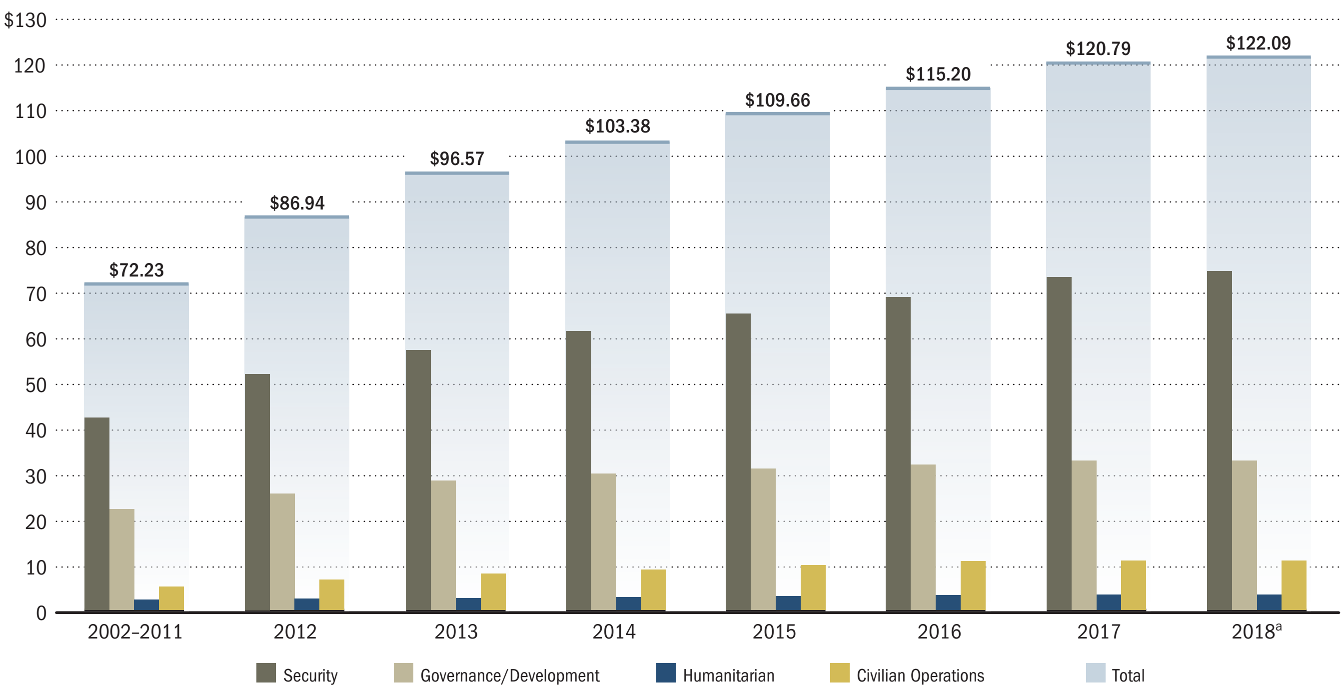
The amount provided to the seven major U.S. funds represents nearly 84.5% (over $103.14 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, more than 92.7% (almost $95.66 billion) has been obligated, and nearly 88.4% (over $91.15 billion) has been disbursed. An estimated $5.10 billion of the amount appropriated for these funds has expired.

U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of December 31, 2017, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately $122.09 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction funding: security, governance and development, humanitarian, and oversight and operations. Approximately $8.69 billion of these funds support counternarcotics initiatives which cut across both the security ($4.44 billion) and governance and development ($4.25 billion) categories. For complete information regarding U.S. appropriations, see Appendix B. At the end of the fiscal quarter, the U.S. government was operating under a continuing resolution for FY 2018. As a result, Figure 3.3 shows the amount of FY 2018 funding made available for obligation under continuing resolutions, as of December 31, 2017.[106]

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY, AS OF DECEMBER 31, 2017 ($ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, and $178 million from FY 2013 ASFF to fund other DOD OCO requirements. DOD reprogrammed $230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, and $150 million from FY 2016 in Pub. L. No. 115-31. DOD transferred $101 million from FY 2011 AIF, $179.5 million from FY 2013 AIF, and $55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.
[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Source: DOD, response to SIGAR data call, 1/17/2018, 1/11/2018, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 1/17/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012, and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013, and 1/4/2013; USAID, response to SIGAR data call, 1/18/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/30/2017 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

The United States is still reviewing its previous policy aim of channeling at least 50% of its development assistance on-budget to the Government of Afghanistan.[107] This assistance is provided either directly to Afghan government entities or via contributions to multilateral trust funds that also support the Afghan government's budget.[108] Since 2002, the United States has provided nearly $10.65 billion in on-budget assistance. This includes about $5.70 billion to Afghan government ministries and institutions, and nearly $4.95 billion to three multinational trust funds—the World Bank's Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme's Law and Order Trust Fund (LOTFA), and the Asian Development Bank's Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.1

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

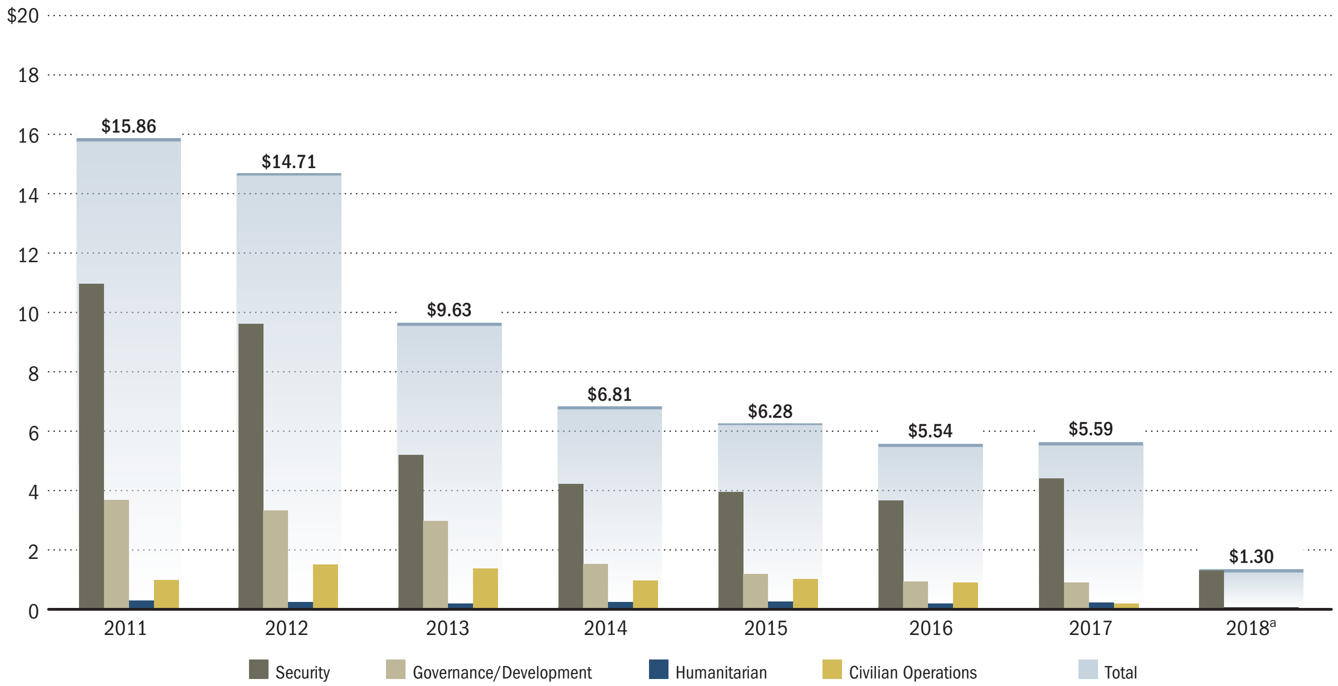
Government-to-Government	
DOD	$4,946
State	92
USAID	660
Multilateral Trust Funds	
LOTFA	$1,667
ARTF	3,128
AITF	154

Note: Numbers have been rounded. Figures reflect amounts the United States has disbursed in on-budget assistance to Afghan government entities and multilateral trust funds. As of December 31, 2017, USAID had obligated approximately $1.2 billion for government-to-government assistance.

Source: USAID, response to SIGAR data call, 1/17/2018; DOD, response to SIGAR data call, 6/25/2015; World Bank, *ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)*, p. 4; UNDP, response to SIGAR data call, 1/14/2018.

FIGURE 3.3

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



Note: Numbers have been rounded. DOD reprogrammed $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, and $178 million from FY 2013 ASFF to fund other DOD OCO requirements. DOD reprogrammed $230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, and $150 million from FY 2016 in Pub. L. No. 115-31. DOD transferred $101 million from FY 2011 AIF, $179.5 million from FY 2013 AIF, and $55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.
[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Source: DOD, response to SIGAR data call, 1/17/2018, 1/11/2018, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 1/17/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012, and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013, and 1/4/2013; USAID, response to SIGAR data call, 1/18/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/30/2017 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated approximately $122.09 billion for Afghanistan relief and reconstruction. Of this amount, $103.14 billion (84.5%) was appropriated to the seven major reconstruction funds, as shown in Table 3.2.

FIGURE 3.4

CUMULATIVE AMOUNT REMAINING TO BE DISBURSED ($ BILLIONS)

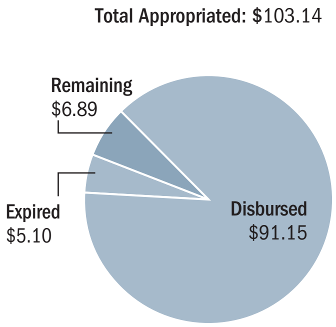


TABLE 3.2

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2017 ($ BILLIONS)

	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	$69.56	$65.48	$64.60	$2.47
Commander's Emergency Response Program (CERP)	3.69	2.28	2.28	0.00
Afghanistan Infrastructure Fund (AIF)	0.99	0.77	0.70	0.07
Task Force for Business & Stability Operations (TFBSO)	0.82	0.75	0.65	0.11
DOD Drug Interdiction and Counter-drug Activities (DOD CN)	3.13	3.13	3.13	0.00
Economic Support Fund (ESF)	19.88	18.46	15.69	3.42
International Narcotics Control & Law Enforcement (INCLE)	5.06	4.78	4.10	0.83
Total Major Funds	**$103.14**	**$95.66**	**$91.15**	**$6.89**
Other Reconstruction Funds	8.06			
Civilian Operations	10.88			
Total	**$122.09**			

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately $5.1 billion that expired without being obligated. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 1/20/2018.

As of December 31, 2017, approximately $6.89 billion of the amount appropriated to the seven major reconstruction funds remained for possible disbursement, as shown in Figure 3.4. These funds will be used to train, equip, and sustain the ANDSF; complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

At the end of this quarter, the U.S. government was operating under a continuing resolution. The President's budget request for FY 2018, if enacted, would provide $4.94 billion for the ASFF—the highest level for the fund since FY 2013, and an increase of $674.8 million over the FY 2017 appropriation.[109]

Congress appropriated more than $15.15 billion to the seven major reconstruction funds for FY 2014–2016: $5.63 billion for FY 2014, $5.03 billion for FY 2015, and $4.49 billion for FY 2016. Of the combined total, more than $2.63 billion remained for possible disbursement, as of December 31, 2017, as shown in Table 3.3 and Figure 3.5.

TABLE 3.3

FY 2014–2016 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED ($ MILLIONS)

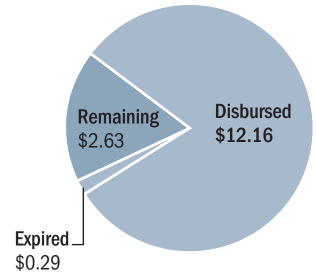
	Appropriated	Obligated	Disbursed	Remaining
ASFF	$11,403.93	$11,253.38	$10,701.04	$552.34
CERP	45.00	11.17	11.01	0.16
AIF	144.00	130.81	72.45	58.36
TFBSO	122.24	106.52	86.00	20.52
DOD CN	377.72	377.72	377.72	0.00
ESF	2,372.17	2,225.52	694.92	1,530.60
INCLE	685.00	684.66	213.38	471.27
Total Major Funds	**$15,150.06**	**$14,789.78**	**$12,156.53**	**$2,633.25**

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately $294 million that expired without being obligated. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 1/20/2018.

FIGURE 3.5

FY 2014–2016 AMOUNT REMAINING TO BE DISBURSED ($ BILLIONS)



Congress appropriated more than $5.21 billion to five of the seven major reconstruction funds for FY 2017. Of that amount, more than $1.75 billion remained for possible disbursement, as of December 31, 2017, as shown in Table 3.4 and Figure 3.6.

TABLE 3.4

FY 2017 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED ($ MILLIONS)

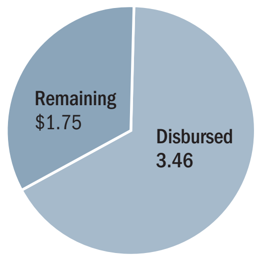
	Appropriated	Obligated	Disbursed	Remaining
ASFF	$4,262.72	$3,568.89	$3,311.35	$951.36
CERP	5.00	4.92	3.61	1.31
DOD CN	135.61	135.61	135.61	0.00
ESF	650.00	0.00	0.00	650.00
INCLE	160.00	14.01	8.79	151.21
Total Major Funds	**$5,213.32**	**$3,723.43**	**$3,459.35**	**$1,753.89**

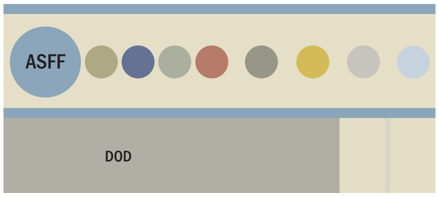
Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 1/20/2018.

FIGURE 3.6

FY 2017 AMOUNT REMAINING TO BE DISBURSED ($ BILLIONS)





ASFF FUNDS TERMINOLOGY

DOD reported ASFF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.

AFGHANISTAN SECURITY FORCES FUND

The Congress created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding, as well as facility and infrastructure repair, renovation, and construction.[110] The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan.[111] A financial and activity plan must be approved by the Afghanistan Resources Oversight Council (AROC) before ASFF funds may be obligated.[112]

DOD reported that nearly $1.30 billion had been made available for obligation under FY 2018 continuing resolutions, as of December 31, 2017, increasing total cumulative funding to more than $69.56 billion since 2005, as shown in Figure 3.7.[113] Of this amount, more than $65.48 billion had been obligated, of which over $64.60 billion had been disbursed.[114] The President requested a total of $4.94 billion for the ASFF for FY 2018.[115]

DOD reported that cumulative obligations increased by more than $25.17 million over the quarter, and cumulative disbursements increased by nearly $1.07 billion.[116] Figure 3.8 provides a cumulative comparison of amounts made available, obligated, and disbursed for the ASFF.

FIGURE 3.7

ASFF APPROPRIATED FUNDS BY FISCAL YEAR
($ BILLIONS)

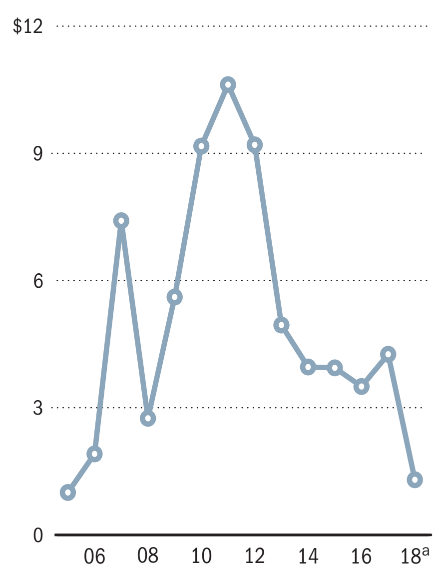
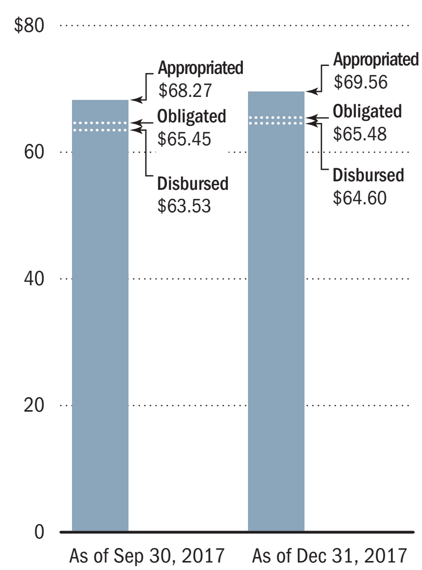


FIGURE 3.8

ASFF FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



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

[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2017 (Draft)," 10/18/2017; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

ASFF BUDGET ACTIVITIES

DOD allocates funds to three budget activity groups within the ASFF:

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

Funds for each budget activity group are further allocated to four sub-activity groups: Infrastructure, Equipment and Transportation, Training and Operations, and Sustainment.[117] The AROC must approve the requirement and acquisition plan for any service requirements in excess of $50 million annually and any non-standard equipment requirement in excess of $100 million.[118]

As of December 31, 2017, DOD had disbursed nearly $64.60 billion for ANDSF initiatives. Of this amount, more than $43.47 billion was disbursed for the ANA, and nearly $20.66 billion was disbursed for the ANP; the remaining $388.74 million was directed to related activities such as detainee operations. The combined total—$64.52 billion—is about $80.76 million lower than the cumulative total disbursed due to an accounting adjustment which arises when there's a difference between the amount of disbursements or collections reported to the Defense Finance and Accounting Service and the Department of the Treasury.[119]

As shown in Figure 3.9, the largest portion of the funds disbursed for the ANA—nearly $20.40 billion—supported ANA troop sustainment. Of the funds disbursed for the ANP, the largest portion—nearly $8.71 billion—also supported sustainment of ANP forces, as shown in Figure 3.10.[120]

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

Sub-activity 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 3.9

ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005–DEC 31, 2017 ($ BILLIONS)

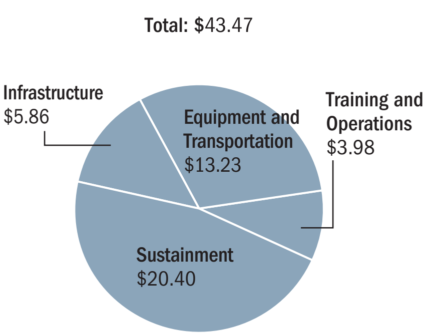
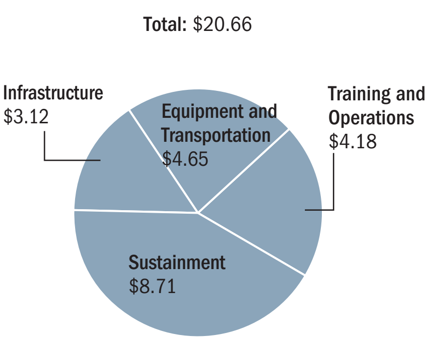


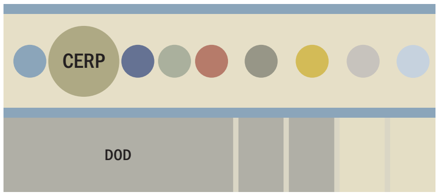
FIGURE 3.10

ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005–DEC 31, 2017 ($ BILLIONS)



Note: Numbers have been rounded.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.



CERP FUNDS TERMINOLOGY

DOD reported CERP funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/14/2010.

COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects that are estimated to cost less than $500,000 each.[121] CERP-funded projects may not exceed $2 million each.[122]

DOD reported that $371,177 had been made available for obligation under FY 2018 continuing resolutions, as of December 31, 2017. Figure 3.11 displays the amounts appropriated for CERP by fiscal year. As of December 31, 2017, total cumulative funding for CERP amounted to more than $3.68 billion. Of this amount, more than $2.28 billion had been obligated, of which nearly $2.28 billion had been disbursed.[123]

Over the quarter, DOD obligated $289,023 and disbursed nearly $2.36 million from CERP.[124] Figure 3.12 provides a cumulative comparison of amounts made available, obligated, and disbursed for CERP.

FIGURE 3.11

CERP APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

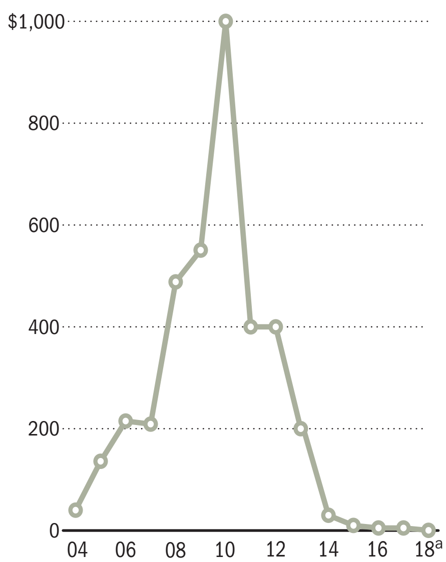
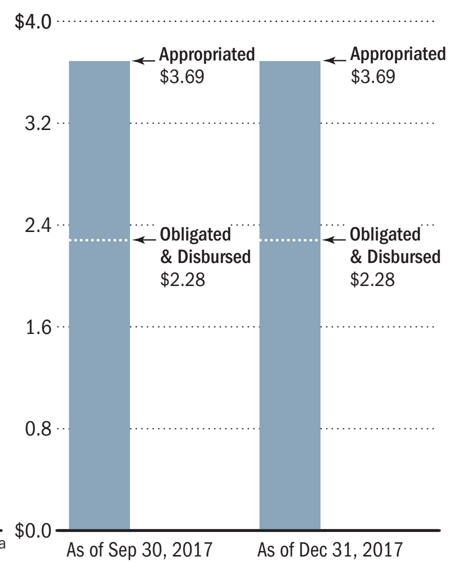


FIGURE 3.12

CERP FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



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

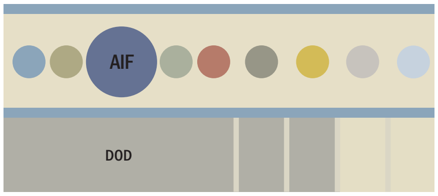
[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Source: DOD, response to SIGAR data call, 1/17/2018 and 10/18/2017; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

AFGHANISTAN INFRASTRUCTURE FUND

The AIF was established in FY 2011 to pay for high-priority, large-scale infrastructure projects that support the U.S. civilian-military effort. Congress intended for projects funded by the AIF to be jointly selected and managed by DOD and State. Each AIF-funded project is required to have a plan for its sustainment and a description of how it supports the counter-insurgency strategy in Afghanistan.[125] The AIF received appropriations from FY 2011 through FY 2014. Although the AIF no longer receives appropriations, many projects remain in progress, and DOD may obligate up to $50 million from the ASFF to complete existing AIF projects.[126] On September 22, DOD notified Congress that up to $8 million of the FY 2017 ASFF appropriation will be used to fund the completion of the Northeast Power System Arghandi to Gardez Phase I project.[127]

The AIF received cumulative appropriations of over $1.32 billion; however, $335.50 million of these funds were transferred to the Economic Support Fund (ESF) for USAID's power transmission lines projects, bringing the cumulative amount remaining in the AIF to $988.50 million.[128] Figure 3.13 shows AIF appropriations by fiscal year. As of December 31, 2017, more than $773.71 million of total AIF funding had been obligated, and nearly $704.20 million had been disbursed, as shown in Figure 3.14.[129]



AIF FUNDS TERMINOLOGY

DOD reported AIF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2012.

FIGURE 3.13

AIF APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

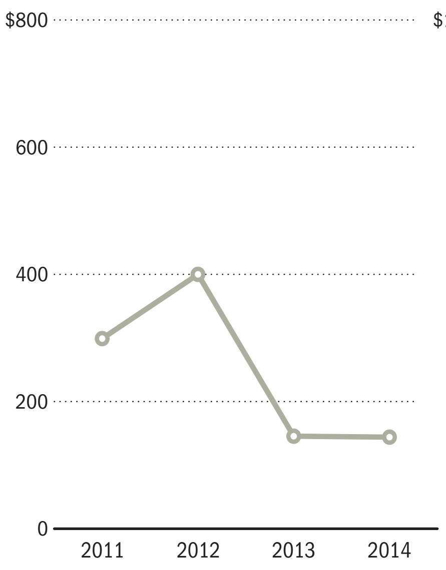
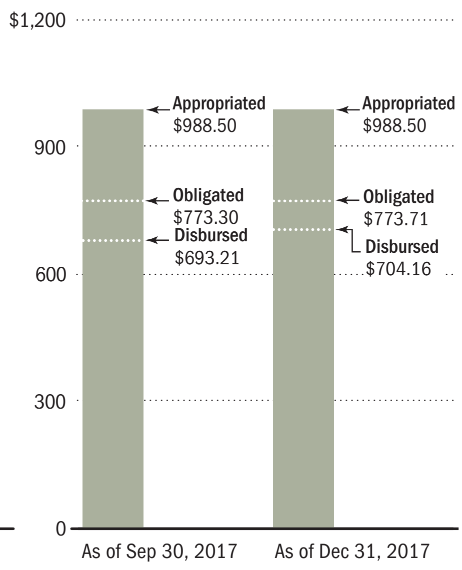


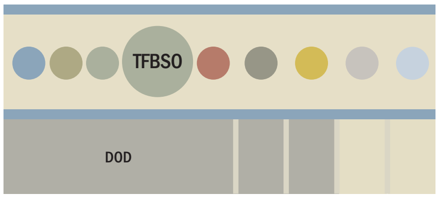
FIGURE 3.14

AIF FUNDS, CUMULATIVE COMPARISON
($ MILLIONS)



Note: Numbers have been rounded. Data reflects the following transfers from AIF to USAID's Economic Support Fund: $101 million for FY 2011, $179.5 million for FY 2013, and $55 million for FY 2014.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2017 (Draft)," 10/18/2017; Pub. L. Nos. 113-76, 113-6, 112-74, and 112-10.



TFBSO FUNDS TERMINOLOGY

DOD reported TFBSO funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.

TASK FORCE FOR BUSINESS AND STABILITY OPERATIONS

In 2010, the TFBSO began operations in Afghanistan aimed at stabilizing the country and countering economically motivated violence by decreasing unemployment and creating economic opportunities for Afghans. TFBSO authorities expired on December 31, 2014, and the TFBSO concluded its operations on March 31, 2015. TFBSO projects included activities intended to facilitate private investment, industrial development, banking and financial system development, agricultural diversification and revitalization, and energy development.[130]

During the quarter, DOD adopted a new accounting system for certain accounts, which included TFBSO. The new system did not report TFBSO expenditures properly, so last quarter's data is presented in this report.[131] Little, if any, change was expected over the quarter since TFBSO is inactive.

Through September 30, 2017, the TFBSO had been appropriated more than $822.85 million since FY 2009. Of this amount, nearly $754.43 million had been obligated and more than $648.73 million had been disbursed.[132] Figure 3.15 displays the amounts appropriated for the TFBSO by fiscal year, and Figure 3.16 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for the TFBSO and its projects.

FIGURE 3.15

TFBSO APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

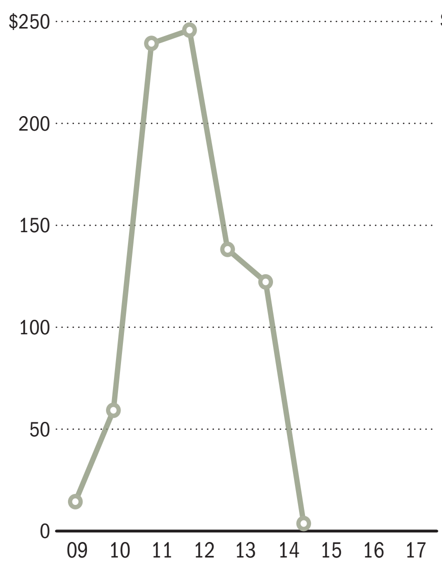
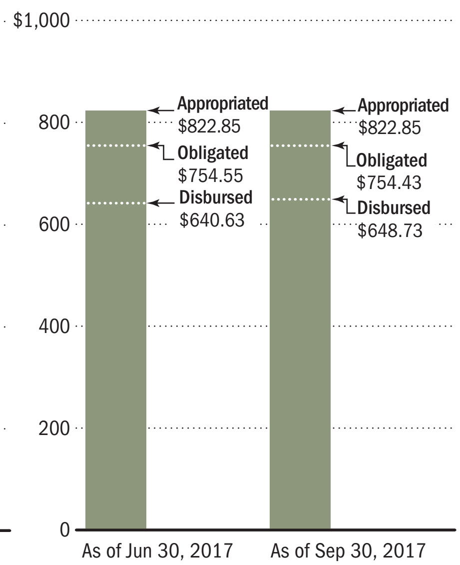


FIGURE 3.16

TFBSO FUNDS, CUMULATIVE COMPARISON
($ MILLIONS)



Note: TFBSO was unable to provide updated data this quarter due to an accounting system change. Numbers have been rounded. Of the $822.85 million appropriated the TFBSO, $366.05 million was from the Operations and Maintenance, Army, account to pay for the sustainment of U.S. assets, civilian employees, travel, security, and other operational costs; all FY 2015 funding was from this account.

Source: DOD, response to SIGAR data call, 10/12/2017, 7/17/2017, and 10/4/2011; Pub. L. Nos. 113-76, 113-6, 112-74, 112-10.

DOD DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The DOD Drug Interdiction and Counter-drug Activities (DOD CN) fund supports efforts to stabilize Afghanistan by combating the drug trade and related activities. DOD uses the DOD CN to provide assistance to the counternarcotics effort by supporting military operations against drug traffickers; expanding Afghan interdiction operations; and building the capacity of Afghan law enforcement bodies—including the Afghan Border Police—with specialized training, equipment, and facilities.[133]

DOD CN funds are appropriated by Congress to a single budget line for all military services. DOD reprograms the funds from the Counter-narcotics Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. DOD reported DOD CN accounts for Afghanistan as a single figure for each fiscal year.[134]

DOD reported no additional funding for DOD CN under FY 2018 continuing resolutions during the quarter. DOD CN received nearly $135.61 million for Afghanistan for FY 2017, bringing cumulative funding for DOD CN to more than $3.13 billion since FY 2004, all of which had been transferred to the military services and defense agencies for DOD CN projects, as of December 31, 2017.[135] Figure 3.17 shows DOD CN appropriations by fiscal year, and Figure 3.18 provides a cumulative comparison of amounts appropriated and transferred from the DOD CN CTA.

FIGURE 3.17

DOD CN APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

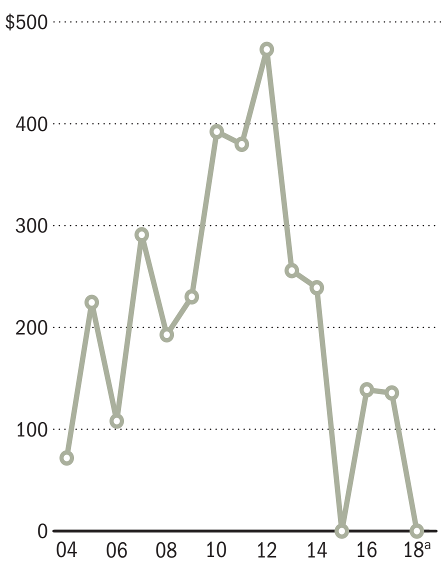
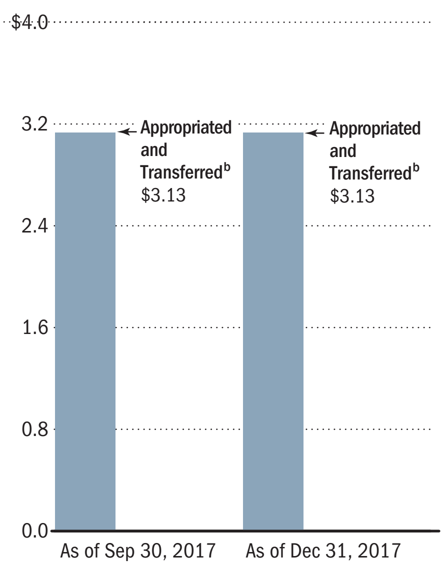


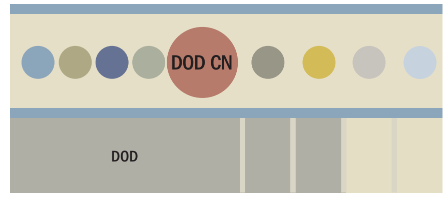
FIGURE 3.18

DOD CN FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed $125.13 million out of FY 2015 DOD CN due to several requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DOD CN.
[a] For FY 2018, DOD reported a planned budget of $121.5 million but had not received or transferred FY 2018 funds under continuing resolutions, as of December 31, 2017.
[b] DOD reprograms all DOD CN funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 10/18/2017 and 6/25/2017; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.



DOD CN FUNDS TERMINOLOGY

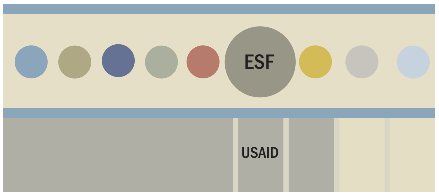
DOD reported DOD CN funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.



ESF FUNDS TERMINOLOGY
USAID reported ESF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: USAID, response to SIGAR data call, 4/15/2010.

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counter-terrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.[136]

The ESF was appropriated $650 million for FY 2017, and USAID reported no additional funding under FY 2018 continuing resolutions, resulting in no change to ESF's cumulative funding of $19.88 billion, which includes amounts transferred from AIF to the ESF for USAID's power transmission lines projects. Of this amount, nearly $18.46 billion had been obligated, of which more than $15.69 billion had been disbursed.[137] Figure 3.19 shows ESF appropriations by fiscal year.

USAID reported no increase in cumulative obligations over the quarter, while cumulative disbursements increased by more than $129.59 million over the amount reported last quarter.[138] Figure 3.20 provides a cumulative comparison of the amounts appropriated, obligated, and disbursed for ESF programs.

FIGURE 3.19

ESF APPROPRIATIONS BY FISCAL YEAR
($ BILLIONS)

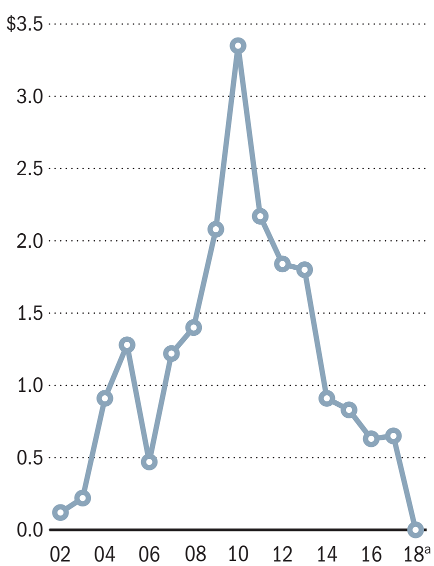
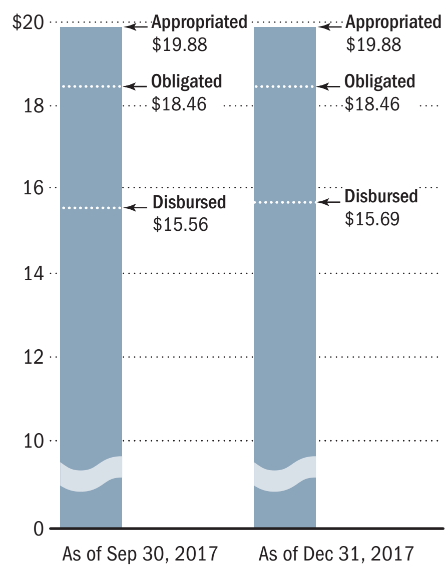


FIGURE 3.20

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.
[a] FY 2018 figure reflects amount made available for obligation under continuous resolutions.

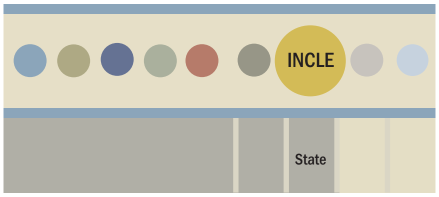
Source: USAID, response to SIGAR data call, 1/18/2018 and 10/16/2017; State, response to SIGAR data call, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The U.S. Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counter-narcotics, and rule of law and justice.[139]

State reported that INCLE was appropriated $160 million for FY 2017 and received an additional $2.08 million during the quarter under continuing resolutions. As of December 31, 2017, total cumulative funding was more than $5.06 billion. Of this amount, nearly $4.78 billion had been obligated, of which nearly $4.10 billion had been disbursed.[140] Figure 3.21 shows INCLE appropriations by fiscal year.

State reported that cumulative obligations as of December 31, 2017, increased by more than $15.35 million and cumulative disbursements increased by nearly $54.69 million from the amounts reported last quarter.[141] Figure 3.22 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for INCLE.



INL FUNDS TERMINOLOGY

INL reported INCLE and other INL funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: State, response to SIGAR data call, 4/9/2010.

FIGURE 3.21

INCLE APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

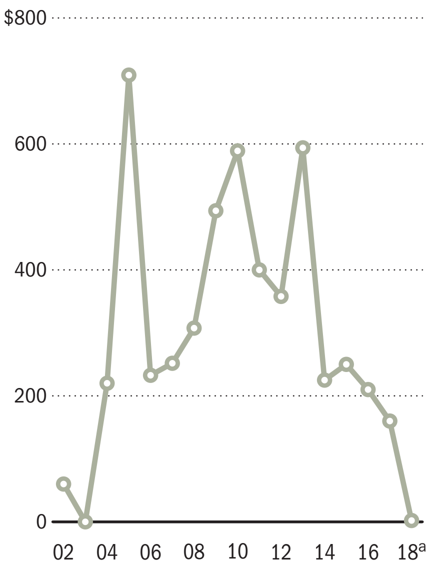
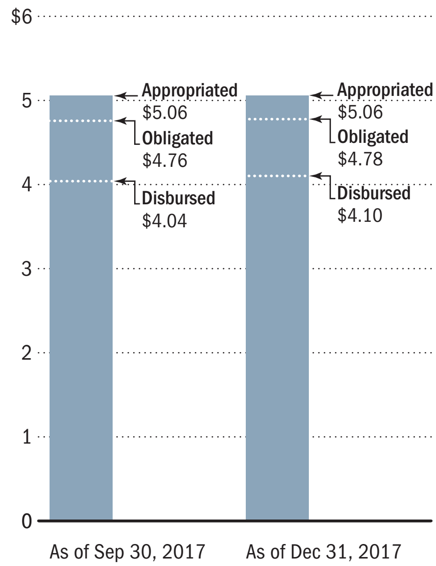


FIGURE 3.22

INCLE FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data may include inter-agency transfers. Previous quarter's figures reflect an INL correction to the amount disbursed and differ from amounts reported last quarter.

[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Source: State, response to SIGAR data call, 1/17/2017, 10/11/2017, and 10/10/2017.

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

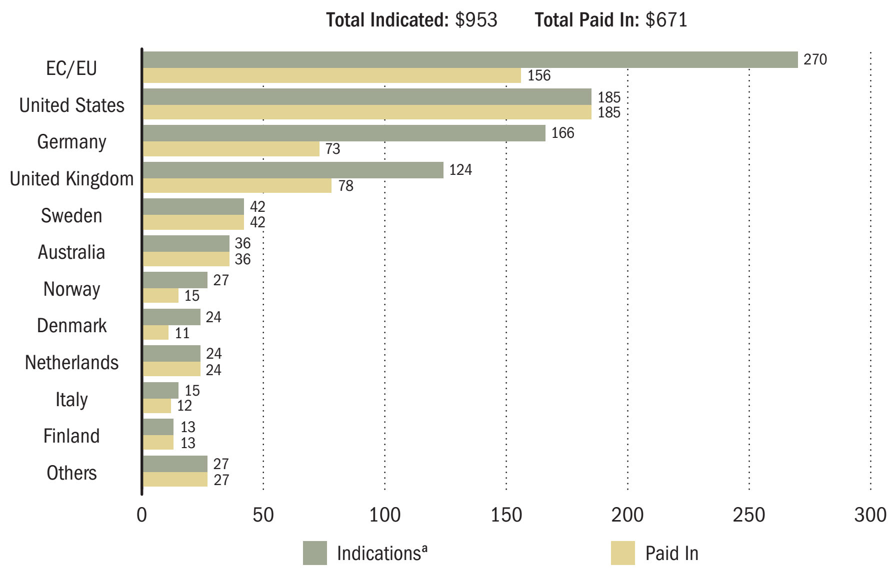
In addition to assistance provided by the United States, the international community provides a significant amount of funding to support Afghanistan relief and reconstruction efforts. Most of the international funding provided is administered through trust funds. Contributions provided through trust funds are pooled and then distributed for reconstruction activities. The two main trust funds are the Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA).[142]

Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to November 21, 2017, the World Bank reported that 34 donors had indicated contributions of nearly $10.46 billion, of which almost $10.17 billion had been paid in.[143] According to the World Bank, donors had indicated contributions of $953.41 million to the ARTF for Afghan fiscal year 1396, which runs from December 22, 2016, to December 21, 2017. Figure 3.23 shows the 11 largest donors to the ARTF for FY 1396. Contributions are recorded as indicated when written notification is received from the ARTF partners indicating intent to contribute a specified amount.[144]

FIGURE 3.23

ARTF CONTRIBUTIONS FOR FY 1396 BY DONOR, AS OF NOVEMBER 21, 2017 ($ MILLIONS)



Note: Numbers have been rounded. FY 1396 = 12/22/2016–12/21/2017.
[a] Contributions are recorded as “indicated” when written notification is received from the ARTF partners indicating intent to contribute a specified amount.

Source: World Bank, “ARTF: Administrator’s Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396),” p. 1.

As of November 21, 2017, the United States had indicated and paid in contributions of nearly $3.13 billion since 2002.[145] The United States and the United Kingdom are the two biggest donors to the ARTF, together contributing 48% of its total funding, as shown in Figure 3.24.

Contributions to the ARTF are divided into two funding channels—the Recurrent Cost (RC) Window and the Investment Window.[146] As of November 21, 2017, according to the World Bank, nearly $4.57 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as salaries of civil servants.[147] The RC Window supports the operating costs of the Afghan government because the government's domestic revenues continue to be insufficient to support its recurring costs.[148]

The Investment Window supports the costs of development programs. As of November 21, 2017, according to the World Bank, nearly $4.88 billion had been committed for projects funded through the Investment Window, of which almost $4.06 billion had been disbursed. The World Bank reported 30 active projects with a combined commitment value of nearly $3.54 billion, of which more than $2.72 billion had been disbursed.[149]

Contributions to the Law and Order Trust Fund for Afghanistan

The United Nations Development Programme (UNDP) administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).[150] Since 2002, donors have pledged nearly $5.49 billion to the LOTFA, of which more than $5.19 billion had been paid in, as of January 14, 2018. The United States has committed and paid in nearly $1.67 billion since the fund's inception.[151] Figure 3.25 shows the four largest donors to the LOTFA since 2002.

On December 18, 2016, the LOTFA Project Board extended the Support to Payroll Management (SPM) project through December 31, 2017, after assessments commissioned by UNDP revealed that the MOI had not yet met various critical donor conditions for the transition of payroll management. The board also approved a multi-year extension of the MOI and Police Development (MPD) project. The MPD project focuses on institutional development of the MOI and police professionalization of the ANP and will now run through December 31, 2020. The SPM and MPD projects were established at the start of the LOTFA's eighth phase on July 1, 2015, and were initially planned to run through December 31, 2016.[152]

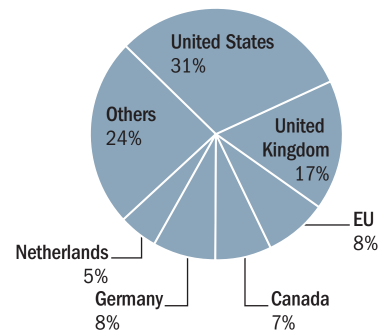
After the extension, the SPM project's budget was raised from $850.56 million to $1.12 billion—the majority of which will be transferred from the UNDP Country Office to the Ministry of Finance (MOF) for ANP and Central Prison Directorate staff remunerations. The MPD project's budget was also increased from $33 million to a new total of $110.78 million.[153]

From July 1, 2015, through September 30, 2017, UNDP had expended nearly $985.15 million on the SPM project. Of this amount, nearly $976.59 million was transferred to the MOF to pay for ANP and CPD staff. In addition, nearly $29.58 million was expended on the MPD project.[154]

FIGURE 3.24

ARTF CONTRIBUTIONS PAID IN BY DONORS, 2002–NOVEMBER 21, 2017

Total Paid In: $10.2 billion



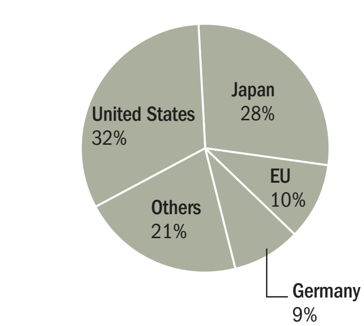
Note: Numbers have been rounded. "Others" includes 28 donors.

Source: World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," p. 4.

FIGURE 3.25

DONOR CONTRIBUTIONS TO THE LOTFA SINCE 2002, AS OF JANUARY 14, 2018

Total Paid In: $5.2 billion



Note: Numbers have been rounded. EU = European Union. "Others" includes 26 donors.

Source: UNDP, response to SIGAR data call, 1/14/2018.

SECURITY CONTENTS

SECURITY

KEY ISSUES AND EVENTS

General John W. Nicholson Jr., commander of United States Forces-Afghanistan (USFOR-A), announced in late November that he and Afghan President Ashraf Ghani believe the Afghan National Defense and Security Forces (ANDSF) have reached a positive turning point in the war against the insurgency. General Nicholson credited the recent successes on the battlefield to the increasingly offensive posture of the ANDSF and the expansion of U.S. military authorities under President Donald Trump's new South Asia strategy. The new strategy was announced in August.[155]

President Donald J. Trump signs the National Defense Authorization Act for FY 2018. Onlookers include Secretary of Defense James Mattis, left, Joint Chiefs Chairman General Joseph Dunford, at President's left, and Vice President Michael Pence, right foreground. (White House photo by Stephanie Chasez)

For the first time since the Afghans took primary responsibility for their security in January 2015, the Afghan National Army (ANA), and the newly created Afghan National Army Special Operations Command (ANASOC) Corps, are waging offensive operations in all six of their corps areas of operation simultaneously.[156] Additionally, the expanded authorities provided to U.S. forces in Afghanistan have resulted in a significant uptick in U.S. air strikes and special operations against the insurgency.

According to the United States Air Force Central Command Combined Air Operations Center (AFCENT), the United States dropped 653 munitions against Taliban and Islamic State-Khorasan (IS-K) targets in October 2017, the most since recording began in 2012, and a more than three-fold increase since October 2016. The total amount of weapons released in Afghanistan by the U.S. Air Force in 2017 was 4,361.[157] Separately, according to the Department of Defense (DOD) U.S. special operations forces conducted 2,175 ground operations and 261 air strikes from June 1 to November 24, 2017, in support of the U.S. counterterrorism mission and the advising mission for the ANASOC.[158] For comparison, roughly nine times the number of munitions AFCENT reported have been dropped against Islamic State in Iraq and Syria (roughly 39,500 this year). General Nicholson said in November that more air resources will move to Afghanistan as the enemy is defeated in Iraq.[159]

As a result of expanded authorities to target the Taliban and the Haqqani network, USFOR-A is seeking to reduce a key source of income for the insurgency: narcotics. U.S. and Afghan air strikes this quarter have targeted the Taliban's opium-production industry, which the Drug Enforcement Administration (DEA) estimates has as many as 400–500 active facilities at any given time. According to General Nicholson, U.S. and Afghan forces recently began targeting them, destroying 10 on November 19 alone. General Nicholson said in a press conference the following day that he intended to maintain the high tempo of drug-lab strikes, while remaining vigilant to avoid collateral damage or civilian casualties.[160]

As the United States has increased troop levels in Afghanistan to bolster its advisory role and utilize expanded authorities to conduct operations in support of the ANDSF, some other NATO countries have also agreed to send additional troops, which would bring the entire Resolute Support (RS) mission to roughly 16,000 personnel. Despite the additional troops, U.S. officials still say that troop reinforcements fall below international commitment levels for the RS advisory mission. NATO Deputy Spokesperson Piers Cazalet emphasized that sending more troops "does not mean NATO will return to combat operations in Afghanistan."[161]

Separately, in December, Congress passed and President Trump signed the fiscal year (FY) 2018 National Defense Authorization Act (NDAA), which includes key provisions and funding requirements for developing Afghanistan's security institutions. The FY 2018 NDAA increased authorized funds for the Afghan Security Forces Fund (ASFF) to $4.9 billion—$674.3 million more than was authorized for FY 2017.[162]

Some legislative changes in the NDAA this year include the possibility of withholding $350 million in American foreign aid to Pakistan should that country fail to make progress on eliminating insurgent and terrorist safe havens in its territory that threaten peace in Afghanistan. For Pakistan to continue receiving U.S. funding for counterterrorism activities, Secretary of Defense James Mattis must certify to Congress that Pakistan is continually conducting military operations that are "contributing to significantly disrupting the safe havens, fundraising, and recruiting efforts" of the Haqqani Network and other extremist groups in Pakistan, arresting key militant leaders, as well as working with the Afghan government to restrict the movement of militants in their border region.[163] The requirement for certification of Pakistan's efforts against safe havens existed in last year's NDAA, but the amount of money at stake has decreased by $50 million for FY 2018. This year's NDAA also stipulates that DOD should advance its defense cooperation with India across many regional matters, one of which is "to promote stability and development in Afghanistan."[164]

The NDAA also requires the Secretary of Defense, in consultation with the Secretary of State, to submit an assessment to the armed services and foreign affairs committees of both chambers of Congress, no later than June 1, 2018, describing the Afghan government's progress toward meeting shared security objectives. In conducting the assessment, the NDAA requires the Secretary of Defense to consider: the extent to which there is increased accountability and reduced corruption within the Afghan Ministries of Defense (MOD) and Interior (MOI); the extent to which ASFF

Afghan commandos conducted offensive operations in Kunduz Province in December. (USAF photo by Senior Airman Sean Carnes)

funding has resulted in increased capability and capacity of the ANDSF; the extent to which the ANDSF have increased pressure on militant and terrorist organizations by retaking and defending territory and disrupting attacks; and whether the Afghan government is ensuring that U.S.-provided supplies, equipment, and weaponry are appropriately distributed to the ANDSF. If the assessment results are unfavorable, Secretary Mattis can decide, upon notifying Congress, to withhold financial assistance to the ANDSF.[165]

This section discusses assessments of the Afghan National Army (ANA), Afghan National Police (ANP), MOD, and MOI, and provides an overview of how U.S. funds are used to build, equip, train, and sustain the Afghan security forces.

USFOR-A and RS Continue to Classify and Restrict Key Afghan War Data

For the first time, this quarter RS restricted the public release of district, population, and land-area control data that they had provided to SIGAR in an unclassified, publicly releasable format for the last two years. Additionally, RS classified for the first time the exact, assigned (actual) and authorized (goal) force strength and attrition data for the ANDSF as a whole, as well as each force element individually (ANA, ANP, AAF, etc.), with the exceptions of the Afghan Local Police (ALP) and female ANDSF personnel (last quarter SIGAR was provided with rounded authorized and assigned strength figures).

"The intent is over the winter, [the ANDSF] will maintain some limited offensive operations, but also focus on regeneration of the force … then as we roll into the spring, March, April and beyond, they will go on the offensive."

—General John W. Nicholson Jr., RS and USFOR-A Commander

Source: DOD, "Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan," 11/28/2017.

For the second consecutive quarter, RS and USFOR-A continued to classify other data essential to assessing the development and performance of the ANDSF. This data includes:

- all but the most perfunctory assessments of ANDSF force elements' performance
- updated information about ANDSF force generation, including the percentage of the ANA and ANP that are trained and untrained
- the number of ANDSF and ALP casualties
- the ANA corps- and ANP zone-level breakdown of equipment operational readiness

RS and USFOR-A also classified data SIGAR requested for the first time this quarter, including:

- information about the specific security goals for Afghanistan outlined in the administration's new South Asia strategy
- information about the increase in U.S. and Coalition air strikes in Afghanistan since mid-2017, including how many air strikes have been carried out by U.S. and Coalition forces in 2017

RS and USFOR-A declassified data this quarter on the following:

- cursory assessments of ANDSF force elements' performance
- force strength information for the ALP and ANDSF female personnel
- assessments of MOD and MOI performance
- general information about the Special Mission Wing (SMW) and its airframe inventory
- general information about ANA and ANP equipment operational readiness

USFOR-A and RS gave no justifications for the classification changes to SIGAR data this quarter. For a full description of the data classified or restricted this quarter, and a comparison to what was classified last quarter, see Appendix E of this report.

Security incidents: reported incidents that include armed clashes, improvised explosive devices, targeted killings, abductions, suicide attacks, criminal acts, and intimidation.

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

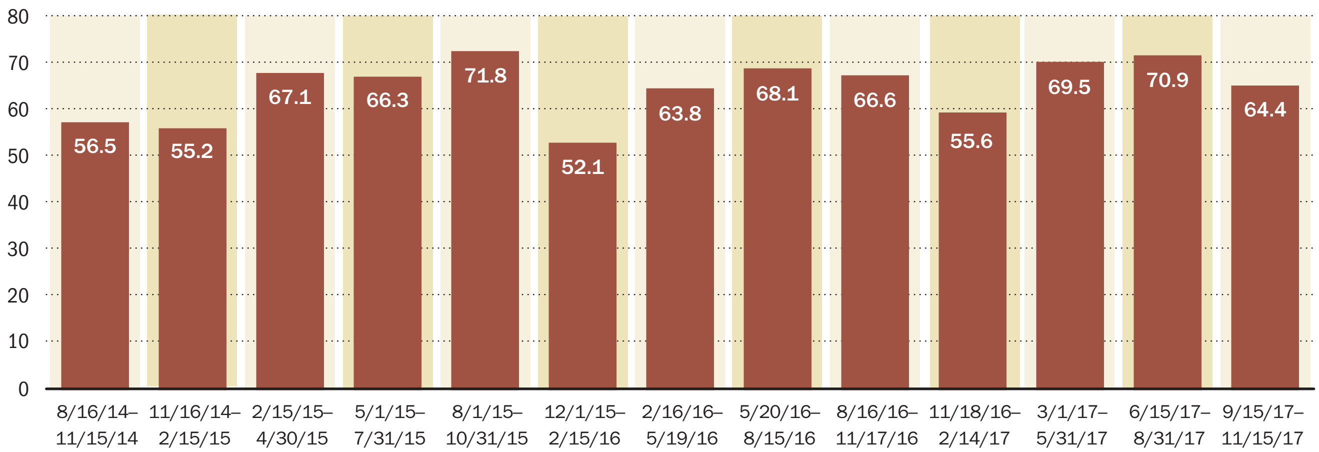
UN: Slight Increase in Security Incidents in 2017

The Secretary-General of the United Nations (UN) reported in December that the security situation in Afghanistan remained highly volatile as conflict between the government and insurgency continued throughout most of the country. More than 21,105 security incidents were recorded for the first 11 months of 2017, a 1% increase from the same period in 2016.[166]

However, the UN reported a decrease in security incidents in the last quarter of 2017. From September 15 through November 15, 2017, the UN recorded 3,995 security incidents. As reflected in Figure 3.26, this is an average of 64.4 incidents per day, a more than two incident-per-day decrease compared to the same period in 2016 (66.6) and more than seven

FIGURE 3.26

AVERAGE SECURITY INCIDENTS PER DAY FOR THE LAST THREE YEARS



Note: Security incidents were not reported for the month of November 2015.

Source: UN, *The situation in Afghanistan and its implications for international peace and security*, reports of the Secretary-General, 12/9/2014, p. 5; 2/27/2015, p. 4; 6/10/2015, p. 4; 9/1/2015, p. 4; 12/10/2015, p. 5; 3/7/2016, p. 6; 6/10/2016, p. 4; 9/7/2016, p. 5; 12/13/2016, p. 4; 3/3/2017, p. 4; 6/15/2017, p. 4; 9/15/2017, p. 4; 12/15/2017, p. 5; SIGAR analysis of UN-provided data, 1/2018.

incidents-per-day lower than the same period in 2015 (71.8). However, this quarter's figure remains slightly higher than the daily average of 63.9 incidents over the last three years.[167]

This quarter, USFOR-A contested the UN's security-incident data. According to USFOR-A reporting—which defines security incidents as a subset of enemy action and explosive-hazard events, to include executed IED attacks and potential IED attacks (found and cleared)—there were 23,984 incidents in the first 11 months of 2017. This represents a 2% decrease from incidents recorded in 2016. Additionally, from September 15 through November 15, 2017, USFOR-A recorded 3,729 security incidents, which they calculate as a 29% decrease in incidents from the same period in 2016. USFOR-A said direct fire accounts for 79% of all incidents, and IED and mines account for 12%.[168]

The UN reported that the most unstable regions continued to be eastern and southern Afghanistan, which account for 56% of all security incidents. Building off the new U.S. strategy and rules of engagement, Afghan and international forces significantly increased their air operations in these regions. According to the UN, Afghan and Coalition forces conducted 215 air strikes this quarter, a 73% increase from the same period in 2016, though USFOR-A said that it was tracking a greater number of air strikes and a larger percentage increase. The majority of these strikes occurred in southern Helmand Province and eastern Nangarhar Province.[169] Additionally, recent clashes between the Taliban and IS-K in Laghman Province contributed to overall instability in the east.[170]

According to the UN, the Taliban launched multiple large-scale operations to capture district centers this quarter. They temporarily overran Maruf in Kandahar Province, Andar in Ghazni Province, Shib Koh in Farah Province, and Shahid-i Hasas in Uruzgan Province. In each case, the ANDSF, at times aided by AAF and Coalition air support, pushed Taliban forces back. USFOR-A noted that they did not agree with the UN that the Taliban temporarily overran Shahid-i Hasas or Maruf.[171]

Notably, the ANDSF also recaptured Ghorak in Kandahar Province, which the Taliban had controlled since November 2016.[172] During November and December 2017, President Ghani chaired at least two meetings of his senior security officials to discuss the provinces where security incidents have been more prominent: Faryab, Balkh, Ghazni, Kunar, Uruzgan, Kandahar, Helmand, Farah, Badghis, Nooristan, and Herat.[173]

UNAMA: Attacks Against Places of Worship, Religious Sects, and Religious Leaders Increasing

In a special report issued this quarter, United Nations Assistance Mission in Afghanistan (UNAMA) documented an escalating trend of violence against places of worship and religious sects, and assassinations and abductions of religious leaders. UNAMA noted that most of these events were attributable to extremist groups, particularly IS-K. Since January 1, 2016, UNAMA has recorded 51 such attacks resulting in 850 civilian casualties (273 killed), nearly double the casualties recorded for such incidents between 2009 and 2015.[174] In particular, IS-K has claimed multiple attacks targeting Shi'a Muslims and their mosques. Since January 1, 2016, UNAMA documented 12 incidents targeting Shi'a Muslims at places of worship, resulting in 689 civilian casualties (230 killed). Eight of these 12 attacks were claimed by IS-K. A thirteenth sectarian attack was claimed by the Taliban against Wahhabi Muslims at a mosque in IS-K-controlled territory.[175]

UNAMA did not release a civilian-casualty report this quarter. As reported in UNAMA's civilian-casualty report from last quarter, UNAMA documented 8,019 civilian casualties from January 1, 2017, through September 30, 2017, a 6% decrease overall from the same period in 2016.[176]

As with security incidents, RS documents civilian casualties in a different way than UNAMA. According to DOD, RS relies on civilian casualty reports from their regional commands, other Coalition headquarters' commands, and the ANDSF, while UNAMA uses site visits by staff to speak with victims, witnesses, and local leaders. RS reported 4,474 civilian casualties over a six-month period from June 1, 2017, to November 27, 2017, of which approximately one-third were deaths and two-thirds were injuries. According to RS, their figures represent an approximately 13% increase compared to the same period last year.[177]

Despite the decrease in total UNAMA-calculated civilian casualties in the first nine months of 2017, UNAMA reiterated its concern over the 52% increase in civilian casualties (466 casualties) caused by air strikes compared to the same period in 2016. More than two-thirds of these victims were reportedly women and children. UNAMA attributed 177, or 38%, of all civilian casualties from air strikes to international military forces. RS also disagreed with this UNAMA figure, noting that it had confirmed some 51 civilian casualties (19 killed and 32 injured) caused by Coalition forces' air strikes during the entirety of 2017.[178]

This quarter, the UN noted a 73% increase in Coalition air strikes over the same period in 2016, which inflicted heavy casualties on anti-government elements, but also inflicted heavy casualties on civilians.[179] In November 2017, allegations surfaced that "dozens" of civilians had been killed in Chardara District of northern Kunduz Province during U.S. air strikes supporting ANDSF operations. However, a subsequent USFOR-A investigation concluded there were no civilian casualties, stating "no hospitals or clinics in the local area indicated treatment of people with wounds from armed conflict."[180]

High-Profile Insurgent and Terrorist Attacks

Several high-profile attacks occurred this quarter, mainly targeting civilian communities at places of worship. For the second time this year, there was a deadly attack on Shi'a worshipers at Imam Zaman Mosque in Kabul that killed at least 39 during Friday prayers on October 20. Another attack that day on a Sunni mosque in Ghor Province killed at least 33 people. IS-K claimed responsibility for the Kabul attack, along with an attack on October 31, when a device detonated in Kabul's diplomatic quarter, also known as the Green Zone, killed 10 civilians.[181]

The deadliest attack this quarter occurred on December 28, when an IS-K militant detonated a suicide bomb during a gathering of 150–200 people at a Shi'a cultural center in Kabul. The Afghan Ministry of Public Health said at least 41 people were killed and 84 wounded.[182]

Additionally, there were two significant attacks on the ANDSF this quarter. One occurred on December 17, when the Taliban killed 11 ANP personnel at a checkpoint in Helmand Province.[183] The highest-casualty attack on the ANDSF occurred on October 19, when the Taliban killed 43 ANA soldiers with a vehicle-borne improvised-explosive device (VBIED) on a base outside Kandahar; only two of 60 troops stationed at the base escaped unharmed.[184] In November, Ahmad Shah Katawazai, defense liaison at the Afghan Embassy in Washington, DC, said the recent rise in terrorist attacks committed by the Taliban has been a "counterstrategy" in response to the Trump administration's escalated strategy.[185]

Afghanistan Compact: Green Zone Security

Following a series of attacks in the Green Zone, Kabul's diplomatic zone, USFOR-A and the Afghan government established several milestones in the Afghanistan Compact to address Green Zone security. According to USFOR-A in October, the following plans and procedures were developed to safeguard the Green Zone:

- all large trucks must enter one designated entry point
- truck barriers have been installed and ANP checkpoints have been better positioned
- all large trucks entering the Green Zone from the airport checkpoint are now being screened
- all ANP personnel providing security to the Green Zone were given a two-week supplementary security training
- teams of police dogs have been contracted to screen vehicles entering the area

Source: USFOR-A, response to SIGAR data call, 12/13/2017; OSD-P, response to SIGAR vetting, 1/15/2018.

U.S. RECONSTRUCTION FUNDING FOR SECURITY

As of December 31, 2017, the U.S. Congress had appropriated more than $74.8 billion to support the ANDSF. This accounts for 61% of all U.S. reconstruction funding for Afghanistan since FY 2002.[186]

In 2005, Congress established the Afghan Security Forces Fund (ASFF) to build, equip, train, and sustain the ANDSF, which comprises all forces under the MOD and MOI. Additionally, ASFF supports the Afghan Local Police (ALP), which falls under the authority of the MOI although it is not included in the 352,000 authorized ANDSF force level that other donor nations have agreed to fund. Most U.S.-provided funds were channeled through the ASFF and obligated by either the Combined Security Transition Command-Afghanistan (CSTC-A) or the Defense Security Cooperation Agency. According to DOD, the majority of ASFF funds are executed using DOD contracts to equip and sustain the ANDSF. The rest are transferred to Da Afghanistan Bank, Afghanistan's central bank, to pay salaries of Afghan army and personnel costs for ALP to support a limited number of Afghan contracts approved by CSTC-A. The Ministry of Finance then sends treasury checks to fund the MOD and MOI based on submitted funding requests.[187]

Of the $4.3 billion appropriated for the ASFF in FY 2017, $3.6 billion had been obligated and $3.3 billion disbursed as of December 31, 2017.[188] The FY 2018 NDAA authorized $674.3 million more for the ASFF than FY 2017. The largest portion of the increase will go toward MOD sustainment ($487.5 million) and training ($116 million) costs. Notably, funding for MOI equipment saw the largest increase since last year, up over eight-fold to $67.8 million for FY 2018, followed by MOI training, which more than doubled to $52.3 million. Similar to last year, the greatest amount of FY 2018 ASFF funds is authorized for MOD and MOI sustainment, $2.7 billion and $955.6 million respectively.[189]

In an October 3 hearing on the Administration's South Asia strategy before the House Armed Services Committee, General Joseph F. Dunford Jr., Chairman of the Joint Chiefs of Staff, said CSTC-A administers roughly 75% of the U.S. funds obligated for Afghan security. He added that the remaining 25% administered by the Afghan government is subjected to "rigorous conditionality to make sure that [the United States] has transparency" into the use of funds.[190]

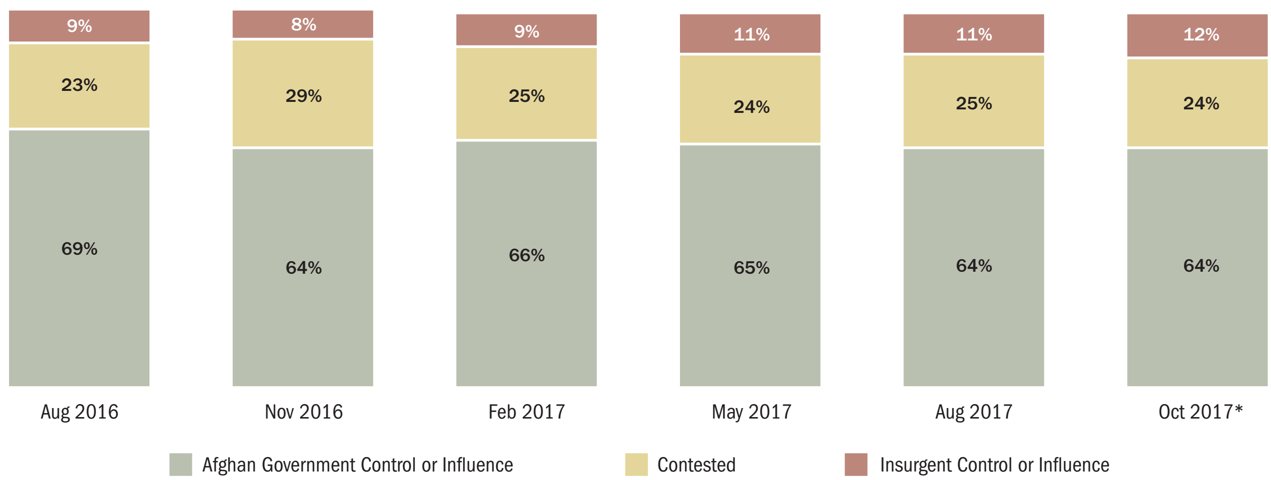
DISTRICT AND POPULATION CONTROL

For the first time, this quarter RS restricted the public release of unclassified district, population, and land-area control data that has been consistently provided to SIGAR in an unclassified, publicly releasable format.

Notably, both General Nicholson and DOD reported population-control figures publicly this quarter. General Nicholson said in a press briefing on November 28 that 64% of the population is under government control or

FIGURE 3.27

HISTORICAL POPULATION CONTROL IN AFGHANISTAN

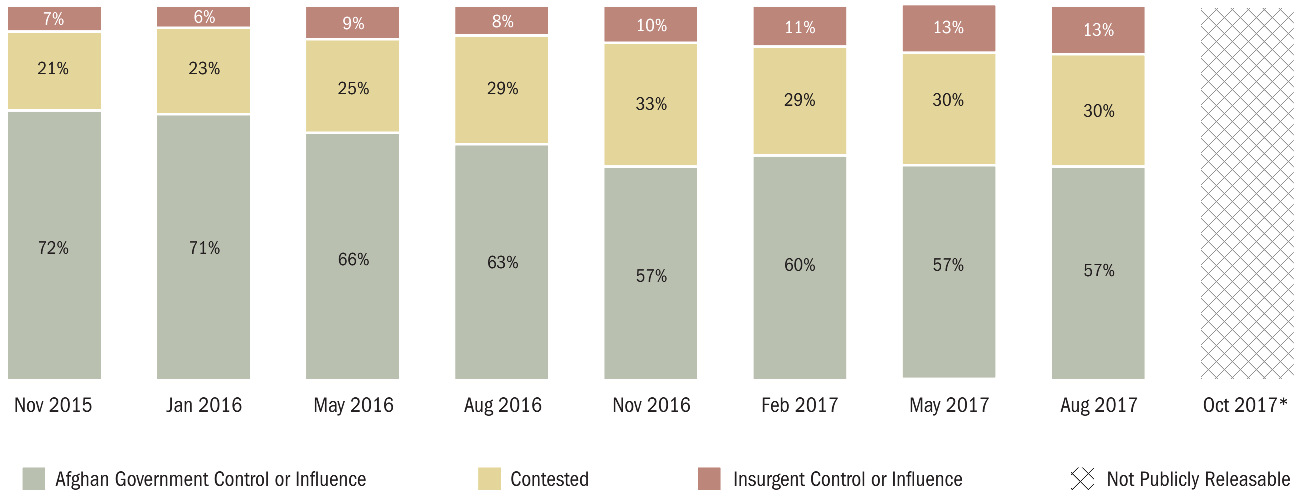


Note: * Figures reported by General John Nicholson at a press briefing on November 28, 2017.

Source: USFOR-A, response to SIGAR data call, 5/28/2016, 8/28/2016, 11/15/2016, 2/20/2017, 5/15/2017, 8/28/2017; DOD, "Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan," 11/28/2017.

FIGURE 3.28

HISTORICAL DISTRICT CONTROL IN AFGHANISTAN



Note: * RS directed SIGAR not to publicly release the unclassified October 2017 data.

Source: USFOR-A, response to SIGAR data call, 11/27/2015, 1/29/2016, 5/28/2016, 8/28/2016, 11/15/2016, 2/20/2017, 5/15/2017, 8/28/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.

influence, 12% are under insurgent control or influence, and the remaining 24% are living in contested areas. However, the goal of the Afghan government is to control 80% of its population within the next two years. As seen in Figures 3.27 and 3.28 on the previous page, Afghan government control or influence has declined and insurgent control or influence has increased overall since SIGAR began reporting control data. For more information on how RS assesses district control, please see SIGAR's April 2016 *Quarterly Report to the United States Congress*.[191]

U.S. FORCES IN AFGHANISTAN

According to USFOR-A, as of November 26, 2017, there were approximately 14,000 U.S. military personnel serving in Afghanistan, an increase of 3,000 personnel since last quarter.[192]

Of the 14,000 U.S. military personnel currently serving in Afghanistan as part of Operation Freedom's Sentinel (OFS), approximately 7,400 are assigned to the NATO RS mission to train, advise, and assist Afghan security forces (up 2,400 since last quarter). The remaining U.S. military personnel in Afghanistan support the OFS mission through air operations, training the Afghan special forces, and conducting counterterror operations.[193]

As seen in Figure 3.29, the total number of U.S. troops in Afghanistan is set to increase to roughly 15,000 personnel as DOD announced in mid-January that it will send 1,000 additional troops as early as February. These troops will be members of the Security Force Assistance Brigades (SFAB), based at Fort Benning, that will primarily serve as combat advisors to the ANDSF and expand the U.S. training commitment. Secretary of Defense Jim Mattis said in early January that the SFAB will take on some of the U.S. Special Forces' train, advise, and assist duties to ease the burden on the overworked U.S. Special Forces. Secretary Mattis also noted that through training and mentoring in basic infantry and artillery tactics, the SFAB in Afghanistan will be expected to do for the Afghan conventional forces what the U.S. Special Forces have done for the Afghan special forces.[194]

The RS mission also includes roughly 7,100 military personnel from 39 NATO allies and non-NATO partner nations, bringing its total personnel to roughly 14,500.[195] The increase in U.S. troop levels in Afghanistan has led some NATO countries engaged in Afghanistan to authorize additional troops. Reuters reported from the Defense Ministers Summit in Brussels in November that the increases could bring the RS mission to 16,000 personnel. Despite the additional NATO troops, U.S. officials say that troop reinforcements fall below international commitment levels for the RS advisory mission.[196]

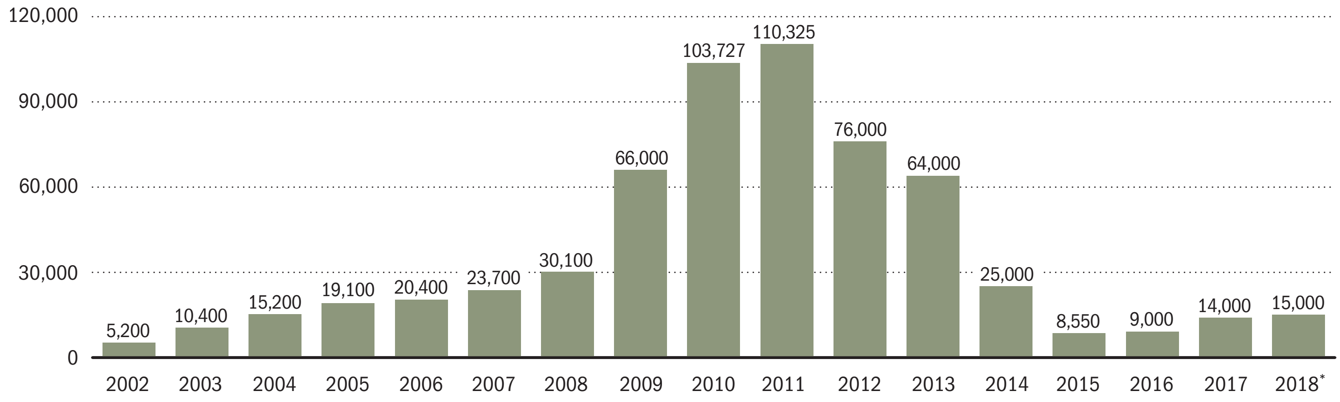
As the U.S. troop commitment increases, American combat casualties are also rising. From January 1 through November 26, 2017, 11 U.S. military personnel were killed in Afghanistan, and 99 were wounded. This is an

SIGAR LESSONS LEARNED

SIGAR's September 2017 report *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan* included a recommendation to DOD for the use of a force element like the Security Force Assistance Brigades to help alleviate strain on U.S. Special Forces that train, advise, and assist the ANDSF. For more information, see page 190 of that report.

FIGURE 3.29

U.S. TROOP LEVELS IN AFGHANISTAN, 2002–2018



Note: * Projected for 2018 based on expected deployment of 1,000 Security Force Assistance Brigade personnel in February 2018.

Source: CRS, *Troop Levels in the Afghan and Iraq Wars*, FY2002–FY2012, 7/2/2009; DOD, *Report on Progress toward Security and Stability in Afghanistan*, 10/2009, p. 18; SIGAR, *Quarterly Report to the United States Congress*, 10/30/2010, p. 73; 7/30/2011, p. 71; 10/30/2012, p. 95; 10/30/2013, p. 87; 10/30/2014, p. 91; and 10/30/2015, p. 92; OSD-P, response to SIGAR data call, 6/30/2016 and 12/27/2016; USFOR-A, response to SIGAR data call, 9/10/2017 and 11/27/2017; *Wall Street Journal*, "U.S. to Double Down on Afghanistan With Drones, Troops," 1/11/2018.

increase of one person killed in action, and 51 personnel wounded in action since last quarter, and double the personnel killed in action compared to the same periods in 2015 and 2016. USFOR-A also reported that two contractors were wounded in action since last quarter. This brings the total number of U.S. casualties during the Afghan war to 2,269 service members and civilians killed and 20,289 wounded, as of January 22, 2018.[197]

Security Force Assistance Brigade personnel meet with Afghan personnel at Fort Polk, Louisiana, as they prepare for a spring 2018 deployment to Afghanistan. (U.S. Army photo by Sgt. Ryan Tatum)

Afghanistan Compact

Last quarter, SIGAR reported on a new compact between USFOR-A, the U.S. Embassy in Kabul, and the Afghan government called the Afghanistan Compact (formerly known as the "Kabul Compact"), an Afghan-led initiative designed to demonstrate the government's commitment to reforms.[198] The Compact process consists of four U.S.- and Afghan-chaired working groups covering governance, economic, peace and reconciliation, and security issues. For more information about the Compact, see pages 123–124.

The security portion of the Compact outlines 257 measurable benchmarks across 37 action areas as commitments to which the Afghan government has agreed for improving the ANDSF. Most of these commitments apply to either the entire ANDSF, or the MOD and MOI or their main components (ANA and ANP).[199] Together they lay out a comprehensive plan to reform and upgrade the capabilities of the ANDSF over the next few years.

This quarter, SIGAR requested more detailed information from DOD and USFOR-A about how the new Compact fits into the wider U.S. South Asia strategy as well as the Afghan government's four-year ANDSF Roadmap. USFOR-A said the Compact and Roadmap both align under the South Asia strategy as frameworks to achieve the U.S. goals of seeking an Afghan political settlement that reduces violence, improves security, enables government reform, and leads to reconciliation with the Taliban.[200]

Like the other plans, USFOR-A said, the Compact is a "whole-of-government, conditions-based approach" that encourages the Afghan government to enact critical reforms through realistic, attainable, measurable, and trackable objectives. The hope is that as the Afghan government achieves its milestones and goals under the Compact, it will enable greater government sustainability and stability that, in conjunction with secure and credible elections, will increase social pressure on the Taliban to reconcile.[201]

USFOR-A clarified that the ANDSF Roadmap is the Afghan operational and structural concept to professionalize the ANDSF and achieve the main goal of 80% government control over the Afghan population.[202]

Insider Attacks

Since responsibility for security began transitioning to the Afghans in 2014, "green-on-green" insider attacks in which ANDSF personnel are attacked from within their own ranks, often by an insurgent infiltrator, have been a consistently severe problem.[203] According to USFOR-A, from January 1 to October 31, 2017, there were 58 reported insider attacks: 52 green-on-green and six "green-on-blue" attacks, when ANDSF personnel turned on Coalition personnel. This is an increase of four green-on-green attacks and no additional green-on-blue attacks from last quarter.[204] Insider attacks this year are nearly as high as the 59 recorded in 2016—56 green-on-green and three green-on-blue.[205]

In contrast to its treatment of other ANDSF casualty figures this quarter, USFOR-A did not classify ANDSF casualties as a result of insider attacks. The ANDSF experienced a decrease in casualties from insider attacks since 2016. As of October 31, 2017, insider attacks killed 102 ANDSF personnel and wounded 53, a decrease of 49 personnel killed and 26 wounded compared to the same period in 2016.[206]

However, American casualties from insider attacks have increased over the last two years. As seen in Figure 3.30, as of October 31, three U.S. military personnel were killed and 11 wounded in three of 2017's six green-on-blue attacks.[207]

According to USFOR-A, RS is ensuring that the Afghans are making measurable progress on security and insider-threat-related milestones of the Afghanistan Compact. A joint U.S.-Afghan Compact Committee continually assesses this effort and its outcomes. With significant assistance from RS advisors, both the MOI and MOD have published "Force Protection/

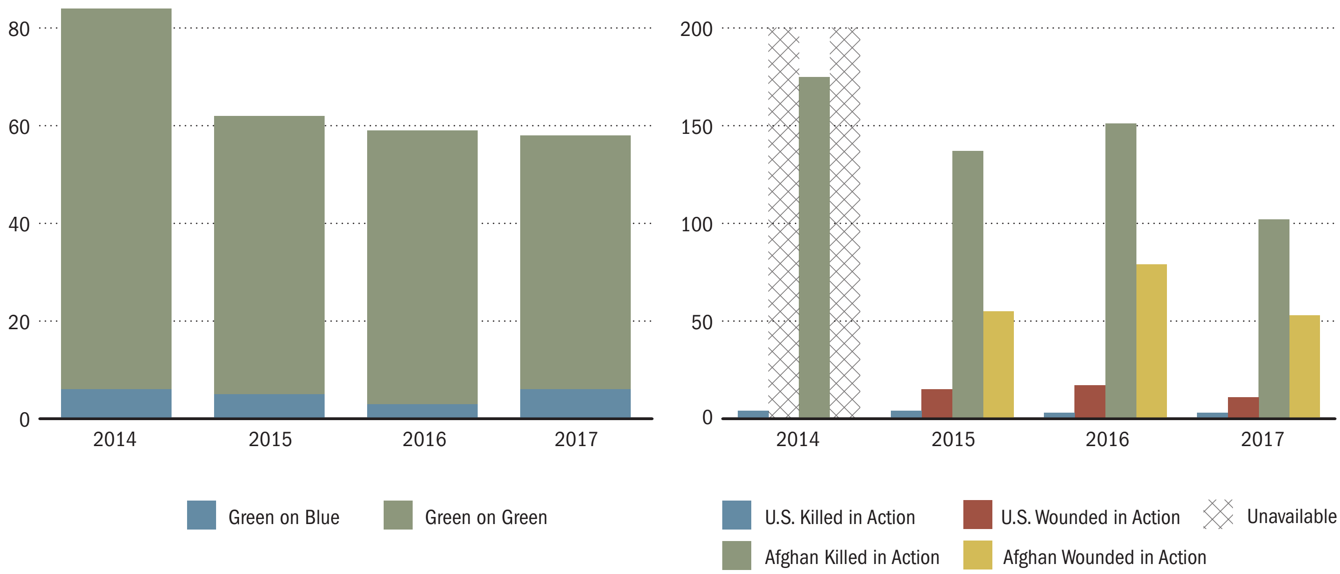
Afghanistan Compact: Insider Attack Prevention

Beginning last summer, RS reviewed all screening and vetting records for the ANASOC to guard against any potential insider threat from an Afghan force element that works closely with Coalition advisors. This quarter, RS reported that the review of records for the remainder of the ANASOC has been completed: as of October, 73% of Afghan special forces have been enrolled in the National Ground Intelligence Center's counterintelligence database. Personnel deemed to be a potential threat have been removed from service.

Source: RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018; USFOR-A, response to SIGAR vetting, 1/16/2018.

FIGURE 3.30

INSIDER ATTACKS IN AFGHANISTAN ON U.S. AND AFGHAN FORCES



Note: All killed in action (KIA) and wounded in action (WIA) were U.S. or Afghan servicemembers unless otherwise noted. 2017 data was through October 31, 2017. 2016 data was through November 12, 2016. 2015 data was through November 30, 2015, and of the U.S. KIAs, one was a contractor. 2014 data was through December 29, 2014.

Source: USFOR-A, response to SIGAR data call, 11/25/2017, 11/26/2016, 12/4/2015, 12/28/2014; USFOR-A, response to SIGAR vetting, 1/12/2016.

Insider Threat" policies, established green-on-blue commissions, and held associated seminars at the ministerial level. Starting in December 2017, these seminars will be conducted at the ANDSF corps- and zone-levels throughout Afghanistan. Additionally, RS worked with senior ANA counterintelligence officials to develop MOD's counterintelligence structure and policy.[208]

RS has also created an Insider Threat Advisor (ITA) position that works under RS Essential Function 7 (see pages 92–93). This advisor will serve as the train, advise, and assist (TAA) focal point for developing Afghan processes for the identification and processing of personnel who pose a potential threat to U.S., Coalition, or Afghan security forces.[209]

According to USFOR-A, both MOD and MOI made a concerted effort to improve and expand their use of the Preliminary Credibility Assessment Screening System (PCASS) to more effectively detect potential insider threats. This system administers a polygraph-like test on ANDSF personnel as a vital part of the force's counterintelligence screening process. The ITA trained six Afghans from MOD and MOI on PCASS; they are now training others to administer the test. USFOR-A noted that the PCASS is intended as a tool to complement counterintelligence and countercorruption investigations, but cannot be the sole basis for denying personnel employment.[210]

Under USFOR-A authority, RS intelligence headquarters has been working with U.S. Central Command and the U.S. Army to obtain substantial additional manpower and material support for an ongoing counterintelligence screening surge of ANASOC and ANA forces that will partner with the U.S. Security Force Assistance Brigades in 2018. This surge will provide an additional 95 U.S. contractor counterintelligence screeners and 15 counterintelligence analysts to directly support the screening process.[211]

Additional information on insider attacks will be reported in the classified annex to this report.

Updates on Developing Essential Functions of the ANDSF, MOD, and MOI

Key areas of the RS mission are organized under eight Essential Functions (EF) intended to develop its Afghan counterparts. The highlights of each function reported to SIGAR this quarter include:

- **EF-1 (Multi-Year Budgeting and Execution):** Following negotiations reported last quarter, beginning in March 2018, donors to the UN Development Programme's multilateral Law and Order Trust Fund for Afghanistan (LOTFA) will begin paying ANP salaries based on the Personnel Asset Inventory (PAI), which will save the donor community roughly $50 million annually. For more information about the PAI, please see pages 97–98.[212]
- **EF-2 (Transparency, Accountability, and Oversight):** The MOD completed an assessment of the MOD Inspector General's Office (MOD IG), following a presidential directive on MOD IG professionalization. The assessment found that 15 employees' qualifications were better aligned for administrative positions, and 28 personnel would need to receive remedial training and mentoring. The MOI Inspector General's Office (MOI IG) has completed oversight and transparency training at the zone and ministerial levels. CSTC-A reported that approximately 95% of MOD IG positions (167 authorized positions) and 70% of MOI IG positions (168 authorized) are filled.[213]
- **EF-3 (Civilian Governance of Afghan Security Institutions):** The MOI Major Crimes Task Force (MCTF) opened more than 17 corruption cases in the first quarter of FY 2018. This quarter, CSTC-A donated law-enforcement equipment such as handcuffs and radios to the Anti-Corruption Justice Center (ACJC), and scheduled explosive-ordnance-disposal and first responder training for ACJC personnel. The Counter-Corruption Advisors Group advisors are currently providing assistance to TAACs in corruption investigations against ANA and ANP commanders, as well as to SIGAR criminal investigations at Kandahar and Bagram Airfield facilities. There were no new gross violations

Afghanistan Compact: ABP Transfer to MOD

As part of the reorganization of the police to emphasize its civil policing, as opposed to paramilitary, role, the Compact includes several milestones for the transfer of ABP from MOI to MOD. RS reported that ABP accomplished the following this quarter: submitted a revised *tashkil*; determined its staff and structures; developed training and logistics plans; created an organizational structure; selected personnel and leadership, and established facilities. On the last milestone, RS noted its concern that ABP HQ will remain in MOI HQ building. The transfer process reportedly started in November 2017 and is slated for completion in January 2018.

Source: RS, response to SIGAR data call, 10/15/2017 and 12/13/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

Tashkil: meaning "organization" in Dari, refers to the official list of personnel and equipment requirements used by the MOD and MOI to detail authorized staff positions and equipment items for each unit.

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 10.

of human rights (GVHR) cases by MOD or MOI this quarter, and no existing GVHR cases closed this quarter. There are currently 26 open GVHR cases in the MOI, but none are open in the MOD. CSTC-A notes that MOI has completed all work on 50% of their open GVHR cases, which are now awaiting action by the Attorney General's Office.[214]

- **EF-4 (Force Generation):** EF-4 classified their response this quarter. The personnel information they provided will be reported in the classified annex to this report.
- **EF-5 (Sustainment):** CSTC-A reported that the fuel distribution and quality-assurance vendors contracted last quarter have successfully dispensed 29 million liters of ground and aviation fuel at ANDSF facilities this quarter with minimal delays. The contractor for the National Maintenance Strategy Ground Vehicle Support that DOD awarded in June 2017 met its contractual requirement to be fully operational by December 29, 2017. The support is intended to provide maintenance and logistical training, as well as contracted maintenance to achieve specified operational-readiness benchmarks and fill gaps in the ANA and ANP supply chains. Two major milestones for the National Transportation Brigades (NTB) and the Central Supply Depot/National Logistics Center were completed this quarter after the ANDSF successfully met the standards for each. They included planning transportation resources based on priorities and situational changes for the NTB and tracking materials for distribution for the supply and logistics centers. CSTC-A reported MOD and MOI are 100% compliant with critical cybersecurity requirements established by the MOD and MOI FY 1396 Bilateral Financial Commitment Letters.[215]
- **EF-6 (Strategy and Policy, Planning, Resourcing, and Execution):** ANDSF efforts this quarter were mainly dedicated to the execution of Phase II and Phase III of Operation Khalid, the annual operational plan, following Phase I completion last quarter. CSTC-A reported that the ANDSF continued to prevent enemy forces from capturing any provincial centers and improved the use of the AAF and ANASOC in support of conventional forces. The process of transferring the Afghan Border Police (ABP) from MOI to MOD control has nearly been completed, and the transfer for the Afghan National Civil Order Police (ANCOP) to MOD control is ongoing.[216]
- **EF-7 (Intelligence):** This quarter, two additional ScanEagle unmanned aerial system detachments were activated in the 205th and 201st Corps, doubling the ANA's aerial intelligence, surveillance, and reconnaissance capabilities. ScanEagle is now used by four ANA Corps (201st, 205th, 209th and 215th), of which the 215th Corps has shown the greatest proficiency in using the system. CSTC-A reported significant progress in developing overall MOD intelligence capabilities, whereas MOI made only modest improvements this quarter. Increased

Afghanistan Compact: ANCOP Transfer to MOD

The Compact includes several milestones for the transfer of ANCOP from MOI to MOD. DOD reported in December that this process is taking longer than the ABP transfer as MOD considers multiple options for how best to utilize the force. RS reported that ANCOP achieved the following Compact milestones this quarter:

- developed a plan for ANCOP integration into MOD
- established their facilities

RS reported as of November that the following milestones had not been completed by the deadline:

- development of a tashkil
- creation of training plans
- establishment of an organizational structure

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 33; RS, response to SIGAR data call, 10/15/2017 and 12/13/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

ANA use of the National Information Management System led to an approximate 30% increase in target execution, while improved intelligence coordination between ANA Corps and the AAF resulted in a 10% decrease in cancellations of targeting missions against enemies.[217]

- **EF-8 (Strategic Communications):** CSTC-A described the overall trend in ANDSF communication as "slightly positive" this quarter. MOI and MOD ministers personally engaged with media to reinforce Afghan government messaging during crises, although concerns remain about the accuracy of insurgent casualty figures released to the media. In October, MOI hired a new deputy spokesman, which CSTC-A categorized as a major step forward since the MOI's principal spokesman has been serving in an acting capacity for the previous two quarters.[218]
- **Gender Office:** CSTC-A reported a "desperate shortage" of senior women in the ANDSF to serve as role models for younger Afghan women, and is researching ways to address this. The Gender Occupational Opportunity Development (GOOD) Program to train female security personnel in job-applicable skills has been expanded to include the MOI. This quarter, the MOI established the Sexual Harassment and Assault Prevention Committee, which was recognized and approved by the Minister of Interior. Standard operating procedures for the committee were established, outlining the composition and responsibilities of the members, and Coalition advisors will continue to provide TAA to the committee to ensure its efforts to counter sexual harassment and assault are robust and effective.[219]

AFGHAN SECURITY MINISTRIES AND THE ANDSF

ANDSF Force Element Performance

USFOR-A provided basic ANDSF performance assessments that were previously classified in an unclassified format this quarter; however, SIGAR is unable to determine the results of the findings of these unclassified assessments with the data provided.

This quarter, USFOR-A reported that visibility into ANDSF units remains limited, as U.S. and Coalition forces are typically not co-located with Afghan units, and insights gleaned on operational readiness come from second- or third-hand knowledge from ANDSF partners. The RS mission provides the majority of its training, advising, and assisting at the ANA corps- and ANP zone-level and above.[220]

USFOR-A noted that ANDSF headquarter elements continue to progress toward developing and executing their annual operational plans but they still struggle with personnel management. However, USFOR-A said leadership and general use of training cycles showed improvement over previous reporting periods.[221]

USFOR-A classified more detailed performance assessments of the ANDSF's combat elements, and SIGAR will report on them in the classified annex to this report.

Ministry Performance Assessments

USFOR-A provided the following narrative, previously classified MOD and MOI performance-assessment information in an unclassified format this quarter.

According to USFOR-A, since summer 2017, the MOD has steadily increased its ability to build effective fighting capability, provided enablers in support of operations, and implemented and established personnel and logistics systems. Though more effort is placed at the operational and strategic levels, Minister of Defense Tariq Shah Bahrami must still routinely respond to tactical-level challenges due to domestic political pressures rather than focus on broader strategic concerns. Despite these challenges, USFOR-A said, he and his Chief of General Staff (CoGS) aim to create a MOD that is professionally trained, free of corruption, and an effective and efficient steward of resources. USFOR-A said the CoGS, Lieutenant General Sharif Yaftali, "has completely immersed himself in the role of directing, guiding, and driving the staff." However, the MOD is still without a first deputy minister, requiring both Minister Bahrami and Lieutenant General Yaftali to execute duties of that position, distracting them from their primary roles. With the Afghanistan Compact now in full effect, USFOR-A noted that both leaders are pursuing regional and international relationships beyond Resolute Support partner nations.[222]

ANDSF senior leaders and U.S. Marine advisors plan offensive operations at Bost Airfield, Afghanistan. (USMC photo by Sgt. Justin T. Updegraff)

Afghanistan Compact: MOD Optimization

The reform effort across all Afghan security institutions includes several milestones for reforming the MOD. This quarter, RS reported that MOD accomplished the following:

- MOD signed its countercorruption policy on December 19, 2017
- completed a review of its staff structure and identified unnecessary redundancy across staff and positions
- defined its organizational structure
- developed a future organizational structure with subordinate functional commands appropriately realigned under the first deputy minister and CoGS
- reduced MOD HQ tashkil positions to offset projected ASSF and AAF growth

According to RS, MOD failed to achieve the following milestones by the deadlines: completing a tashkil for the National Joint Command (by October 2017, approved by the Minister of Defense subsequently), and operationalizing the National Joint Command (November 2017, now scheduled for March 2018).

Source: RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018; RS, response to SIGAR vetting, 1/16/2018.

Afghanistan Compact: MOI Optimization

This quarter, RS reported that MOI accomplished the following:

- developed and published the Minister of Interior's 10-Year Vision document derived from goals and objectives laid out in the Afghan National Security Strategy
- established and executed an effective capability to monitor, assess, and report on strategy and policy implementation
- used the High Board of Oversight to appoint senior officials to vacant positions

According to RS, MOI failed to achieve the following milestones by the deadlines: create an annual plan based on its 10-Year Vision (due December 2017); establish a force-management process (October 2017); and begin strategic leadership meetings that can monitor and direct progress towards the Ministry's strategic end state (October 2017).

Source: RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

USFOR-A reported that MOI development has seen some encouraging signs as a result of the appointment of now-Minister of Interior Wais Ahmad Barmak. The Afghan parliament confirmed his appointment on December 4. Within weeks of his arrival, USFOR-A said, Acting Minister Barmak ordered the development of a revised four-year MOI Strategic Plan (MISP). The MISP will provide the framework for meaningful reform and development. The plan will comprise an institutional reform element within the MOI and a phased geographical plan to reform the ANP. Institutional reforms are expected to place a high first-year priority on countering corruption and developing a merit-based assignment and promotion process. This is part of a new human-resource management policy intended to reform officer training and enhance the MOI's overall performance.[223]

The MISP will also play a key role in the "police normalization process" laid out in Afghan government's Four Year Roadmap for ANDSF development. While the MISP will initially focus on transitioning the police from a paramilitary organization to one that better provides rule of law in Kabul and Herat, it will later be expanded in the rest of the country.[224]

ANDSF Strength

USFOR-A classified most ANDSF strength data this quarter (including the ANA, AAF, and ANP), with the exception of the Afghan Local Police and female ANDSF personnel, a further restriction from the rounded assigned-strength figures provided last quarter. However, in its December 2017 *Enhancing Security and Stability in Afghanistan* report, DOD reported authorized strength figures for the ANA, AAF, and ANP, which SIGAR is also reporting here. Full details about ANDSF strength will be reported in the classified annex to this report. The questions SIGAR asked about ANA, AAF, and ANP strength can be found in Appendix E of this report.

The current goal strength for the ANDSF, or the authorized force level that donor nations have agreed to fund, is approximately 352,000, including roughly 195,000 ANA and 157,000 ANP. DOD's December report did not provide information about the actual, assigned strength of all the ANDSF force elements. DOD noted that the actual strength of the ANDSF will become clearer once the ANDSF has finished the process of establishing centralized personnel accountability and payment databases in 2018. For more information about the databases and unaccounted-for personnel, see pages 97–98.[225]

ANDSF Casualties

For the second consecutive quarter, USFOR-A classified ANDSF casualty data, which SIGAR had consistently reported since 2015. The questions SIGAR asked about ANDSF casualties can be found in Appendix E of this report. SIGAR will report on ANDSF casualties in the classified annex to this report.

AHRIMS and APPS

The MOD and MOI, with RS assistance, are implementing and streamlining several systems to accurately manage, pay, and track their personnel—an effort that DOD said could greatly improve protection for the U.S. funds that pay the personnel costs for the ANA and ANP that constitute much of the ANDSF's expenses.[226]

The Afghan Human Resource Information Management System (AHRIMS) contains data that includes the name, rank, education level, identification-card number, and current position of ANDSF personnel. AHRIMS also contains all the approved positions within the MOD and the MOI, along with information such as unit, location, and duty title. The Afghan Personnel Pay System (APPS) is under development; when implemented, it will integrate AHRIMS data with compensation and payroll data to process authorizations, record unit-level time and attendance data, and calculate payroll amounts.[227] The AHRIMS (and in future, APPS) data is also used to provide background information on ANDSF in determining promotions and assignments.[228] APPS reached initial operational capability in July 2017 and is expected to be fully operational by May 2018.[229]

CSTC-A is overseeing the transition from AHRIMS to APPS to ensure interoperability. The process of verifying AHRIMS data includes a personnel asset inventory (PAI) that physically accounts for ANA and ANP personnel so they can be issued biometrically linked identification cards. APPS will generate payroll information and bank-account information for accounted-for personnel. According to CSTC-A, this structure will reduce the potential for nonexistent personnel to be entered into APPS, although it will not completely eliminate the risk of paying "ghost" personnel. Routine checks will still be required to determine that personnel are properly accounted for and are still actively serving in the ANDSF.[230] The biometric cards will also, once implemented, be used to access all human-resources information for security force members, including identity, pay and APPS data, promotions, assignments, killed/wounded/absent-without-leave information, and other documents.[231]

As USFOR-A has reported previously, there are three ongoing efforts to ensure that accurate personnel data exist in AHRIMS to support the migration to APPS: (1) "slotting" or matching a person to an authorized position; (2) "data cleansing" or correcting and completing key personnel data; and (3) a Personnel Asset Inventory (PAI) to correct the employment status of personnel retired, separated, or killed in action.[232]

This quarter, USFOR-A reported delays in completing the final six-month PAI sweep of all six ANA corps; they expect the ANP PAI effort to continue for another 8–12 months. The delays are reported to be normal challenges of accessing remote and insecure areas and ANDSF members posted at isolated border checkpoints. Additionally, USFOR-A notes that MOI has no dedicated helicopters to support their PAI teams' transport through combat areas. USFOR-A reported that the MOD's PAI is nearly finished, with 90% of ANA slotted and 93% of the ANA PAI complete. The ANA is expected to be fully operational in APPS by May 30, 2018. MOI's PAI is at 70% slotted and the PAI is 80% complete; completion is currently expected around late September 2018.[233]

"Unaccounted-for" or "Ghost" Personnel

As a result of increased attention in late 2016 to the possible inclusion of many "ghost" or nonexistent personnel within the ANDSF rolls, U.S. officials confirmed that since January 1, 2017, salaries are paid only to MOD and MOI personnel correctly registered in AHRIMS.[234]

For the second consecutive quarter, USFOR-A did not provide estimated numbers of unaccounted-for MOD or MOI personnel. In July 2017, USFOR-A estimated that 10,000 MOD personnel remained unaccounted for in AHRIMS. For MOI, approximately 41,000 ANP and 13,000 ALP personnel remained unaccounted for; and there was no police zone-level accounting of these personnel. USFOR-A noted that unaccounted-for personnel either have yet to be validated biometrically or simply do not exist.[235]

However, USFOR-A reiterated that the PAI process matches individuals through biometric identification against the numbers of personnel claimed to exist according to monthly personnel reports provided by ANDSF units. USFOR-A has said the attention directed to "ghost soldiers" is largely unfounded because there are no indications of so-called "ghost soldier" challenges within the six ANA corps as the PAI process progresses. Once the ANA is fully operational in APPS (May 30, 2018), the issue of "ghost soldiers" will be resolved.[236] DOD echoed this assessment, explaining that most of the soldiers and police that were unaccounted for were performing duties and being paid, but were not properly enrolled in the AHRIMs system due to poor systems management, missing biometric data, or missing ID cards.[237]

The U.S. government continues to disburse funds only to those ANDSF personnel it is confident are properly accounted for. USFOR-A reported approximately $59.5 million in cost avoidance by not paying unaccounted-for and suspected ghost personnel from January through November 2017, up $14.9 million from last quarter. The command advised that this amount will continue to change as the MOD and MOI increase the validation of the remaining soldiers and police through the ongoing PAI process.[238] SIGAR cannot verify these cost-avoidance figures because it has not been provided with data on the number of ghost soldiers in the Afghan security forces.

Afghan Local Police

ALP members, known as "guardians," are usually local citizens selected by village elders or local leaders to protect their communities against insurgent

ALP guardians meet with Wais Ahmad Barmak, Afghan Minister of Interior Affairs, during a human-rights seminar in Kabul, Afghanistan. (U.S. Army photo by Sgt. Connor Mendez)

attack, guard facilities, and conduct local counterinsurgency missions.[239] While the ANP's personnel costs are paid via the LOTFA, only DOD funds the ALP, including both personnel and other costs. Funding for the ALP's personnel costs is provided directly to the Afghan government.[240] Although the ALP is overseen by the MOI, it is not counted toward the ANDSF's authorized end strength.[241]

As of November 30, 2017, the NATO Special Operations Component Command-Afghanistan (NSOCC-A) reported that according to the ALP Staff Directorate, the ALP has roughly 28,911 guardians on hand, 24,858 of whom are trained, 4,053 untrained, and 168 in training.[242] These figures indicate an increase of 1,288 ALP personnel overall, a 993-person increase in trained personnel, and an increase of 496 untrained personnel from the same period in 2016.[243] The MOI's FY 1396 (2017) Bilateral Financial Commitment Letter obligates the MOI to have no more than 5% of the on-hand ALP force untrained, but currently about 14% of the force is untrained, the same as last quarter.[244]

This quarter, NSOCC-A reported continuing efforts to enroll ALP personnel in AHRIMS to transition ALP salary payments to an electronic funds-transfer (EFT) process and to inventory materiel. These processes are expected to help track and train ALP personnel.[245] As mentioned, PAI teams are in the final stages of collecting AHRIMS enrollments from lower-enrolled ALP units. According to USFOR-A, as of December 31, 2017, the AHRIMS enrollment rate was 71% for ALP, a six-point decrease since last quarter.[246] Additionally, 86% of the ALP has been enrolled in EFT. NSOCC-A noted that ALP are just beginning to transition to APPS; they expect that it will be complete in May 2018.[247]

As with the ANA and ANP, CSTC-A will fund salaries only for ALP guardians who are actively slotted in AHRIMS. NSOCC-A reported an increase in their estimated U.S. funding for the ALP from $93 million annually in early 2017 to an estimated $96.6 million for FY 2018, assuming an ALP force authorization of 30,000 personnel.[248] NSOCC-A says that CSTC-A reviews validated personnel numbers every three months and provides updated funding based on validated AHRIMS personnel numbers.[249]

NSOCC-A reported several efforts are under way to assess ALP reform, including personnel and equipment reforms, addressing powerbrokers' sway over the ALP, and the establishment of ALP Zone shuras. ALP Zone shuras assessed the ALP reform process in September and October 2017. The resulting data is being compiled to create a 2018 action plan for implementation across all reform areas.[250] NSOCC-A said that monthly equipment inventories have been submitted by district with a 100% completion rate since October. This is a 17-point improvement from last quarter. The ALP now has two Coalition advisors specifically helping the force implement logistics reforms.[251]

Last quarter, the ALP's Coalition advisors submitted a report on the influence of powerbrokers in the ALP. The report found that 395 ALP personnel were under powerbroker influence in August 2017, meaning that they were performing duties for a powerbroker rather than those assigned by the ALP. While this was considerably lower than the 1,395 reported to be under powerbroker influence in early 2016, it was an increase from earlier in 2017. This quarter, NSOCC-A reported only 195 ALP guardians under powerbroker influence, a roughly 50% reduction since last quarter. The main powerbrokers influencing ALP personnel continue to be parliamentarians, provincial councils, provincial governors, and district and provincial chiefs of police.[252]

AFGHAN NATIONAL ARMY

As of December 31, 2017, the United States had obligated $44.1 billion and disbursed $43.5 billion of ASFF funds to build, train, equip, and sustain the ANA.[253]

ANA Strength

For the first time, USFOR-A classified all ANA strength data this quarter, unlike last quarter, when they provided rounded assigned strength figures. Information about assigned ANA strength will therefore appear only in the classified annex to this report. The questions SIGAR asked about ANA strength can be found in Appendix E of this report. Authorized-strength figures reported here are drawn from DOD's December 2017 *Enhancing Security and Stability in Afghanistan* report.

The current authorized force level for the MOD is 195,000 ANA soldiers and 5,502 MOD civilians.[254] DOD has reported the authorized strength by MOD echelons for FY 2017–2018. These echelons include MOD headquarters, the general staff, intermediate commands, combat commands, special operations forces, the AAF and SMW, TTHS (training, transient, holding, and students), unassigned resources, and MOD civilians. Of these echelons, the combat commands (119,814), intermediate commands (27,888), and TTHS (13,359) account for the majority of MOD personnel.[255] The assigned, or actual, strength of the ANA remains classified.

According to USFOR-A, possible ghost personnel are not subtracted from these strength figures because ghosts are estimated using the AHRIMS (personnel management) and APPS (payment) systems, both still undergoing improvements, while a different reporting system currently calculates manpower.[256] For more information on AHRIMS, APPS, and ghost personnel, please see pages 97–98.

ANA Attrition

USFOR-A classified ANA attrition data for the second consecutive quarter. SIGAR's questions about ANA attrition can be found in Appendix E of this report. SIGAR will report on ANA attrition in the classified annex to this report.

ANA Sustainment

As of December 31, 2017, the United States had obligated $21 billion and disbursed $20.4 billion of ASFF for ANA sustainment.[257]

CSTC-A reported the total amount expended for all payroll and nonpayroll sustainment requirements in Afghan FY 1396 (2017) was $509.5 million through November 25, 2017, an $85.8 million decrease compared to the same period in 2016.[258] While the majority of sustainment funding goes toward ANA salaries and incentive payments, the other largest uses of sustainment funding were for equipment and supplies—mainly vehicle fuel, ($37.4 million), clothing ($4.1 million), and energy-operating equipment ($3.8 million).[259]

ANA Salaries and Incentives

Of the total amount spent on ANA sustainment in Afghan FY 1396 through November 25, 2017, $226.3 million was spent on salaries and $279 million on incentive pay for ANA officers, noncommissioned officers and soldiers, civilians, and contractors.[260] Funding for ANA salaries increased by $34.9 million since this period in 2016, while incentive pay increased by about $10.3 million.[261]

CSTC-A reported that the funding required for ANA base salaries, bonuses, and incentives for the next three years (2018–2020) will average $667 million annually, a $56.8 million increase from last quarter's estimate

ANA equipment maintainers repair an engine at FOB Gamberi to support winter operations against the Taliban. (U.S. Army photo by Sgt. 1st Class Randall Pike)

of $610.2 million. DOD noted that the increase in cost was mainly due to the transfer of 40,000 ANP personnel to the ANA as part of the ANDSF Roadmap plan to move certain paramilitary police elements (Afghan Border Police and Afghan National Civil Order Police) from MOI to MOD authority (as well as a 5% pay increase).[262] DOD also said forecasted salary and incentives figures are for planning only and are not definitive indicators of future DOD support, which will depend on Afghan progress toward reconciliation, reducing corruption, security conditions, and other factors.[263]

ANA Equipment and Transportation

As seen in Figure 3.31, as of December 31, 2017, the United States had obligated and disbursed $13.2 billion of ASFF for ANA equipment and transportation.[264]

ANA Equipment Operational Readiness Falls Short of Benchmarks

This quarter USFOR-A classified some of the data concerning the ANA's equipment readiness. The questions SIGAR asked about ANA equipment readiness can be found in Appendix E of this report. SIGAR will report on ANA equipment readiness in its classified annex.

CSTC-A stated that the ANDSF readiness-reporting system is currently unable to accurately capture equipment-serviceability rates by unit. Therefore, equipment readiness is calculated by dividing the number of fully mission-capable vehicles on hand by the authorized number. In some cases, this causes calculated equipment-readiness rates to exceed 100%.[265] For example, ANASOC equipment readiness exceeds 100% due to the excess equipment created when one Mobile Strike Force Brigade was reorganized under ANASOC.[266] CSTC-A noted this quarter that under the current maintenance contracts, the goal readiness rate for all ANA equipment is at least 70%. Since ANASOC is the primary force element for the majority of ANDSF offensive operations, the ANASOC equipment readiness has established a higher benchmark.[267]

According to CSTC-A, the 215th Corps (southern Helmand Province), the 205th Corps (southern provinces of Daykundi, Kandahar, Uruzgan, and Zabul), and the 209th Corps (nine northern provinces, including Balkh and Kunduz) have been supporting ANASOC's major offensive operations. Of these three corps, only the 215th has shown a slight increase in equipment readiness; both the 205th and 209th have shown a slight decrease. Overall, CSTC-A reported that five of the six ANA corps did not meet the equipment readiness goal of 70%.[268]

According to CSTC-A, specific reasons for an ANA corps' failure to reach benchmarks for some of its equipment vary, but all suffer from similar conditions imposed by the combat environment. These conditions include battlefield damage and losses, poor maintenance management and reporting

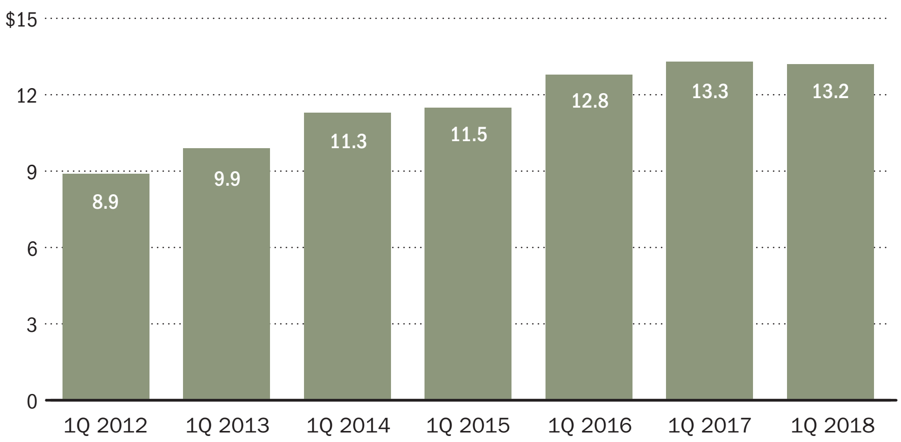
Afghanistan Compact: ASSF Expansion

As part of the wider ASSF expansion, the first of two Mobile Strike Force Brigades was transferred to ANASOC's Special Operations Brigade East in August 2017. The other is scheduled to transfer to Special Operations Brigade South in August 2018.

Source: RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

FIGURE 3.31

ANA EQUIPMENT AND TRANSPORTATION FUNDS OBLIGATED ($ BILLIONS)



Note: These figures are cumulative.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2016," 1/17/2017; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2014," 1/17/2015; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2013," 1/17/2014; DOD, response to SIGAR data call, 1/17/2013.

(including misuse of mechanics), lack of logistics leaders, underuse of contracted maintenance, failure to evacuate mission-critical equipment to repair facilities, and poor supply-chain management. Further, CSTC-A noted that these data are from the end of an operationally demanding summer campaign; equipment readiness is expected to improve throughout the winter campaign due to a seasonal decrease in fighting, increased maintenance, and an emphasis on winter "reset operations."[269]

According to CSTC-A, an aspect of winter reset operations consists of moving ANA and maintenance contractors and equipment to the corps supporting the annual operational plan to improve readiness rates before the 1397 campaign (beginning in spring 2018). Further, on December 29, 2017, the National Maintenance Strategy-Ground Vehicle Support contract became fully operational for all ANA corps and ANP zones. Under the new contract, the contractor is responsible for providing training and mobile maintenance teams, and shifting the workload to the ANA and ANP over time to help both forces build a more sustainable maintenance capability.[270]

Core Information Management System

The Core Information Management System (CoreIMS) is part of the effort to address capability gaps in the Afghan logistical supply chain to ensure that the ANDSF are properly equipped. Since 2012, efforts have been under

Afghan Minister of Defense Tariq Shah Bahrami examines an ANA uniform during a visit to the Central Supply Depot in Kabul. (RS photo by Sgt. First Class E.L. Craig)

way to develop and implement an automated system within both MOD and MOI to replace a paper-based process to better monitor Afghan- and U.S.-purchased ANDSF equipment and supplies.[271]

As of March 1, 2017, the web-based CoreIMS became available and fully functional at MOD and MOI national logistic locations, forward supply depots, and regional supply logistic centers.[272] According to CSTC-A, the challenge with any inventory-management system like CoreIMS is that once materiel leaves regional warehouses, inventory-management systems lose visibility because equipment is considered to be "issued." CoreIMS, therefore, does not track lost, stolen, or destroyed equipment because it is not designed to do so. Nonetheless, to close the accountability gap between regional warehouses and corps-level supply depots, this quarter CSTC-A said the CorePropertyManagement (CorePBM) system will begin to be implemented in April 2018. CorePBM will provide visibility of accountable items issued from corps' depots and brigade maintenance nodes.[273] CSTC-A continues to provide advanced CoreIMS training for Afghan logistic specialists to train, mentor, and assist other ANA and ANP personnel in logistics operations and CoreIMS functionality.[274]

This quarter, CSTC-A reported as of December 2017 that 187 Afghan logistic specialists are available to the ANDSF, and a substantial number have been actively logged into CoreIMS (123 operators have logged in over past 30 days). Training is ongoing with 24 classes held this quarter. Specifically, each logistics specialist is a college-educated Afghan responsible for training the ANDSF in CoreIMS. Afghan logistics specialists are therefore a key element in CSTC-A's efforts to enable automated inventory management at the corps and zone level. Further, CSTC-A reported that a new contract began in November to provide a total of 274 college-educated Afghan logistics specialists, which is an increase from the 144 previously contracted.[275] CSTC-A also noted that this increase in logistics specialists will coincide with initiating CorePBM as noted above. Both the implementation of CorePBM and the integration of additional logistics specialists is expected to conclude no later than March 2019.[276]

ANA Infrastructure

The United States had obligated and disbursed $5.9 billion of ASFF for ANA infrastructure projects as of December 31, 2017.[277] As of December 31, CSTC-A reported that facilities sustainment costs for FY 2017, covering all ANA facility and generator requirements, were roughly $58.3 million; $50.8 million was U.S.-funded through ASFF and $7.5 million through the NATO ANA Trust Fund.[278]

According to CSTC-A, as of December 5, 2017, the United States has completed 436 ANA infrastructure projects in Afghanistan valued at $5.4 billion, an increase of 19 projects completed since last quarter, with another 31 ongoing projects valued at $115.4 million.[279] The largest ongoing ANA infrastructure projects include two Northern Electrical Interconnect (NEI) substation projects, one in Balkh Province ($27.7 million) slated for completion in October 2019, and one in Kunduz ($9.5 million), due to be completed in February 2019. Additionally, an ongoing infrastructure and security improvement project at MOD Headquarters in Kabul (slated for completion in February 2019) has more than doubled in cost to $13.6 million, of which $5.8 million was awarded by the United States.[280]

Nine ANA infrastructure contracts with a total value of $12.5 million were awarded this quarter. The largest of these include: the initial operating capacity infrastructure (utilities, barracks, dining facility, and other essential infrastructure) for Camp Commando in Kabul ($6.5 million) as well as for the tactical operations center at Camp Pratt in Mazar-e Sharif ($800,000), and classrooms for the Mobility School of Excellence (for training engineers) in Kabul ($72,960).[281]

The remaining 15 projects, valued at around $135.3 million, comprise other ANA infrastructure and sustainment projects supporting the new MOD headquarters, the Women's Participation Program (WPP), and other security facilities.[282]

This quarter, CSTC-A reported three ongoing, four planned, and no completed projects to develop facilities for women in the ANA as part of the WPP. The ongoing projects include: WPP construction at the AAF base at Kabul International Airport (barracks, daycare, dining facility, $1.5 million), WPP construction at the Marshall Fahim National Defense University (conference center, gym, daycare, $5.3 million), and an MOD daycare expansion

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

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

($984,873). Planned projects include: a dorm at Pohantoon-e Hawayee (the AAF's training school in Kabul, $1.7 million), construction at Camp Zafar in Herat (daycare and kitchen, $1 million), daycare and kitchen construction at the Kabul Military Training Center ($1.1 million), and equipment and building upgrades for the Female Tactical Platoon ($805,200).[283]

Afghanistan Compact: Unified Training Command

RS is tracking the Afghan government's efforts to establish a Unified Training Command (UTC) to streamline training efforts across the ANDSF. There are several milestones for the MOD's creation of a UTC and implementation of a Unified Training System (UTS). This quarter, RS reported that MOD accomplished the following:

- creation of a detailed, provisional Tashkil for the UTC HQ that was approved by CSTC-A
- developed and implemented UTC curriculum for training and education at existing UTS elements

Source: RS, response to SIGAR data call, 10/15/2017 and 12/13/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018; OSD-P, response to SIGAR vetting, 1/15/2018.

ANA and MOD Training and Operations

As of December 31, 2017, the United States had obligated and disbursed $4 billion of ASFF for ANA, AAF, and MOD training and operations.[284]

According to CSTC-A, ASFF training funds are used to send ANA and AAF students to vocational training and professional military education opportunities abroad, including aviation training, special forces training, basic officer-leadership courses, captain's career courses, war-college programs, seminars, and conferences. The funds are also used to contract advisors and mentors for the ANDSF to advise, train, and mentor them in undertaking essential functions.[285]

As of December 2, 2017, CSTC-A reported 26 ongoing U.S.-funded training programs for the ANA and AAF. Most ongoing contracts span 6–12 months and include an $81.2 million ANA advisors and mentors program, a $48.1 million contractor logistics support maintenance training program for the UH-60 AAF fleet, and a $43.5 million project to train ASSF.[286]

Afghan Air Force

For the first time, USFOR-A classified AAF authorized and assigned strength figures. The questions SIGAR asked on strength figures can be found in Appendix E of this report. SIGAR will report on AAF authorized strength figures in its classified annex.

Authorized-strength figures for the AAF and SMW were published in DOD's *Enhancing Security and Stability in Afghanistan* report. As of December 2017, the authorized strength of the AAF and the SMW is 8,626 personnel, not including civilians.[287] Last quarter, USFOR-A reported that the assigned strength of the AAF was roughly 8,000 personnel, as of August 28, 2017. In addition, the AAF has approximately 250 civilian personnel.[288]

As of November 30, 2017, the United States has appropriated approximately $5.1 billion to support and develop the AAF from FY 2010–FY 2017, with roughly $1.4 billion appropriated in FY 2017. Additionally, DOD requested approximately $1.6 billion for FY 2018, a large portion of which is earmarked for AAF sustainment costs. According to DOD's FY 2018 budget justification document, included in the $1.6 billion is $709.8 million for the second year of the Afghan Air Force Modernization (AAFM) plan to continue the transition from Russian-manufactured helicopters to U.S.-manufactured UH-60 helicopters.[289]

AAF pilots wear Black Hawk pendants marking their completion of UH-60 helicopter training at Kandahar Airfield, Afghanistan. (USAF photo by Sgt. Veronica Pierce)

Also as of November 30, nearly $4.6 billion has been obligated for the AAF from FYs 2010–2017, with roughly $1.3 billion of those funds obligated in FY 2017 alone. The majority of the funding obligated since FY 2010 continues to be for sustainment items, which account for 44.1% of obligated funds, followed by equipment and aircraft at 39.1%.[290]

The AAF's current inventory of aircraft includes:[291]

- 4 Mi-35 helicopters (two unavailable)
- 46 Mi-17 helicopters (22 unavailable)
- 25 MD-530 helicopters (one unavailable)
- 24 C-208 utility airplanes (one unavailable)
- 4 C-130 transport airplanes (two unavailable)
- 20 A-29 light attack airplanes (one unavailable)
- 4 UH-60 utility helicopters

The Mi-17 and Mi-35 helicopters are Russian-made, with the United States procuring 33 of the Mi-17s from Russia with ASFF funds (the others the Afghans had before 2001) but providing no funding or other support for Mi-35s. The A-29 planes are Brazilian-designed and manufactured in the United States. The rest of the AAF inventory is composed of U.S.-made aircraft.[292]

As of December 3, 2017, six of the 22 unavailable Mi-17s are in overhaul, four are in heavy repair, four are awaiting extraction and assessment, and eight have expired, meaning they will be reused once they are overhauled. One unavailable MD-530 and one unavailable C-208 are damaged due to

Afghanistan Compact: AAF Modernization Program

The AAF's effort to expand and increase its capabilities includes several milestones in the Compact. This quarter, RS reported that the AAF developed a comprehensive plan in preparation for AAF growth, to include personnel, organization, equipment, maintenance and sustainment, facilities, and leadership and training; received four UH-60s for initial training; and began creating its own specific recruiting policy and the ability to recruit independently.

Source: RS, response to SIGAR data call, 10/15/2017 and 12/13/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018; RS, response to SIGAR vetting, 1/16/2018.

hard landings. In addition to the one unavailable C-208, USFOR-A noted that the six C-208s belonging to the Shindand Air Wing are overdue for periodic maintenance, and while grounding them remains an AAF headquarters decision, USFOR-A has suggested that they do so. Two unavailable C-130s are going through routine depot-level maintenance.[293] Of the 20 A-29 aircraft, 12 are currently in Afghanistan and seven are at Moody Air Force Base in the United States supporting AAF pilot training, weapons operational testing, and cockpit upgrades. Another six have been procured as part of the AAFM. An additional A-29 was destroyed in the U.S. during training operations in March 2017. When the A-29 training program at Moody concludes, the remaining U.S.-based A-29s will be moved to Afghanistan.[294]

As part of AAFM, the AAF has received its first four UH-60s and Afghan pilots have begun qualifying to fly them. Additionally, the AAF is scheduled to receive 24 UH-60s in calendar year 2018, with deliveries of two per month. The AAF is also scheduled to receive 10 additional MD-530 helicopters beginning in July 2018, with deliveries of five aircraft per quarter beginning the third quarter of calendar year 2018.[295]

Over the next several years, the AAF inventory will grow with significant numbers of new or refurbished airframes. USFOR-A provided a snapshot of the expected end state of the AAF's aircraft inventory by the end of FY 2023, which will include: 81 UH-60s, 38 Fixed Forward Firing UH-60s, 55 MD-530s, 24 C-208s, four C-130s, 25 A-29s, and 32 AC-208s.[296]

AAF Operational Readiness

AAF operational readiness over the reporting period remained approximately the same as last quarter with two of five airframes (C-208 and A-29) falling short of operational readiness goals and two of five airframes significantly exceeding their recommended flight hours (C-130 and Mi-17).[297]

This quarter, USFOR-A indicated that AAF operational reporting had reverted to the pre-June 2017 standard. The number of sorties (defined as one takeoff and one landing) is again being used for reporting, rather than the number of "missions" (a single operation, which may include multiple sorties) as reported last quarter. According to updated data for last quarter provided by USFOR-A, the AAF flew 8,344 sorties from May 1 through July 31, 2017, at an average of 2,781 sorties per month, with the most sorties (3,347) flown in July 2017. The Mi-17 flew the most sorties (4,471) followed by the C-208 (1,921).[298]

This quarter, USFOR-A reported that the AAF flew 9,308 sorties from August 1 through October 31, 2017, at an average of 3,102 per month, with the most sorties (3,364) flown in August 2017. As in previous quarters, the Mi-17 flew the greatest number of sorties (4,892) followed by the C-208 (1,976).[299] The Mi-17 continued to fly the most hours of any airframe, an average of 858 hours per month this reporting period, followed by the MD-530 at 814 average hours. This was a decrease compared to the Mi-17's

986-hour per month average last quarter, but an increase in the MD-530's 767-hour per month average reported last quarter.[300]

In aggregate, AAF airframes flew roughly the same number of hours per month this quarter (2,845) as last quarter (2,835 hours per month).[301] USFOR-A confirmed that the flight hours they provide include all hours flown by the airframes, whether those are operational hours, or maintenance, training, and navigation hours.[302]

Personnel Capability

USFOR-A provided the following information on how many fully mission-qualified, or certified mission-ready (CMR) crew members the AAF has for each of its airframes. For more information about the specific training involved for crew members attaining CMR status, please see SIGAR's April 2017 *Quarterly Report to the United States Congress*.[303] According to USFOR-A, this quarter:[304]

- **C-130:** 12 total pilots, including four aircraft commanders, two instructor pilots, two evaluator pilots, four copilots who are CMR; 19 total aircrew, including eight flight engineers (up three from last quarter), and 11 loadmasters (up two from last quarter) who are CMR.
- **C-208:** 41 total pilots, including 10 aircraft commanders, 11 instructor pilots, and 16 co-pilots who are CMR (plus three unqualified pilots); three aircrew loadmasters who are CMR (up eight pilots and three aircrew since last quarter).
- **A-29:** 14 total pilots, including eight aircraft commanders, two instructor pilots, and four wingmen who are CMR (up two from last quarter).
- **MD-530:** 55 total pilots, including 20 aircraft commanders, 27 copilots, and eight instructor pilots who are CMR (down four from last quarter).
- **Mi-17:** 82 total pilots, including 32 aircraft commanders, 11 instructor pilots, 39 copilots who are CMR; 104 total aircrew, including 27 flight engineers and 77 gunners who are CMR (up 24 gunners since last quarter).
- **Mi-35:** 10 pilots (not clear if they are CMR, same as last quarter).

The Special Mission Wing

The Special Mission Wing is the aviation branch of the MOD's Afghan Special Security Forces (ASSF) that provides aviation support to Afghanistan's counternarcotics, counterterrorism, and special operations forces. According to DOD, the SMW is the only ANDSF force with night-vision, rotary-wing air assault, and fixed-wing intelligence, surveillance and reconnaissance capabilities. The SMW's four squadrons include two in Kabul, one at Kandahar Airfield, and one at Mazar-e Sharif Airfield, and provide the ASSF with operational reach across Afghanistan. Recruiting standards are also higher for the SMW than they are for the AAF or other ANDSF elements.[305]

The latest strength figures for the SMW are from June 2017, when the SMW had 788 personnel. This put the SMW at 87% of its authorized strength, slightly lower than Afghanistan's other force elements. DOD notes that because the SMW's recruiting standards are higher than those of the AAF and other ANDSF elements, the SMW struggles to find qualified personnel for pilot and maintenance positions.[306]

For the first time, this quarter NSOCC-A provided key SMW data in an unclassified format. These include: the number and type of airframes in the SMW inventory, the number of pilots and aircrew for these airframes, and a percent-breakdown of counternarcotics and counterterrorism missions flown.

The SMW has a total of 33 Mi-17s on hand (nine Mi-17 version 1 and 24 version 5 variants) as well as a total of 18 PC-12 aircraft.[307] According to NSOCC-A, the main difference between the Mi-17 version 1 and 5 variants is that version 1 mounts one door gun, versus two for version 5. The version 5 airframe is the newer of the two; none were built before 2013. Part of the AAFM, the SMW's Mi-17s will be replaced with a mix of UH-60s and a small quantity of U.S.-made, heavier lift rotary wing aircraft to meet the SMW's requirement for more lift capability than the UH-60s provide. A possible platform identified by DOD in 2015 could be the U.S. Army's excess CH-47s.[308]

The SMW has 58 Mi-17 pilots (including nine instructor pilots), 32 flight engineers (including 23 instructor crew), and 14 crew chiefs who are CMR. The SMW also has 33 PC-12 pilots (including nine instructor pilots) and 16 mission system operators (including 10 instructor mission system operators) who are CMR. NSOCC-A also reported that the SMW flew 316 sorties during the reporting period, with 8% of these sorties for counternarcotics operations and 92% for counterterrorism operations.[309]

The two main funding sources for the SMW are the ASFF and the DOD Counternarcotics (DOD-CN) fund.[310] According to NSOCC-A, from FY 2012 to November 29, 2017, approximately $2.3 billion has been obligated for the SMW from both funds, roughly $146 million more than last quarter. NSOCC-A notes that the additional funds are due to a new Mi-17 maintenance contract. NSOCC-A also reported that it requested $305.5 million for the SMW for FY 2018, nearly $100 million more than the funds obligated for FY 2017. The vast majority of the funding obligated since FY 2012 has been designated for equipment and aircraft (43.2%) and sustainment items (46.2%) with the rest going toward training and infrastructure costs.[311]

This quarter, NSOCC-A reported that the SMW continues to provide special forces aviation support to intelligence-driven counterterror and counternarcotics missions. NSOCC-A reported that at the end of the annual fighting season, SMW will begin a squadron rotation to better maintain operational readiness, as is the practice in the ANA. This enables the squadrons to rotate annually from Kabul to Mazar-e Sharif and Kandahar. It also allows squadrons to rest, increase regional familiarization, and increase qualifications during winter when operational requirements are at their annual low. The annual rotation and reset cycle also prepares the squadrons for the 2018 fighting season.[312]

In recent months, SMW has focused on developing new capabilities. SMW has begun training ground elements on rapid insertion and exfiltration techniques, as well as finalizing the use of encrypted air-to-ground communications. Both capabilities should be available for employment by the beginning of the 2018 fighting season.[313]

SIGAR will report additional details about SMW capabilities in the classified annex to this report.

Special Mission Wing members graduate from an eight-week training course in late November. (NATO photo by LaShawn Sykes)

AFGHAN NATIONAL POLICE

As of December 31, 2017, the United States had obligated $21 billion and disbursed $20.7 billion of ASFF funds to build, train, equip, and sustain the ANP.[314]

ANP Strength

For the first time, USFOR-A classified all ANP strength data this quarter, unlike last quarter when they provided rounded assigned-strength data. Information about ANP strength will be reported in the classified annex to this report. SIGAR's questions about ANP strength can be found in Appendix E of this report. Authorized-strength figures reported here are drawn from DOD's December 2017 *Enhancing Security and Stability in Afghanistan* report.

The current goal strength for the MOI is approximately 157,000. The MOI echelons include MOI headquarters and institutional support, the Afghan Border Police (23,219), the Afghan National Civil Order Police (17,030), General Command of Police Special Units (1,715), Afghan Uniformed Police (101,135), and TTHS (13,901).[315] The assigned, or actual, strength of the ANP remains classified.

ANP Attrition

USFOR-A classified ANP attrition data for the second consecutive quarter. SIGAR's questions about ANP attrition can be found in Appendix E of this report. SIGAR will report on ANP attrition in the classified annex to this report.

ANP Sustainment

As of December 31, 2017, the United States had obligated $8.8 billion and disbursed $8.7 billion of ASFF for ANP sustainment.[316]

According to CSTC-A, the United States spent $74.2 million on ANP payroll and $9.7 million of on incentive pay from January 1, 2017, through

Afghanistan Compact: Police Reorganization

Using the Compact, RS is tracking the reorganization of the ANP to fulfill its civil policing role. RS reported that the following Compact milestones were accomplished this quarter: in November, a civil outreach plan signed and established; a new MOI training curriculum was created; and, retraining MOI personnel began.

Source: RS, response to SIGAR data call, 10/15/2017 and 12/13/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

November 30, 2017. The payroll funds included $20.8 million, contributed by the United States on-budget (through ASFF) to LOTFA to pay for ANP salaries.[317]

In addition to LOTFA, CSTC-A has provided $78.1 million of ASFF funds for ALP salaries and incentives since the beginning of FY 1396. Last quarter, CSTC-A estimated ALP salary and incentive costs at $73.8 million per year for the next two years, including the U.S. contribution to LOTFA.[318]

CSTC-A reported that aside from payroll expenses, the majority of ASFF ANP sustainment funding for FY 1396, the greatest expenditures for the funds have been for fuel ($12.2 million) and electricity ($8.7 million).[319]

ANP Equipment and Transportation

As seen in Figure 3.32, as of December 31, 2017, the United States had obligated and disbursed $4.7 billion of ASFF for ANP equipment and transportation.[320]

CSTC-A reported the major items of equipment provided to the ANP from September 1 through November 30, 2017. During that period, the ANP received 75 M9 pistols, costing $55,200.[321]

Equipment Operational Readiness

This quarter USFOR-A classified most of the data on the operational readiness of ANP equipment. The questions SIGAR asked about ANP equipment readiness can be found in Appendix E of this report. SIGAR will report on equipment readiness of each ANP zone in its classified annex.

CSTC-A reported this quarter that the new contractor the National Maintenance Strategy Ground Vehicle Support contact is responsible for providing maintenance and supply-chain-management training for the ANP while also conducting 95% of its vehicle maintenance for the next year. In years two through five, the contractor-led training will continue and the workload for the ANP will gradually shift over time to begin building the ANP's organic maintenance capability. During the contract's final year, the ANP is expected to assume 85% of its vehicle-maintenance workload.[322]

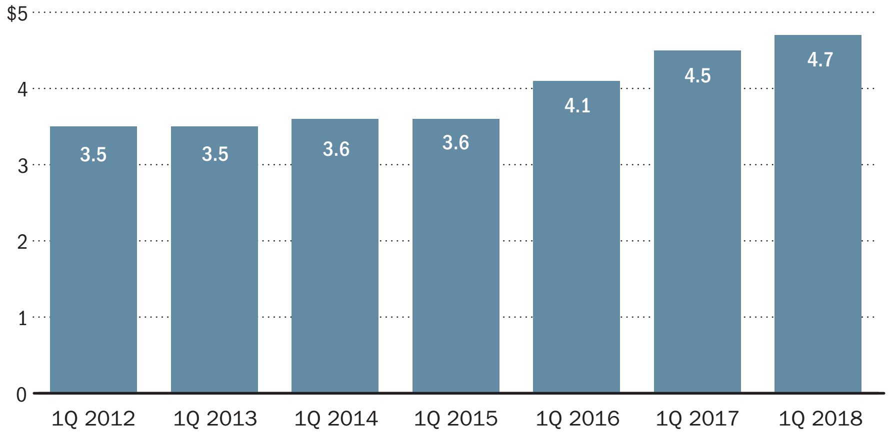
ANP Infrastructure

As of December 31, 2017, the United States had obligated $3.2 billion and disbursed $3.1 billion of ASFF for ANP infrastructure.[323]

According to CSTC-A, as of November 30, 2017, the United States had completed a total of 752 ANP infrastructure projects in Afghanistan valued at $3.6 billion. This quarter, CSTC-A reported 26 ongoing projects valued at roughly $76 million. Five infrastructure projects in the planning phase will cost roughly $108.4 million; the majority are Women's Participation Program (WPP) projects. One project was completed this quarter—a women's barracks and daycare center (costing roughly $870,000) at the Afghan Border Police headquarters in Gardez, Paktiya Province.[324]

FIGURE 3.32

ANP EQUIPMENT AND TRANSPORTATION FUNDS OBLIGATED ($ BILLIONS)



Note: These figures are cumulative.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2016," 1/17/2017; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2014," 1/17/2015; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2013," 1/17/2014; DOD, response to SIGAR data call, 1/17/2013.

The largest ongoing ANP infrastructure project this quarter continues to be the installation of an information-technology server at the MOI Headquarters Network Operations Center in Kabul. This $43.5 million project is expected to be completed in January 2018. The next-largest projects are two WPP projects: compounds for women at the Kabul Police Academy to be completed by June 2019 ($7.1 million, up roughly $360,000 since last quarter) and a women's training facility at the Police Central Training Command in Kabul, which is to be completed by March 2019 ($3.9 million).[325]

CSTC-A reported that several other WPP projects are under way, the largest of which are training facilities and daycare centers for ANP regional training centers at Paktiya Province ($3.8 million) and Herat Province ($3.5 million), to be completed in March 2019 and September 2018 respectively.[326]

Three small ANP infrastructure contracts with a total value of $843,400 were awarded this quarter. These include the renovation of three police special units, one in Logar Province ($128,110), and two in Kabul Province ($94,000 and $56,360).[327] CSTC-A reported, as of December 31, that the U.S. government spent roughly $57.4 million of ASFF funds on ANP sustainment costs for FY 2017. Part of this amount is $8.1 million to accommodate the growth of the Afghan special forces.[328]

CSTC-A provided an update on its infrastructure-related training and advisory role with MOI's Facilities Department (FD) engineers. This quarter, CSTC-A reported that its eight advisors meet daily with the MOI FD to train and advise on all aspects of facility engineering and program management including budget planning, contract reviews, project planning, and project development.[329]

CSTC-A has contracted Afghan subject-matter experts (SMEs) with technical skills matched to requirements, to assist MOI FD in meeting daily operation requirements, train MOI facility engineers, and complete other technical tasks. As of November 30, 2017, there were 50 SME engineers working at MOI FD, an increase of 31 since last quarter. CSTC-A reported 20 SMEs working at MOI FD headquarters in Kabul and 30 SMEs working in provinces. A total of 72 SME positions are allotted for MOI FD. CSTC-A continues to evaluate, interview, and hire the remaining SMEs.[330]

ANP Training and Operations

As of December 31, 2017, the United States had obligated $4.3 billion and disbursed $4.2 billion of ASFF for ANP and MOI training and operations.[331]

This quarter, SIGAR requested additional information about DOD's police-training capability for the ANP. According to USFOR-A, elements of the U.S. Army and Marine Corps, DOD civilians, and contractors assigned to Train, Advise, and Assist Command-East (TAAC-E), TAAC-South, and Task Forces Southeast and Southwest advise the Afghan Uniform Police (AUP), the largest civil policing element within the ANP. There are also U.S. Army, Marine Corps, Navy, and Air Force personnel (military and civilians) assigned in various other positions, including at RS headquarters and elsewhere, who have a direct advisory role with the AUP.[332]

However, USFOR-A characterized the current police-training effort as "minimal" for the AUP "as the Resolute Support Mission does not provide the type of tactical, hands-on training that was the case under ISAF," the International Security Assistance Force, the precursor of RS. USFOR-A noted that U.S. Special Operations Forces do provide direct training for the ALP and General Command of Police Special Units (GCPSU). The majority of the DOD personnel assigned to RS—including those with advising responsibilities for the AUP—are working with Afghan leadership to develop self-sustaining processes that will enable the ANP to conduct their own police training."[333]

CSTC-A uses U.S.-provided ASFF funds for professional military education, travel, living allowances, and medical expenses for the MOI, ANP, and GCPSU personnel to attend law-enforcement and military training in the United States. The goal of the U.S.-based military training is to increase technical skills and to enhance knowledge and leadership at all levels. CSTC-A says that the program allows the U.S. military to have a lasting influence on ANP development.[334]

Additionally, CSTC-A uses ASFF funding to recruit and hire Afghan logistics specialists who train, advise, and assist the ANP in a wide array of ANDSF logistic skills, including English translation, computer skills, equipment accountability and tracking, inventory management and warehousing, modern business skills, and other logistic functions. ASFF is also used to contract advisors and mentors who advise, train, and mentor the ANP to increase their overall capabilities in essential functions such as finance, internal controls, governance, force generation, training and sustainment of the force, logistics, sustainment, planning, executing security operations, and intelligence.[335]

The MOI's largest ongoing ASFF-funded training contracts include a $64 million contract for MOI advisors and mentors, a $13.9 million contract to train MOI special forces, and a $4.8 million contract to train Afghan logistics specialists for the ALP.[336]

USFOR-A classified the percentage of trained and untrained ANP personnel this quarter. Last quarter, roughly 5,000 ANP personnel were untrained, about 4% of the force, as of August 31, 2017. Therefore, the ANP maintained better training readiness than the 5% untrained-personnel threshold mandated by the MOI's FY 1395 Bilateral Financial Commitment Letter.[337]

WOMEN IN THE ANDSF

According to the RS Gender Advisor Office, as of December 1, 2017, there were 4,632 women serving in the ANDSF, an increase of 443 personnel over the last six months.[338] Of the total female personnel in the ANDSF, 3,193 were in the ANP, 1,185 were in the ANA, 139 were in the ASSF, and 115 were in the AAF. Of the women in the ANP, ANA, ASSF, and AAF, there were 1,502 officers, 1,659 noncommissioned officers, 1,303 enlisted personnel, and 168 cadets. The largest increase in female personnel occurred within the ANP, which added more than 300 personnel since May 2017.[339]

Afghanistan Compact:
Women in the ANDSF

As of December 2017, RS reported that MOI missed its required October 2017 deadline to strengthen its policy for dealing with sexual harassment and bullying of female personnel, to include penalties for violations as stipulated in the Compact.

Source: RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.

This quarter, there was renewed focus on sexual harassment and abuse of female members of the security forces when a graphic video was posted to Facebook purportedly showing an AAF colonel having intercourse with a young, unidentifiable woman who covertly recorded the encounter and gave the footage to a colleague. According to the *Guardian*, several of the colonel's co-workers confirmed that he had pressured the woman for sex after she had requested a promotion, with one pilot alleging that the colonel "has done this many times" with other women.[340] The ANDSF women SIGAR interviewed for its fact-finding mission on the status of women in Afghanistan in October 2016 also reported sexual harassment, rape, and the abuse of female colleagues by male superiors. After public outrage over the Facebook incident, the MOD has said it has launched an investigation.[341]

This is a rare example of a woman in the Afghan defense and police forces shedding light on the sexual harassment and abuse faced in the

A female Ktah Khas national counterterrorism soldier trains alongside male colleagues on a firing range outside of Kabul. (USAF photo by Staff Sgt. Douglas Ellis)

workplace. Though harassment and abuse are pervasive, women frequently quit their jobs rather than speak out or identify their abusers. This is mainly out of fear that the abuser could kill the woman or even that one of her own family members could carry out an honor killing against her due to the harsh stigmas attached to rape.[342]

Both the ANDSF and its Coalition advisors are working to address sexual harassment and abuse issues within the security forces. The RS Gender Advisor Office told SIGAR this quarter that efforts are under way to make the ANDSF a safer place for women to work, including the construction of secure facilities for female personnel and continued training and advising on the finalization of the MOI's Sexual Harassment and Assault Policy. RS reported that they expect the MOI will implement its policy soon, but the MOD has just begun the process for developing its own policy.[343]

The FY 2018 NDAA stipulates that a goal of $41 million (but no less than $10 million) be spent for "the recruitment, integration, retention, training, and treatment of women in the ANDSF; and the recruitment, training, and contracting of female security personnel for future elections." This is a $16 million increase in the goal funding from the FY 2017 NDAA.[344]

The money can also be used for other projects that benefit women in the ANDSF: programs and activities of the MOD's Directorate of Human Rights and Gender Integration and the MOI's Office of Human Rights, Gender and Child Rights; development and dissemination of gender and human rights educational and training materials and programs within the MOD and MOI; efforts to address harassment and violence against women within the ANDSF; improvements to infrastructure that address the requirements of women serving in the ANDSF, including appropriate equipment for female security and police forces, and transportation for policewomen to their station; support for ANP Family Response Units; and security provisions for high-profile female ANA and ANP officers.[345]

ANDSF MEDICAL AND HEALTH CARE

For the first time, USFOR-A classified the exact figures for assigned strength of medical personnel in the ANDSF this quarter, unlike last quarter, when they provided rounded assigned strength figures. SIGAR's questions about ANDSF medical personnel can be found in Appendix E of this report. SIGAR will report on the exact assigned strength of medical personnel in its classified annex.

Last quarter there were approximately 1,000 physicians and 3,000 other staff within the ANDSF healthcare system, as of August 21, 2017. Many positions reportedly remained vacant, including about 250 physician positions and nearly 450 other medical positions, according to CSTC-A.[346]

This quarter, CSTC-A reported that it procured and fielded $910,000 in repair parts and tools for the ANDSF.[347]

The ANDSF Medical Command (MEDCOM) and the Office of the Surgeon General (OTSG) reported training over 7,000 ANA and 3,500 ANP recruits in the course of FY 1396. According to CSTC-A, approximately 300 ANA combat medics are trained annually, along with 375 ANP medics.[348]

This quarter, ANA MEDCOM and the Afghan Armed Forces Academy of Medical Sciences (AAFAMS) developed a memorandum of agreement with Craig Joint Theater Hospital (CJTH) at Bagram Airfield, enabling ANDSF medical professionals to obtain on-site training at CJTH. Coalition advisors began training ANDSF personnel on the Combat Casualty and Disease Non-Battle Injury Committee, which was chartered last quarter to enhance ANDSF medical decision making.[349]

As anticipated last quarter, the Afghan National Police Hospital (ANPH) renovation project experienced work delays. However, according to CSTC-A, President Ghani directed that the hospital be fully open on January 21, 2018.[350]

This quarter, ANA received 120,000 additional influenza vaccines to vaccinate much of the remaining unvaccinated ANDSF personnel.[351] Coalition advisors advised and assisted the ANDSF-wide vaccination program, which vaccinated 170,000 ANA and 110,000 ANP personnel.[352]

REMOVING UNEXPLODED ORDNANCE

According to the United Nations (UN), Afghanistan is one of the countries most affected by landmines and "explosive remnants of war" (ERW).[353] The Department of State's (State) Bureau of Political-Military Affairs'

Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan. Since FY 2002, State has provided $361.7 million in weapons-destruction and humanitarian mine-action assistance to Afghanistan. PM/WRA has two-year funding and has obligated approximately $1.6 million in FY 2017 funds, representing no change from last quarter, and will obligate remaining funds upon availability. PM/WRA obligated a small portion of the FY 2017 funding because State's Bureau of South Central Asia has not finalized its congressionally-mandated spend plan and transmitted it to Congress. PM/WRA has not requested the release of FY 2018 funding under the Continuing Resolution.[354]

State directly funds six Afghan nongovernmental organizations (NGOs), four international NGOs, and one U.S.-based higher-education institution. These funds enable clearing areas contaminated by ERW and support clearing conventional weapons used by insurgents to construct roadside bombs and other improvised-explosive devices. As of September 30, 2017, State-funded implementing partners have cleared more than 236.7 million square meters of land (approximately 91.4 square miles) and removed or destroyed approximately 7.9 million landmines and other ERW such as unexploded ordnance (UXO), abandoned ordnance (AO), stockpiled munitions, and homemade explosives since 2002 (see Table 3.5).[355]

The estimated total area of contaminated land continues to fluctuate as clearance activities reduce hazardous areas, while ongoing survey activities find new contaminated land. At the beginning of this quarter, there were 583.6 square kilometers (225.3 square miles) of contaminated minefields and battlefields. By the end of the quarter, the total known contaminated area was 547 square kilometers (211.2 square miles) in 3,933 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines, whereas a contaminated area can include both landmines and other ERW.[356]

USAID, in partnership with the UN Mine Action Service, provides services for victims and survivors of mines and ERW, as well as for civilians affected by conflict and persons with disabilities, through the Afghan Civilian Assistance Program (ACAP) III. The goal of this project is to mitigate the short-term and long-term impact of conflict on civilians.[357]

ACAP III is a nationwide program with a budget of $19.6 million—the amount was lowered in 2017 from $30.2 million—and projects are expected to continue through February 2018.[358] ACAP III works to enhance the government's capacity to better deliver services to the families of martyrs and disabled persons in Afghanistan. Some of the victims of conflict to whom ACAP III provides assistance are disabled.

After the deadliest militant attack in Kabul since 2001, ACAP III responded swiftly by distributing relief packages to 516 families, supporting nearly 4,000 civilians. The program assisted 1,110 people with psychosocial counseling and 184 victims with physical therapy support. ACAP III also

TABLE 3.5

CONVENTIONAL WEAPONS DESTRUCTION PROGRAM METRICS, FISCAL YEARS 2010–2017						
Fiscal Year	**Minefields Cleared (m^2)**	**AT/AP Destroyed**	**UXO Destroyed**	**SAA Destroyed**	**Fragments Cleared**	**Estimated Contaminated Area Remaining (m^2)***
2010	39,337,557	13,879	663,162	1,602,267	4,339,235	650,662,000
2011	31,644,360	10,504	345,029	2,393,725	21,966,347	602,000,000
2012	46,783,527	11,830	344,363	1,058,760	22,912,702	550,000,000
2013	25,059,918	6,431	203,024	275,697	10,148,683	521,000,000
2014	22,071,212	12,397	287,331	346,484	9,415,712	511,600,000
2015	12,101,386	2,134	33,078	88,798	4,062,478	570,800,000
2016	27,856,346	6,493	6,289	91,563	9,616,485	607,600,000
2017	31,897,313	6,646	37,632	88,261	1,158,886	547,000,000
TOTAL	**236,751,619**	**70,314**	**1,919,908**	**5,945,555**	**83,620,528**	**547,000,000**

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

Source: PM/WRA, response to SIGAR data call, 12/21/2017.

provided income-generation packages to more than 30 beneficiaries.[359] Income-generation packages are not intended to compensate for income loss or to serve as reparations for damage or loss. An ACAP III staff member visits eligible families following the assessment process and determine how the program can provide short-therm opportunities to improve their economic situation. Common income generation opportunities include agricultural farming, livestock, cargo tricycles, assistance for grocery shops, and other small business support.[360]

In December 2017, the UN Secretary-General reported the average monthly rate of casualties from mines, ERW and IEDs increased slightly to 169 from January to October 2017. The average casualty rate was 168 during the same period in 2016. ERW and IEDs account for 96.3% of casualties.

The UN Mine Action Service and Directorate of Mine Action Coordination declared 15 communities mine-free between August 1 and October 31. This enabled nearly 235,000 individuals to move freely within their communities. The UN estimates that over 3,300 minefields, 296 battlefields, and 37 contaminated firing ranges remain.[361]

GOVERNANCE CONTENTS

GOVERNANCE

KEY ISSUES AND EVENTS

This quarter, there was significant political tension between the Afghan central government and powerful regional powerbrokers. The latest dispute followed the December 18 announcement by the Afghan presidential palace that it had accepted the resignation of Balkh Province Governor Atta Mohammad Noor. (President Ashraf Ghani already had replaced the governors of all 33 other provinces).[362] Noor is one of the founders, along with First Vice President Abdul Rashid Dostum, of the Council for the Salvation of Afghanistan, a rival political group that accused President Ghani of monopolizing political power.[363] Noor rejected what he labeled as his dismissal. Claiming his removal was illegal and in violation of an agreement he had with President Ghani, he returned to the Balkh Province governor's office on December 30.[364]

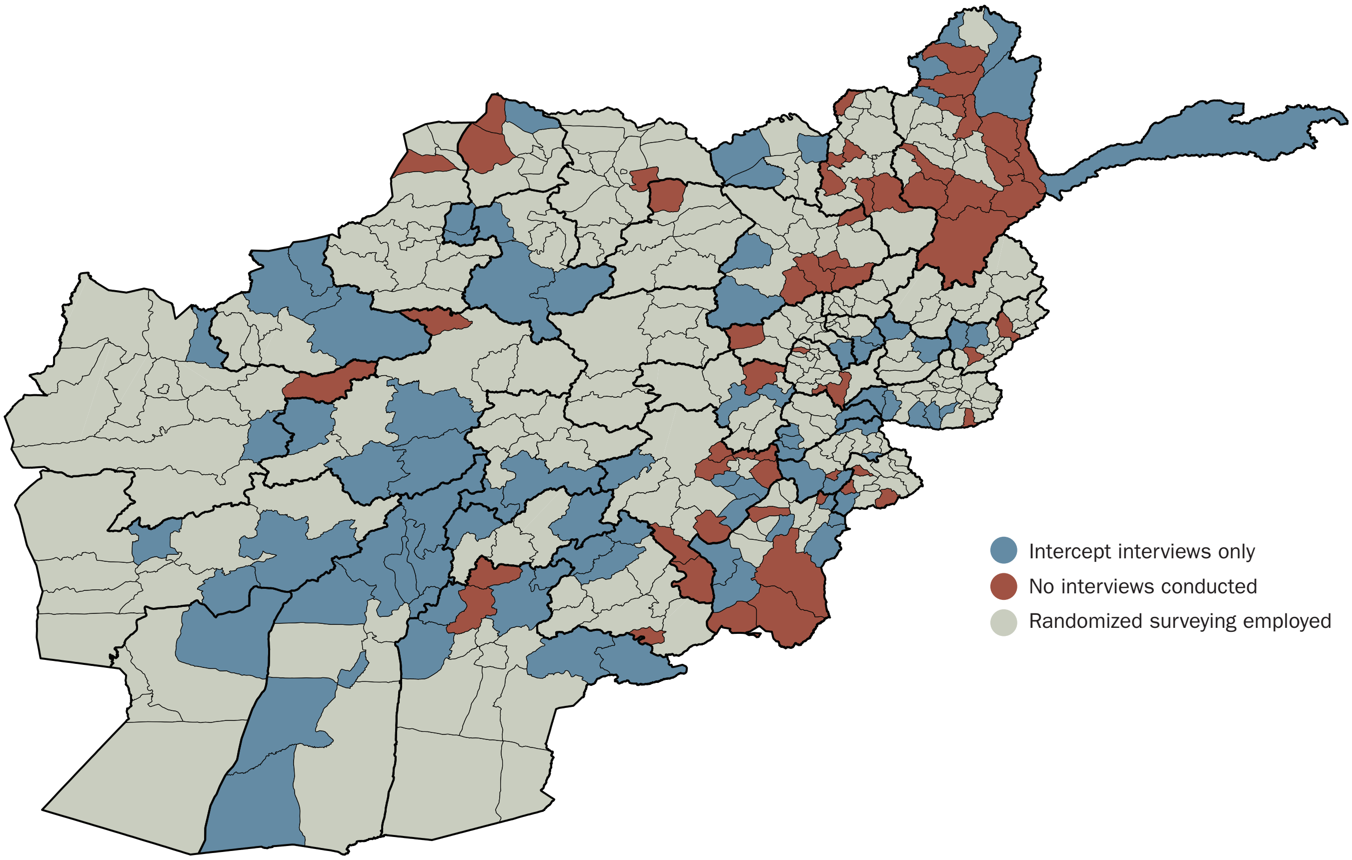
In addition to being the governor of Balkh Province for the past 13 years and expressing an interest in running for president, Noor is the chief executive of the Jamiat-e Islami party.[365] The Jamiat-e Islami party—one of the oldest and largest political parties in Afghanistan—issued a statement saying Noor's removal violated the terms of the 2014 power-sharing agreement that led to the formation of the national unity government.[366] Jamiat party representatives held a series of negotiations with the presidential palace but, as of mid-January, there was no resolution of the matter. The dispute has sowed division within Jamiat, with Noor accusing President Ghani's coalition partner Chief Executive Abdullah Abdullah—who Jamiat backed in the disputed 2014 presidential election—of weakness. According to Reuters, Chief Executive Abdullah confirmed that he approved the decision to remove Noor from office.[367]

On January 16, Vice President Michael Pence spoke with President Ghani over the phone to encourage "the Afghan government to engage with Balkh Governor Atta and conduct a peacefully negotiated transition of leadership."[368]

On December 2, an anti-Ghani rally was held in Kandahar Province that involved parliamentarians, former governors and ministers, and some local elders. According to the *New York Times*, the powerful Kandahar Province chief of police General Abdul Raziq was one of the hosts of the event.

FIGURE 3.33

2017 SURVEY OF THE AFGHAN PEOPLE (DISTRICTS BY SURVEY METHOD)



Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

Then-Balkh Governor Noor attempted to attend the rally, but the Afghan government reportedly denied his plane permission to take off.[369]

Following the presidential palace's announcement regarding Noor's dismissal, Raziq publicly came out in support of Noor, saying he still considered Noor the incumbent governor. Further, Raziq told reporters that the Afghan government cannot fire him.[370] Noor has also warned the Afghan government against using the Afghan security forces to forcibly remove him from the governorship, claiming that a majority of these forces support him.[371]

In November 2017, Agence France Presse reported that seven of First Vice President Dostum's bodyguards were sentenced to five years in prison for the abduction and sexual assault of Dostum's political rival in November 2016. According to the U.S. Department of Justice (DOJ), the failure to arrest or convict Dostum is an example of Afghanistan's weak and dysfunctional legal system.[372]

In November, the Asia Foundation released its annual *Survey of the Afghan People*. The survey polled 10,012 Afghan respondents aged 18 years and older between July 5 and July 23, 2017. The survey was conducted prior to President Donald Trump's August 21 announcement of his administration's strategy in Afghanistan, so its effect was not included. While optimism remains below the high point of 2013 (when 58.2% of respondents said Afghanistan was moving in the right direction), this year, optimism rose slightly from 29.3% in 2016 to 32.8% of respondents. For those who expressed optimism, the rebuilding of the country and improved security were cited as the most frequent reasons. Conversely, insecurity and crime, economic concerns, and governance issues were the most frequently cited reasons for pessimism. More than half of the Afghans surveyed (56.2%) believe the central government is doing a good job ("very good" or "somewhat good"), a 7.1-point increase over 2016 (49.1%).[373]

A number of districts were deemed too insecure for interviewers to randomly select a sample of respondents. To collect information on the perceptions of those living in insecure areas, the Asia Foundation relied on "intercept interviews." Intercept interviews are interviews with respondents traveling to or from an insecure or inaccessible district. Respondents are "intercepted" at bus stops, in hospitals, and in other places of transit. The Asia Foundation excludes intercept interviews from its main statistics because they are not random samples.[374] Figure 3.33 shows the districts that relied exclusively on intercept interviews to gauge perceptions (in blue). The population of these districts represents approximately 15.5% of the total estimated Afghan population. Approximately 6.5% of the population lives in districts that were not included in the survey (in red).[375]

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of December 31, 2017, the United States had provided nearly $33 billion to support governance and economic development in Afghanistan. Most of this funding, nearly $19.9 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).[376]

AFGHANISTAN COMPACT

Last quarter, the U.S. and Afghan governments announced the launch of the "Afghanistan Compact" (which State has variously referred to as the "Kabul Compact" or simply "Compact"). The Afghanistan Compact is an Afghan-led initiative designed to demonstrate the government's commitment to reforms. According to State, the development of the compact and its ultimate implementation by the Afghan government were important considerations in the development of the U.S. government's new South Asia strategy.[377]

The Afghanistan Compact process consists of four U.S.- and Afghan-chaired working groups covering governance, economic development, peace and reconciliation, and security issues. Each working group has a matrix of benchmarks (which State refers to as "voluntary, unilateral reform commitments") to chart reform progress for the next three years.[378] The Afghan government is not obliged to provide documentary evidence at these working group meetings to prove its progress in meeting the benchmarks, and has not done so.[379]

According to State, the U.S. government will better be able to hold the Afghans accountable and better calibrate U.S. diplomatic and assistance efforts by tracking Afghan government progress in implementing the Afghanistan Compact reforms.[380] However, there are no foreign assistance funds tied to the Afghanistan Compact, meaning the Compact does not create any obligations on the United States and there is no conditionality tied to any of the benchmarks.[381]

This quarter, State reported that the Afghan government met the following governance-related Afghanistan Compact benchmarks:[382]

- held a monthly National Elections Forum (NEF) meeting to chart progress toward timely, credible, and inclusive elections
- issued a decree to add an enforcement mechanism to strengthen the audit law
- passed and implemented a land management and land acquisition law
- held a meeting of the Counter Narcotics High Commission

The deadlines for a number of governance-related benchmarks due this quarter were delayed, including:[383]

- create a voter list (originally due in October 2017 but postponed to April 2018)
- conduct voting and counting process (originally due in October 2017 but postponed to October 2018)
- tabulate elections results (originally due in October 2017 but postponed to October 2018)
- establish, and advertise in public media, an anticorruption tip hotline and provide financial rewards for tips that lead to corruption charges (originally due in November 2017 but not met, as the tip hotline that was established covered only corruption in the Attorney General's Office, not the government as a whole)

Additionally, State reported that the Afghan government has successfully achieved a number of peace and reconciliation benchmarks ahead of schedule, including reforming provincial peace committees and establishing and implementing fiscal oversight and project-management procedures for High Peace Council and provincial peace council activities in 2017.[384]

ELECTORAL REFORM

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his election rival, Chief Executive Abdullah, after the troubled 2014 presidential elections. The September 2014 agreement that led to forming the national-unity government called for immediate establishment of a special commission for election reform. The intent was to implement reform before the next parliamentary elections, intended for 2015, but never held.[385] At present, parliamentary elections are still officially scheduled for July 2018. Presidential elections are slated for April 2019.[386] In December, the UN Secretary-General's Special Representative for Afghanistan declared Afghan government electoral preparations insufficient.[387]

The Independent Elections Commission (IEC) has committed to connecting voters to specific polling centers during the registration process. According to State, elections experts assess that polling-center-based registration is the critical reform necessary to reduce ballot-box stuffing (the principal method of fraud in the 2014 election) by aligning the number of ballots delivered to each polling center more closely with the number of voters registered there.[388]

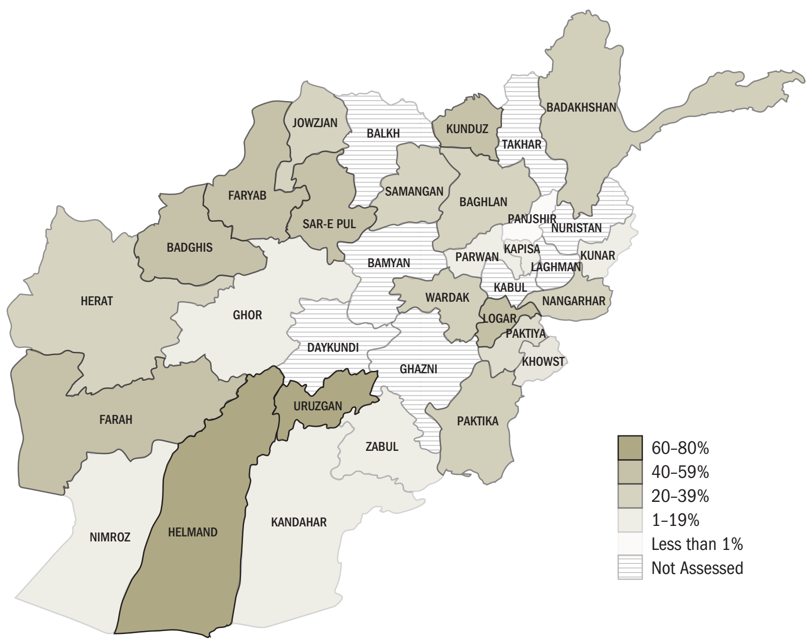
The IEC plans to begin voter registration in provincial capitals and districts in April 2018. Every eligible voter will be required to register at one of more than 7,000 polling centers. Voters will be required to present their citizenship identification at the time of registry (parallel to the voter registration, the Afghanistan Central Civil Registration Authority plans to distribute an additional 10 million identity cards). Each registered voter will receive a voter registration certificate (with a unique number) that will be attached to their national identification card and recorded in a central registry. The national identification card (with certificate) will serve as the voter's proof of registration. Once the voter registration effort is completed, old voter registration cards will be invalid. The IEC plans to recruit 33,000 personnel for the voter registration effort that is expected to cost $28 million.[389] According to the UN, donors have agreed to fund up to 90% of this voter registration effort.[390]

As of December 6, the IEC assessed 5,436 previously used polling centers but was unable to assess 1,744 other previously used polling centers due to insecurity. With the addition of replacement polling center sites, the IEC has approved 7,355 polling centers for the next election.[391] As shown in Figure 3.34 on the following page, certain provinces saw a large percent of the polling centers from the previous election become inaccessible due to insecurity.

The U.S. government is supporting election reforms through a grant of up to $30 million to a legacy election-support project implemented by the United Nations Development Program (UNDP). This project was originally meant to support the planned 2015 parliamentary elections, which were subsequently delayed until 2018.[392]

FIGURE 3.34

PERCENT OF PREVIOUS POLLING CENTERS NOT ASSESSED DUE TO INSECURITY, AS OF NOVEMBER 2017



Note: This data is as of November 2017 and includes the results of only 26 provinces that were assessed during the first three phases of polling center assessments.

Source: IEC, "PC Assessment Results," 11/2017.

RECONCILIATION AND REINTEGRATION

The U.S. and Afghan governments agree that the best way to ensure lasting peace and security in Afghanistan is reconciliation and a sustainable political settlement with the Taliban.[393] However, according to the UN Secretary-General, there was no discernible progress on peace talks between the Afghan government and the Taliban this quarter.[394] State also reports that there have been no new developments in the Taliban's position on reconciliation.[395]

In its annual survey, the Asia Foundation found that only half of the Afghan respondents (52.3%) believed that reconciliation with the Taliban is possible. Additionally, approximately 15.7% of respondents expressed either "a lot" or "a little" sympathy for the Taliban.[396]

According to State, the Afghan government will announce a new a whole-of-government peace strategy at the Kabul Process Conference on February 1, 2018.[397] However, the UN Secretary-General reported that the High Peace Council (HPC) finalized its strategic plan this quarter. This plan reportedly stipulates that the Afghan government will not negotiate from a position of weakness. The plan also calls for peace talks to be hosted in Kabul, with no international intermediaries.[398] In December, a senior HPC official said the Taliban could open a representative office either in Kabul or in a country of their choice. The same official said the Afghan government was ready to begin a peace process without any preconditions.[399]

Afghanistan's strategic plan for peace and reconciliation envisions an Afghanistan free of violence and armed conflict, where social cohesion prevails over fragmentation, and state institutions have the capacity to mediate as and when needed. The primary objectives of the plan are:[400]

1. armed opposition groups reconcile to a peaceful political and social life through inter-Afghan dialogue and negotiations
2. national consensus and public mobilization to garner support for Afghan-led solutions
3. community security and stabilization enhanced through community-based peace and stability initiatives
4. implement peace agreements with armed opposition groups after negotiated settlements
5. institutionalize and reinforce Afghan capacities for peace

According to the HPC, objectives 2 and 5 were the priorities for 2017.[401]

According to State, the Afghan government continues to work through the HPC to prepare the Afghan public for negotiations with the Taliban through extensive outreach efforts in all 34 provinces.[402] The HPC reported that they sent delegations to 12 provinces between September and November 2017. These delegations held 48 events to meet with religious scholars, political and tribal leaders, university students, and representatives of victims of war. The HPC identified representatives of each group for future collaboration. The HPC claimed these efforts have created a nationwide momentum for peace, which it called a "revolution for peace."[403] Additionally, the HPC reported that the Taliban rank and file desire to join the peace process. According to HPC-collected reports, there are a "huge number" of armed opposition fighters who wish to stop fighting.[404]

State said the HPC has significantly reformed and streamlined their staffing structures, held ambitious outreach activities to assess social attitudes toward reconciliation, documented challenges, mobilized support for reconciliation, and developed the capacity to facilitate the reconciliation process. State believes that the meetings held by the HPC ensures that the perspectives of women, youth, religious leaders, and civil society are heard.[405]

In December 2017, the HPC organized a gathering of 700 religious scholars, clerics, and prominent religious figures to discuss the war in Afghanistan. The participants unanimously called on the Afghan government to be more tolerant and patient towards the Taliban; refrain from using harsh words when describing the Taliban; increase its fight against moral and administrative corruption; ensure the Afghan security forces (labeled the "true protectors of [the Afghan] nation") remain apolitical; control media outlets to prevent programs that are in conflict with religious, cultural, and national values; and address causes of conflict such as narcotics trafficking, illegal mining, and smuggling alcoholic beverages. The participants also called on the Taliban to put forward their demands for peace, eject all members who have ties with international terrorism, and renounce violence as this would remove the justification for the continued presence of international forces.[406] President Ghani reportedly accepted the demands and expressed hope that the Taliban would do so as well.[407]

State has provided $3.9 million to the UNDP to support reconciliation (including the activities of the HPC). While this support was originally planned to last through 2017, State and other donors are currently in discussions with UNDP and the Afghan government on extending a UNDP pilot project through March 2018. According to State, a new UNDP peace and reconciliation-related project should then cover the remainder of 2018.[408]

In September 2016, the Afghan government finalized a peace agreement with Gulbuddin Hekmatyar's Hezb-e Islami Gulbuddin (HIG) insurgent group.[409] When the peace deal with HIG was announced, some expressed hope that reconciling with Hekmatyar could facilitate a broader peace. President Ghani, for example, said upon signing the agreement, "This day starts the subsiding of war in Afghanistan and the beginning of rebuilding it."[410]

According to State, however, the peace agreement with HIG thus far has had no definitive impact on the reconciliation calculations of other resistance groups, including the Taliban. Nevertheless, State considers the peace agreement with HIG as an important precedent that will influence other armed groups.[411]

Regional Dynamics

U.S. frustrations with Pakistan grew throughout the quarter. On January 1, 2018, President Donald Trump said on social media that Pakistan provides safe haven to terrorists who operate in Afghanistan. He further vowed to no longer provide foreign aid to Pakistan.[412] Previously, in December 2017, Vice President Michael Pence said that President Trump had "put Pakistan on notice" for continuing to harbor the Taliban, criminals, and terrorists.[413]

On January 4, State announced that the United States had suspended security assistance to Pakistan until the Pakistan government takes decisive action against the Taliban and Haqqani network.[414]

In late December, the Chinese government hosted the first set of talks with Afghanistan and Pakistan since the three countries agreed to establish a trilateral mechanism in June 2017. The three countries called on the Taliban to join peace talks with the Afghan government and promised to "not allow any country, organization or individual to use their own territory to engage in terrorist activities against other countries." Additionally, China's foreign minister said that China and Pakistan would consider extending the Chinese-Pakistan Economic Corridor—a Chinese initiative involving approximately $60 billion in Chinese investments in highways, railways, and power plants in Pakistan—into Afghanistan.[415]

Earlier in December, the foreign ministers of China, Russia, and India issued a joint communiqué expressing their support for an Afghan-led peace process, labeling the Afghan security forces as a key to stabilizing Afghanistan, and advocating regional engagements with Afghanistan. A spokesman for the Afghan Ministry of Foreign Affairs was quoted in Afghan media calling Russia one of Afghanistan's "good friends." While still in India, the Russian foreign minister rejected U.S. concerns that Russia supported the Taliban.[416]

Pakistan continues its efforts to build a fence between itself and Afghanistan, with plans to cover 2,400 kilometers by the end of 2018. As of December 2017, Pakistan has completed a section of approximately 150 kilometers. Afghanistan opposes the fence, which follows along the disputed colonial-era border.[417]

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

At the Brussels Conference in October 2016, the United States and other international participants confirmed their intention to provide $15.2 billion between 2017 and 2020 in support of Afghanistan's development priorities.[418] Although the United States did not commit to a specific amount, then-Secretary of State John Kerry promised to work with Congress to provide civilian assistance at or near the 2016 levels through 2020.[419]

In several conferences since the 2010 Kabul Conference, the United States and other international donors have supported an increase to 50% in the proportion of civilian development aid delivered on-budget through the Afghan government to improve governance, cut costs, and align development efforts with Afghan priorities.[420] According to USAID, 47% of its assistance in FY 2017 was committed to on-budget mechanisms. Additionally, USAID reports that it is not necessarily committed to a specific on-budget target.[421]

As shown in Table 3.6 on the following page, USAID expects to spend $800 million on active, direct bilateral-assistance programs. It also expects to contribute $2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) through 2020 that includes the $800 million New Development Partnership, in addition to $1.37 billion disbursed under the previous grant agreement between USAID and the World Bank. USAID has disbursed $153 million to the Afghanistan Infrastructure Trust Fund (AITF).[422]

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, OSD-P, response to SIGAR vetting, 1/15/2018.

TABLE 3.6

USAID ON-BUDGET PROGRAMS

Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Bilateral Government-to-Government Projects					
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	1/1/2013	12/31/2018	$725,000,000	$158,579,664
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	75,000,000	0
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	7/31/2019	2,700,000,000	1,755,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2018	153,670,184	153,670,184

Note: * USAID had a previous award to the ARTF that concluded in March 2012 and totaled $1,371,991,195 in disbursements. Cumulative disbursement from the two ARTF awards is currently $3,127,677,528.

Source: USAID, response to SIGAR data call, 1/17/2018.

SIGAR AUDIT

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

Civilian On-Budget Assistance

USAID delivers on-budget civilian assistance (1) bilaterally to Afghan government entities and (2) through contributions to two multidonor trust funds, the ARTF and the AITF.[423] According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.[424]

The ARTF, administered by the World Bank, provides funds to the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.[425] The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.[426] According to USAID, the majority of on-budget funding has been and will continue to be directed through the multidonor trust funds, particularly the ARTF.[427]

As of November, the United States remains the largest donor to the ARTF (31.1% of actual contributions) with the next largest donor being the United Kingdom (17.2% of actual contributions).[428] The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries. As of November, the ARTF recurrent-cost window has cumulatively provided the Afghan government $2.6 billion for wages, $600 million for operations and maintenance costs, $819 million in incentive program funds, and $556 million for ad hoc payments since 2002.[429]

According to the World Bank, it is uncommon to apply the amount of fiduciary scrutiny it applies to overseeing the ARTF (particularly hiring private consulting firms as third-party monitors to compensate for the World Bank's limited field supervision and to supplement limitations of the Afghan government's own public financial-management systems) in budget support operations. This scrutiny includes having a monitoring agent verify the eligibility of Afghan government-incurred expenditures for reimbursement by ARTF. Given that a large fraction of the government's recurrent-cost budget goes to government employees' salary payments, since 2014 the monitoring agent began conducting sample physical verifications of government employees to address concerns of possible "ghost" employees.[430]

Although physical verification of government employees was not contemplated in the original monitoring agent contract, the firm agreed to carry out these physical verifications without additional cost. According to the World Bank, this ad hoc arrangement—in which no additional resources have been made available to mitigate the security risks faced by the monitoring agent—means the geographic reach of the physical verifications carried out by the monitoring agent is limited. So far, around 40% of Afghan government employees on the payroll sample have not been subject to physical verification.[431]

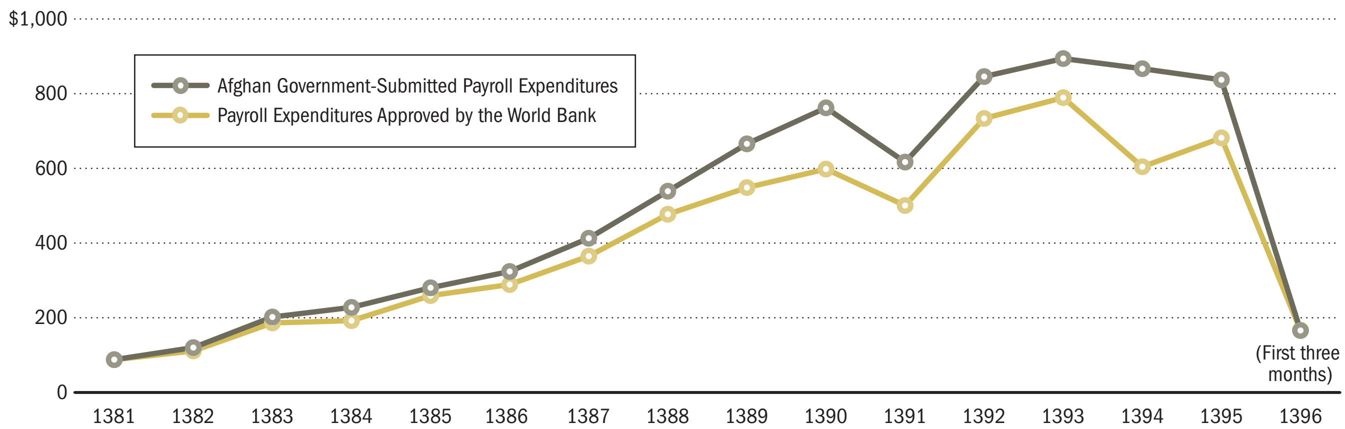
According to the latest monitoring agent report made available to ARTF donors, the monitoring agent recently selected a sample of 2,597 Afghan government employees for physical verification (during the period of time covered by this sample, the monitoring agent reported that there were on average 270,812 non-uniformed Afghan government employees serving in the provinces and 95,605 non-uniformed Afghan government employees serving at the central ministries). Approximately 43% of the initial sample were dropped due to security and accessibility concerns (according to the monitoring agent, verification can only occur in districts and provinces considered safe for their Afghan national monitoring team to visit).[432]

Of the 1,475 Afghan government employees remaining from the initial sample, 78% were physically verified without issue. Of the remaining 319 employees who were not physically verified, 55% were reported absent due to school exams, holidays, or vacation. Additionally, the monitoring agent did not have authorization to physically verify 20 individuals.[433]

Since the establishment of ARTF in 2002, the World Bank has approved approximately $8.4 billion of $11.8 billion Afghan government-incurred recurrent cost expenditures submitted to the ARTF (71.3%). As shown in Figures 3.35 and 3.36 on the following page, during this time, the World Bank approved Afghan government-submitted payroll expenditures at a higher rate (approximately 84%) than operations and maintenance expenditures (approximately 46%).[434] Afghan government-submitted expenditures may be deemed ineligible for a number of reasons, including missing documentation (such a bank transfer or payment receipts, procurement documents or payment vouchers), noncompliance with procurement procedures, and payment not matching the supporting documents.[435]

FIGURE 3.35

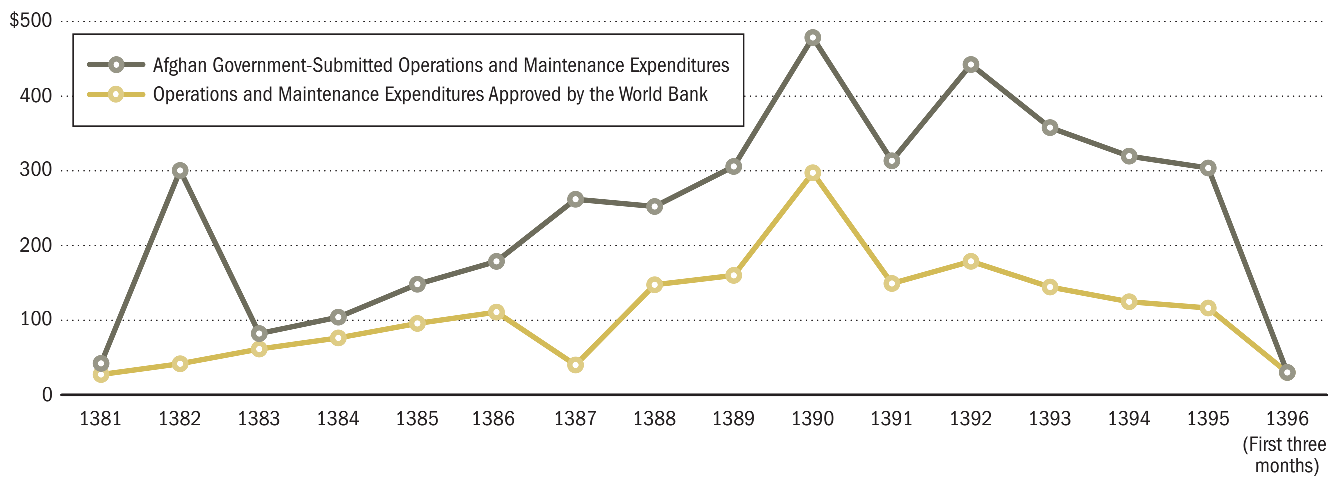
AFGHANISTAN RECONSTRUCTION TRUST FUND PAYROLL EXPENDITURE SUBMISSIONS AND APPROVALS ($ MILLIONS)



Source: BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, p. 17.

FIGURE 3.36

AFGHANISTAN RECONSTRUCTION TRUST FUND OPERATIONS AND MAINTENANCE EXPENDITURE SUBMISSIONS AND APPROVALS ($ MILLIONS)



Source: BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, p. 17.

On-Budget Assistance to the ANDSF

More than 60% of total U.S. on-budget assistance goes toward Afghan security forces' requirements.[436] The U.S. Department of Defense (DOD) provides on-budget assistance to the Afghan government through direct contributions from the Afghanistan Security Forces Fund (ASFF) to the Afghan government to fund Ministry of Defense (MOD) and Ministry of Interior (MOI) requirements, and ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).[437] LOTFA is administered by the UN Development Program (UNDP) and primarily funds Afghan National Police salaries and incentives.[438] Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.[439]

The U.S. Combined Security Transition Command-Afghanistan (CSTC-A) monitors and formally audits the execution of those funds to assess ministerial capability and ensure proper controls and compliance with documented accounting procedures and provisions of the annual commitment letters.[440]

For Afghan fiscal year (FY) 1396 (December 2016–December 2017), DOD planned to provide the equivalent of $801 million to support the MOD and $216 million to support the MOI directly to the Afghan government.[441]

Despite the Afghan fiscal year's beginning in December 2016, only the MOI commitment letter has been signed. CSTC-A reports that they are enforcing the conditions in both the MOI and MOD commitment letters.[442]

One consequence of not fully finalizing the 1396 commitment letters is confusion regarding whether MOD and MOI are required to complete monthly assessments of their anticorruption efforts. An appendix to the 1396 MOD and MOI commitment letters shows an expectation of monthly assessments of the MOD and MOI counter- and anticorruption efforts. When SIGAR has requested copies of these monthly assessments, CSTC-A acknowledged that such a requirement was specified in the appendix of the commitment letters. However, since the commitment letters have not been signed, the MOD and MOI have not conducted any assessments as neither ministry was tasked with conducting them. CSTC-A says this issue will be addressed in future commitment letters.[443]

CSTC-A has reduced the number of conditions in the MOD and MOI commitment letters from 130 to 30. According to DOD in its public report, the original 130 conditions defined in previous commitment letters proved too difficult to enforce and accurately track. (However, USFOR-A responded to SIGAR that the conditions were reduced "to best meet the operational environment").[444] Imposing financial penalties for noncompliance with defined conditions, as originally envisioned, would often detract from the combat effectiveness of the Afghan security forces, DOD said. For example, penalties such as withholding fuel allocations inhibited unit mobility. Instead, DOD believes that alternative penalties—such as withholding funding for senior MOD or MOI official travel—is more effective.[445]

For Afghan fiscal year 1396, CSTC-A provided the Afghan government the equivalent of $553.5 million to support the MOD.[446] Additionally, as of December, CSTC-A provided the equivalent of $184.4 million to support the MOI. Of these funds, $20.8 million was delivered via the UNDP-managed LOTFA, while $163.6 million was provided directly to the Afghan government.[447]

According to CSTC-A, the MOD and MOI have immature, but improving, capability to effectively manage ASFF funding. Both ministries reportedly fail to determine their actual needs and instead spend funds as provided. According to CSTC-A, many of the ASFF-funded MOD and MOI projects lack a measureable impact on Afghan defense capabilities. MOD and MOI have changed the priority of various ASFF-funded projects without clear rationale, resulting in inefficiencies. CSTC-A reports that it is now forcing MOD and MOI to develop prioritized procurement plans for ASFF-funded projects that are signed by the ministers of defense and interior. Any changes to these plans will require minister approval. Additionally, CSTC-A will fund the highest priorities before funding the lower ones.[448]

According to DOD, Secretary of Defense James N. Mattis does not support providing ASFF to the Afghan government to be executed via Afghan government contracts.[449]

CSTC-A reports that the involvement of the National Procurement Authority (NPA) and the National Procurement Commission (NPC) in MOD and MOI procurements has created unease within the MOD and MOI. This unease is reportedly due to the increased oversight and scrutiny of MOD and MOI procurement requests. For example, CSTC-A reports that the NPC has, on numerous occasions, highlighted inconsistencies that result in projects not being awarded until an independent investigation concluded. While CSTC-A reports that it is too early to know whether the increased oversight will result in improved MOD and MOI processes, they believe the trend is positive (the NPC was created in February 2015 by presidential order).[450]

NATIONAL GOVERNANCE

Capacity-Building Programs

As shown in Table 3.7, USAID capacity-building programs seek to improve Afghan government stakeholders' ability to prepare, manage, and account for on-budget assistance. These programs also provide general assistance to support broader human and institutional capacity building of Afghan government entities such as civil society organizations and the media.[451]

According to a recent USAID-commissioned assessment of USAID's progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, USAID's implementation of the Afghan government's national technical assistance (NTA) policy (which aims to improve the Afghan

TABLE 3.7

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL

Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Afghan Civic Engagement Program (ACEP)	N/A	12/4/2013	12/3/2018	$70,000,000	$56,828,197
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	23,145,307
Rasana (Media)	N/A	3/29/2017	3/28/2020	9,000,000	1,249,700

Source: USAID, response to SIGAR data call, 1/17/2018.

government's recruitment and retention of civil servants by harmonizing the compensation of all Afghan national staff employed by donor-funded implementing partners) has forced USAID implementing partners to lower salary offers and reduce salaries for existing project staff. This created difficulties in hiring and retaining qualified staff and, in turn, has adversely affected project implementation. Multiple implementing partners reported that some donors subvert the NTA process by offering Afghan staff special benefits in lieu of salary.[452]

The assessment also found that most USAID capacity-building projects have performance indicators which are input- or output-based but do not measure effectiveness well.[453]

National Assembly

In November 2016, the lower house of parliament passed no-confidence votes for seven of 16 ministers summoned to explain why their ministries executed less than 70% of their development budgets (projects and investments are funded from a ministry's development budget). According to the parliament, these votes of no-confidence mean that the ministers are dismissed. President Ghani, however, ordered the ministers to continue working.[454]

This quarter, the Afghan government introduced 12 cabinet minister nominees to parliament (including replacements for five of the seven ministers who had previously received parliamentary votes of no-confidence). In December 2017, the parliament approved 11 of the 12 minister nominees (including all five replacement nominees). Only the nominee for minister of mines and petroleum failed to receive parliamentary approval (but remains in office as an acting minister). For the two remaining ministers who received parliamentary votes of no-confidence in 2016 (the ministers of foreign affairs and education), the minister of foreign affairs remains in office despite the previous no-confidence vote while the Ministry of Education is led by a new acting minister who was appointed by President Ghani in November 2017.[455] The newly approved ministers include:

- Mohammad Shafiq Gul Agha Sherzai, Minister of Border and Tribal Affairs
- Mohammad Mustafa Mastoor, Minister of Economy

- Shahzadgul Ayobyi, Minister of Telecommunication and Information Technology
- Tariq Shah Bahrami, Minister of Defense
- Naseer Ahmad Durrani, Minister of Agriculture, Irrigation, and Livestock
- Mujib-ul-Rahman Karimi, Minister of Rural Rehabilitation and Development
- Wais Ahmad Barmak, Minister of Interior
- Mohammad Hameed Tahmasi, Minister of Transport and Civil Aviation
- Najibullah Khwaja Omari, Minister of Higher Education
- Faizullah Zaki, Minister of Labor, Social Affairs, Martyrs and Disabled
- Yama Yari, Minister of Public Works[456]

USAID's Assistance to Legislative Bodies of Afghanistan project delivering training on the process of drafting a law. (USAID photo)

In December, the lower house of parliament rejected a presidential decree that lowered the retirement age for military personnel. After the decree was rejected, an MOD spokesman said the ministry still plans to retire a number of officers over the next two years.[457] Seven days before the start of the new Afghan fiscal year in December, the lower house rejected the draft national budget after the upper house approved the draft on November 22. Members of the lower house claimed the budget lacked balance among the provinces.[458] However, on January 17, the lower house approved a revised budget.[459]

USAID funds the $25 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan's parliament operate as an independent and effective legislative, representative, and oversight body.[460] ALBA regularly supports parliamentary oversight visits to provinces. This quarter, the lower internal security and local administrations commission visited Baghlan Province to assess the overall security situation in the province, monitor food shortages affecting police officers, observe the condition of male and female prisoners, and monitor a sample of police checkpoints. During the visit to Baghlan Province, the delegation met the province governor, security heads, and prisoners. The delegation heard complaints of insufficient police, heavy weapons, clean drinking water, electricity, and medical doctors.[461]

Civil Society and Media

The Afghan Civic Engagement Program's (ACEP) goal is to promote civil society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as advocates for political reform. ACEP aims to achieve this goal through five program areas: (1) regular civil society organization (CSO) engagement with the Afghan government, (2) increased CSO and media expertise in democracy and governance, (3) expanded civic engagement, (4) improved access to independent news and public affairs information, and (5) increased CSO organizational capacity.[462]

This quarter, the ACEP sponsored a group of 32 civil society leaders to travel to Sri Lanka for a 10-day study tour. ACEP also facilitated a civil society elections coordination meeting with participation from Afghan election management bodies, international donors, the Ministry of Interior, and civil society members. The session focused on constructive engagement of election-focused CSOs with Afghan government election-management bodies to exchange ideas about progress, existing challenges, and ways to cooperate to address the challenges.[463]

In March 2017, USAID launched the $9 million Rasana program. This program aims to support and train female journalists, drive substantive policy discourse about salient development issues in Afghanistan, and advocate for protection of Afghan journalists. Rasana also aims to build local capacity by providing training, material support, and advocacy to expand media opportunities for women, work with local women's groups to advance women's causes in the media, and support gender-sensitive content production and programming.[464] This quarter, Rasana trained female journalists in Balkh, Herat, and Kabul Provinces on the essentials of journalism. Rasana also sponsored 13 investigative reports that were published online by Afghan media outlets.[465]

This quarter, NAI, an organization supporting open media in Afghanistan, reported that there were 167 recorded cases of violence against journalists in 2017. This was down from the 415 recorded incidents in 2016. According to NAI, the Afghan government was involved in 37% of violent incidents in 2017, whereas insurgents were involved in 40%. NAI reported that 21 reporters were killed (the previous high was 14 in 2016); however, the Afghan government was not responsible for any of these killings.[466]

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 3.8 summarizes total program costs and disbursements to date.

TABLE 3.8

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2019	$62,000,000	$ 41,057,692
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	22,583,823

Source: USAID, response to SIGAR data call, 1/17/2018.

According to a recent USAID-commissioned assessment of USAID's progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, some of USAID's subnational governance strengthening efforts are slowed by the pace of Afghan government reform, which itself is hindered by political uncertainty.[467]

Initiative to Strengthen Local Administrations

The $62 million ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement, leading to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.[468]

According to USAID, one of the key provisions of the Afghan government's provincial budget policy is to link the provincial development plans with the provincial budget process. Last quarter, USAID reported that all 16 of the ISLA-supported provinces submitted their provincial development plans to the Ministry of Economy on time. Additionally, all but one ISLA-supported province submitted their initial budget requests to the MOF.[469]

This quarter, USAID reported that the Ministry of Economy recognized the improved quality of the recently submitted provincial development plans (which USAID attributed to ISLA's technical support). According to USAID, it is not yet possible to know whether the province-submitted projects have been approved by the central government and integrated into the national budget. USAID reports that this analysis will be conducted after parliament approves the budget.[470]

In April 2017, the MOF informed provincial governors of the unconditional fund budgets in the 1396 national budget. The purpose of the unconditional fund is to delegate a small amount of funding (and associated management responsibilities) to the provinces to improve capacities of province officials in public financial management. For each province, $1 million was approved to be allocated across four sectors: education, health, agriculture, and rural development. The 16 ISLA-supported provinces developed and submitted 179 budget proposals to the MOF. As of September 2017, 175 of these projects have been contracted and $1.4 million has been spent (out of the total $16 million made available).[471]

Strong Hubs for Afghan Hope and Resilience

The objective of the $62 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. Afghanistan's urban population has risen from 22% in 2004/2005 to an estimated 25% in 2016/2017. Targeted support to municipal governments, as well as to the Deputy

Ministry of Municipal Affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation.[472]

In October, SHAHAR reported that partner municipalities increased their revenue by 15% for the first three quarters of the Afghan fiscal year to the same period in the previous year. The municipalities that registered the largest increases in revenue were Maymana (106% increase, Faryab Province), Qala-e Naw (79% increase, Badghis Province), and Aybak (72% increase, Samagan Province). Expenditures increased by 16% compared to the previous year. The municipalities that registered the largest expenditure increases were Maymana (75% increase, Faryab Province) and Kandahar (60% increase, Kandahar Province).[473]

RULE OF LAW AND ANTICORRUPTION

According to the Asia Foundation, almost all Afghans surveyed in 2017 believe corruption is a problem in all areas of their lives, with 83.7% saying corruption is a major problem in Afghanistan as a whole, and 13.1% saying it is a minor problem. As shown in Figure 3.37 below, the number of respondents who believe corruption is a concern in daily life has continued to grow over the years, and has now reached a record high. Urban residents (81.5%) are significantly more likely than rural residents (66.0%) to perceive everyday corruption as a major problem.[474]

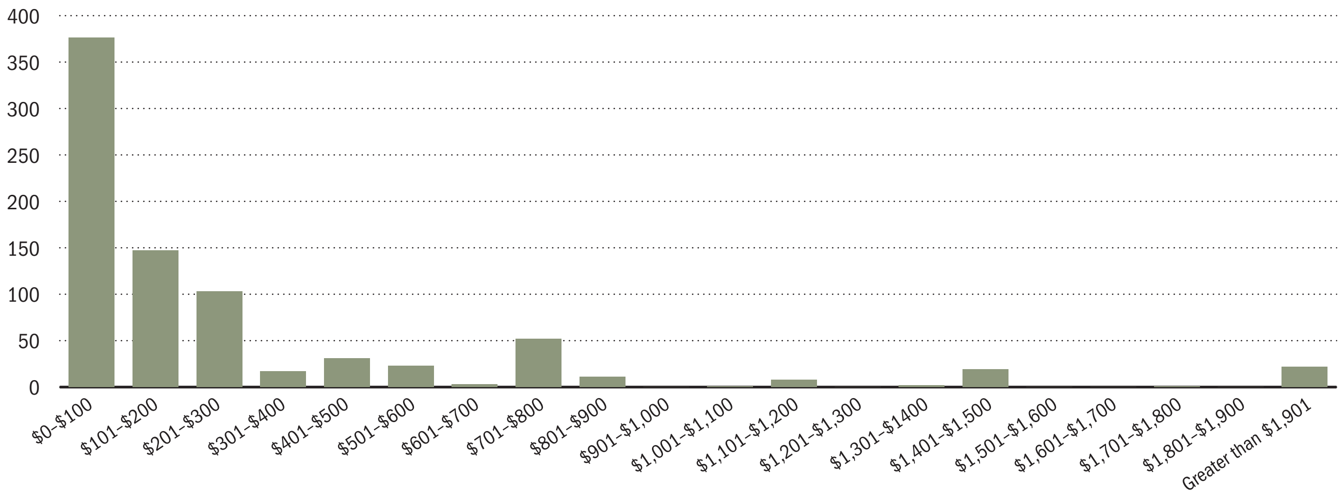
FIGURE 3.37

PERCENT OF RESPONDENTS SAYING CORRUPTION IS A MAJOR PROBLEM

Source: The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, p. 100.

FIGURE 3.38

DISTRIBUTION OF BRIBES PAID TO THE JUDICIARY/COURTS

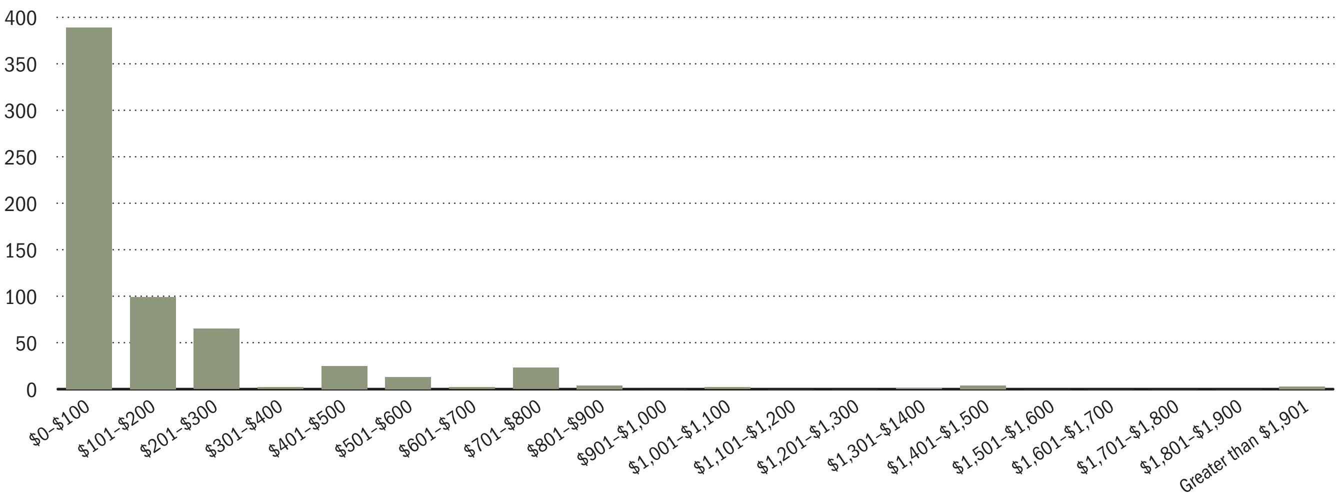


Note: Of the 3,677 randomly selected respondents who said they had interacted with the courts, 908 said they had to pay a bribe in all, most, or some cases. The reported value of the most recently paid bribes ranged from $100 or less to more than $10,000.

Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

FIGURE 3.39

DISTRIBUTION OF BRIBES PAID WHEN APPLYING FOR A JOB

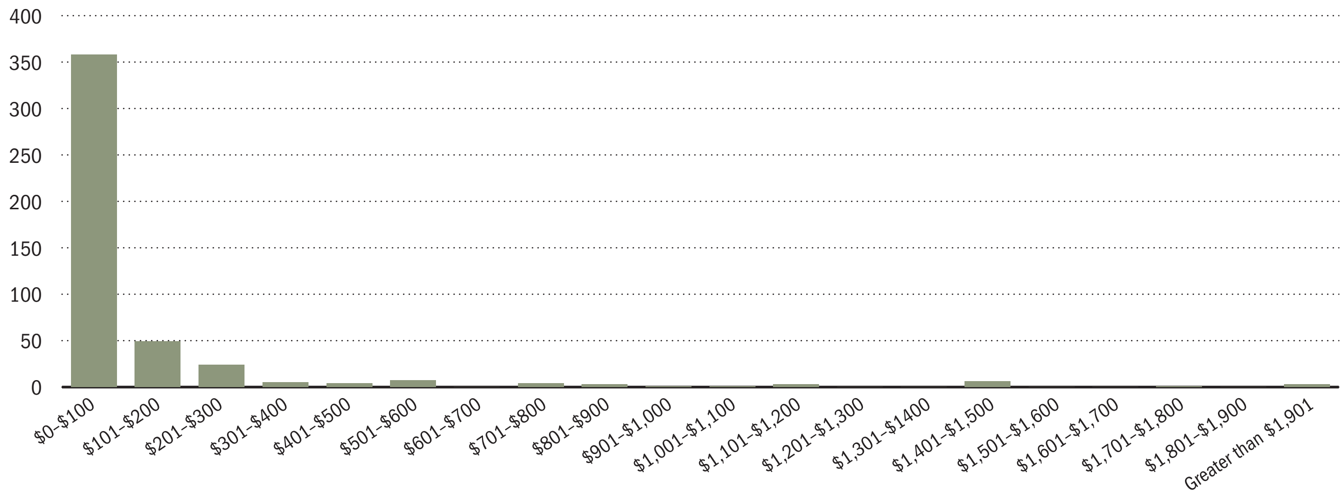


Note: Of the 3,842 randomly selected respondents who said they had applied for a government job, 702 said they had to pay a bribe in all, most, or some cases in which they applied for a job. The reported value of the most recently paid bribes ranged from $100 or less to more than $4,400.

Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

FIGURE 3.40

DISTRIBUTION OF BRIBES PAID TO THE PROVINCE GOVERNOR



Note: Of the 3,449 randomly selected respondents who said they had contact with the province governor's office, 508 said they had to pay a bribe in all, most, or some cases in which they interacted with the province governor. The reported value of the most recently paid bribes ranged from $100 or less to more than $10,000.

Source: SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).

This year, for the first time, the Asia Foundation's survey asked the approximate cash value of bribes respondents have had to provide to obtain government services. Respondents reported providing the largest bribes (on average) to the judiciary and courts ($347), followed by when applying for a job ($172), and to the provincial governor's office ($133).[475] Figures 3.38 to 3.40, show the distribution of reported bribe value by institution.

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

SIGAR is currently responding to a FY 2017 Congressional directive to assess the Afghan government's implementation of an anticorruption strategy called for at the Brussels Conference on Afghanistan held October 4–5, 2016. This is the first time Congress has directed SIGAR to assess the Afghan government's performance, rather than that of a U.S. government agency, on a key reconstruction objective. SIGAR announced its audit on June 22, 2017, to determine the extent to which the Afghan government (1) Met the first part of the second (Self-Reliance through Mutual Accountability Framework) SMAF deliverable to draft and endorse a whole of government anti-corruption strategy by June 30, 2017; (2) Met the second part of the second SMAF deliverable to initiate implementation of the strategy by December 31, 2017; (3) Met the third part of the second SMAF deliverable for the five revenue generating ministries to publicly report on their progress implementing their anti-corruption action plans in 2017; and (4) Developed mechanisms for overseeing the development and implementation of the anticorruption strategy.

Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include State's Justice Sector Support Program (JSSP) and Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.9.

USAID has a cooperation arrangement with the UK's Department for International Development to fund the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.[476]

State's Justice Sector Support Program (JSSP) is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an estimated cost of $20 million for the first year. The previous JSSP contract, which began in 2010, cost $286 million.[477]

JSSP embeds Case Management System (CMS) advisors in various ministries including the Supreme Court, Ministry of Interior (MOI), Attorney General's Office (AGO), MOD, High Office of Oversight and Anti-corruption (HOOAC), National Directorate of Security (NDS), and the Ministry of Justice (MOJ). 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. The JSSP advisors conduct quality control audits each week to monitor the accuracy of data being entered into the online database.[478] Despite these efforts, anecdotal evidence suggests that certain Afghan government entities still prefer alternative methods for tracking their cases. For example, this quarter, the U.S.

TABLE 3.9

RULE OF LAW AND ANTICORRUPTION PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Justice System Support Program II (JSSP II)	6/16/2010	11/27/2017	$298,290,903	$286,384,129
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/15/2016	4/14/2021	68,163,468	9,656,114
Justice Training Transition Program (JTTP) Follow On*	1/2/2013	1/15/2018	47,759,796	47,759,796
Afghanistan's Measure for Accountability and Transparency (AMANAT)**	8/23/2017	8/22/2022	31,986,588	31,986,588
Corrections System Support Program (OASIS CSSP)***	6/1/2017	11/30/2022	13,574,083	3,079,095
JSSP OASIS Contract	8/28/2017	8/28/2022	10,121,391	891,044
Delegated Cooperation Agreement (DCAR) with the Department for International Development (DFID) for Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)	5/19/2015	8/31/2020	3,000,000	2,000,000

Note: * The follow-on project is a no-cost extension with funds having already been disbursed.
** The award for this program is currently being protested.
*** Disbursements as of 10/29/2017.

Source: State, INL, response to SIGAR data call, 12/27/2017; USAID, response to SIGAR data call, 12/21/2017 and 1/17/2018.

Department of Justice Attaché informed State that various AGO offices were unable to provide him with requested case information using CMS. Instead, these AGO entities complained of the difficulty in using CMS and provided statistics derived from their own case management systems.[479]

This quarter, State's $48 million Justice Training Transition Program (JTTP) finalized an institutional learning-needs assessment that tested the knowledge and skills of 30.5% of AGO prosecutors. Each assessment included 10 knowledge- and skills-related questions tailored to the prosecutors' specific function. Each question could receive a score of 0 to 3 (for a total maximum score of 30). Approximately 79.7% of prosecutors scored 20 or less, making them priorities for additional training. The assessment found that more junior prosecutors were generally less in need of training than their mid- and senior-level counterparts.[480]

In September 2017, State agreed to provide $2.3 million to fund two international mentors and support staff for on-site technical assistance to Afghanistan's financial intelligence unit and two AGO prosecutorial units focused on corruption cases. This quarter, State and the UN Office on Drugs and Crime cooperated on recruiting the mentors and local staff.[481]

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.[482] This quarter, ADALAT completed the assessment of their subcontractor that provides training to improve traditional justice decision making. The assessment team interviewed 66 ADALAT trainees from Khowst and Kunar Provinces.[483] The trainees offered successes that they attributed to the ADALAT training, including:

- A woman confined to her house by her husband for eight years somehow attended an ADALAT training. At the training, she learned of her rights and petitioned the court. The court found the husband guilty and set the woman free. The trainee obtained a divorce and now reportedly lives an independent and happy life.
- Another ADALAT trainee recounted the story of a divorced couple and their young son. The ex-husband wanted to take the infant from his ex-wife and so appealed to a community development council to help him. Following an inquiry that included consideration of the ADALAT training, the community development council denied the petition and granted the custody to the ex-wife until the son is seven years old.
- Finally, a third trainee said that he had originally arranged to let a potential son-in-law marry his daughter after receiving the equivalent of more than $7,000 in cash, gold jewelry, and other items as bride price. After attending an ADALAT training and learning about women's rights and the marriage law, the trainee claimed that he decided to

refuse the cash, jewelry, and other items but still allowed the marriage to proceed.[484]

Afghan Correctional System

As of October 31, 2017, the General Directorate of Prisons and Detention Centers (GDPDC) incarcerated 29,102 males and 951 females, while the MOJ's Juvenile Rehabilitation Directorate (JRD) incarcerated 712 male and 89 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to their data.[485]

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adults, despite stagnant prison population numbers. As of October 31, the total male provincial-prison population was at 182% of capacity, as defined by the International Committee of the Red Cross's (ICRC) minimum standard of 3.4 square meters per inmate. The total female provincial-prison population was at 122% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 59% of ICRC-recommended capacity.[486]

In September 2017, following two years of studies and lobbying by State, the LOTFA project board approved an increase of 1,400 positions for the GDPDC. State expects that this increase will help improve GDPDC capacity and help mitigate some of the staffing issues related to prison overcrowding.[487]

Anticorruption

At the October 2016 Brussels Conference, the Afghan government agreed to draft and endorse an anticorruption strategy for the whole of government by the first half of 2017.[488] On September 28, the High Council on Rule of Law and Anti-corruption approved the National Strategy for Combatting Corruption.[489]

Work on the draft anticorruption law was suspended in September 2017 following a meeting of the Criminal Law Reform Working Group (an Afghan-led working group populated by Afghan government and international justice actors). The working group had been developing the anticorruption law (at the direction of the Ministry of Justice) since late 2016. Working-group members noted the draft anticorruption law conflicts with the newly released anticorruption strategy. A central feature of the draft anticorruption law was the creation of an independent anticorruption commission that would be free from any undue influence of the government. At the meeting, the working group chairman noted that the anticorruption strategy would place anticorruption activities under the authority of the AGO, instead of an independent commission. The consensus of working group members was that the new strategy will fail due to political interference at the AGO. As a result, work on the anticorruption law was suspended.[490]

DOJ continues to follow the case of the former minister of telecommunication and information technology, Abdul Razzaq Wahidi. Last quarter, Chief Executive Abdullah was quoted in Afghan media saying that Wahidi was cleared by the AGO of charges of having manipulated the ministry's revenue statistics. The AGO has accused Wahidi of having misused his office for personal gain and nepotism. According to DOJ follow-up, the AGO substantiated these allegations and completed their investigation against Wahidi in February 2017, but the case file was not forwarded to the Afghan Supreme Court until July 2017. The case has reportedly sat with the Supreme Court since that time without a clear explanation as to its disposition. According to State, the Supreme Court has rebuffed U.S. officials' attempts to obtain further information on the case, citing privacy laws that may not apply to corruption prosecutions regarding official acts.[491]

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC).[492] The ACJC brings together MCTF investigators, AGO prosecutors, and judges to combat serious corruption.[493] The ACJC's jurisdiction covers major corruption cases committed in any province involving senior officials or substantial monetary losses of a minimum of five million afghanis (approximately $73,000).[494] According to the Afghanistan Compact, the Afghan government was expected to develop, implement, and publish rules for when cases are to be submitted to the ACJC. However, as of December 2017, State reports the status of this benchmark is unknown.[495]

Since October 2016, the ACJC has considered 386 potential cases, of which 287 involve civilians and 99 involve military personnel. Of these, 53 have been referred to the ACJC's primary court or primary prosecution office. A number of potential cases were rejected for missing documents or lack of evidence (84 cases) or because they did not meet the ACJC's jurisdiction requirements (104 cases).[496]

The ACJC's primary court has concluded 24 trials, convicting 93 offenders. The ACJC's court of appeals has subsequently held 21 trials, convicting 72 offenders, while the Supreme Court has convicted 42 offenders in 15 trials.[497] As of November 20, 62 defendants have had their cases referred to either the ACJC court of appeals or Supreme Court. Of those, 30 defendants had their sentences reduced while six had their sentenced increased.[498]

In November, the ACJC's court of appeals reviewed the case of two former MOI officials from Kandahar Province who were charged with embezzling police salaries. The ACJC's appeals court upheld an October primary court decision that sentenced one defendant to 20 years in prison and fined him the equivalent of more than $330,000 (the approximate amount of embezzled funds). The appeals court also sentenced an accomplice to 20 years in prison, overturning the primary court's previous acquittal.[499]

According to DOJ, the Supreme Court's decision to vacate the jail sentence of Herat Provincial Council Chairman Kamran Alizai harmed efforts to prosecute corrupt officials. Alizai had stormed a prosecutor's office with 20 bodyguards after an ally of his was questioned by Afghan government prosecutors. In a high-profile case, Alizai was convicted by the ACJC primary court of misuse of authority on March 17, 2017. However, he was not arrested until a month later and then only following negotiations with Herat elders and MOI officials. Unlike other detained ACJC defendants, Alizai was not incarcerated at Kabul's Pul-e Charkhi prison, but remained free until he agreed to detention in the guest quarters at Herat's police headquarters. Later, with the AGO's acquiescence, Alizai was released on bail. Alizai was sentenced to 30 months' imprisonment, which was reduced to eight months on appeal, after the prosecutor chose not to defend the sentence. Alizai further appealed to the Supreme Court, which vacated the imprisonment altogether and assessed a nominal fine of approximately $175. He never served a day in jail.[500]

DOJ expressed concern that no Afghan authority disclosed the Supreme Court's decision to vacate Alizai's prison sentence. The U.S. Embassy became aware of the decision only in October 2017, after they specifically followed up with Afghan justice officials. According to DOJ, per the Criminal Procedure Code (CPC), the Supreme Court is generally supposed to remand such cases to the authorized court—in this case the ACJC—for re-adjudication if it overrules the verdict. However, the Supreme Court asserted to DOJ that the given CPC article did not apply and maintained that their decision was lawful. DOJ is also concerned that the issue was not handled transparently, especially given the intense media coverage of the conviction.[501]

The ACJC has not been a factor in the most high-profile and egregious abuse of power and corruption cases DOJ reported. DOJ cited the failure to pursue three recent cases (First Vice President Abdul Rashid Dostum attacking a political rival; Balkh Governor Atta Mohammad Noor initiating a gun battle against a political rival that left two dead; and former Minister of Telecommunications and Information Technology Wahidi manipulating the ministry's computer system for tracking mobile phone card usage, misusing his office for personal gain, and nepotism) as examples that most obviously undermine rule of law in the eyes of the Afghan people and call into question the legitimacy of the government.[502]

According to a November Agence France-Presse report, ACJC-affiliated personnel remain under threat despite a presidential decree ordering increased security protections. A secure residential compound for ACJC staff and families is reportedly under construction but will not be completed for another year. In the meantime, ACJC staff largely travel to work either in unarmored police vehicles, private cars, or public transport.[503]

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

President Karzai established the MEC by presidential decree in March 2010. The institution was reauthorized by President Ghani in September 2016. The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts to fight corruption, and to report on these efforts. Its board includes three Afghan members and three international members, and is led by an Afghan executive director.[504]

This quarter, the MEC published its assessment of the Ministry of Higher Education's (MOHE) implementation of its anticorruption plan. According to the MEC, the MOHE has made some, but insufficient, progress. The MEC found that the MOHE's anticorruption plan lacks baselines against which to judge progress. Additionally, the MOHE has hired only three of the eight personnel for the internal-audit directorate. On a positive note, the MEC found that MOHE had improved the university entrance exam process by registering students with a biometric system prior to their exam.[505]

The MEC also published a report on Afghanistan's public utility Da Afghanistan Breshna Sherkat (summarized on page 175 of this report) and a follow-up report on the Ministry of Public Health.

Major Crimes Task Force

The MCTF is an elite MOI unit chartered to investigate corruption, organized criminal networks, and high-profile kidnappings committed throughout Afghanistan. The MCTF investigated 373 cases in 1395 and 322 cases in 1396 (up to November 30, 2017). This quarter, the MCTF opened 17 corruption cases. The MCTF's Corruption Investigation Unit currently has approximately 58 trained corruption investigators.[506]

Last quarter, the position of MCTF director was reportedly upgraded from a brigadier general to a major general billet. This quarter, however, Resolute Support reports that the MCTF director remains a brigadier general. According to Resolute Support, the MCTF could be more effective if the director was promoted.[507]

According to Resolute Support, MCTF investigator morale remains low. MCTF investigators reportedly feel they do not receive the support and protection from senior Afghan government officials necessary to operate without reprisal. MCTF investigators are afraid to work some high-level cases due to potential repercussions, which include being fired, transferred, or being put in jail for doing their job.[508]

HUMAN RIGHTS

In November, the prosecutor of the International Criminal Court (ICC) announced that she had requested authorization to open an investigation into war crimes and crimes against humanity allegedly committed by any party in Afghanistan since May 1, 2003.[509] A DOD spokesman responded that "an ICC investigation with respect to U.S. personnel would be wholly unwarranted and unjustified."[510] In August 2017, the Afghanistan Independent Human Rights Commission had requested the ICC begin an investigation. A senior advisor to President Ghani responded that while Afghanistan respects the ICC's independence, the Afghan government would have preferred that their domestic judicial system be strengthened to respond to such crimes.[511]

REFUGEES AND INTERNAL DISPLACEMENT

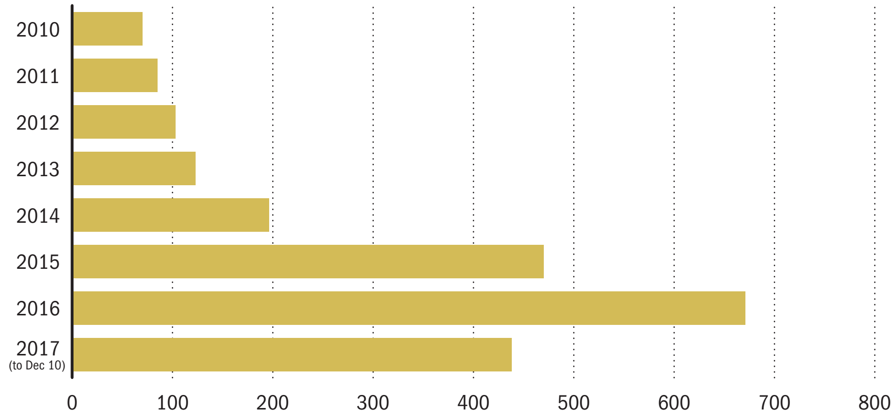
According to State, refugee returns to Afghanistan have fallen compared to the elevated levels in 2016. In 2016, a total of 370,102 Afghans registered as refugees returned from Pakistan, 2,290 returned from Iran, and 185 returned from other countries.[512] As of December 24, 58,752 refugees have returned from Pakistan, Iran, and other countries. Some 98% of these refugee returns came from Pakistan. The number of refugee returns in all of 2017 fell to about 16% of the number of refugee who returned to Afghanistan in 2016.[513]

According to State, returning Afghan refugees from Pakistan interviewed by the United Nations High Commissioner for Refugees (UNHCR) said that

Participants celebrating International Migrants Day display the Afghan flag. (UNAMA photo)

FIGURE 3.41

CONFLICT-INDUCED DISPLACEMENTS OF PERSONS (THOUSANDS)



Source: UN OCHA, "Afghanistan: Conflict Induced Displacements in 2017 - Snapshot," 6/18/2017; UN, OCHA, "Afghanistan Weekly Field Report," 12/24/2017, p. 1.

the primary reasons for their return were improved security in Afghanistan, lack of employment opportunities in Pakistan, abuse by police or state authorities, and strict border entry requirements.[514]

On January 3, 2018, Pakistan's federal cabinet decided to extend recognition of 1.4 million Afghan refugees for only one month, rather than the expected one-year. A UNHCR representative said that this move went against a previous understanding from November 2017 in which Pakistan, Afghanistan, and UNHCR agreed to a one-year extension. Pakistan's cabinet said that Pakistan can no longer continue to bear the economic burden of hosting Afghan refugees. Additionally, a Pakistani military spokesman claimed that Afghan refugee communities hinder counterterrorism efforts as they provide cover for launching attacks into Afghanistan.[515]

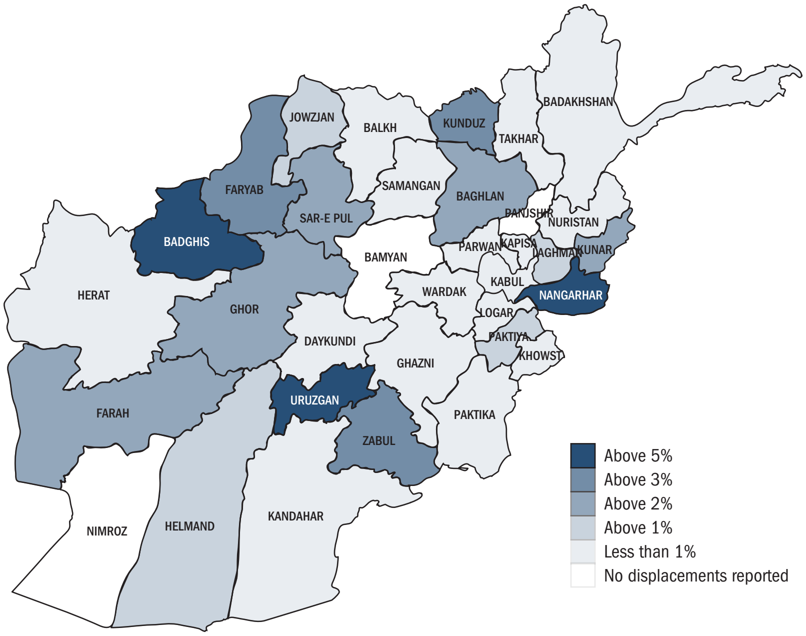
As of December 23, 97,642 undocumented Afghans returned from Pakistan while 453,600 undocumented Afghans returned from Iran. Approximately 4% of Afghan returnees from Pakistan were deported (with the remainder spontaneous returns) whereas approximately 59% of Afghan returnees from Iran were deported.[516]

As shown in Figure 3.41, there has been less internal displacement this year compared to last. According to the UN's Office for the Coordination of Humanitarian Affairs (OCHA), as of December 19, 437,907 people have fled their homes due to conflict.[517] According to State, 261 natural disasters in 2017 contributed to internal displacement affecting 111,543 individuals in 33 out of 34 provinces.[518]

As shown in Figure 3.42 on the following page, as of December 19, approximately 8% of the estimated population of Nangarhar Province

FIGURE 3.42

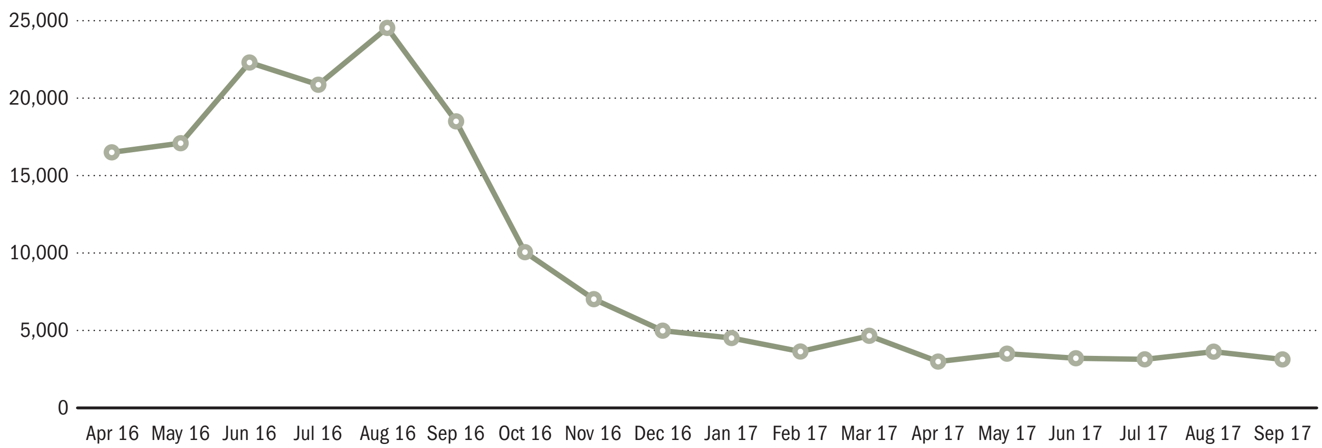
PROVINCE POPULATION DISPLACED BY CONFLICT 2017



Source: Humanitarian Data Exchange, "OCHA Afghanistan: Afghanistan - Conflict Induced Displacements in 2017," 12/24/2017; Central Statistics Office, "Estimated Population by Civil Division, Urban, Rural, Nomidic and Sex-2017-18," n.d.

FIGURE 3.43

FIRST-TIME AFGHAN ASYLUM APPLICANTS TO THE EUROPEAN UNION



Source: EUROSTAT, "First time asylum applicants in the EU-28 by citizenship, Q3 2016–Q3 2017," 12/13/2017.

was displaced due to conflict. Uruzgan (6.68%), Badghis (6.04%), Kunduz (3.86%), Faryab (3.16%), and Zabul (3.06%) Provinces registered more than 3% of their total estimated populations as displaced by conflict.[519]

Eurostat, the statistical office of the European Union (EU), reported 32,395 first-time Afghan asylum seekers in the EU in the first nine months of 2017 (a decrease of approximately 80% from the first nine months of 2016). As shown in Figure 3.43, the number of Afghan asylum applications from July to September 2017 was 2% higher than the number for the previous three months.[520]

GENDER

The largest gender-focused initiative in USAID's history is the Promote partnership, which aims to assist over 75,000 Afghan women in achieving leadership roles over five years in all parts of society, including business, academia, politics, and public policy.[521] USAID has committed $280 million to Promote.[522] Table 3.10 show the current Promote programs.

According to a recent USAID-commissioned assessment of USAID's progress in advancing the objectives contained in its 2015–2018 strategy for Afghanistan, the Promote programs have been "a major force for women with leadership potential." However, the assessment did not elaborate significantly on the achievements of the Promote programs in particular. Instead, the assessment touted how girls comprise 39% of school enrollment and health has registered "exceptional advances for women and girls." However, the assessment notes that maternal mortality has begun to climb for the first time in 15 years as insecurity results in more women dying at home in childbirth without access to skilled assistance and life-saving medication. Additionally, the assessment found that gender-based violence remains widespread and accepted as a norm.[523]

TABLE 3.10

USAID GENDER PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Promote: Women in the Economy	7/1/2015	6/30/2019	$71,571,543	$25,392,990
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	27,063,615
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	16,603,101
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	10,489,948
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	1,601,030
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	900,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/17/2018.

SIGAR AUDIT

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

As of November, the Women in the Economy (WIE) program has placed 5,103 interns. Of these interns, 37% are in the education sector, 23% in the technology sector, and 22% in the education sector. The program has helped 1,501 interns gain full-time employment. Thus far, 38,372 women have enrolled in job placement services offered by WIE.[524]

According to USAID, WIE has encountered difficulties in placing interns in about half of the program provinces. Challenges include potential host companies not having the financial or human resources to host interns, security concerns, and companies not meeting WIE criteria for safe, women-friendly workplaces. During the last few months, WIE reduced its internship and apprenticeship efforts in certain provinces and shifted to more urban areas to better serve the more robust private sector in these more developed areas. WIE no longer maintains full-time representatives in Kunduz, Kapisa, Nuristan, Uruzgan, Faryab, Paktika, Parwan, Daykundi, Wardak, Kunar, or Panjshir Provinces due to the low numbers of prospective beneficiaries and host companies or because of security considerations.[525]

As of November, 2,815 women have received or are receiving civil service training and internships through Promote's Women in Government (WIG) program. So far, 67 interns have gained full-time employment in the government. This quarter, WIG assisted 1,800 WIG-sponsored interns respond to an Afghan government announcement of 9,000 entry-level and 8,000 teaching positions.[526]

This quarter, Promote's Women in Civil Society program reported on the efforts of one of their partner civil society organizations in its advocacy efforts in Nangarhar Province. After meeting with residents in two districts, the grantee advocated with the province education directorate to increase in the number of female teachers in two villages. As a result of the meeting, 33 new female teachers were recruited. In addition, the grantee met with members of provincial council to address complaints of boys harassing girls while going to school. It was decided in the meeting that village elders and mullahs would talk to the parents of the perpetrators. As a result, 23 girls resumed going to school in the Kama District.[527]

This quarter, a USAID third-party monitor finalized its mid-term performance evaluation of the Promote Women's Leadership Development (WLD) program. USAID designed WLD to enable Afghanistan's most talented young women to enter public, private, and civil society sectors, advance into decision-making positions, and become future leaders. According to the evaluation, the WLD program is doing a good job of preparing a new generation of Afghan women leaders. A large majority, 86% of the 1,176 telephone survey respondents who had graduated from WLD's training program, agreed or strongly agreed that the training was relevant to their interest in securing a management or leadership position.[528] Many WLD trainees identified negotiations training as their favorite topic, citing examples of how they had applied new negotiation skills at home, in preparation for employment, and on the job.[529]

The WLD evaluators found that a few informants raised concerns about the impact the economic and security situation in Afghanistan could have on the ability of WLD graduates to take full advantage of their newly acquired leadership potential. As one informant from the private sector put it: “Is WLD raising expectations that cannot be filled?” Even with the constraints Afghanistan’s environment places on women’s leadership, the evaluators reported that most key informants (85%) agreed that the WLD program is contributing to the creation of a critical mass of young women from which the next generation of leaders in the public, private, and civil society sectors will emerge.[530]

ECONOMIC AND SOCIAL CONTENTS

ECONOMIC AND SOCIAL DEVELOPMENT

KEY ISSUES AND EVENTS

In November 2017, the World Bank released its semiannual *Afghanistan Development Update*, summarizing the institution's current views on the situation in Afghanistan. The Bank said persistent deterioration of the security environment appeared to be preventing the Afghan economy from recovering fully from the 2014 security transition. Economic growth was projected to continue at a pace of 2.6% in 2017, an increase of just 0.4 percentage points over 2016. The World Bank anticipated that industry and services would grow by 2.0% and 3.3%, respectively, in 2017. Growth in agricultural output was expected to decline to about 1.5% this year, following a 6.0% increase in 2016.[531]

On December 8, 2017, the International Monetary Fund (IMF) completed its second review of Afghanistan under the Extended Credit Facility. The ECF is an IMF financing vehicle that provides assistance to countries experiencing extended balance-of-payments problems. The IMF said that Afghanistan had met all quantitative performance criteria and indicative targets. It continued to predict 2.5% Gross Domestic Product (GDP) growth for 2017, and projected 3.0% growth in 2018. Projections for future growth were contingent on continued donor support and implementation of reforms, among other factors. In the near term, the IMF said, growth would not be strong enough to reduce unemployment.[532]

The government's fiscal year (FY) 1397 budget, although approved by Afghanistan's cabinet and upper house of parliament on November 5 and November 21, 2017, respectively, was initially rejected by the lower house of parliament for the ninth consecutive year.[533] Following extensive negotiations, the lower house subsequently approved the AFN 377 billion ($5.4 billion) budget on January 17, 2018.[534] An Integrity Watch Afghanistan (IWA) report released in December said the lower house's repeated rejection of draft national budgets has "generated a pattern of patronage where the [members of parliament] get the chance to negotiate their benefits with the Ministry of Finance and other ministries."[535] According to the Afghanistan Analysts Network, the budget was designed to address both corruption and declining levels of donor support, and departs from previous budgets in several important respects—for example, by discontinuing the practice of carrying unspent development funds over to the next year.[536]

IWA warned that, historically, the budget process "has been riddled with incompetence, corruption, and collusion."[537]

This quarter, USAID told SIGAR that it is currently conducting an energy-sector assessment to ensure that its power infrastructure projects are aligned with the Trump Administration's new South Asia strategy, which was announced last quarter on August 21, 2017.[538] USAID said two key segments of its $725 million Power Transmission and Connectivity (PTEC) program would be on hold until the review is complete.[539]

SIGAR analysis this quarter showed that Afghan government revenue growth remained strong in FY 1396 (December 22, 2016, to December 21, 2017). The Ministry of Finance categorizes domestic revenue as either "sustainable" or "one-off."[540] While sustainable domestic revenues increased by 15%, aggregate revenues grew by 7%, year-on-year from FY 1395 to FY 1396.[541] Due to data limitations, SIGAR was unable to compare total FY 1396 expenditures with MOF- or USAID-supplied data for FY 1395. However, a comparison of current FY 1396 data exported from Afghanistan's government-wide accounting system to FY 1395 figures reported by the World Bank shows that year-on-year expenditures appear to have grown by just over 4% in FY 1396.[542]

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE AND ECONOMIC AND SOCIAL DEVELOPMENT

As of September 30, 2017, the U.S. government has provided approximately $33 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly $19.9 billion—were appropriated to the U.S. Agency for International Development's (USAID) Economic Support Fund (ESF). Of this amount, $18.5 billion has been obligated and $15.7 billion has been disbursed.[543]

According to its FY 2018 budget request, the State Department intends for U.S.-funded civilian-assistance programs in Afghanistan to reinforce and complement the U.S. military's ongoing train, advise, and assist (TAA) and counterterrorism (CT) efforts. Programs will focus on further consolidating the political, security, developmental, and social gains achieved since 2001, and aim to grow the Afghan economy. They are to be implemented under strict monitoring conditions to mitigate corruption.[544]

State's budget request indicates that ESF investments will be made in key sectors like agriculture and natural resources. They intend to target small and medium-size enterprises in prioritized value chains, provide support to public-private partnerships to improve infrastructure, and promote improved government capacity, including the Afghan government's ability to generate domestic revenue. The ESF will also be used to enhance civic engagement to combat violent extremism, and to empower women through increased access to education and employment opportunities.[545]

USAID Working to Align Programming with New U.S. South Asia Strategy

On August 21, 2017, President Trump announced the new U.S. strategy in Afghanistan and South Asia. The strategy involves the "integration of all instruments of American power—diplomatic, economic, and military." The President also emphasized his hope that India would begin to play a larger role in economic assistance to Afghanistan, and underscored that the U.S. would "participate in economic development to help defray the cost of [the] war."[546]

This quarter, USAID told SIGAR that it is developing its first Country Development Cooperation Strategy (CDCS). The CDCS will articulate how USAID plans to support the new U.S. South Asia strategy. USAID expects the CDCS to be completed by the summer of 2018, but has shared with SIGAR the high-level contours of how the new strategy will affect U.S. economic and social development programming.[547]

USAID said it plans to help Afghanistan produce private-sector-driven, export-led growth by increasing the country's competitiveness and export capacity. USAID expects these efforts to "bridge the massive trade deficit, improve the fiscal strength of the government, and create millions of sustainable private sector jobs."[548] The agency added that the CDCS, which will cover the years 2018–2021, will not only support President Trump's broad vision for the region, but also U.S. military efforts and the Afghan government's National Peace and Development Framework, which describes Afghanistan's plan to achieve self-reliance. USAID hypothesizes that the combination of export-led economic growth; additional gains in education, health, and women's empowerment; and increased Afghan government accountability to its citizens will create a "more inclusive, economically viable, and self-reliant country."[549]

In remarks at the Center for Strategic and International Studies on November 27, 2017, Office of Afghanistan and Pakistan Affairs Assistant to the Administrator Greg Huger clarified USAID's approach to private-sector development. USAID will focus efforts on market areas in and around Afghan cities. According to Huger, these are areas where the government has greater control, where ready workforces exist, and where Afghan businesses can establish facilities to process products from the countryside.[550] About 72% of Afghans, however, do not live in urban areas.[551] SIGAR will continue to track and report on the developing implications of the new U.S. strategy as they become clearer.

ECONOMIC PROFILE

According to the IMF, Afghanistan remains poor, conflict-affected, and aid-dependent.[552] Near-term growth is expected to be modest: the IMF projected 2.5% GDP growth for 2017, and 3.0% for 2018.[553] The World Bank projected

The World Bank, IMF, and others exclude the value of opium production from their reported GDP estimates. Afghanistan's Central Statistics Organization releases official GDP growth figures in two categories—one that includes and one that excludes opium value (in 2016, 3.6% and 2.1% respectively). Opium-related earnings boost domestic demand and are a significant source of foreign exchange. Exports of opium were valued at $2 billion in 2015.

The estimated net value of opium production was $2.9 billion in 2016, representing the equivalent of 16% of GDP. The United Nations Office of Drugs and Crime estimated that the farm-gate value of opium production—national potential production multiplied by the weighted average farm-gate price of dry opium at the time of harvest (which excludes money made by traffickers)—for 2017 was $1.4 billion, a 55% increase over the 2016 figure of $0.9 billion.

Source: World Bank, *Afghanistan Development Update*, 11/2017, p. 1; IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017; ADB, *Asian Development Outlook 2017*, 4/2017, p. 178; ADB, *Asian Development Outlook 2015*, 3/2015, p. 167; CSO, *Afghanistan Statistical Yearbook 2016–2017*, p. 163; UNODC, *Afghanistan Opium Survey 2017 Cultivation and Production*, 11/2017, p. 8; UNODC, "Afghanistan opium crop cultivation rises 36 per cent, production up 49 per cent," 11/13/2013, http://www.unodc.org/unodc/en/frontpage/2013/November/afghanistan-opium-crop-cultivation-rises-a-record-36-per-cent-opium-production-up-49-per-cent.html, accessed 1/15/2017.

2.6% and 3.2%, respectively.[554] Growth expectations were contingent on continued substantial donor support, implementation of reforms, improvements in confidence, and no additional deterioration in security.[555]

The World Bank said the worsening security situation appeared to be preventing consumer and business confidence from fully recovering from the effects of the 2014 security transition. Economic activity was sluggish in the first half of 2017. Whereas about 1,700 new firms were registered in the first half of 2016, only 1,500 were registered in the first half of 2017, according to Afghanistan's Ministry of Commerce and Industries. Confidence may have improved modestly in response to the recent announcement of the new U.S. strategy, according to the World Bank, based on anecdotal evidence.[556] Business sentiment rose slightly over the first half of 2017, according to survey results from the Afghan Chamber of Commerce and Industries.[557]

Year-on-year consumer price inflation has leveled off. The World Bank reported that a spike of 7.5% in May 2017 had subsided to 3.8% in September 2017, year-on-year. A relatively steady exchange rate, combined with stable global commodity prices, may have accounted for the slowdown in domestic food and energy price increases since May 2017, according to the World Bank. Because Afghanistan imports both fuel and cereals, its domestic prices tend to ebb and flow with global commodities markets.[558]

The IMF recommended that the Afghan government support growth by reducing corruption, improving the business climate, increasing human and physical capital, strengthening institutions, and increasing access to financial services. IMF directors continue to underscore the many obstacles impeding Afghanistan's development, including aid dependence, political uncertainty, and corruption, among others.[559]

Afghanistan's FY 1397 Budget Passed Following Initial Rejection by Lower House

On November 5, 2017, Afghanistan's cabinet, which consists of top Afghan government officials, including President Ghani, approved the Ministry of Finance's (MOF) draft FY 1397 budget.[560] Afghanistan's upper house—the *Meshrano Jirga*—subsequently approved the budget on November 21, 2017.[561] However, three weeks later it was initially rejected by the lower house—the *Wolesi Jirga*—for the ninth consecutive year due to concerns about imbalance among provinces and cuts in the development budget.[562] Following extensive negotiations, the lower house eventually approved the AFN 377 billion ($5.4 billion) budget on January 17, 2018.[563]

Anticipated expenditures in the version of the budget approved by the lower house were about AFN 20 billion (approximately $288 million) higher than those in the draft initially presented by the MOF in early November, a 6% increase.[564] According to Afghan news reporting, the development budget increased by AFN 17 billion, accounting for the majority of the difference in allocations between the draft and final versions.[565] Overall, however, the FY 1397 budget was about AFN 52 billion (nearly $1 billion, accounting for the depreciating afghani)—or about 12%—lower than that of FY 1396.[566] When the MOF introduced the draft budget, it expected that the Afghan government would finance 47.5% of total expenditures. Donors were expected to finance the remaining 52.5%.[567]

The MOF said the budget was prepared in accordance with international standards.[568] According to the Afghanistan Analysts Network (AAN), this year's draft budget request represented a significant departure from previous years because it provided greater detail on anticipated expenditures at the ministry, project, and province levels, eliminated the practice of carrying unspent development funds over to the next year, and incorporated more realistic projections over a longer time horizon.[569]

AAN said the budget was designed to address both corruption and declining levels of donor support.[570] It addressed the latter by providing projections to 2021—a year that existing donor commitments do not cover—and by jettisoning the carryover provision, the abandonment of which would decrease budgetary rigidity and allow the government to better address national priorities.[571] The draft budget addressed corruption not only through greater transparency, but also through reductions in so-called 'contingency' categories that, as effective "non-allocations" open to negotiation, are susceptible to rent-seeking, according to AAN.[572]

AAN had foreshadowed that shepherding the budget through parliament intact might be difficult.[573] In a December 2017 report, Integrity Watch Afghanistan (IWA) said that, historically, the budget process had "been riddled with incompetence, corruption, and collusion." In particular, IWA underscored that the "decisions of Wolesi Jirga to reject the National Budget have generated a pattern of patronage where the parliamentarians get the chance to negotiate their benefits with the Ministry of Finance and other ministries." IWA claimed that an additional 350 projects worth $70 million were "forced into the National Budget" last year as a result of this "patronage." These projects, according to IWA, were included "against the relevant laws" in part so that MPs could secure reelection.[574]

Because the FY 1397 budget was passed just before this report went to press, SIGAR has not yet seen the final version of the document. SIGAR will provide further analysis in its April quarterly report.

Fiscal Outlook: Some Improvement, But Still Fragile

The IMF said that the Afghan government's fiscal performance has generally been good. IMF-defined domestic revenue targets for June 2017 under the IMF's Extended Credit Facility program were exceeded by 20%. However, the IMF noted that execution of Afghanistan's development budget remained relatively low at about 21%—in line with recent trends. Historically, low execution rates have degraded public confidence in the

IMF-defined domestic revenues: under its Extended Credit Facility arrangement with Afghanistan, the IMF defines domestic revenues in line with the *Government Finance Statistics Manual*, with some exceptions. Revenues include any increase in the central government's net worth resulting from a transaction. They exclude grants and are accounted for on a cash accounting basis. Transactions include taxes and additional compulsory transfers mandated by the central government, sales of goods and services, income derived from property ownership, interest, fines, penalties, forfeitures, voluntary transfers received from nongovernment entities, and social contributions.

In addition to grants, noncompulsory contributions from international organizations and foreign governments are excluded from the IMF's definition of revenue for program monitoring purposes. Also excluded are funds collected from the sale of nonfinancial assets and transactions in financial assets and liabilities (for example, borrowing but excepting interest payments), receipts collected by the central government on behalf of non-central government units, as well as profit transfers from the Central Bank to the Treasury.

Development budget: one of two components of the Afghan government's national budget—the other being the operating budget. The operating budget generally covers recurrent expenditures for government salaries and operations and maintenance, while the development budget generally covers all other government investments and projects.

Source: IMF, *First Review Under the Extended Credit Facility Arrangement and Request for Modification of Performance Criteria*, 5/8/2017, p. 60; Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, p. 5; Afghanistan Analysts Network, "Parliament Kicks Out Ministers Again: A multi-dimensional power struggle," 12/19/2016.

Afghan government, according to the AAN. Revenue collection, in the IMF's judgement, remained strong.[575]

Nevertheless, Afghanistan's overall fiscal position continues to be fragile. In the IMF's estimation, the Afghan government's revenue collection amounts to approximately 11% of GDP (reflecting marginal improvements in recent years to pre-security-transition levels), and covers only half of recurrent expenditures.

Short-term opportunities to increase revenue through taxation remain limited due to insecurity and the potential for tax measures to adversely affect economic growth. The security situation, in particular, imposes significant constraints. A study published by the IMF this quarter concluded that conflict-related violence appeared to have reduced the Afghan government's 2016 revenues by about 50%.[576]

Afghan authorities believe that recent efficiency gains in revenue collection are unlikely to continue, as prolonged emphasis on collection could negatively affect business activity.[577] This view may account for the more modest government revenue projections reflected in the Ministry of Finance's FY 1397 budget. While Afghanistan's FY 1396 budget projected revenue growth of 8.1% in 2018 and 7.2% in 2019, the current draft budget projections are substantially lower: 4.6% in 2019 and 5.9% in 2020.[578]

Government Revenues and Expenditures: Strong Year-on-Year Revenue Gains in FY 1396

Afghan government revenue growth remained strong in FY 1396 (December 22, 2016, to December 21, 2017). The Ministry of Finance categorizes domestic revenue as either "sustainable" or "one-off."[579] SIGAR analysis of USAID-provided data from the MOF's government-wide accounting system—the Afghanistan Financial Management Information System (AFMIS)—shows that sustainable domestic revenues increased by 15%, and aggregate revenues by 7%, year-on-year from FY 1395 to FY 1396.[580]

In previous quarterly reports, SIGAR compared MOF figures from FY 1395 Financial Statement Reports (FSRs) to figures derived from USAID-provided AFMIS data in presenting year-on-year analysis of revenues.[581] However, the MOF ceased making its FSRs publicly available in December 2016.[582]

Additionally, SIGAR observed that a large amount of revenues (AFN 15,539,328,952) were categorized as "Miscellaneous" in Month 12 AFMIS data for FY 1396. This figure was higher than both the monthly average funds categorized as Miscellaneous in FY 1396 (AFN 213,211,210 through Month 11) and funds categorized as Miscellaneous in FY 1395 Month 12 (AFN 314,140,420). SIGAR therefore assessed that the large proportion of Miscellaneous funds in Month 12 FY 1396 AFMIS data would likely be recategorized as it was reconciled, precluding a full-year category-level comparison of revenues this quarter.[583] Instead, SIGAR provides

Sustainable Domestic Revenues: According to Afghanistan Ministry of Finance (MOF) officials, revenues—such as customs, taxes, and non-tax fees—used by multilateral institutions such as the World Bank and the International Monetary Fund to judge the Afghan government's fiscal performance.

One-Off Domestic Revenues: 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.

Source: SIGAR, communications with MOF officials, 8/21/2017; SIGAR, communications with IMF officials, 9/7/2017.

a year-over-year comparison of revenues through Month 11 (e.g. from December 21, 2016, through November 21, 2017).

Through Month 11, FY 1396, customs duties and fees constituted nearly 23% of overall revenues, continued to be the largest source of income for

TABLE 3.11

DOMESTIC REVENUES, FISCAL YEARS 1395 AND 1396 COMPARED (IN AFGHANIS)

	Category	1395 (Through Month 11)	1396 (Through Month 11)	% Change
Ministry of Finance (MOF)-defined "Sustainable" Domestic Revenue				
Taxation & Customs Revenues	Fixed Taxes	9,496,106,924	11,253,780,418	18.51%
	Income Taxes	21,602,729,856	23,947,165,420	10.85%
	Property Taxes	385,707,248	408,537,518	5.92%
	Sales Taxes	25,633,573,675	30,453,198,330	18.80%
	Excise Taxes	0	0	N/A
	Other Taxes	4,285,704,251	0	(100.00%)
	Tax Penalties and Fines	0	2,555,127,578	N/A
	Customs Duties and Fees	28,770,417,684	32,512,138,112	13.01%
Social Contributions	Retirement Contributions	4,098,406,193	4,505,373,888	9.93%
Other Revenue	Income from Capital Property	1,594,221,474	1,717,411,866	7.73%
	Sales of Goods and Services	5,516,197,534	7,303,585,706	32.40%
	Administrative Fees	21,677,451,888	23,561,684,532	8.69%
	Royalties	229,565,653	379,798,982	65.44%
	Non-Tax Fines and Penalties	992,670,893	673,811,468	(32.12%)
	Extractive Industry Fees	1,039,437,487	1,561,075,927	50.18%
	Miscellaneous Revenue	4,080,388,529	2,345,322,215	(42.52%)
	Sale of Land and Buildings	13,676,633	94,140,208	588.33%
	Revenue collected from sources under claims	0	0	N/A
Subtotal of MOF-defined "sustainable" domestic revenues		129,416,255,922	143,272,152,168	10.71%
MOF-defined "One-off" Domestic Revenue				
Other Revenue	Profit Transfer from Central Bank[a]	10,256,709,000	0	(100.00%)
	Sale of Land and Buildings[b]	1,085,668,448	0	(100.00%)
Subtotal of MOF-defined "One-off" domestic revenues		11,342,377,448	0	(100.00%)
Total Domestic Revenue		**140,758,633,370**	**143,272,152,168**	**1.79%**

Note: Negative values in parentheses. In previous quarterly reports, SIGAR compared figures from Afghanistan Ministry of Finance (MOF) FY 1395 Financial Statement Reports (FSRs) to figures derived from USAID-provided AFMIS data in presenting year-on-year analysis of revenues. This quarter, SIGAR uses its analysis of USAID-provided AFMIS data exported on 3/7/2017 as the basis for FY 1395 figures. The MOF ceased making its FSRs publicly available in December 2016. As a result, SIGAR used direct AFMIS exports to present aggregate, 12-month, year-over-year revenue analysis in the text accompanying this table. For consistency, SIGAR chose to use data from direct AFMIS exports as the basis for all figures presented above. Additionally, SIGAR chose to provide a year-on-year revenues comparison for 11 months rather than 12 months. SIGAR observed that a large amount of revenues (AFN 15,539,328,952) was categorized as "Miscellaneous" in Month 12 AFMIS data for FY 1396. This figure was higher than both the monthly average of funds categorized as Miscellaneous in FY 1396 (AFN 213,211,210) and funds categorized as Miscellaneous in FY 1395 Month 12 (AFN 314,140,420). SIGAR therefore assessed that the large amount of Miscellaneous funds in Month 12 FY 1396 would likely be recategorized as they were reconciled, precluding a full-year category-level comparison of revenues.

[a] A significant component of FY 1395 revenues was an approximately AFN 10.3 billion transfer of profits from the Afghan central bank to the MOF. Based on SIGAR analysis of AFMIS data, this profit transfer was initially recorded under Miscellaneous Revenues, and later re-categorized under a different code identified by the MOF as DABS exchange rate gains. SIGAR has deducted AFN 10.3 billion from the Miscellaneous Revenue figure presented under "sustainable" revenue. Additionally, SIGAR does include an approximately AFN 2.1 billion revenue item identified by the MOF as collections from New Kabul Bank debtors within sustainable domestic revenues. Although the MOF considers this one-off revenue, SIGAR observed that this revenue item moved in and out of categories in FY 1395, and was eventually classified under a revenue code that the MOF did not identify as "one-off" in communications with SIGAR.

[b] In communications with MOF officials, SIGAR learned that the MOF classifies the sale of state-owned buildings in FY 1395 as "one-off" revenue. Thus, SIGAR splits the broader revenue category of Sale of Land and Buildings into separate "sustainable" and "one-off" revenue items. Sustainable revenues from this category include the sale of state-owned land.

Source: SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR analysis of USAID-provided AFMIS data exported 3/7/2017; SIGAR, communications with MOF officials, 8/21/2017 and 9/4/2017.

TABLE 3.12

EXPENDITURES, FIRST 11 MONTHS, FISCAL YEARS 1395 AND 1396 COMPARED (IN AFGHANIS)

	Category	1395 (Through Month 11)	1396 (Through Month 11)	% Change
Personnel	Salaries in Cash	124,764,258,269	129,754,617,385	4.00%
	Salaries in Kind	18,977,304,753	21,467,279,068	13.12%
	Salaries and Wages Advance	397,770,316	143,051,173	(64.04%)
	Social Benefits in Cash	2,539,503,258	2,686,202,415	5.78%
	Social Benefits in Kind	0	0	N/A
Supplier Expenditures	Travel	2,640,490,596	2,624,291,555	(0.61%)
	Food[a]	2,952,035,935	2,676,879,780	(9.32%)
	Contracted services	26,689,850,401	27,350,517,804	2.48%
	Repairs and Maintenance	5,752,486,721	4,051,308,008	(29.57%)
	Utilities	3,912,975,122	3,703,690,838	(5.35%)
	Fuel	21,235,697,246	9,948,878,885	(53.15%)
	Tools and Materials	5,166,258,320	5,262,381,801	1.86%
	Other	13,905,704,218	10,824,990,214	(22.15%)
	Advances and Return of Expenditure	5,344,558,978	5,272,209,335	(1.35%)
Subsidies, Grants, and Social Benefits	Subsidies	1,459,162,500	1,389,151,377	(4.80%)
	Grants to Foreign Governments	286,495,683	234,586,580	(18.12%)
	Current Grants - General Government Units	0	82,804,906	N/A
	Social Security Benefits in Cash	20,304,545,100	20,436,962,740	0.65%
	Social Assistance Benefits in Cash	19,800,000	15,250,000	(22.98%)
	Subsidies, Grants, and Social Benefits Advance	1,061,121,213	1,240,979,240	16.95%
Capital Expenditures	Buildings and Structures	30,203,080,483	29,948,448,383	(0.84%)
	Machinery and Equipment[b]	9,360,268,254	8,147,446,078	(12.96%)
	Valuables	1,554,316	1,284,600	(17.35%)
	Land	477,368,817	370,499,624	(22.39%)
	Capital Advance Payments/Returns	5,275,712,072	7,310,176,543	38.56%
Interest and Principal[c]		678,568,360	1,407,122,993	107.37%
Total		**303,406,570,929**	**296,351,011,324**	**(2.33%)**

Note: Month 12 expenditures in FY 1396 (AFN 61,239,553,024) were 106% higher than average monthly expenditures for the year (AFN 29,799,213,695). Thus, increased expenditure activity in Month 12 appears to explain why expenditures decreased by 2.3%, year-on-year, for the first eleven months of FY 1396, but increased, year-on-year, over all 12 months. Negative values in parentheses. The AFMIS data SIGAR received from USAID this quarter contained expenditure information in AFN only.

[a] The MOF's FY 1395 monthly financial reports classify expenditure code 222 as "Communications." However, after reviewing both the FY 1395 and FY 1396 charts of accounts, SIGAR observed that expenditure code 222 designates food expenditures.

[b] Applies to expenditures greater than 50,000 AFN, according to the FY 1396 Chart of Accounts.

[c] The MOF's FY 1395 monthly financial reports contain a line item for interest. SIGAR's assumption is that this also includes principal, based on its interpretation of the FY 1395 and FY 1396 charts of accounts. Therefore, the figure listed here combines the object codes 230 and 232.

Source: SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; MOF, Aqrab Financial Statements FY 1395, 12/4/2016.

the government, and grew by about 13% year-on-year. According to the Afghanistan Analysts Network, customs duties have increased because customs offices have reduced incidences of mis-declared (in order to pay a lower tariff rate) and under-valued goods.[584]

Sales taxes, the second-largest source of income for the Afghan government at 21% of overall revenues through Month 11, grew by about 19% year-on-year, as did fixed taxes. Extractive industry fees, meanwhile, posted a strong year-over-year increase of about 50%, although their contribution to overall revenues remained marginal at about 1.1%.[585] On page 161, Table 3.11 compares the Afghan government's domestic revenues (excluding donor grants) for FY 1396 with those of FY 1395.

Due to data limitations, SIGAR was unable to compare FY 1396 with FY 1395 expenditures using MOF- or USAID-supplied data. For unknown reasons, aggregate FY 1395 expenditures provided to SIGAR by USAID in March 2017 (totaling AFN 177 billion) appeared to be too low relative to World Bank estimates (AFN 342.8 billion).[586] Further, because the MOF did not make its FY 1396 Month 12 FSR publicly available, SIGAR could not compare recent expenditure figures to an MOF-generated FSR.[587] However, a comparison of current FY 1396 data exported from Afghanistan's government-wide accounting system to FY 1395 figures reported by the World Bank showed that year-over-year expenditures appear to have grown by just over 4% in FY 1396.[588] Using the most recent reliable data available, and in lieu of a full year category-level comparison, SIGAR provides an 11-month year-on-year presentation of Afghan government expenditures in Table 3.12.

Trade

Afghanistan maintains a large trade deficit that exceeds 30% of its GDP. The IMF said that Afghanistan's external trade, heavily concentrated in agriculture, does not contribute substantially to economic growth. Overall, trade flows are so low that Afghanistan's share of global trade is immaterial. The value of the country's official exports has remained below 10% of its GDP every year since 2012. Imports, the IMF said, are dominated by donor-financed security spending and foreign aid-related imports.[589]

Afghanistan's landlocked geography, low levels of infrastructure and institutional capacity, and persistent, decades-long conflict have stunted trade expansion. The IMF said being landlocked imposes well-documented obstacles to trade: delays and costs associated with both exporting and importing are higher for landlocked countries than for coastal countries. For Afghanistan, high energy costs and low levels of access to electricity, land, and finance also pose major challenges.[590]

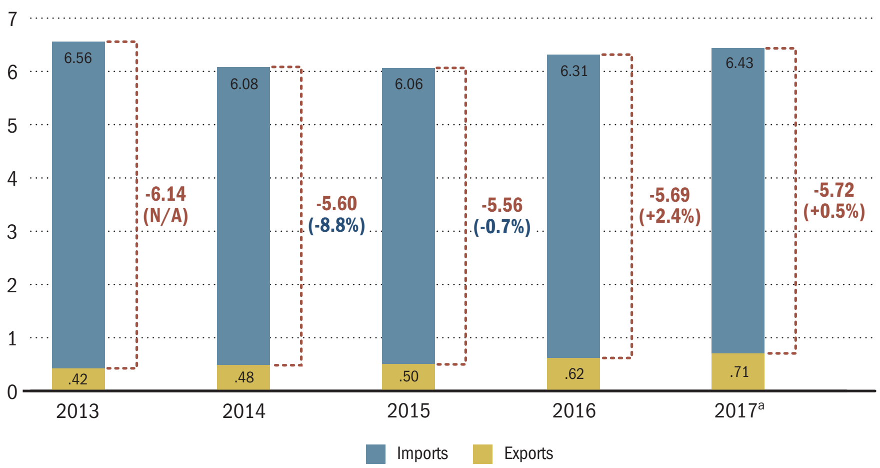
Export and Import Data

The World Bank said Afghanistan's official exports decreased marginally in the first half of 2017 by about 3%, year-on-year. Also during the first half of the year, Afghanistan's real effective exchange rate (REER)—a measure that adjusts a country's nominal exchange rate by accounting for the effects of inflation—appreciated by 4.3%.[591] This likely decreased the competitiveness of Afghan exports, according to the World Bank, because it implies that the country's exports became more expensive for trading partners. In contrast, the REER depreciated by about 3% annually from 2013 to 2016, a time period over which the value of Afghanistan's exports increased by about 23% in U.S. dollars (according to World Bank figures).[592] Afghanistan's licit export composition is dominated by horticultural products: dried fruits and nuts constituted 29% of all exports in 2016; medicinal plants composed 18% of all exports and fresh fruits 11%.[593]

Official imports increased by almost 8% in the first half of 2017, year-on-year, according to the World Bank, growing Afghanistan's merchandise trade deficit. Inclusive of unofficial trade, the country's trade deficit is about 33% of GDP. Including foreign aid flows, the World Bank projected a current account surplus of 3.2% of GDP in 2017.[594] Figure 3.44 displays Afghanistan's imports, exports, and trade deficit of goods over time, using data provided

FIGURE 3.44

AFGHANISTAN'S IMPORTS, EXPORTS, AND TRADE BALANCE 2013–2017 ($ BILLIONS)



Note: Imports and exports include goods only. Data from Afghanistan Customs Department (ACD); converted from AFN to USD by SIGAR. This data was collected by implementers of USAID's Afghanistan Trade and Revenue (ATAR) project. Import and export figures differ from those presented by the IMF and the World Bank, likely due to differences in both the exchange rate and underlying data. While the IMF cites unspecified "Afghan Authorities" in presenting trade data, the World Bank appears to use figures from Afghanistan's Central Statistics Organization (CSO). ATAR implementers told SIGAR this quarter that they consider ACD's data to be more reliable than CSO's, and observed discrepancies of about 10% between data provided by the two Afghan sources. ATAR said that those discrepancies were the result of data aggregation errors on the part of CSO officers. ATAR provided trade figures to SIGAR in afghani. SIGAR converted the figures to U.S. dollars by taking the average of mean annual "Buy" and "Sell" exchange rates published by Afghanistan's central bank, Da Afghanistan Bank.
[a] Through November 21, 2017.

Source: SIGAR analysis of USAID response to SIGAR data call, 12/21/2017; USAID, response to SIGAR vetting, 1/22/2018 and 1/9/2018; SIGAR analysis of DAB, "Currency Hijri Average," n.d., accessed 1/5/2017, http://dab.gov.af/en/page/monetary-policy/rates-statistics/currency-hijri-average; SIGAR analysis of IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017; SIGAR analysis of World Bank, *Afghanistan Development Update*, 11/2017, pp. 6, 26.

by implementers of USAID's Afghanistan Trade and Revenue project. SIGAR notes that the data presented differs from World Bank and IMF figures, likely due to discrepancies in data sources.[595]

Application of the New U.S. South Asia Strategy: Afghanistan Endeavors to Increase Trade Ties with India

Given Afghanistan's landlocked position, efforts to increase trade imply that the country must cooperate closely with its neighbors to create viable export corridors.[596] This cooperation takes the form of bilateral and multilateral trade cooperation agreements.[597]

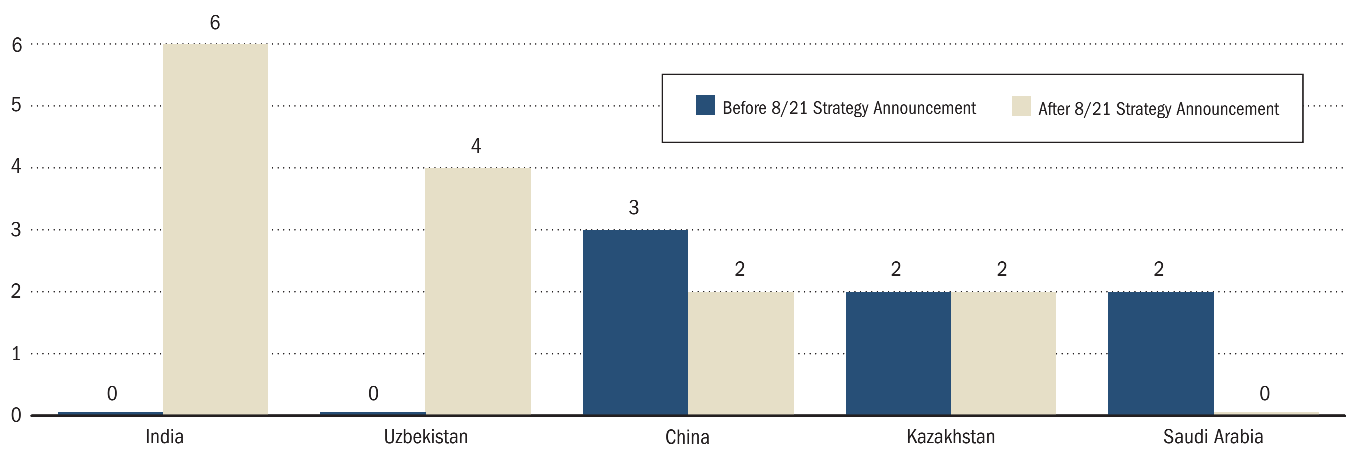
Of particular focus for the Afghan government in 2017 was its trade relationship with India. In June 2017, Afghanistan established an air-freight corridor to increase economic activity between the two countries.[598]

Additionally, in an apparent response to the new U.S. South Asia strategy, President Ghani and Chief Executive Abdullah Abdullah held trade-related meetings with Indian counterparts a total of six times in 2017—all after President Trump's August 21, 2017, announcement of the new strategy (see Figure 3.45).[599]

President Trump has described Afghanistan's strategic relationship with India as a "critical part" of the new strategy.[600] Afghanistan's overall goods trade volume (imports plus exports) with India increased from about $188 million in 2012 to about $383 million in 2016—representing an aggregate increase of 104% and a compound annual growth rate of 19.5%.[601] Afghanistan aims to

FIGURE 3.45

AFGHANISTAN EXECUTIVE BRANCH MEETINGS WITH REGIONAL ECONOMIC PARTNERS BEFORE AND AFTER THE TRUMP ADMINISTRATION'S SOUTH ASIA STRATEGY ANNOUNCEMENT



Note: This graph displays incidents of two or more bilateral trade meetings between Afghanistan's executive branch (specifically President Ghani and Chief Executive Abdullah Abdullah) and representatives from regional economic partners in 2017. Assumption is that such meetings signaled Afghan emphasis on increasing trade ties. One-time meetings occurred with 11 other countries. Data are illustrative, based on English-language news write-ups in Afghan-government executive websites.

Source: Office of the President of Afghanistan and Office of the Chief Executive of Afghanistan websites, accessed periodically from November 2017 to January 2018.

continue to increase its trade ties with India in the coming years through both the air corridor and Iran's Chabahar seaport, each of which allow goods to bypass Pakistan. Political tensions between Afghanistan and Pakistan have precluded the full implementation of a transit trade agreement.[602]

BANKING AND FINANCE

Afghanistan's banking sector comprises 15 banks—three state-owned, nine Afghan private-sector, and three foreign-owned commercial branches. The financial sector is only marginally profitable, and remains vulnerable to adverse shocks due to poor asset quality, capital shortfalls, and management deficiencies in several banks.[603]

This quarter, the World Bank reported that the total value of commercial bank loans to the private sector decreased from AFN 46 billion (about $692 million) in December 2016 to AFN 45 billion (about $657 million) in August 2017. The decline likely reflects both a weak appetite for lending and the unwillingness of the private sector to carry out new investments. The World Bank implied that uncertainty may underlie the apparent hesitancy to both lend and borrow. The ratio of non-performing loans to total bank assets increased from around 12% in December 2016 to almost 18% in June 2017. Overall, profitability in the commercial banking sector has declined year-on-year.[604]

U.S. Treasury Provides Late and Incomplete Response to SIGAR's Quarterly Data Call

In March 2015, the U.S. Treasury's Office of Technical Assistance (OTA) entered into an agreement with Afghanistan's Ministry of Finance to develop and execute technical-assistance and capacity-building programs.[605] Every quarter, SIGAR asks Treasury to provide an update on its programming through its data call process by which SIGAR requests and receives periodic updates from agencies for presentation in its quarterly report. In previous quarters, Treasury has provided SIGAR with significant contextual information on issues ranging from Afghanistan's compliance with Anti-Money Laundering/Combating the Financing of Terrorism global standards, to details regarding Afghan budget reforms.[606]

This quarter, Treasury did not answer two of SIGAR's three questions relating to the Economic and Social Development section of this report, including a question that sought to clarify the effect of the new South Asia strategy on Treasury programs in Afghanistan. The only response that was provided to SIGAR arrived six days after the deadline for data-call responses had elapsed.[607] The 2008 National Defense Authorization Act, which established SIGAR, requires federal agencies, as is practicable, to respond to SIGAR's requests for information and assistance (see Appendix A of this report for more on SIGAR's enabling legislation).[608]

Anti-Money Laundering/Combatting the Financing of Terrorism (AML/CFT): No Significant Updates

The State Department lists Afghanistan as a major money-laundering country whose financial institutions either engage in, or are vulnerable to, transactions involving significant criminal proceeds, all of which "continue to threaten Afghanistan's security and development." Narcotics, corruption, and fraud are major sources of the country's illegal revenues and laundered funds. State found Afghanistan's anti-money-laundering laws to be largely in line with international standards, but still deficient, and facing significant enforcement and regulatory challenges.[609]

This quarter, the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA), a financial intelligence unit with purview over Afghanistan's AML/CFT efforts, released its annual report. FinTRACA said fines against banks (totaling AFN 3.55 million, or about $51,300) increased by 238% in 2017, year-on-year. Fines against money service providers (totaling AFN 3.84 million, or about $55,000) increased by 17% in 2017, compared to 2016. FinTRACA also said that it had frozen 91 bank accounts holding about $891,000 and watch-listed 193 individuals and entities suspected of money laundering, drug trafficking, and other offenses. As a result of the watch list, which was created in 2017, FinTRACA said that financial institutions terminated business relationships with 19 individuals and entities.[610]

Kabul Bank Theft: Accountability Remains Elusive

The September 2010 near-collapse of Kabul Bank, where nearly one million Afghans held savings, significantly strained Afghanistan's financial system. It exposed an elaborate fraud and money-laundering scheme orchestrated by Kabul Bank founder Sherkhan Farnood and chief executive officer Khalilullah Ferozi. The crisis resulted in a run on the bank during which depositors withdrew $500 million, compelling the Afghan government to provide $825 million to recapitalize the bank to stave off collapse.[611]

Shortly after he took office in September 2014, President Ghani issued a decree requiring the Attorney General's Office (AGO) to indict and prosecute all those involved in the theft of approximately $987 million from Kabul Bank and to monitor enforcement of the courts' decisions.[612] The decree was intended to address comprehensively all remaining aspects of the case. However, the Afghan government has struggled to compel repayment of the stolen funds from debtors. A 2016 United States Institute of Peace report said that the "crisis continues to symbolize the pervasive corruption and impunity that have threatened the legitimacy of the Afghan government."[613]

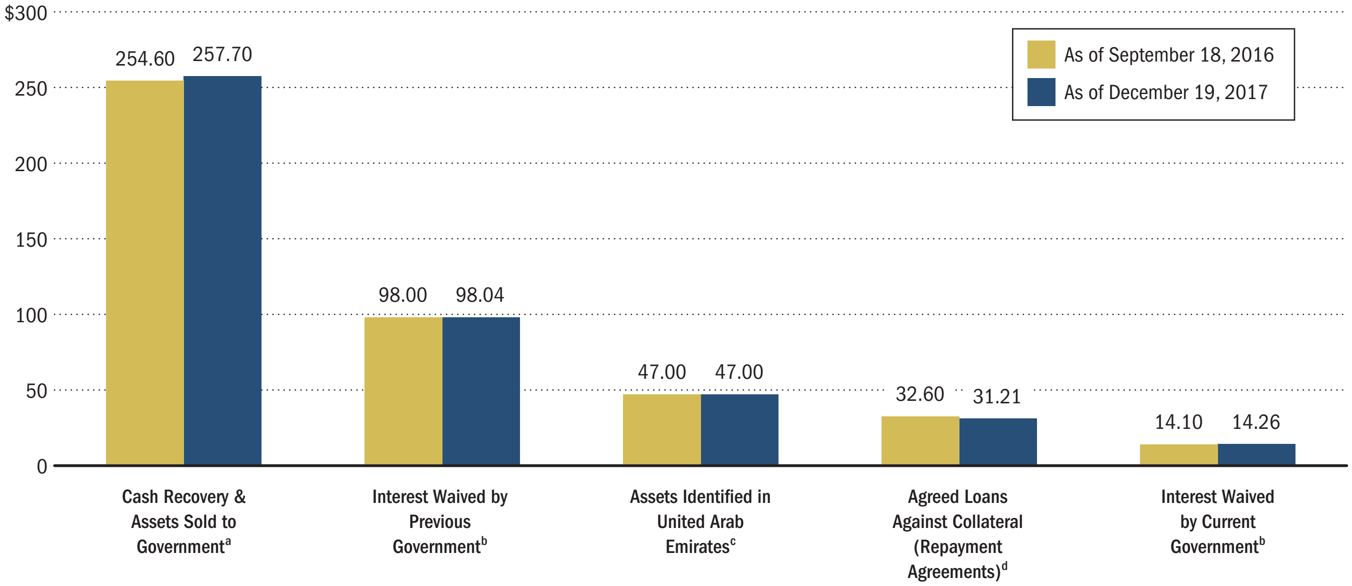
Again this quarter, no efforts were made to seize, freeze, or investigate debtor accounts, or otherwise act on President Ghani's October 2014 decree.[614] Figure 3.46 on the following page shows asset recoveries since September 2016.

On March 19, 2016, President Ghani signed a decree allowing SIGAR to help detect and retrieve Kabul Bank assets in foreign countries. The decree instructed the AGO, MOF, Ministry of Interior, FinTRACA, and Kabul Bank entities to provide SIGAR relevant information and documents.

Source: GIROA, Office of the President, Presidential Decree, Serial Number 2726, 3/19/2016.

FIGURE 3.46

KABUL BANK RECEIVERSHIP-REPORTED RECOVERIES, SEPTEMBER 2016 VS. DECEMBER 2017 ($ MILLIONS)



Note: Oldest, consolidated KBR recoveries data available to SIGAR is from September 18, 2016.

[a] Includes both cash recoveries and $50 million in bank "assets sold to government entities" that was originally recovered by the KBR but were transferred or "loaned" by the Karzai government to various ministries and agencies, but not paid for until last quarter, when the MOF transferred $50 million in cash to the KBR.

[b] Represents accounted-for losses, not cash recoveries. Waivers were given as an incentive to enter repayment agreements.

[c] These assets were identified, but have not been recovered. The Dubai courts deem Afghanistan's court decisions on the Kabul Bank case to have no legal merit.

[d] Represents an agreement by an identified group of debtors to repay their loans. Actual repayments have been limited and many debtors have not kept to the agreed-upon schedule.

Source: Kabul Bank Receivership, "Kabul Bank Recovery and Loan Portfolio," 12/19/2017; Kabul Bank Receivership, "Debts Recovery Table," 9/18/2016; DOJ, response to SIGAR data call, 9/18/2017; State, SCA, response to SIGAR data call, 12/22/2016.

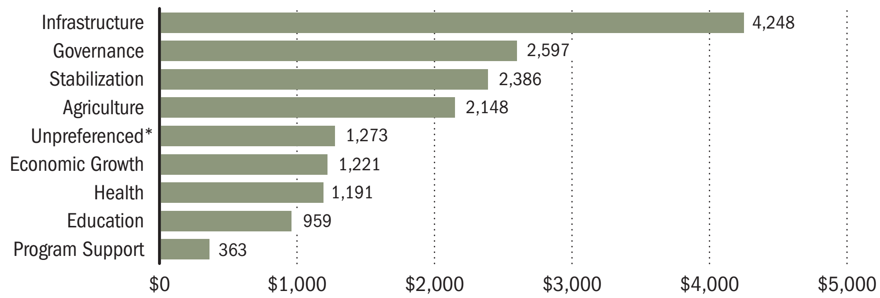
U.S. ECONOMIC AND DEVELOPMENT SUPPORT

Most assistance from the Economic Support Fund goes toward USAID's development programs. In September 2015, USAID published an updated Performance Management Plan to guide and measure its development objectives, and to articulate its development strategy through 2018. The plan will be reviewed at least annually and updated as necessary.[615]

In order to inform its forthcoming Country Development Cooperation Strategy (see pages 59–60 for more on the CDCS), USAID recently commissioned an assessment of its current 2015–2018 strategy. The assessment found that, despite sound overall goals, many key components of USAID's development approach in Afghanistan have not proven to be valid. For more on the recently released USAID assessment, see pages 59–60 of Section 3 of this report.[616] Figure 3.47 shows USAID assistance by sector.

FIGURE 3.47

USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF DECEMBER 31, 2017 ($ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and other programs that build health and education facilities.
* Unpreferenced funds are U.S. contributions to the ARTF that can be used for any ARTF-supported initiatives.

Source: SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of November 21, 2017.

Natural Resources: Potential Source of Government Revenue Remains Untapped

Geological surveys show that Afghanistan is endowed with significant mineral resources, including granite, talc, nephrite, chromite, coal, gold, silver, iron, copper, and precious gemstones.[617] USAID said developing Afghanistan's extractives sector could create jobs, generate government revenue, and result in significant infrastructure investment.[618] Yet, mining has so far contributed little to the country's licit GDP and has attracted little private-sector development.[619] The many obstacles to development include a deficient mining law, lack of transparency in tendering and awarding concessions, the lack of economically feasible export corridors, lack of access to power supply, and corruption.[620] According to DOD, these impediments "limit the willingness of international mining companies to commit risk capital to exploration and production in Afghanistan when similar resources are more efficiently extracted from other countries."[621]

MOMP continued to be without permanent leadership at the highest level this quarter: Acting Minister Nargis Nehan, reportedly a reformer seeking increased transparency at MOMP and nominated by President Ghani for a permanent position, was rejected by the Afghan parliament in early December—the only one of 12 Ghani nominees who failed to secure a majority of parliamentarians' votes.[622] (See Section 1 of this report for more information about the possibilities for the extractive sector in Afghanistan.)

Illegal mining, which persists at an estimated 1,400–3,000 sites, remains another challenge.[623] The Afghan government believes $300 million in revenue is lost annually through unlawful mining, which not only denies Kabul

SIGAR AUDIT

A SIGAR audit released this quarter found that DOD's Task Force for Business and Stability Operations (TFBSO), which obligated approximately $200 million toward projects designed to develop Afghanistan's extractives industries, was unable to accomplish its overall goals. For example, TFBSO obligated $51 million to facilitate the award of between eight and 12 large-scale mining contracts to international companies. However, TFBSO officials and contractors said they overestimated the speed at which the Ministry of Mines and Petroleum could work and underestimated the resistance they would face from other ministries. As a result, after repeated delays, no contracts were signed. For more, see pp. 24–25 in Section 2 of this report.

much-needed funds, but also fuels the insurgency and exacerbates corruption.[624] According to USAID, local powerbrokers are able to profit from illicit mining because they rely on low-cost labor and mining techniques, disregard safety and environment concerns, provide their own security to transport materials to the market, and, because they are operating illegally, do not incur tax or royalty obligations to the government. In contrast, businesses operating legally in the extractives sector must comply with safety and environmental regulations, rely on hired security contractors for transportation, and face higher infrastructure and labor costs.[625]

Extractives Sector Roadmap: Ministry of Mines and Petroleum Meets Compact Benchmark, But Numerous Obstacles to Extractives Development Remain

One goal of the Afghanistan Compact launched last quarter is to develop the country's mining and hydrocarbons sectors. The Afghan government planned to produce a roadmap for the extractive industries by December 2017 with the intent of providing a clear vision for the sustainable development of natural resources, including plans for creating a viable regulatory framework and increasing transparency.[626]

This quarter, Afghanistan's Ministry of Mines and Petroleum (MOMP) met this benchmark. A copy of the MOMP's *Roadmap for Reform* dated September 2017 described major impediments to extractives-sector development. According to the *Roadmap*, those obstacles included: significant

TABLE 3.13

MINISTRY OF MINES AND PETROLEUM'S FIVE-PILLAR FRAMEWORK FOR EXTRACTIVES SECTOR DEVELOPMENT

Institutional Reform and Development	Geological Data Acquisition and Management	Contract Management and Compliance	Transparent and Accountable Governance	Growth and Enabling Environment
1. Reform and restructuring of MOMP 2. Reform and development of State-Owned Enterprises (SOEs) 3. Human resources development 4. Extractives sector and women 5. Development of E-governance systems 6. Effective communications	1. Development of a computerized and indexed information-management system for geo-data 2. Engagement with international geological-survey departments 3. Collation and analysis of data for each commodity, and assessment of data gaps 4. Data dissemination 5. Capacity development of AGS in exploration and data recording	1. Review and resolve pending contracts and projects 2. Prioritize new projects based on the needs of the government 3. Streamlining and digitization of cadaster system 4. Efficient revenue collection and reporting 5. Streamlining and digitization of mining inspection systems 6. Establish credible dispute-resolution mechanism	1. Development of policies and strategies for the sector 2. Improvement of the legal and regulatory framework 3. Development of robust minerals and hydrocarbons fiscal regimes 4. Compliance with transparency standards and donor benchmarks 5. Illegal mining and formalization 6. Protection of Afghan communities, environment, and heritage	1. Conduct value-chain studies of priority commodities and industries 2. Ensuring implementation of medium and large projects 3. Implement Local Content Strategies to create jobs, promote enterprise development, and transfer knowledge to communities[a] 4. Explore potential for regional cooperation in the extractive sector 5. Conducting studies for potential collaboration in regional market development 6. Develop a Corporate Social Responsibility (CSR) window

Note: [a] The original graphic presented by MOMP on page 5 of the Roadmap had only five points under Pillar 5. However, in response to SIGAR vetting questions, DOD noted that Points 2 and 3 were incorrectly merged. SIGAR corrected this in the table presented above.

Source: Reproduced with minor grammatical edits from GIROA, *Roadmap for Reform: Extractive Industries Sector In Afghanistan*, 9/24/2017, pp. 5, 39.

weaknesses in policy and legislative frameworks, low levels of managerial and technical capacity at MOMP, an inadequate geological information management system, the lack of a strategy to link the extractives sector to the broader economy, as well as corruption, insufficient infrastructure, the persistence of illegal mining, insecurity, and high transportation costs.[627]

To address these impediments to extractives development, MOMP presented a five-pillar framework designed to help "guide implementation." Those pillars included: (1) institutional reform, (2) geological data collection and improved data management, (3) improved contract management, (4) increased sector transparency, and (5) an improved enabling environment.[628] Table 3.13 provides more detail on each pillar.

USAID Assistance: No Major Active Extractives Programming

USAID has no current, major active mining or hydrocarbon programs. USAID's most recent mining and gas-generation projects ended March 31, 2017, and July 31, 2016, respectively.[629] Speaking at a recent event at the Center for Strategic and International Studies in November 2017, Assistant to the Administrator for USAID's Office of Afghanistan and Pakistan Affairs Greg Huger commented that these and other previous U.S. efforts to develop Afghanistan's extractives sector "really weren't very successful."[630] Huger said that although USAID is open to further extractives programming, the agency would not "get ahead of the Afghan government . . . because it can be a huge diversion and waste of money and time."[631]

However, USAID is funding legal and technical advisory services to Afghanistan's Ministry of Mines and Petroleum through interagency agreements with the Department of Commerce and the United States Geological Survey (USGS). USAID said that USGS is assisting MOMP with organizing and analyzing existing mineral data, and that the Department of Commerce's Commercial Law and Development Program is helping the ministry draft regulations designed to strengthen its contracting division. USAID said that this work supports the U.S. government's new South Asia strategy, and would help the Afghan government meet economic benchmarks presented in the Afghanistan Compact announced last quarter.[632]

Agriculture: A Key Sector

Agriculture is a main source of real GDP growth, employment, and subsistence for the Afghan population. It accounts for about 22% of GDP, employs 44% of the population, and affects the 61% of Afghan households that derive income from agricultural activities for their livelihoods.[633] Within the broader agricultural sector, Afghanistan's horticultural products—for example, dried fruits and nuts—are modestly competitive: although it accounts for about one-third of agriculture's overall contribution to GDP, horticulture generates about 50% of export earnings.[634]

The World Bank projected that agricultural output would grow by 1.5% in 2017, largely due to increased horticultural production. This figure is significantly less than the 6% growth rate recorded in 2016, a year in which fruit production increased to levels close to full potential due to favorable weather.[635] Despite Afghanistan's heavy reliance on agriculture, the sector's growth has been constrained by underinvestment in developing water resources, degrading natural resources, poor-quality inputs such as seeds and fertilizer, and weak domestic- and export-product marketing.[636]

USAID Assistance to the Ministry of Agriculture, Irrigation, and Livestock

USAID's agricultural projects are designed to enhance food security, create jobs and export markets, increase incomes and productivity, and strengthen the government's ability to promote broad-based growth. USAID aims to bolster the Ministry of Agriculture, Irrigation, and Livestock's (MAIL) "farmer-focused" approach through production and marketing of high-value horticultural crops and livestock products, the rehabilitation of irrigation and drainage systems, and the greater use of new technologies.[637]

Since 2002, USAID has disbursed more than $2.1 billion to improve agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production.[638] Pages 203–210 of this quarterly report discuss USAID's agriculture alternative-development programs. USAID's active agriculture programs have a total estimated cost of $362 million and can be found in Table 3.14.

TABLE 3.14

USAID ACTIVE AGRICULTURE PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	$87,905,437	$4,624,900
Regional Agriculture Development Program (RADP North)	05/21/2014	5/20/2019	78,429,714	45,739,199
Commercial Horticulture and Agriculture Marketing Program (CHAMP)	02/1/2010	12/31/2019	61,294,444	51,897,706
Kandahar Food Zone (KFZ)	7/31/2013	8/30/2018	45,402,467	40,330,000
RADP East(Regional Agriculture Development Program- East)	7/21/2016	7/20/2021	28,126,111	5,471,198
Grain Research and Innovation (GRAIN)	3/13/2017	9/30/2022	19,500,000	3,250,000
Promoting Value Chain - West	9/20/2017	9/19/2020	19,000,000	515,916
ACE II (Agriculture Credit Enhancement II)	6/24/2015	6/23/2018	18,234,849	10,763,682
SERVIR	9/14/2015	9/30/2020	3,100,000	691,200
Program Evaluation for Effective Learning (PEEL)	2/16/2017	10/31/2017	1,475,177	382,881
Total			**$362,468,199**	**$163,666,682**

Note: Some of the USAID programs listed receive both Alternative Development and Agriculture Development funds. For more information on Alternative Development programs, see pages 203–210 of this report.

Source: USAID, response to SIGAR data call, 1/17/2018.

Development financial institution staff hold certificates for completing a five-day course on credit risk management in Kabul. (USAID photo)

Agricultural Credit Enhancement II: Higher Than Expected Delinquency Rates Result in Program Modifications

The Agricultural Credit Enhancement (ACE) II project is the technical-assistance/advisory-support component of the conditions-based Agricultural Development Fund (ADF) administered by MAIL. ADF extends agriculture-related credit access to small- and medium-sized commercial farms and agribusinesses in all regional economic zones, particularly to those that add value to agricultural products, such as distributors, producers, processors, and exporters.[639] USAID reported that with ACE II help, ADF has cumulatively disbursed approximately $98.1 million in loans impacting 40,149 direct beneficiaries, as of December 2017.[640]

Last quarter, SIGAR reported the ongoing deterioration of both security and the economy was reducing demand for agricultural credit and negatively impacting loan repayments. Combined with emerging weaknesses in the fund's loan evaluation criteria, these circumstances have increased the time required for the ADF to achieve operating sustainability as a standalone entity.[641]

USAID said that no loans were written off by the ADF during last quarter's reporting period (July to September 2017).[642] However, the ADF has written off 32 loans totaling about $3.3 million in current U.S. dollars during its lifetime.[643] SIGAR learned this quarter that due to higher than anticipated delinquency rates, USAID modified the program to include Business Development Services (BDS). The purpose of BDS is to strengthen the ability of potential clients to prepare accurate financial statements that the ADF can use to evaluate their ability to repay loans.[644]

USAID's modification to its ACE II task order noted that "low levels of financial literacy and financial management capacity of Afghan farmers and agribusinesses is a significant constraint on their ability to access credit."[645] SIGAR observes that the lack of basic business and financial literacy among Afghans appears to represent a persistent and recurring obstacle to lenders and investors in Afghanistan. In its 2006 final report, implementers of the Afghanistan Renewal Fund, a venture capital fund that planned to invest 20% of its portfolio in agribusiness, said, "Afghan investee companies require substantial hands-on support" with, among other necessities, the development of business plans. This need, according to the report, resulted in a $1.5 million investment in business-development activities to support the fund. As of its final report's publication, the Afghan Renewal Fund had made no investments, despite investigating 164 opportunities.[646] It was dissolved in 2008.[647]

ESSENTIAL SERVICES AND DEVELOPMENT

Since 2002, the United States has provided reconstruction funds to increase the electricity supply, build roads and bridges, and improve health and education in Afghanistan. This section addresses key developments in U.S. efforts to improve the government's ability to deliver these essential services.

Power Supply: Access to Electricity Remains a Significant Challenge

Afghanistan has one of the lowest rates of electrification in the world, with only an estimated 25–33% of Afghans connected to the power grid.[648] Over 89% of the population in large urban areas like Kabul, Herat, Kandahar, and Mazar-e Sharif has access to grid-connected power (although outages are common), in contrast to less than 11% of the rural population.[649]

Afghanistan's limited domestic electric-generation capacity consists of hydropower and diesel sources. The country imports 77% of its total electricity. Of that imported energy, Uzbekistan provides 35.2%, Tajikistan 30.5%, Iran 20.9%, and Turkmenistan 13.4%.[650] The World Bank noted that limited access to electricity is one of Afghanistan's biggest constraints to private-sector development.[651] Afghanistan needs regional cooperation to meet its energy demands.[652]

In developments this quarter, Afghanistan's National Procurement Commission approved two contracts for power plants to be established through public-private partnerships. The Sheberghan Gas Power Plant, with a $38.8 million contract value, was expected to have a production capacity of 40 MW. The production capacity of the $75 million Mazar-e Sharif

Electric Power Generation Project, financed in part by the World Bank's International Finance Corporation, was expected to be 50 MW.[653]

Corruption Vulnerability at DABS: MEC Underscores Poor Asset Management

In December 2017, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) released a corruption vulnerability assessment of Da Afghanistan Breshna Sherkat (DABS), Afghanistan's government-owned power utility. Among other findings, the MEC concluded that DABS lacked a reliable fixed-assets registry. Based on its interviews with DABS employees, the MEC said as a result, "warlords" have been able to steal more than 350,000 square miles of land and nearly 100 buildings from DABS.[654]

Additionally, the MEC said, "DABS received AFN 12.5 billion from donors and it is shown in balance sheet in the form of assets, but the donors are claiming that they have contributed around $4 billion which equals AFN 220 billion to the energy sector in Afghanistan, [which] means billions of AFN is missing."[655] The MEC derives this figure from SIGAR's July 2014 *Quarterly Rreport to the United States Congress*.[656] However, the levels of power-sector spending reported in SIGAR's July 2014 report include technical assistance, which would likely not be reflected directly in the value of any power-production assets transferred to DABS.[657]

Moreover, the figures SIGAR presented in its July 2014 quarterly report reflected appropriated monies.[658] Disbursements at the time (which would capture actual spending levels on physical power-infrastructure assets such as substations and transmission lines) were lower (see next section below for a summary of current disbursements in the power sector). Thus, SIGAR cannot confirm the claims in the MEC report.[659]

However, SIGAR has long been concerned about U.S. on-budget assistance to DABS, $221.7 million of which has been provided directly to DABs thus far.[660] Citing concerns about significant corruption in a current DABS contract, President Ghani suspended the award, referred the matter to the Attorney General's Office (AGO) for investigation, and requested that SIGAR and USAID's Office of Inspector General provide assistance to the AGO. The investigation is ongoing (see page 63 of SIGAR's October 2017 quarterly report for further details).

U.S. Power-Sector Assistance Characterized by Large-Scale Infrastructure Projects

Since 2002, USAID has disbursed more than $1.5 billion in Economic Support Funds to build power plants, substations, and transmission lines, and provide technical assistance in the sector.[661] USAID is also helping Afghanistan's national electric utility, Da Afghanistan Breshna Sherkat (DABS), to increase electricity supply and revenue generation by improving sustainability, management, and commercial viability.[662]

SIGAR INSPECTION

An ongoing SIGAR inspection is assessing the extent to which the U.S. Army Corps of Engineers properly managed a $59.7 million contract to design and construct transmission lines and substations in Parwan and Kapisa Provinces.

TABLE 3.15

USAID ACTIVE POWER-INFRASTRUCTURE PROJECTS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursement, as of 12/31/2017 ($)
Power Transmission Expansion and Connectivity (PTEC)	01/01/2013	12/31/2018	$725,000,000	$158,579,664
Contributions to the Afghanistan Infrastructure Trust Fund (AITF)	03/07/2013	03/06/2018	153,670,184	153,670,184
Engineering Support Program	07/23/2016	07/22/2019	125,000,000	31,527,327
Kandahar Solar Project	02/23/2017	08/26/2018	10,000,000	0
Total			**$1,013,670,184**	**$343,777,175**

Source: USAID, response to SIGAR data call, 1/17/2018.

NEPS: currently imports electricity from Central Asia to provide power to Kabul and the communities north of Kabul.

SEPS: currently 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.

Source: DOD, *Report on Progress Toward Security and Stability in Afghanistan*, 11/2013, p. 107; DOD, response to SIGAR vetting, 1/16/2018.

DOD has disbursed approximately $180 million for power projects through the Commander's Emergency Response Program as of July 2015, and roughly $510 million, as of November 30, 2017, through the Afghanistan Infrastructure Fund (AIF), which is jointly managed by DOD and State.[663]

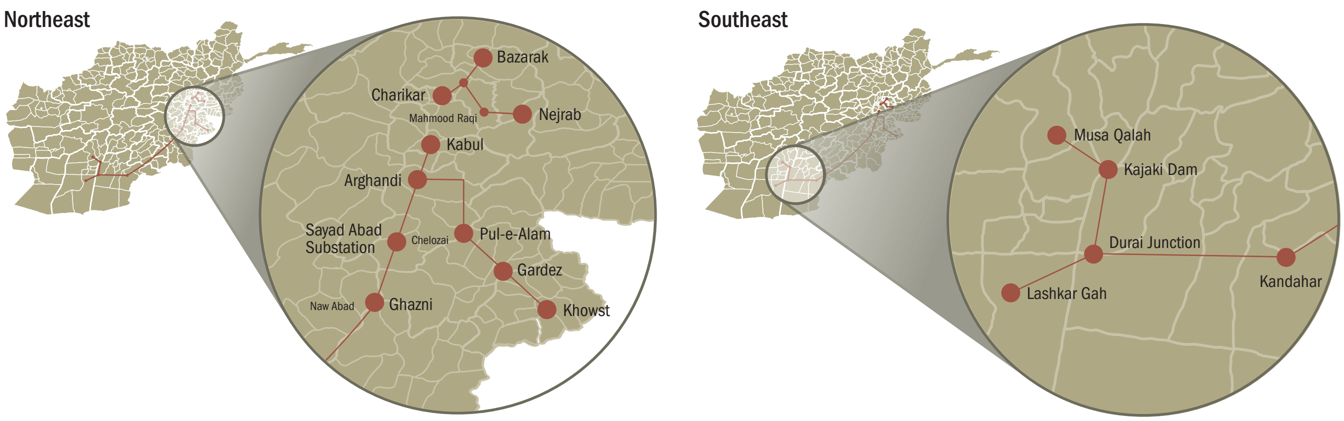
Of that amount, DOD has disbursed about $369 million to construct or improve Afghanistan's two primary power systems—the Northeast Power System (NEPS) and the Southeast Power System (SEPS)—which U.S. Forces-Afghanistan (USFOR-A) and USAID aim to connect, increasing the electricity supply in both systems (see Figure 3.48 for an overview of NEPS and SEPS). USAID's Power Transmission Expansion and Connectivity (PTEC) project is constructing a transmission line connecting Kabul with Kandahar and building the capacity of DABS to sustain energy-infrastructure investments.[664] USAID's active power-infrastructure projects have a total estimated cost of $1 billion and are listed in Table 3.15.

Power Transmission Expansion and Connectivity Program: Key NEPS-SEPS Segments On Hold and Under Review

The U.S.-funded Power Transmission Expansion and Connectivity's (PTEC) program was designed to strengthen and expand Afghanistan's power-generation, transmission, and distribution systems, including funding the 320-mile transmission line between Kabul and Kandahar to connect NEPS with SEPS.[665] PTEC's DABS commercialization and capacity-building components aim to help the utility become financially sustainable by increasing revenues using utility-management software in Kabul, Mazar-e Sharif, Herat, and Jalalabad, while reducing technical and commercial losses through training and support.[666] Technical losses include energy lost to line heating and current leakage; commercial losses include customers' nonpayment of bills and energy theft from illegal tapping into lines or bypassing meters.

FIGURE 3.48

Overview of Planned Northeast and Southeast Power Systems



Note: Locations and routes are approximate. The majority of planned NEPS and SEPS segments remain incomplete. DOD told SIGAR this quarter that transmission lines, substations, and towers from Arghandi to Pul-e Alam, Pul-e Alam to Gardez, and Charikar to Gul Bahar and Nejrab were scheduled for turnover to GIROA in January 2018. Remaining USAID PTEC segments are on hold, pending the results of USAID's energy sector assessment.

Source: DOD, response to SIGAR data call, 4/3/2014; DOD, response to SIGAR vetting, 1/16/2018.

This quarter, USAID reported that it is currently conducting an energy-sector assessment to ensure that its power-infrastructure projects are aligned with the Trump Administration's new South Asia strategy, announced on August 21, 2017.[667] As a result of the review, USAID said two key PTEC projects were on hold.[668] Specifically, USAID has partially suspended funding for its Ghazni–Kandahar transmission line project and has withdrawn its consent for DABS to execute an on-budget contract for the SEPS Completion transmission lines.[669] USAID will not consent to any new procurements for the Ghazni–Kandahar substations for the duration of its energy assessment, and has postponed SEPS Completion on-budget activities.[670] USAID said it expects to complete the assessment by early 2018 and that it is examining ways to maximize PTEC's impact while minimizing implementation risks.[671]

Large power-infrastructure programming was once considered a linchpin of the U.S. counterinsurgency strategy in Afghanistan. In 2010, General David Petraeus, then-head of United States Central Command, said "Sufficient electrical supply is a key component in building the population's faith in their government, increasing the average Afghan's economic prosperity, and dissuading the population from joining the Taliban." Petraeus added that NEPS and SEPS projects "will contribute to long-term stability and peace in Afghanistan."[672] SIGAR assesses that cancellation of, or any substantial changes to, USAID's PTEC programming will represent a significant departure from previous U.S. efforts in the power sector.

PTEC Commercialization Midterm Report: Key Activities Not Implemented Effectively

This quarter, USAID released the results of its midterm evaluation of the PTEC Energy Commercialization component. Funded through on-budget assistance with a cost ceiling of $142 million, this component provides DABS with technical assistance and aims to increase the utility's capacity to manage, operate, and maintain the national power system. Key objectives are to increase DABS' ability to reduce technical and commercial losses, increase cost recovery, and generate revenue.[673]

The midterm evaluation concluded that the program's main activities were not implemented effectively, and that the program did not achieve intended results. Power loss reduction targets—10% by December 2015 and 15% by June 2016—were not met due to failed procurement of "smart" and bulk meters, as well as an automated metering system. Although PTEC Commercialization activities did help reduce power losses by 5%, DABS' commercial viability remains tenuous, according to the report (see next sub-section for more).[674]

Kajaki Dam Power: Sparse Updates Despite Ongoing Power Sector Assessment

Although USAID said that it is currently assessing Afghanistan's electricity needs, as well as whether current power infrastructure programming supports the new U.S. South Asia strategy, USAID did not provide an update on the Kajaki Dam's power production levels this quarter.[675] USAID said DABS is not responsible for providing reports to USAID because responsibility for Kajaki has been fully transferred to the Afghan government.[676]

As of last quarter, the three turbines in service at the Kajaki powerhouse had a total generating capacity of 50.5 MW and were online. However, they were operating at a peak level of 41.5 MW due to seasonal reservoir-level constraints.[677] It was not known how long this level of power generation would last.[678] DABS postponed planned repairs on Unit 3 initially scheduled for September 2016 to an unspecified future date.[679] USAID reported again this quarter that it is unaware of any near-term plans or significant need to perform repairs on any of the three turbines.[680] DABS assumed full responsibility for the Kajaki power plant, including operations and maintenance (O&M), in April 2017, and hired 11 operators to take charge of the powerhouse.[681]

SIGAR AUDIT

An ongoing SIGAR audit is examining U.S. government efforts to increase the supply, quantity, and distribution of electric power from the Kajaki Dam.

Power Availability in Kandahar: No Significant Updates

U.S. fuel subsidies totaling $141.7 million for power generation at two industrial parks in Kandahar City ended in September 2015.[682] USAID reported that since then, energy output has fallen from the diesel generators in Shorandam and Bagh-e Pol industrial parks.[683] Five generators at Bagh-e Pol, in need of major overhauls and critical spare parts, have stopped working altogether. Three other generators were transferred to Shorandam, meaning that the Bagh-e Pol diesel power plant is no longer operational.[684] USAID said that from March 21, 2017, to December 21, 2017, DABS Kandahar supplied an average of 41 MWh per day to Shorandam.[685]

To help reduce the gap between Kandahar's electric-generation capacities and demand, PTEC funded a reverse auction whereby independent power producers competed to construct and sell power to DABS from a solar-power plant that may be able to operate at an installed capacity of 10 MW. A power-purchase agreement and contract were signed on February 22–23, 2017.[686] Last quarter, USAID issued a notice to proceed, and construction on the solar-power plant commenced with a ceremonial groundbreaking on September 24, 2017.[687] USAID reported this quarter that construction is ongoing. Although a boundary wall was scheduled for completion by December 31, 2017, the date was subsequently postponed to February 2018.[688]

Afghanistan Infrastructure Fund Power Projects: Legacy Initiatives Continue

AIF projects were initiated to support critical counterinsurgency and economic-development objectives in Afghanistan. Although DOD's mission has since evolved to advising and assisting Afghan security forces and ministries, as well as counterterrorism operations, it is still focused on completing the AIF-funded portions of the NEPS and SEPS.[689]

AIF projects use FY 2011–FY 2014 appropriated funds. No additional AIF money was requested or appropriated in subsequent fiscal years, but up to $50 million from the FY 2017 Afghanistan Security Forces Fund (ASFF) may be used under limited circumstances to help finish existing projects.[690] On September 22, 2017, DOD notified Congress that it would use as much as $8 million of the FY 2017 ASFF to help complete phase one of the NEPS Arghandi to Gardez transmission line project.[691]

USFOR-A has completed four AIF power projects so far. All were phases of the now-concluded Kandahar Power Bridging Solution, which provided fuel and technical support for diesel power plants in Kandahar City while turbine-installation work at Kajaki Dam was under way. USFOR-A has six other ongoing power projects, while USAID has three, as shown in Table 3.16 on the following page.[692]

SIGAR AUDIT

A SIGAR audit published last quarter on FY 2011 Afghanistan Infrastructure Fund projects found that none of the agencies responsible for implementation—neither DOD, the State Department, and USAID—assessed whether the projects supported the U.S. counterinsurgency strategy as intended. SIGAR also found that although three of the six FY 2011 AIF projects were complete, three others remained incomplete and up to five years behind their original schedule. For more, see pages 24–29 of SIGAR's October 2017 quarterly report.

Transportation

Afghanistan's lack of transportation infrastructure hinders domestic commerce, foreign trade, and economic growth. The World Bank said Afghanistan's transportation infrastructure shortcomings constrain the service and agriculture sectors, which have typically been the leading drivers of the economy. They also hold back the mining industry, the future revenues of which the Afghan government and international donor community are hoping will offset declining international aid.[693]

TABLE 3.16

AFGHANISTAN INFRASTRUCTURE FUND POWER PROJECTS, AS OF DECEMBER 27, 2017 ($ MILLIONS)

	AIF Project	Description	Notified Amount	Obligated	Disbursed	Status
AIF FY 2011	Kandahar Power Bridging Solution	Provides fuel and O&M for diesel generators in Kandahar City	40.5	39.1	39.1	Complete.
	SEPS - Kajaki Dam to Lashkar Gah	Repair, install transmission lines; rebuild, construct power substations	130.0	57.5	57.5	Terminated due to out-of-scope security-cost increases.
	NEPS - Arghandi to Ghazni	Design, construct transmission lines and substations (first segment of NEPS-SEPS connection) USAID: PTEC project	101.0	101.0[g]	96.0	Project in closeout phase, but still pending war damage repairs. (Estimated completion by DABS: 4/2018)
	NEPS - Arghandi to Pul-e Alam	Design, construct transmission line, towers, and power substation	93.7	50.3	47.1	Transmission line and towers complete; substation 99% a/o 12/28/2017. (Completion: 1/2018)[a]
AIF FY 2012	Kandahar Power Bridging Solution	Provides fuel and O&M for diesel generators in Kandahar City	67.0	64.7	64.7	Complete.
	SEPS - Durai Junction to Maiwand	Design, construct transmission line; rebuild and construct substations	40.0	28.5	26.2	Towers, stringing, substations nearly complete. (Completion: 4/2018)[b]
	NEPS - Pul-e Alam to Gardez	Design, construct transmission line, towers, and power substation	120.0	68.5	67.4	Transmission line and substations complete; project to be handed over to MEW imminently. (Completion: 1/2018)[c]
	NEPS - Charikar to Gul Bahar and Nejrab	Design, construct transmission lines, towers, and power substation		38.8	37.9	All towers erected; transmission line and substations complete; MEW addressing ROW issues. (Completion: 1/2018)[d]
AIF FY 2013	Kandahar Power Bridging Solution	Provides fuel and O&M for diesel generators in Kandahar City	37.0	34.0	34.0	Complete.
	NEPS - Charikar to Gul Bahar and Nejrab	Design, construct transmission lines, towers, and power substation	33.0	24.1	23.6	All towers erected; transmission line and substations complete; addressing ROW issues. (Completion: 1/2018)[d]
	SEPS Completion - Phase 1	Civil, structural, architectural improvements to substations in Tangi, Sangin North and South	75.0	63.1	8.2	Civil, structural, and architectural improvements underway, but contractor behind schedule. (Completion: 5/2018)[e]
		Design, construct, transmission lines from Sangin North to Lashkar Gah			38.3	Transmission towers under construction; some ROW issues remain; majority of transmission lines complete. (Completion: 3/2019)[f]
	NEPS - SEPS Connector, Ghazni to Kandahar	Design, Construct transmission line and sub-stations; Final phase of NEPS-SEPS connector USAID: PTEC project	179.5	330.0[g]	0.0	USAID revoked consent for all awards related to substations in 7/2017 due to allegations of impropriety; USAID confirming alignment with new South Asia Strategy. (Completion: TBD)
AIF FY 2014	Kandahar Power Bridging Solution	Provides fuel and O&M for diesel generators in Kandahar City	4.0	3.9	3.9	Complete.
	SEPS Completion - Phase 2	Design, construct transmission line, and install equipment and commission substations. USAID: PTEC project	55.0	55.0	0.0	USAID assessing alignment with new South Asia Strategy; withdrew consent for DABS to execute on-budget contract for transmission lines and will not respond to requests for consent for substation contracts during assessment. (Completion: TBD)
	NEPS - Gardez to Khowst	Design, construct transmission line and sub-station; DOD's final contribution to NEPS	130.0	121.3	62.5	Design nearly complete for transmission line and substations. (Completion: 9/2018)[h]

Note: Project completion dates in parentheses reflect the most recent information provided to SIGAR by USFOR-A and USAID, and are subject to change. In some cases, completion dates have not been determined. All AIF power projects are to be sustained by Afghanistan's Ministry of Energy and Water, and Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national electric utility. Notified amount reflects estimated project ceiling cost. Obligations and disbursements are as of 11/30/2017. All other information is as of either 11/30/2017, 12/17/2017, 12/21/2017, 12/28/2017, or 1/16/2018 depending on the most recent project-specific information available to SIGAR. For the purposes of this table, project completion dates are defined as the Beneficial Occupancy Date (BOD).

[a] ASFF funds transferred to replace cancelled funds. BOD shifted to 1/2018 from 12/2017.
[b] 111 of 114 towers completed; 25km/27km transmission lines strung. Pushmol and Maiwand substations both 91% complete. Scheduled completion pushed from 2/2018 to 4/2018.
[c] Cannot fully test/commission this segment until MEW clears ROW obstructions and NEPS, Phase 1 segment is energized to Pul-e Alam. Scheduled completion extended to 12/31/2017.
[d] USACE inspection complete. Resolution of ROW issues ongoing.
[e] Tangi substation 80% complete. Sangin North substation 82% complete. Sangin South substation 82% complete.
[f] Sangin to Durai Junction segment: TLs 90% complete, 204 of 205 towers erected. Durai Junction to Lashkar Gah segment: TLs 70% complete 194/212 towers erected. Disbursed amount includes $2.8 million for security.
[g] Includes additional, non-AIF USAID funding.
[h] Construction underway on all 268 towers; 146 towers complete; design 99% complete for transmission line and substations; route clearing to begin after MEW/DABS secures real estate.

Source: USFOR-A, JENG, *FY 2011–2014 AIF Program Status Report*, 12/27/2017; USACE, Garrison and Infrastructure Working Group, AIF Status Sheet, 12/28/2017 and 11/25/2017; USAID, OI, response to SIGAR data call, 12/22/2017, 9/21/2017 and 3/24/2017; USAID, *Implementation Letter (IL) 22-79 Withdrawal of Award Consent for SEPS Completion and Ghazni-Kandahar five sub-station pending procurement actions under USAID agreement 306-05-00*, 11/9/2017; DOD, response to SIGAR vetting, 1/16/2018.

Roads

Afghanistan has more than 76,400 miles of road, 28,000 of which have been rehabilitated or improved.[694] In 2016, SIGAR auditors assessed the conditions of approximately 1,020 miles of Afghanistan's U.S.-funded national and regional highways, and found that most were in need of repair and maintenance.[695] The World Bank similarly reported that 85% of Afghanistan's roads are in poor condition; the majority cannot be used year-round.[696]

Since 2002, USAID has provided more than $2 billion for more than 1,240 miles of road construction, operations and maintenance (O&M), and capacity-building activities.[697] DOD provided at least $847 million for 4,687 road-related projects under the Commander's Emergency Response Program. Despite these investments, SIGAR auditors determined that USAID and DOD have had only limited success in ensuring the long-term sustainability of those roads.[698] DOD underscored to SIGAR this quarter that the Afghan government is responsible for the sustainability of completed infrastructure projects.[699]

USAID Assistance to Developing Afghanistan's Road Infrastructure: Future Programming Contingent on Ministry Reform

USAID's last road infrastructure program, the three-year, $25.5 million Technical Assistance for the Ministry of Public Works (TA-MOPW) project, ended last quarter on August 2, 2017. The purpose of TA-MOPW was to improve the capacity and effectiveness of the MOPW to manage Afghanistan's road network by aligning its policies and responsibilities with global best practices. Specifically, the program aimed to establish a road authority, road fund, and transportation institute.[700]

These objectives were not achieved.[701] Because a road authority, road fund, and transportation institute were not created, USAID decided to withhold funding from the MOPW after TA-MOPW ended, in line with SIGAR's recommendation in a 2016 audit.[702] In their final project report, TA-MOPW implementers said that despite an estimated $60 million spent on capacity building at MOPW, change has occurred "only at the margins" and that, short of a "fundamental shift," MOPW was "not equipped to meet the road sector goals and targets envisaged by the donor community going forward."[703] This quarter, USAID said that it would predicate the majority of future work with MOPW on the passage of needed reforms.[704]

SIGAR AUDIT

In October 2016, SIGAR recommended that USAID make future funding for Afghanistan's Ministry of Public Works (MOPW) contingent on successful creation of an independent road authority, road fund, and transportation institute. USAID concurred with the recommendation. Because MOPW did not create these entities, USAID ceased to fund the ministry. This quarter, USAID reiterated that it agreed with SIGAR's recommendation, and emphasized that future funding was contingent on passage of needed reforms by MOPW. No future projects are currently planned.

ECONOMIC GROWTH

Afghanistan ranked 183rd of 190 economies in the World Bank's *Doing Business 2018* report on regulatory quality and efficiency, unchanged from last year's ranking.[705] Since the 2017 report, Afghanistan substantially increased the cost of starting a business at incorporation. Entrepreneurs are now required to pay the business license fee for three years, raising the cost from the equivalent of 19.9% to 82.3% of income per capita.[706] As a result, Afghanistan's rank for starting a business declined significantly, from 42nd last year to 107th this year. Afghanistan remains nearly last in dealing with construction permits (185), getting electricity (163), registering property (186) and enforcing contracts (181). It remains second-worst (189) in protecting minority investors. Its rank for getting credit (105) was its best score.[707]

USAID has cumulatively disbursed over $1.2 billion for economic-growth programs in Afghanistan.[708] USAID's active economic-growth programs have a total estimated cost of $379 million and can be found in Table 3.17.

TABLE 3.17

USAID ACTIVE ECONOMIC-GROWTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Assistance in Building Afghanistan by Developing Enterprise (ABADE)	10/16/2012	7/15/2018	$104,997,656	$104,949,972
Afghanistan Trade and Revenue Project (ATAR)	11/7/2013	2/28/2018	77,754,266	73,910,183
Women in the Economy (WIE)	7/1/2015	6/30/2019	71,571,543	25,392,990
Afghanistan Workforce Development Program (AWDP)	4/5/2012	6/30/2018	44,919,458	40,003,423
Multi-Input Area Development-Global Development Alliance	3/23/2013	3/22/2018	22,445,265	20,897,171
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	0
Afghanistan Investment Climate Program	3/27/2015	3/26/2020	13,300,000	2,870,959
Commercial Law Development Program	3/1/2014	9/30/2019	13,000,000	8,179,161
Rebranding Afghanistan: Creating Jobs, Changing Perceptions, Empowering Women	11/2/2015	11/1/2018	4,800,000	3,450,000
Global Broadband and Innovation (GBI) Program	11/1/2016	11/1/2017	3,000,000	250,000
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	0
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	0
Total			**$378,638,214**	**$280,424,660**

Source: USAID, response to SIGAR data call, 1/17/2018.

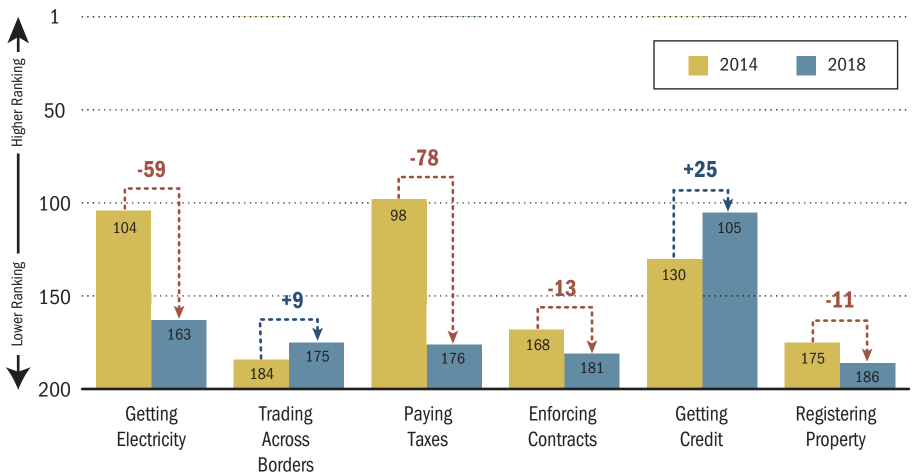
Afghanistan Compact Objectives Update: Recent Trends Must be Reversed to Achieve Aspirations

Through the Afghanistan Compact, launched in August 2017, the Afghan government committed to a total of 64 benchmarks designed to strengthen the Afghan economy.[709] Included among the business climate reform benchmarks are six World Bank *Doing Business* targets, to be met by 2021:[710]

- **Availability of electricity:** rank 120
- **Trading Across Borders:** rank 120

FIGURE 3.49

AFGHANISTAN *DOING BUSINESS* RANKINGS: 2014 VS. 2018



Source: World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, p. 142; World Bank, *Doing Business 2014: Understanding Regulations for Small and Medium Enterprises*, 10/29/2013, p. 173; State, *Afghanistan-United States Compact–Economic Benchmarks*, current as of 12/23/2017, pp. 1–2.

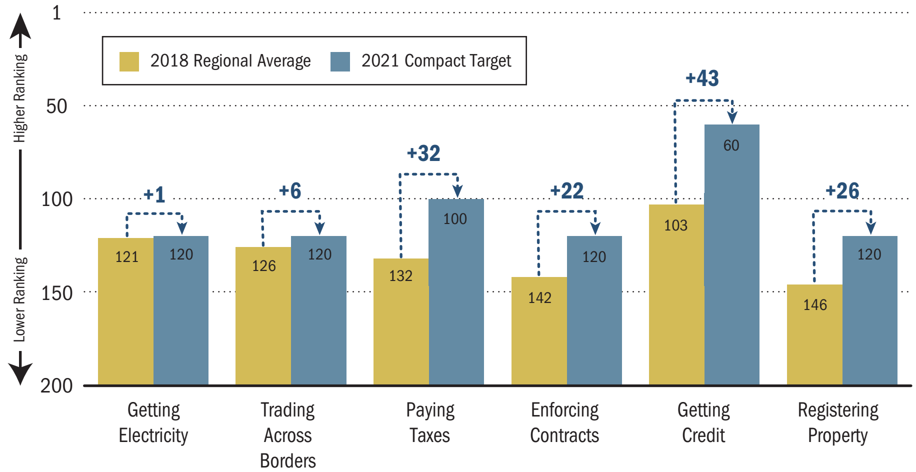
- **Paying Taxes:** rank 100
- **Enforcing Contracts:** rank 120
- **Getting Credit:** rank 60
- **Registering Property:** rank 120

SIGAR analysis of Afghanistan's standing in these indicators over the last five years shows that the country is generally trending in the opposite direction from Compact targets (see Figure 3.49). From 2014–2018, Afghanistan's ranking fell in four of the six indicators. Declines in its ranking for Getting Electricity (59 spots, from 104th in 2014 to 163rd in 2018) and for Paying Taxes (78 spots, from 98th in 2014 to 176th in 2018) were especially large.[711]

Although Afghanistan improved its position for Trading Across Borders (by 9 spots, from 184 in 2014 to 175 in 2018) and Getting Credit (by 25 spots, from 130 in 2014 to 105 in 2018), more recent trends show either stagnation or modest decreases along these indicators. From 2015 to 2018, Afghanistan fell from 89th to 105th for Getting Credit. For Trading Across Borders, Afghanistan has shown little improvement over the last few years, improving by just one spot, from 174th in 2016 to 175th in 2018. All of Afghanistan's Doing Business Compact targets also exceed 2018 South Asia regional averages, as shown in Figure 3.50 on the next page.[712]

FIGURE 3.50

KABUL COMPACT *DOING BUSINESS* INDICATORS: 2018 SOUTH ASIA REGIONAL AVERAGES VS. AFGHANISTAN'S 2021 COMPACT TARGETS



Source: World Bank, *Doing Business 2018: South Asia*, 10/31/2017, pp. 19, 25, 31, 39, 45, 55; State, *Afghanistan-United States Compact–Economic Benchmarks,* current as of 12/23/2017, pp. 1–2.

Afghanistan Trade and Revenue Project: Mixed Results

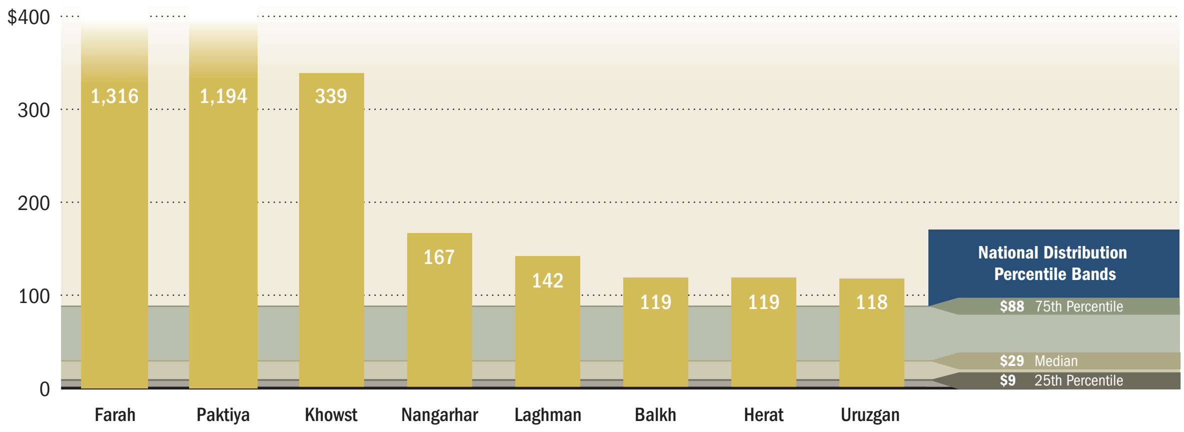
USAID's four-year, $77.8 million Afghanistan Trade and Revenue (ATAR) project, which submitted its final project report this quarter, aimed to help Afghanistan realize its potential as a regional and global trading partner. ATAR was designed to promote trade-policy liberalization, enhance Afghanistan's access to regional markets, and improve its customs administration.[713] As of December 31, 2017, USAID had obligated $77.8 million and disbursed $73.9 million for ATAR-related activities.[714]

ATAR's final report highlighted several key accomplishments, including contributions to Afghanistan's accession to the World Trade Organization (WTO) in July 2016. Prior to accession, and with ATAR support, Afghanistan adopted 25 legal acts that brought Afghanistan's legal framework in compliance with the preconditions for WTO membership. ATAR also helped Afghan traders negotiate business deals worth millions of dollars at various international trade events, including $240 million of confirmed and potential deals at the recent India-Afghanistan Trade Show.[715]

However, not all objectives were met. USAID, in consultation with its ATAR implementing partner, Chemonics, established the goal of collecting 75% of all custom duties electronically by the end of this planned $77.8 million, four-year project (November 2013–November 2017). However, a report released by SIGAR's Office of Special Projects in August 2017 found that by

FIGURE 3.51

REPORTED CUSTOMS BRIBES: TOP PROVINCES AND NATIONAL DISTRIBUTION



Note: Excludes provinces for which there were fewer than five responses; excludes responses for which respondents provided a value of 0 AFN; presents responses from "random walk" interviews only. SIGAR used the exchange rate 68.3856/1 USD to convert from AFN. This corresponds to the exchange rate used in the Asia Foundation's analysis.

Source: SIGAR analysis of data from The Asia Foundation, *Afghanistan 2017: A Survey of the Afghan People*, 11/2017.

the end of December 2016, less than 1% (0.59%) of all custom duty collections were being collected electronically.[716]

According to the Afghan Customs Department, one benefit of an electronic payment system is that it reduces opportunities for corruption by decreasing physical interaction between customs officials and traders.[717] Customs offices are one of only four institutions where reported bribes average more than $100, according to the Asia Foundation's recently released public-opinion survey of Afghanistan.[718] Figure 3.51 shows the eight provinces where customs bribes are the highest (out of a total of 25 included in a SIGAR analysis of the Asia Foundation's raw survey data). Average reported bribes for each province are presented within columns. The national distribution of reported bribes is displayed with percentile bands on the right side of the graphic.

EDUCATION

After years of upheaval in the 1980s and 1990s, Afghanistan's public education system has become one of Afghanistan's success stories since 2002, according to the World Bank. The number of boys and girls enrolled in school has increased dramatically, as has the number of teachers and schools. However, the education sector faces many challenges. The World Bank reported that only about half of all registered schools in Afghanistan have proper buildings, and only 55% of teachers meet the minimum

Chief Executive Abdullah Abdullah speaks at the launch of USAID's latest Textbook Printing and Distribution Project. (USAID photo) requirements, with the rest receiving in-service training. While the sector is improving, the quality of education and administration remains weak.[719] Moreover, the ongoing conflict continues to limit access to education.[720] The United Nations Assistance Mission in Afghanistan (UNAMA) reported a total of 51 conflict-related incidents against either education facilities or education workers through the first nine months of 2017.[721]

Girls' education, in particular, faces obstacles. Human Rights Watch (HRW) said that due to worsening security conditions, gains in girls' education may be reversing. Citing figures from the United Nations Children's Fund, HRW estimated that two-thirds of Afghan girls ages 12–15 do not go to school. HRW observed that educational disparities between girls and boys is reflected in adolescent literacy rates: 66% of adolescent boys are literate, compared to 37% of adolescent girls.[722]

Education Management Information System: a centralized, computerized network system used to gather school data to support decision making in the Ministry of Education.

Source: USAID, *Data Quality Assessment of the Ministry of Education's Education Management Information System*, 7/2016, p. 1.

Ministry of Education Data: Enrollment Rises, But 20% of Students Habitually Absent

According to the Education Management Information System (EMIS) for FY 1396 (December 22, 2016–December 21, 2017), Afghanistan reportedly had 16,049 general-education (government-run, grades 1–12) schools, which represented a 2.2% increase over FY 1395 figures. The total number of schools included 959 schools that were either inactive or closed, a 6.1% increase from the previous year. Approximately 8.95 million students were enrolled in general education schools in FY 1396, which represented a 6.3% increase over last year's figure of about 8.4 million.[723] The number of enrolled students includes both present and absent students.[724]

The Ministry of Education (MOE) counts students who have been absent for up to three years as enrolled because, it says, they might return to school.[725] According to a recent report from the Joint Anti-Corruption Monitoring and Evaluation Committee (MEC; see next section for further information), this sub-population represents about 20% of total enrolled students, implying that only about 7.2 million students are actually attending school.[726]

SIGAR SPECIAL PROJECT

This quarter, SIGAR's Office of Special Projects released its fourth report in a series that discusses findings from site visits at schools across Afghanistan that were either built or rehabilitated by USAID. Focusing on 17 schools in Faryab Province, SIGAR found that all schools were open and in generally usable condition. However, SIGAR observed that there may be problems with student and teacher absenteeism at one school in Maymana district, and that several schools have structural deficiencies that could affect the delivery of education. For more, see Section 2, pp. 42–43 of this report.

Corruption in the Ministry of Education: Vulnerability High, According to MEC Report

In October 2017, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) released a corruption vulnerability assessment of Afghanistan's Ministry of Education (MOE). The MEC's primary finding was that many teachers were appointed based on "nepotism and bribery" rather than on merit, and that this practice was widespread. The MEC assessed that this was the most serious corruption challenge facing the MOE, rather than procurement or "ghost teachers."[727]

To remedy this issue, the MEC recommended that school communities select teachers, rather than Provincial Education Departments. The MEC

TABLE 3.18

USAID ACTIVE EDUCATION PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursements, as of 12/31/2017 ($)
Afghanistan University Support and Workforce Development Program	1/1/2014	12/31/2018	$91,927,769	$58,501,991
Increasing Access to Basic Education and Gender Equality	9/17/2014	12/31/2019	77,402,457	77,402,457
Textbook Printing and Distribution II	9/15/2017	12/31/2019	75,000,000	0
Afghans Read Program (ARP)	4/4/2016	4/3/2021	69,547,810	14,567,091
Support to the American University of Afghanistan (AUAF)	8/1/2013	11/29/2019	64,400,000	45,061,094
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2020	44,835,920	21,908,001
Let Girls' Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	5,000,000
Capacity Building Activity at the Ministry of Education	2/6/2017	2/5/2021	23,212,618	3,008,258
Afghanistan's Global Partnership for Education	10/11/2012	6/30/2018	10,019,464	4,547,341
Assessment of Learning Outcomes and Social Effects in Community-Based Edu.	1/1/2014	12/31/2018	6,288,391	4,970,763
Financial and Business Management Activity with AUAF	7/5/2017	1/4/2019	4,384,058	447,450
PROMOTE Scholarships PAPA	3/4/2015	3/3/2020	1,247,522	1,247,522
Total			**$493,266,009**	**$236,661,967**

Source: USAID, response to SIGAR data call, 1/17/2018.

also recommended that the government reduce the size and scope of the MOE, which is the largest public employer in Afghanistan and, as such, uniquely susceptible to corruption, according to the report.[728]

USAID Programs Focus on Increasing Access, Improving Literacy, and Enhancing Employability

USAID aims to improve equitable access to quality education in Afghanistan through community-based classes in remote regions. USAID also seeks to develop relevant, in-demand technical skills to better prepare Afghans for employment. Its programs focus on early-grade reading, textbooks and other learning materials, and raising literacy rates through teacher and educator training.[729] USAID had disbursed approximately $959 million for education programs in Afghanistan, as of December 31, 2017.[730] USAID's active education programs have a total estimated cost of $493 million and can be found in Table 3.18.

USAID Announces $75 Million for Printing and Distribution of Textbooks

On November 7, 2017, USAID announced that it will provide $75 million to Afghanistan's Ministry of Education to cover the costs of printing and distributing 135 million textbooks and teacher guides for all public schools in Afghanistan serving students in first through 12th grade. USAID said this latest effort was a follow-on to its $26.9 million Textbook I Printing and Distribution Project, which ran from 2011 to 2017.[731]

USAID added that procuring and distributing the textbooks would help ensure increased access to, and improve the quality of, basic education in Afghanistan.[732] However, a USAID report issued in February 2017 that examined lessons learned on the agency's programming in the education sector said "textbooks production and distribution has been another area of recurrent problems in the education sector." The report noted that the Ministry of Education (MOE) has in the past inadequately planned for textbook needs, which resulted in "emergency procurements." The report also said the MOE lacks a reliable distribution plan, which produced inefficiencies in textbook delivery, including delays and shortages.[733] To mitigate recurrence of such issues, USAID said two agency representatives on the Ministry of Education's textbook-oversight committee will directly review procurements and provide oversight for selection of printing contractors.[734]

HEALTH

Afghanistan's health indicators have improved since 2002, though they remain below average among low-income countries. Afghanistan's public health is beset by many challenges: tuberculosis, polio, poor maternal health, and one of the world's highest levels of child malnutrition, according to the World Bank.[735]

Insecurity also impacts health-delivery services. Between July 1, 2017, and September 30, 2017, UNAMA reported 18 conflict-related incidents against either health facilities or health workers. This was lower than the 33 incidents verified by UNAMA over the same period in 2016.[736] Armed groups sometimes threaten health clinics with closure to secure treatment for their fighters. Last quarter, SIGAR reported that the Taliban had closed the majority of health clinics in Uruzgan Province (see page 214 of SIGAR's October 2017 quarterly report for more details).[737] According to UNAMA, as of November 23, 2017, just five of those clinics had reopened—a number that differs substantially from the MOPH's figure of 18, relayed to SIGAR in October.[738]

USAID Health Programming: Objective is to Sustain and Bolster Gains

U.S.-funded health-sector programs aim to preserve and enhance gains made since 2002. USAID assistance to the Ministry of Public Health (MOPH) includes capacity-building, training, and quality-assurance activities to strengthen the ministry's management and control over healthcare delivery across Afghanistan.[739]

TABLE 3.19

USAID ACTIVE HEALTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost ($)	Cumulative Disbursement, as of 12/31/2017 ($)
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	05/11/2016	05/10/2021	$75,503,848	$4,703,935
Helping Mothers and Children Thrive (HEMAYAT)	01/07/2015	01/06/2020	60,000,000	36,321,409
Health Sector Resiliency (HSR)	09/28/2015	09/27/2020	37,936,471	10,884,875
Disease Early Warning System Plus (DEWS Plus)	01/01/2015	12/30/2020	32,728,000	24,388,615
Enhance Community Access, Use of Zinc, Oral Rehydration Salts for Management of Childhood Diarrhea	07/21/2015	07/07/2020	15,002,610	9,400,000
Challenge Tuberculosis	01/01/2015	09/29/2019	15,000,000	7,546,790
Sustaining Health Outcomes through the Private Sector (SHOPS Plus)	01/01/2016	09/30/2017	6,000,000	5,561,289
Global Health Supply Chain Quality Assessment	01/02/2015	01/01/2020	1,500,000	1,500,000
Global Health Supply Chain-Procurement and Supply Management-HIV/AIDS Task Order #1	04/15/2015	09/29/2021	176,568	176,568
Total			**$243,847,497**	**$100,483,481**

Source: USAID, response to SIGAR data call, 1/17/2018.

USAID believes that the MOPH's ability to deliver quality healthcare through the Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS)—the cornerstone of public sector health-service delivery in Afghanistan—is critical to improving health outcomes for those who cannot access or afford private care.[740]

USAID also believes that assisting the Afghan government with healthcare delivery will increase the population's support for the government, clarifying that "Healthy people and healthy communities are the bedrock of a peaceful and stable nation." USAID said that, among other refinements to its health-sector strategy following the announcement of the new South Asia strategy, it will focus on improving health outcomes in urban centers and expanding its private-sector engagement.[741]

USAID on-budget assistance to the MOPH provides basic health care and essential hospital services. Off-budget assistance includes activities to strengthen health systems, engage the private sector, reduce child and maternal deaths, reduce tuberculosis-related deaths, reduce child undernutrition, improve the use of modern family-planning methods, and eliminate polio.[742] U.S. on- and off-budget assistance to Afghanistan's health sector totaled nearly $1.2 billion as of December 31, 2017.[743] USAID's active health programs have a total estimated cost of $244 million, and are listed in Table 3.19.

BPHS: provides primary healthcare services—such as immunizations and prenatal care—at small and rural health clinics, and forms the core of health-service delivery for all primary-care facilities in Afghanistan.

EPHS: outlines the medical services each type of hospital in the Afghan healthcare system should provide in terms of general services, staff, equipment, diagnostic services, and medications while promoting a health-referral system that integrates the BPHS with hospitals.

Source: SIGAR 13-9-AR, *Health Services in Afghanistan: Two New USAID-Funded Hospitals May Not be Sustainable and Existing Hospitals are Facing Shortages in Some Key Medical Positions*, 4/2013, p. 1.

SIGAR Special Project Exposes Possible Oversight Weaknesses in USAID's Multilateral Programming

This quarter, SIGAR's Office of Special Projects released the seventh in a series of reports examining health facilities supported by USAID in provinces throughout Afghanistan. The latest report focused on 20 facilities in Khowst Province. The facilities reviewed by SIGAR are supported by USAID through the World Bank-administered System Enhancement for Health Action in Transition (SEHAT) program, which is scheduled to run through June 2018.

SIGAR found substantial inaccuracies in the geospatial coordinates USAID previously provided for many of these 20 health facilities, including 15 facilities that were at least 10 kilometers away from coordinates USAID provided. SIGAR also found that not all facilities had access to reliable electricity.[744]

SIGAR maintains that, given USAID's intention to contribute approximately $228 million to the World Bank's SEHAT program, USAID should take steps to ensure that its funds are used as intended. In the case of SEHAT, that means, in part, using accurate GPS data to help ensure that the correct populations are receiving intended health care services.[745]

Initiative for Hygiene, Sanitation, and Nutrition: First Annual Report Submitted

With a total estimated cost of $75.5 million, USAID's Initiative for Hygiene, Sanitation, and Nutrition (IHSAN) aims to improve nutrition of women of reproductive age and children under the age of five. Over its five-year programmatic life, the project expects to reduce the incidence of anemia among women of reproductive age by a minimum of 10% (a four-percentage-point reduction from the current rate of 40%) and decrease the incidence of stunting among children by at least 5% (an approximately two-percentage-point reduction from the current rate of 41%). IHSAN expects to achieve these outcomes by bolstering capacity to institutionalize nutrition programs, improving nutritional and hygiene behavior in communities and households, and increasing the availability of sanitation, hygiene, and nutritional products and services.[746]

IHSAN programming commenced in May 2016.[747] In its first annual report, USAID's implementing partner said it had met with government and donor stakeholders to produce workplans for FY 2017 and FY 2018, and had developed and delivered nutrition counselor training to master trainers from 18 provinces.[748] Implementers also assisted the Ministry of Public Health during its development of Afghanistan's National Nutrition Strategy. IHSAN expects to help finalize the strategy in FY 2018.[749]

Stunting: refers to the physical characteristic of being at least two standard deviations below the median height for one's age in a reference population. Children whose mothers have poor nutrition during pregnancy, whose parents engage in poor infant feeding practices, and who experience repeated infections can become stunted. Afghanistan has one of the highest rates of stunting in the world.

Source: UNICEF, "Definitions: Nutrition," n.d., accessed 12/28/2017, https://www.unicef.org/infobycountry/stats_popup2.html; UNICEF, National Nutrition Survey Afghanistan (2013) Survey Report, 8/2014, p. 9; Maternal and Child Nutrition, Stop stunting: situation and way forward to improve maternal, child and adolescent nutrition in Afghanistan, 4/2016, p. 237.

Polio

As of December 28, Afghanistan reported 12 new polio cases in 2017, the most recent one in Kandahar Province.[750] There were 13 polio cases in 2016.[751] Afghanistan and Pakistan, which share a 1,500-mile border, are two of only three countries where polio was still endemic in 2016 (Nigeria, since removed from the list, was the third).[752] Large-scale population movements between Afghanistan and Pakistan increase the risk of cross-border transmission—UNAMA said the new transmissions in Afghanistan in 2017 were the result of cross-border movements—and a fatwa issued by the Pakistani Taliban targeting polio workers complicates vaccination outreach.[753]

This quarter, UNAMA reported that the national polio vaccination campaign reached over 9 million children in September and more than 5.5 million in November.[754] As of August 31, 2017, USAID had obligated more than $25.7 million and disbursed about $17.7 million for polio eradication in Afghanistan since FY 2003.[755]

COUNTERNARCOTICS CONTENTS

COUNTERNARCOTICS

KEY ISSUES AND EVENTS

Afghanistan's total area under opium cultivation and opium production reached an all-time high in 2017, according to the United Nations Office on Drugs and Crime's (UNODC) annual country opium survey. According to the November 2017 report, cultivation increased by 63% from the previous year to 328,000 hectares and production increased 87% to 9,000 tons.[756] (One hectare is roughly 2.5 acres. The total area under opium cultivation approaches the area of Rhode Island.)[757] Cultivation expanded to new regions and intensified in areas previously under cultivation. Total eradication increased 111% to 750 hectares in 2017, but remained low, especially when compared to total opium cultivation levels.[758]

Despite a U.S. investment of $8.7 billion to counter Afghanistan's illicit-narcotics economy, Afghanistan remains the world's largest opium producer and exporter, producing an estimated 80% of the world's opium. The narcotics industry—coupled with rampant corruption and fraud—is a major source of illicit revenue in the country.[759]

The UNODC report said political instability and insecurity may have contributed to the expanded cultivation. Other factors might have included a cheaper harvest workforce in Helmand and improved agricultural techniques, such as solar panels to power irrigation.[760]

Under new authorities given by the Trump Administration to the U.S. military in its fight against insurgent and terrorist organizations, United States Forces-Afghanistan (USFOR-A), supporting the Afghan air force, targeted drug labs for the first time this quarter using B-52 bombers and other aircraft, including the F-22 Raptor fighter/ground-attack jet.[761]

From November through December 13, 2017, 25 drug labs have been destroyed. According to the U.S. Department of Defense (DOD), that equates to nearly $80 million of drug money eliminated and $16 million of direct revenue being denied to the Taliban.[762]

The State Department's Bureau of South and Central Asian Affairs (SCA) failed to provide a response to SIGAR's request for an update on the counternarcotics strategy for Afghanistan. SIGAR has previously reported on the slow progress the U.S. government has made toward revising its counternarcotics strategy. The approval of a new U.S. counternarcotics strategy for Afghanistan has been on hold since 2015.[763]

A November 2017 SIGAR Special Projects report found over $9 million worth of DOD-purchased equipment to assist in the interdiction of illicit narcotics, precursor chemicals, and other illicit goods sat unused at several border locations.

Source: SIGAR 18-14-SP, *DOD Procured Non–Intrusive Inspection Equipment: $9.48 Million Worth of Equipment Sits Unused at Borders in Afghanistan*, 11/2017, pp. 1–5.

Precursor chemical: a substance that may be used in the production, manufacture, and/or preparation of narcotic drugs and psychotropic substances.

Source: UNODC, *Multilingual Dictionary of Precursors and Chemicals*, 2008, viii.

This quarter, the lower house of the Afghan parliament summoned Minister of Counter Narcotics Salamat Azimi and other Afghan government officials because of what they considered inadequate development budget spending: only 47% of the Ministry of Counter Narcotics (MCN)'s development budget from fiscal year (FY) 1395 (December 22, 2015–December 20, 2016) had been spent. Minister Azimi reported that the MCN had a $23.3 million development budget for solar year 1395 (March 20, 2016–March 20, 2017), but donors later reduced that amount by $7.3 million. She stated that 70% of the MCN budget had been spent. Eleven projects or 9.5% of its development budget could not be implemented due to insecurity.

Due to a lack of quorum, no decision was made on Minister Azimi's fate. In the past, the lower house has dismissed ministers who failed to spend enough of their development budget. The percentage has varied in recent years, but Speaker Abdul Rauf Ibrahimi stated officials who spent less than 60% of their development budget would continue to be summoned.[764]

This reporting period, the Afghan government completed one of the seven counternarcotics benchmarks in the Afghanistan Compact, a non-binding, Afghan-led initiative designed to demonstrate the government's commitment to reforms. The Counter Narcotics High Commission led by the president, chief executive, or vice president is to meet quarterly. The meeting due by the end of November was held. The other benchmarks related to eradication, anti-money laundering, and counternarcotics community engagement are due January 2018. The interdiction benchmark consists of three indicators: two were completed in October and one regarding rewards for interdiction operations is outstanding.[765]

Between October 1 and December 18, 2017, Afghan law-enforcement personnel conducted 17 interdiction operations, four of which were combined U.S.-Afghan operations. Seizures included over 6,400 kilograms (kg) of opium, 145 kg of heroin, 85 kg of hashish, and 14 kg of precursor chemicals.[766] A kilogram is about 2.2 pounds.

In addition to exporting opiates, Afghanistan suffers from widespread illegal drug use. A U.S.-funded 2015 survey estimated approximately 11% of the population would test positive for drugs. Drug use among men, women and children is among the highest documented worldwide.[767] Afghans' illicit drug use spawns other crimes, funds the insurgency, and costs the Afghan government hundreds of millions of dollars in health care costs, crime prevention, and lost economic productivity.[768] After numerous drug addicts died in the capital, the Ministries of Public Health and Counter Narcotics launched a campaign in December 2017 gathering drug addicts in Kabul and offering them treatment.[769]

On December 11, the foreign ministers of Russia, China, and India met in New Delhi at the 15th trilateral meeting to discuss the campaign against terrorism, drug trafficking, and the International North-South Transport

Corridor (INSTC) connecting India, Iran, Afghanistan, and Central Asia with Europe.[770]

UNODC also organized a regional alternative-livelihood conference on Afghanistan in November 2017 in Ashgabat, Turkmenistan. Representatives from Iran, Pakistan, and other nations and international organizations convened to discuss measures to promote alternative development and reduce opium poppy cultivation.[771]

DRUG LAB BOMBING CAMPAIGN

In November 2017, General John W. Nicholson, Jr. announced that new authorities granted under the Trump Administration's new South Asia strategy allowed U.S. Forces-Afghanistan (USFOR-A) to attack insurgents' financial networks. (Previously, U.S. forces were restricted to defending Afghan forces.) In November, air strikes focused on drug labs in Helmand and were led by Afghan Security Forces using A-29s, with support from U.S. Air Force B-52s, F/A-18s, and other aircraft, including the F-22 Raptor. According to General Nicholson, 13 drug-trafficking organizations exist in Afghanistan and seven operate in Helmand.

One danger of a sustained air campaign is civilian casualties, which could erode support for the Afghan government and potentially increase support for the insurgency. The United Nations reported over 8,000 civilian casualties between January 1 and September 30, 2017. October and November were two of the deadliest months for civilians. Press reports stated several civilians were killed during the November bombings. The operations used the F-22, one of the "most advanced fighter aircraft" because of its ability to deliver munitions precisely, including 250-pound bombs to minimize collateral damage.

At a December briefing, Brigadier General Lance Bunch announced that the future operations directorate, recently created to synchronize campaigns between Resolute Support and Operation Freedom's Sentinel, had developed a sustained air interdiction campaign to target Taliban command centers, illicit revenue-generating ventures, and logistics networks. Brigadier General Bunch announced that 25 narcotics labs had been destroyed since the beginning of the campaign in November, which he said was the equivalent of nearly $80 million eliminated from the drug-trafficking organizations while denying over $16 million in direct revenue to the Taliban.

At the same December briefing, Brigadier General Bunch stated the operations also used high-mobility artillery-rocket systems (HIMARS), air-refueling assets, intelligence-surveillance-reconnaissance assets, and other supporting assets. According to the latest DOD financial-management report, an F-22 costs between $35,294 and $36,799 per hour to operate; a B-52 between $32,569 and $34,341 per hour; and an F/A-18 between $9,798 and $16,173 per hour, depending on the model. By contrast, the labs being destroyed are cheap and easy to replace. Afghans told Reuters it would takes three or four days to replace a lab in Afghanistan. According to UNODC, the morphine/heroin labs need only simple equipment such as a stove, iron barrel, and locally made pressing machines. According to DOD, the value of seizures and destroyed equipment is based on DEA baselines.

The value of destroyed labs is assessed according to their size. DOD says the majority of a drug lab's value resides in the number of barrels it cooks and drug trafficking organizations can expect approximately $205,000 in future revenue per barrel. The value of other destroyed infrastructure and material (structures, opium presses) is added to the total. From the information provided by DOD, it is unclear whether future revenue per barrel is calculated using price data on the export of opium and heroin, or using higher values in consumer markets outside Afghanistan. Law enforcement sources suggest that the Taliban only profit from the drug trade until the product is sold to drug trafficking organizations outside Afghanistan.

DOD cites DEA estimates that the Taliban receive a 20% cut from drug trafficking organizations. DOD determines the value that any struck target would provide to the drug trafficking organization and attributes 20% of that value to the Taliban. DOD's determination is thus based on potential, future revenue. SIGAR has no information on how DOD determines the quantity of the barrels at a particular location and whether the containers are full or empty. The potential revenue may never be realized within Afghanistan as the revenue will likely be realized outside the country. It is therefore unclear whether the DOD figure is an accurate estimate of how much revenue is eliminated by air strikes on drug labs.

Source: The White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017; Resolute Support, "Transcript of DOD Press Briefing with General John Nicholson, commander, U.S. Forces Afghanistan," 11/21/2017; OUSD, *FY 2018 Department of Defense Fixed Wing and Helicopter Reimbursement Rates*, 10/3/2017; United Nations, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 12/15/2017, p. 7; UNODC, *Monitoring of Drug Flow in Afghanistan*, 10/2007, p. 4; *Washington Post*, Sayed Salahuddin, "Reports suggest dozens of civilians killed in U.S. strikes in Afghanistan," 11/05/2017; VOA News, Ayaz Gul, "US. Afghan Airstrikes Destroy 9 Taliban Drug Labs in Afghanistan," 11/22/2017; Reuters, Mohammad Stanekzai and Girish Gupta, "U.S. strikes on Taliban opium labs won't work, say Afghan farmers," 11/23/2018; Former DEA official, correspondence with SIGAR, 1/2/2018; and USFOR-A, response to SIGAR data call, 1/15/2018.

SIGAR AUDIT

An ongoing SIGAR Lessons Learned report is examining U.S. counternarcotics efforts from 2002 through 2017. This comprehensive review will incorporate satellite-imagery data analysis and provide recommendations to policymakers to improve future strategies and programs.

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of December 31, 2017, the United States has provided $8.7 billion for counternarcotics (CN) efforts in Afghanistan since 2002. Congress appropriated most CN funds for Afghanistan through the DOD Drug Interdiction and Counter-Drug Activities (DOD CN) Fund ($3.1 billion), the Afghan Security Forces Fund (ASFF) ($1.3 billion), the Economic Support Fund (ESF) ($1.6 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account ($2.2 billion).[772]

ASFF is primarily used to develop the Afghan National Army and Police, including the Counter Narcotics Police of Afghanistan (CNPA) and the Special Mission Wing (SMW), which support the counternarcotics efforts of the Ministries of Defense (MOD) and Interior (MOI).[773]

USAID's ESF-funded alternative-development programs are intended to support U.S. counternarcotics objectives by helping countries develop economic alternatives to narcotics production. In addition to reconstruction funding, the Drug Enforcement Administration (DEA) receives funds through direct appropriations to operate in Afghanistan.[774]

No Revised U.S. Counternarcotics Strategy

Approval of a new U.S. counternarcotics strategy for Afghanistan has been on hold since 2015.[775] This quarter, the Bureau of South and Central Asian Affairs (SCA) failed to provide a response to SIGAR's request for an update on the status of the revised U.S. counternarcotics strategy. SCA deals with U.S. foreign policy and U.S. relations with Afghanistan and other Asian countries.[776] State's Bureau of International Narcotics and Law Enforcement Affairs (INL) notified SIGAR in 2017 that the Special Representative for Afghanistan and Pakistan, which has been assimilated into SCA, was the entity to communicate with about the new strategy.[777] INL told SIGAR this quarter that its programs continue to support Afghanistan's National Drug Action Plan (NDAP) and focus on eradication, interdiction, drug demand reduction, community information, and alternative development programs. INL also stated that the Administration's new South Asia strategy did not differ from INL priorities.[778]

Opium Cultivation and Production Levels Reach New Heights

The United Nations Office on Drugs and Crime's (UNODC) released its annual country opium survey in November 2017. Cultivation increased 63% from 201,000 hectares in 2016 to 328,000 hectares, while production increased 87% from 4,800 to 9,000 tons.[779] (One hectare is roughly 2.5 acres. The total area under opium cultivation approaches the size of Rhode Island.)[780] All major poppy-growing provinces exhibited strong increases in cultivation. In Helmand, cultivation increased 79%, accounting for nearly half of the total national increase. Levels in Balkh increased by 10,000 hectares, or nearly five times more than in 2016. Kandahar levels increased 37% or by 7,500 hectares, Nimroz 116% or by 6,200 hectares, and Uruzgan levels rose 39% or by 6,000 hectares.[781]

Cultivation expanded to new regions and the number of poppy-free provinces decreased from 13 to 10, as Ghazni, Samangan, and Nuristan Provinces lost their poppy-free status.[782]

The increase in opium production stems primarily from the increase in area under opium-poppy cultivation. Opium yields also increased. The average yield in 2017 was 27.3 kilograms per hectare, 15% higher than in 2016. According to UNODC, yields increased in southern, northeastern, and eastern regions of the country, but decreased in central and northern regions by 5% and 6%, respectively.[783]

UNODC says that multiple drivers, some complex and geographically diverse, influence farmers' decisions to grow opium. Political instability, security, and lack of government control play a major role. Scarce employment opportunities, lack of quality education, and limited access to markets and financial services increase the appeal of opium-poppy cultivation for farmers. The large increase in 2017 could have been fueled by a combination of events which may have exacerbated some of these elements.[784]

According to UNODC, additional factors played a role in Helmand Province. Cheaper labor became available at harvest time and, combined with the increased yields, could have prompted many farmers to take up or expand opium cultivation. Advances in agriculture, including solar panels for powering irrigation pumps, fertilizers, and pesticides, may have made opium-poppy cultivation more profitable even under unfavorable natural conditions. Solar panels require a sizable initial investment but have lower running costs than diesel-powered pumps and can be used to transform desert areas into productive arable land.[785]

The U.S. government's estimates for opium production and cultivation in 2017 are not yet available.[786]

INTERDICTION AND ERADICATION

The U.S. and Afghan governments use both interdiction and eradication to counter the cultivation and production of illicit narcotics in Afghanistan. According to the Department of State:

> Drug interdiction—or preventing illicit drugs from reaching their destination—is important in stemming the flow of illegal drugs and countering the negative effects of organized criminal groups. INL supports interdiction efforts through training, equipping, and providing technical assistance to partner nation law enforcement agencies. Such efforts increase the capacity to detect, investigate, disrupt, and seize shipments of illicit drugs and the chemicals (known as precursors) needed to process and produce drugs.

Trucks filled with a combined weight of approximately 3 tons of confiscated drugs get unloaded during a periodic drug burn at Bost Airfield, Afghanistan, Nov. 2, 2017. The Afghan National Police burned four years' worth of evidence from court cases in Helmand Province. This periodic burn included opium, heroin, hashish, various chemicals, alcohol and morphine. (U.S. Marine Corps photo by Sgt. Justin T. Updegraff)

> Eradication—or the physical destruction—of illicit crops remains an important tool for decreasing the production of illegal drugs and preventing them from entering the United States, or other drug markets. INL provides training, equipment, and technical assistance to foreign governments to support their own eradication programs, and address related counternarcotics and law enforcement challenges.[787]

"Revenue from drug trafficking, taxation/extortion, illicit mining/agriculture, and foreign financial support continues to sustain the insurgency and Afghan criminal networks," according to DOD.[788] The CNPA, comprising regular narcotics police and specialized units, leads counternarcotics efforts among Afghan security forces.[789] Afghan Uniform Police and Afghan Border Police also participate in counternarcotic activities.[790] In addition, the General Command of Police Special Units (GCPSU) conducts high-risk operations against terrorism, narcotics and organized crime.[791] The specialized units include the Sensitive Investigative Unit (SIU), National Interdiction Unit (NIU), and the Intelligence Investigation Unit. The CNPA has approximately 2,000 assigned personnel; roughly half of them are based in Kabul.[792] The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat Provinces.[793] The Technical Investigative Unit (TIU), a group within the SIU, operates the Judicial Wire Intercept Program (JWIP).[794]

INL estimates that its total funding for operations and maintenance for the NIU and SIU is approximately $26 million per year. Costs directly attributable to NIU and SIU include $2.47 million in support of the JWIP program under an interagency agreement with DEA and $425,000 per year for NIU salary supplements. SIU supplements are funded by DEA.[795] Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. Supplements are provided to all NIU

The Afghan National Police set fire to approximately three tons of confiscated drugs during a controlled drug burn at Bost Airfield, Afghanistan, Nov. 2, 2017. The ANP burned four years' worth of evidence from court cases in Helmand Province. This periodic burn included opium, heroin, hashish, various chemicals, alcohol, and morphine. (U.S. Marine Corps photo by Sgt. Justin T. Updegraff)

officers, from the police officer to the unit commander; the amount of the supplement is based on the individual's rank.[796] DOD provided $675,000 for equipment to the NIU for 2017 and $1 million for equipment to be delivered in 2019.[797]

Interdiction Results

In Afghanistan, INL partners with DEA and DOD to build the capacity of the CNPA, with particular focus on support for two specialized units mentored by DEA, the SIU and the NIU.[798] No eradication operations occurred between October 1 and December 18, 2017, as the opium harvest was completed last quarter. DOD lacked sufficiently reliable information to report on CNPA activities, allocation of their resources, or the results of their interdiction operations. However, DOD said historically, the use of CNPA personnel for non-CN missions has occurred frequently and CNPA staff posted to provincial-level police headquarters likely participated in non-CN missions this quarter.[799]

During the first quarter of FY 2018, most interdiction activities occurred in the capital and the eastern and southwest regions. These events included routine patrols, cordon-and-search operations, vehicle interdictions, and detention operations. Between October and December 18, 2017, Afghan operations resulted in the following seizures and destruction of multiple drug labs: over 6,400 kg of opium, 145 kg of heroin, 85 kg of hashish, and 14 kg of precursor chemicals.[800] DEA reported that 13 labs were destroyed, two high-value targets apprehended, and over $950,000 in U.S. currency seized during the same period. In November, a Taliban financier evaded capture but the NIU seized $30,000 in Pakistani rupees and destroyed approximately $9.7 million of narcotics.[801] The UN reports that Afghan law enforcement

TABLE 3.20

INTERDICTION RESULTS, FISCAL YEARS 2009–2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*	Total**
Number of Operations	282	263	624	669	518	333	270	190	156	17	3,458
Detainees	190	484	862	535	386	442	394	301	152	23	3,818
Hashish seized (kg)	58,677	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	85	1,123,237
Heroin seized (kg)	576	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	145	37,724
Morphine seized (kg)	5,195	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	0	172,872
Opium seized (kg)	79,110	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	6,408	461,849
Precursor chemicals seized (kg)	93,031	20,397	22,150	130,846	36,250	53,184	234,981	42,314	89,878	14	827,754

Note: The significant difference in precursor chemicals total seizures between 2014 and 2015 is due to a 12/22/2014 seizure of 135,000 kg of precursor chemicals.
* Results for period 10/1/2017–12/18/2017.
** Includes FY 2008 results: 136 operations; 49 detainees; 241,353 kg of hash; 277 kg of heroin; 409 kg of morphine; 15,361 kg of opium; 4,709 kg of precursor chemicals.

Source: DOD, response to SIGAR data call, 7/29/2015, 7/20/2017, and 12/26/2017.

authorities seized 225 K-tablets (synthetic drugs), 76 vehicles, 20 weapons, and over a hundred mobile phones, and dismantled one heroin-processing laboratory between August 27 and October 31, 2017.[802]

Afghan law-enforcement personnel in the specialized units conducted 17 operations from October 1 to December 18, 2017, four of which were combined U.S.-Afghan operations.[803] According to DOD, the poor security situation in Afghanistan makes conducting interdiction activities a challenge. Interdictions declined from 34 in the previous quarter to 17 despite mentorship from U.S. Special Forces units and greater access to Resolute Support (RS) enablers.[804] The difficult security situation in much of the country may have contributed to the decline since security forces focus overwhelmingly on combating the insurgency. Moreover, insecurity prevents most of the counternarcotics forces from conducting operations in key drug terrain where large volumes of narcotics would be vulnerable to seizure.[805]

As shown in Table 3.20, from 2008 through December 18, 2017, nearly 3,460 interdiction operations have resulted in the seizure of 461,849 kg of opium. However, these seizures over a nearly 10-year period, would account for no more than 5.1% of the total opium produced in Afghanistan in 2017 alone. According to the 2017 Opium Survey by the UN Office on Drugs and Crime (UNODC), Afghanistan's potential opium production in 2017 was approximately 9,000 metric tons (or 9 million kg).[806]

The United States is supporting Afghan CN missions through train, advise, and assist activities. DOD supports training and equipping the specialized CNPA units who investigate high-value targets and conduct drug-interdiction operations. Although this quarter's interdictions results decreased, DOD said that overall the specialized units within the CNPA have demonstrated a significant improvement in interdiction-operations tempo and effectiveness since they have been mentored by DEA and a U.S. Army Special Forces unit, starting in 2016.[807]

DOD created, equipped, and continues to provide training and maintenance support to the Special Mission Wing (SMW) to support CN and counter-terrorism (CT) operations.[808] The SMW is the only Afghan National Defense and Security Forces (ANDSF) organization with night-vision, rotary-wing air assault, and fixed-wing intelligence, surveillance, and reconnaissance capabilities.[809] According to DOD, the SMW will expand to include additional helicopter crews, consolidate the PC-12 aircraft into a new fixed-wing *kandak* (battalion), and create an aviation-support kandak.[810] The SMW is essential to expanding the ability of the CN/CT units to engage high-value targets. The SMW is used by the Afghan Special Security Forces to conduct helicopter assault raids throughout the country.[811]

More information on the SMW is available on pages 109–111 of this report.

Eradication Results

Governor-Led Eradication

Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors $250 for every UNODC-verified hectare of eradicated poppy.[812] This quarter, GLE resulted in 750 hectares eradicated in Nangarhar, Kandahar, Badakhshan, Balkh, Kunar, Kapisa, Laghman, Ghor, Herat, Badghis, Nimroz, Takhar, and Kabul Provinces.[813] The UN reported no eradication was carried out in the northern region for the past three years except for Sar-e Pul in 2015 and Balkh in 2017 (25 hectares). No eradication took place in the southern region in 2017 except for Kandahar where 48 hectares were eradicated.[814] Discussions are under way about eradication preparations for 2018.[815]

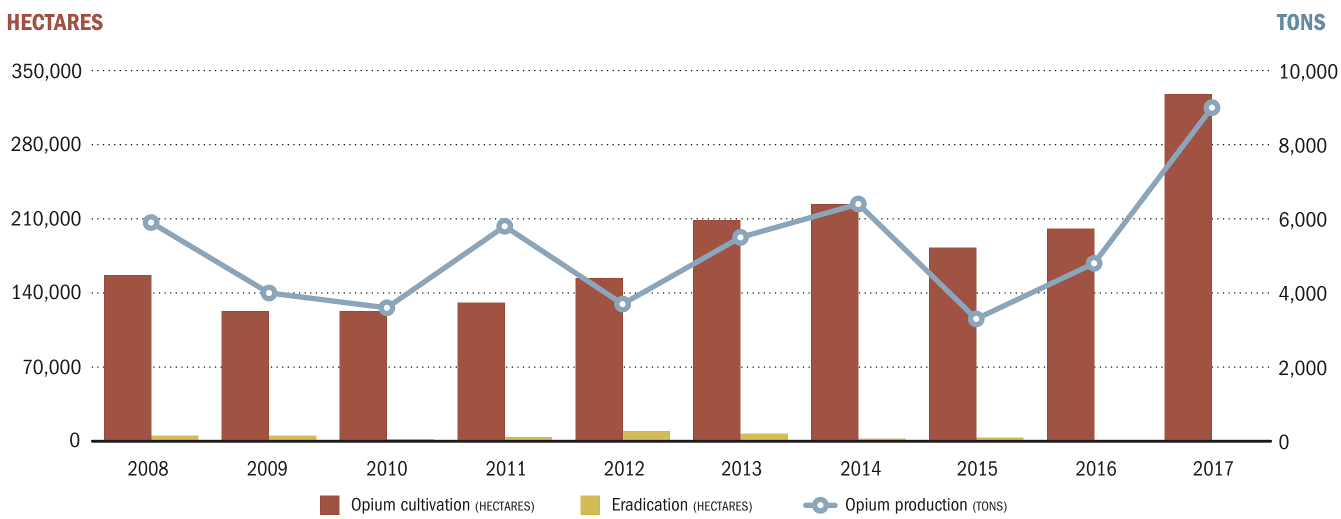
INL has obligated and disbursed $6.9 million to date since the program's inception.[816] As Figure 3.52 on the next page illustrates, eradication efforts have minimal impact on curbing opium cultivation. The increase in cultivation reported this year is an indication of the limited Afghan government control, particularly in rural areas.

Good Performers Initiative

The INL-funded Good Performers Initiative (GPI) sought to incentivize provincial governors' counternarcotics and supply-reduction activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation. However, GPI is no longer taking on new projects. According to INL, the program was deemed "ineffectual at curbing opium cultivation" in those provinces receiving awards. MCN's inability to adequately manage the program was also a factor in INL phasing out the program. No new GPI projects were approved

FIGURE 3.52

AFGHAN OPIUM CULTIVATION, ERADICATION, AND PRODUCTION SINCE 2008



Source: UNDOC, *World Drug Report 2016*, 5/2016, Annex, vii, ix, xii; UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, pp. 5–6, 64–70, 71.

after April 30, 2016. INL performed a risk assessment of MCN's financial risk-management system in 2015 and found 24 internal-control deficiencies that increased the potential for a material misstatement in financial reporting, ineffective operations, and noncompliance with Afghan laws and regulations.[817]

As of November 30, 2017, INL reported that 286 projects valued at $126.3 million have been contracted. Of those, 262 projects have been completed and 24 are still in progress.[818] INL will continue to fund ongoing projects until their completion.[819] INL is also working on an alternative-development project called Boost Alternative Development Intervention through Licit Livelihoods (BADILL), formerly known as Strengthen and Diversify Licit Livelihoods through Alternative Development Interventions (see the Alternate Development section on page 203). BADILL is expected to follow through on INL's commitments to those provinces most affected by the GPI cancellation.[820]

Ministry of Counter Narcotics Capacity-Building

Since 2008, INL has obligated $35.8 million and spent $27.7 million to build capacity at the Ministry of Counter Narcotics (MCN).[821] During the third quarter of FY 2015, INL conducted an independent risk assessment of the MCN's public financial-management system. The report identified significant deficiencies that increased the potential for inaccurate financial reporting,

SIGAR SPECIAL PROJECT

In January 2018, SIGAR's Office of Special Projects issued a report on GPI infrastructure projects in Faryab Province. SIGAR inspected six projects completed at a cost of $2.42 million and found that five of the six projects were located less than two kilometers from INL's reported geospatial coordinates. The sixth project was more than 50 kilometers away from its reported location. SIGAR found that the projects were completed and in usable condition. However, two facilities had roof leaks which could lead to other structural issues. The health clinic 50 kilometers away from the INL-provided coordinates calls into question whether the clinic is serving its intended population.

inefficiency, ineffective operations, and noncompliance with laws and regulations. Areas of particular concern were internal controls, program management and monitoring, and facility management.[822]

INL has another capacity-building program under the Colombo Plan whereby Asian University for Women (AUW) fellows from Kabul are assigned to the MCN.[823] Last quarter, the Colombo Plan selected the 10 AUW fellows and recruited the first MCN advisor who will assist in revising the National Drug Action Plan.[824]

The MCN was the worst-performing Afghan government institution, according to a report released by the UN's Independent Administrative Reform and Civil Service Commission on October 3. The report found that reforms and recruitment have been "delicate" and many institutions have not met their recruitment targets during the first six months of the 1396 Afghan solar year (March 21, 2017–March 20, 2018).[825] INL has not yet received the second formal review of Afghanistan's National Drug Action Plan. The MCN is mandated to publish annual reports on its implementation.[826]

Colombo Plan: Instituted as a regional intergovernmental organization to further economic and social development, it was conceived at a conference held in Colombo, Sri Lanka (then Ceylon), in 1950 with seven founding-member countries. It has since expanded to 26 member countries. INL supports the Colombo Plan's Universal Treatment Curriculum, a national-level training and certification system for drug-addiction counselors aimed at improving the delivery of drug treatment services in Africa, Asia, and Latin America.

Source: Colombo Plan Secretariat website, "History," www.colombo-plan.org, accessed 7/1/2017; INL, *International Narcotics Control Strategy Report: Volume I, Drug and Chemical Control*, 3/2017, p. 26.

ALTERNATIVE DEVELOPMENT

USAID's alternative-development (AD) programs support U.S. counter-narcotics objectives by helping host countries develop economically viable alternatives to narcotics production. INL funding supports supply-reduction and alternative-development programs. INL holds biweekly meetings with USAID to coordinate their AD efforts and ensure that INL AD efforts complement and leverage ongoing USAID activities.[827] According to USAID, both agencies also attend AD program meetings with UNODC, the UN Development Programme (UNDP), the MCN, and the Ministry of Agriculture, Irrigation, and Livestock.[828]

INL has been implementing AD programming in Afghanistan since 2007 through GPI and a series of grants with the Aga Khan Foundation to strengthen subnational governance and alternative livelihoods. INL AD programs target high poppy-cultivating areas, in line with Afghan government priorities laid out in Afghanistan's National Drug Action Plan.[829]

USAID funded an examination of its strategic goals for Afghanistan's "Plan for Transition (2015–2018)" to help inform their first Afghanistan Country Development Cooperation Strategy. USAID examined strategy results, successes and challenges, and the factors that helped or hindered progress in various sectors, as well as coordination with the Afghan government and other stakeholders. The review revealed that "critical assumptions proved to be somewhat valid, or not valid at all." The assumption that the security environment around project areas would allow for activity implementation and monitoring was "not true to somewhat true." Projects in rural areas, particularly in the south were most affected by the security environment.[830]


Woman poultry producer in Daman District, Kandahar Province. (USAID photo)

Other untrue assumptions were that neighboring countries would harmonize trade and transit policies with Afghanistan; that donors and private investors would make large-scale investments in transit infrastructure and logistics; and that the U.S. government and donors would fulfill security and civilian assistance commitments. Political turmoil in several Central Asian countries has hampered the harmonization of policies. A multi-donor trust fund and the Asian Development Bank have supported some infrastructure projects but large-scale investments by donors and private investors have not materialized.[831]

USAID also found that the need for institutional capacity building at every level of governance continues to undermine development, although significant progress has been made. Progress in the livestock sector has been problematic because of poor genetic stock and difficulty establishing new veterinary field units. Interventions involving job creation in the agricultural sector have been constrained. Agricultural jobs are difficult to create due to improved technologies and management practices that increase productivity but decrease employment. Alternative development activities are negatively affected because of weak political will for eradication when required, and poor relationships to employment and income gains through value chains.[832]

On January 16, USAID launched a three-year program called Promoting Value Chains-West in partnership with the Food and Agriculture Organization of the United Nations. The program will support agribusiness and livestock development in the provinces of Badghis, Farah, Herat, and Nimroz. Project beneficiaries will include small and medium enterprises, input suppliers, private service providers, traders, millers and processors, and producer groups. The program will ultimately benefit nearly 40,000 small farm owners from 5,700 enterprise households.[833]

Kandahar Food Zone

The Kandahar Food Zone (KFZ) is a five-year, $45.4 million, USAID-funded project implemented by International Relief and Development (IRD). KFZ addresses the drivers of poppy cultivation in Kandahar Province by rehabilitating irrigation infrastructure, expanding alternative-livelihood opportunities, supporting small businesses, and building the capacity of the MCN to develop effective alternative-development policies. USAID awarded a two-year extension in 2016 to continue work in the three target districts of Zheray, Panjwayi, and Maywand. Development activities include rehabilitating irrigation infrastructure and existing orchards and vineyards, creating new orchards and vineyards, promoting the cultivation of off-season horticulture, marketing high-value crops, and developing agribusiness.[834]

Rehabilitation work took place on the Nakhonay, Khandaq, and Salawaat canals in Panjwayi District between October and December 2017.[835] According to the implementer, the lack of government capacity to manage the Arghandab River basin as well as its inadequate irrigation budgets and maintenance make it difficult to implement equitable water distribution. Water users are supposed to register with the Directorate of Arghandab River Sub-Basin Authority (DARSA), which manages the release of water from the Dahla Dam. Farmers pay annual fees to mirabs, who are responsible for water allocation and minor canal repairs.[836] The program identified 54 mirabs in the targeted districts from the Arghandab River and in 2015, developed a canal-maintenance plan in collaboration with DARSA. In December 2017, the implementer conducted field visits to the rehabilitated canals. The KFZ engineers found that works are progressing as planned and USAID said no problems have been identified in the reports.[837] In July 2017, DARSA met for the first time with mirabs from Do Aab, located at the end of the irrigation network in Panjwayi. Do Aab has about 1,225 farmers in 40 villages, cultivating approximately 1,400 hectares of land. The primary market for crops is Kandahar City. Access to water improved during the year because of rehabilitations in Do Aab. In 2016, water was only available for 40 days to Do Aab farmers.[838] Since the Do Aab rehabilitation was completed in February 2017, USAID told SIGAR it was too early to quantify water-access improvements for 2017. The winter 2017–2018 season will be the first opportunity to gauge the impact of the canal rehabilitation; the information will be reported in the third quarter of FY 2018.[839]

In 2016, Kandahar provincial workers dug tube wells and installed pumps on 300 farms in two districts. The tube wells provided irrigation as of the 2016–2017 winter season; farmers grew wheat in the winter and fruit and vegetables in the summer. The stakeholders asked KFZ to provide training to those farmers during January 2018.[840]

KFZ built 47 greenhouses during the second year of the program. Insurgents destroyed two of the greenhouses, and their continued presence precludes providing technical assistance to farmers.[841]

The Ministry of Counter Narcotics (MCN) requested KFZ review its alternative-livelihood policies, identify the drivers of poppy cultivation, and upgrade its monitoring and evaluation system. The alternative-livelihood policy review began in June and was still ongoing by December 2017.[842]

Security in the province continued to deteriorate in FY 2017. The implementer relocated its Kandahar office to a secure facility to facilitate oversight by international staff.[843]

Although USAID's implementing partner reported KFZ progress against many indicators, they also said the program's overall impact on curbing opium cultivation is mixed. Results initially seemed promising: poppy cultivation decreased 49% during the second year of the project after the rehabilitation of 12 canals. But the following year, opium cultivation rose 3% in the targeted districts.[844] USAID informed SIGAR that KFZ's 2017 fourth-quarter report was not approved because of issues concerning some

Mirabs: persons elected by water users and landowners who are responsible for allocating water from canals to farm fields and for routine and emergency canal maintenance and repairs. Farmers pay them annual fees for surface irrigation water. They organize labor provided by farmers and landowners to clean canals, collect extraordinary fees for minor canal repairs, and supervise the repairs.

Source: USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, pp. 10–11.

Master trainer teaches local women to make various dairy products from cow's milk. (USAID photo)

Value-chain: the range of goods and services necessary for an agricultural product to move from the farm to the final customer or consumer. It encompasses the provision of inputs, actual on-farm production, post-harvest storage and processing, marketing, transportation, and wholesale and retail sales.

Source: USAID, response to SIGAR vetting, 4/12/2015.

information presented. The report was sent back to KFZ and USAID is awaiting revision.[845]

Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) is intended to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects are under way in the southern, eastern, and northern regions of Afghanistan. The projects focus on strengthening the capacity of farmers to improve the productivity of wheat, high-value crops, and livestock. Using a value-chain approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of agricultural value chains.[846]

RADP-East (RADP-E) is USAID's five-year, $28.1 million program designed to expand sustainable agriculture-led economic growth in Ghazni, Kapisa, Laghman, Logar, Nangarhar, Parwan, Wardak, and Kabul Provinces. RADP-E will run through July 2021. RADP-E works with the private sector to identify constraints to business and value-chain performance, and implement market-based solutions. RADP-E is intended to increase the sales of agricultural goods and services by $60 million by the final year of the program. Activities support the apricot, tomato, poultry, and dairy value chains.

The program has allotted $2.5 million for a market development fund and $1.7 million for training. The fund uses grants to build capacity across the public and private sectors, as well as civil society.[847] Some of the program's goals for FY 2018 are to benefit 8,400 households, create 1,500 full-time jobs, have 15% of beneficiaries be female, and connect 250 small and medium-size enterprises to large firms.[848]

During September and October 2017, RADP-E provided technical training to farmers; food and safety training to dairy suppliers, processors and wholesalers, and tomato-processing training to processors. The program provided several grants in July and August to support access to finance in all targeted value chains.[849] Despite several requests to USAID, SIGAR received no progress reports on RADP-E more recent than August 2017, though USAID's contracts mandate at least monthly reporting from implementers. As of December 31, 2017, approximately $5.5 million has been disbursed.[850]

RADP-North (RADP-N) is USAID's five-year, $78.4 million program that is scheduled to end in May 2019. RADP-N invests in increased sustainability and profitability of wheat, high-value crops, and livestock value chains in rural areas of Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan Provinces.[851] The program has encountered some problems. For instance, during FY 2017, activity was compromised by a late start. The Ministry of Agriculture, Irrigation and Livestock (MAIL) locked up seed supply by issuing verbal and written instructions that seed companies not sell to the private sector, but rather hold their inventory for eventual government purchase. MAIL also tendered for large purchases at inflated prices. As a result, the main period for seed sales was missed in many locations and beneficiaries were unable to buy seed suitable for their needs.[852]

During FY 2017, thanks to its business-development efforts, the program completed the sale of nearly 12.6 tons of wheat to farmers through district and village outlets, and marketing stops.[853] Mobile seed-marketing activities and village and district outlet transactions doubled in quantity from the previous year and resulted in nearly 31.5 tons sold to 841 farmers with a value of over AFN 940,000 ($16,272).[854]

The program also facilitated 39 contracts for 769 tons of wheat and flour valued at $180,360 in sales and milling of grain.[855] During FY 2017, RADP-N converted 25 hectares of traditional vineyard into trellised vineyards in the five provinces and trained nearly 6,400 farmers, including 640 female farmers on improved agricultural vineyard techniques.[856] RADP-N selected five of the six target provinces as the most rational for further support on the grape value chain.[857] The program cosponsored 16 agribusinesses to attend trade shows in India, Turkey, the United Arab Emirates, and in Afghanistan. Sales from these shows totaled over $6.5 million, as of October 31, 2017.[858]

Also during FY 2017, RADP-N renovated 100 butcher shops in all target provinces under the livestock value chain and distributed toolkits. Butchers were also trained on meat processing, slaughtering methods, hygiene, and animal diseases. The improved butcher shops have generated over $2.5 million in sales according to USAID.[859]

USAID reviewed its development programs for Afghanistan's Plan for Transition (see page 157). Its review found that the gender work conducted under RADP-N was its "most significant achievement." The program was an early supporter of the first Women's Empowerment Working Group within the Ministry of Agriculture, Irrigation and Livestock in northern provinces. RADP-N also fosters the participation of women farmers in agricultural value chains, employment in agribusiness, and activities on hygiene and nutrition. Training events have benefitted 3,250 women. Support to kitchen gardens provides families with healthier and more balanced diets; the project has explored hydroponic gardens for women unable to work outside their homes.[860] As of December 31, 2017, USAID has disbursed approximately $45.7 million for the program.[861]

RADP-South (RADP-S) was USAID's $125 million program that started in 2013 and was scheduled to end in October 2018.[862] USAID reduced program funding to $111.4 million in October 2017 and terminated the program in November 2017.[863] The purpose of RADP-S was to improve food and economic security for rural Afghans in Kandahar, Helmand, Uruzgan, and Zabul Provinces. The program supported farmers and micro, small, medium, and large agribusinesses to improve production, processing, and commodity sales.[864]

SIGAR AUDIT

An ongoing SIGAR audit of USAID's Regional Agricultural Development Program (RADP) is examining the extent to which USAID and its contractors have successfully designed and implemented the program, and whether RADP has met its goals and objectives.

USAID recommends its termination because RADP-S had not met its targets of increasing productivity and increasing incomes. The regions targeted by RADP-S will be covered by new contracts from the Afghanistan Value Chains-Crops and Afghanistan Value Chains-Livestock programs. Since the program was not active during the first quarter of FY 2018, USAID did not provide any progress reports this quarter.[865]

According to USAID, the statement of objectives for both value-chain solicitations requires activity to take place "in all economic zones listed: North, South, East, and West." However, USAID's review of its development programs from 2015 to 2018 concluded that the assumption that the security environment around project areas would allow for implementation and monitoring was "not true to somewhat true." Projects in rural areas, particularly in the south, were most affected. International staff of large contractors have little ability to move inside and outside major urban centers, while international NGOs and local teams move cautiously, with many areas off-limits. Therefore, the new Afghanistan Value Chains programs may also not meet program productivity and income objectives.[866]

As of December 31, 2017, approximately $105 million has been disbursed for this program.[867]

Commercial Horticulture and Agricultural Marketing Program

The Commercial Horticulture and Agricultural Marketing (CHAMP) program is a USAID-funded $71.3 million program designed to boost agricultural productivity and food security, provide market opportunities, and decrease poppy production. The program started in 2010 and is scheduled to end in December 2019.[868] In December, USAID increased the program cost from $61.3 million to $71.3 million and expanded program activities to Kandahar to focus on harvest quality, improve cold stores, introduce new grape varieties, expand exports to Central Asia, and overcome impediments to exports.[869]

This quarter, CHAMP's implementer signed a contract with an Afghan agribusiness to establish a new trade office in Central Asia. CHAMP will pay all costs the first year, then reduce funding in the following two years.[870] The trade office in Almaty, Kazakhstan opened in October 2017. CHAMP has trade offices in New Delhi and Dubai.[871] CHAMP conducted training and business-to-business meetings for over 110 commercial fruit producers, farmers, traders and workers from several provinces. CHAMP exported over 12.7 metric tons of dried and non-dried fruits, nuts and vegetables valued at $17.4 million to the Netherlands, India, Iraq, Pakistan, Russia, and Turkey in October and November. The program participated in the October 18–20 Kabul International Ag-Fair and the November Indian International Trade Fair in New Delhi. CHAMP conducted training to female producers and participants from women-owned firms on food safety, harvest, hygiene, and small business skills. CHAMP also collaborated with the Agriculture Development Fund to facilitate potential loans to Afghan exporters. CHAMP works to link trader and exporters with financial institutions to solve the problem of limited capital.[872] As of December 31, 2017, approximately $51.9 million has been disbursed.[873]

Boost Alternative Development Intervention Through Licit Livelihoods

UNODC is the implementer of BADILL, an INL-funded program to strengthen and diversify licit livelihoods of small and marginal farmers by supporting horticulture value chains.[874]

INL has obligated $20 million for BADILL and informed SIGAR in January 2017 that it had transferred all funds to UNODC.[875] Between July and September 2017, UNODC finished identifying implementing partners for small and large scale projects. Moreover, it completed procurement for three large projects in Helmand, Uruzgan and Nimroz Provinces, and a small project in Takhar Province. These projects will directly benefit 14,000 households, according to UNODC. During this period, coordination meetings with ministerial representatives and field visits with provincial stakeholders took place; public campaigns and counternarcotic messages were broadcast nationwide during the week of National Mobilization against Drugs held in July 2017 and on World Drug Day on June 26, 2017.[876] The project organized exposure visits and market linkage events in India and Tajikistan. Exposure trips enable farmers and other stakeholders to observe and learn new agricultural techniques and marketing strategies. INL funding was not used for the exposure visits, though some participants came from the BADILL project area. Eight multi-year contracts and agreements were signed to export saffron and almond saplings.[877]

UNODC noted the security situation presents a continuing challenge. The security in Kabul and in the provinces has "deteriorated immensely in the last few months" limiting the mobility and accessibility of project staff. Some meetings with stakeholders had to be postponed and coordination among stakeholders at the central and provincial level is weak.[878]

Community-Based Agriculture and Rural Development

INL has obligated and disbursed $17.8 million for its Community-Based Agriculture and Rural Development (CBARD) project: $2.8 million to UNODC and $15 million to UNDP, its two implementing partners. The program aims to improve household income while reducing dependency on illicit poppy cultivation for selected communities in Farah and Badghis Provinces, the second and sixth highest poppy-cultivating provinces in 2016, respectively, according to UNODC.[879] In FY 2017, INL obligated an additional $9.3 million for CBARD-West in September and $22.1 million to UNDP for a new project, CBARD-East.[880] CBARD-East and CBARD-West will target additional communities and implement activities such as off-farm employment and access to finance.[881]

CBARD-West project activities were slow to implement primarily due to its inception phase which lasted from January to September 2017.[882] During the inception phase, UNDP conducted workshops with stakeholders that led to project output recommendations and crop selection. Farmers, including women lead farmers, received business-development training for the first time that was focused on value chains and market analysis. In Badghis, the project established 84 greenhouses. The project also completed a review that showed annual turnover from a greenhouse is five to six times greater than that derived from the same area of land under poppy cultivation. CBARD also conducted a value chain study to identify gaps and opportunities of the selected crops and their potential impact on economic livelihood in the community.[883]

DRUG DEMAND REDUCTION

A 2015 Afghanistan National Drug Use Survey conservatively estimated that roughly 11% of the population would test positive for one or more drugs, including 5.3% of the urban population and 13% of the rural population. Drug use among women and children is among the highest documented worldwide, and 30.6% of households tested positive for some form of illicit drug.[884] According to the UN, 0.6% of the global adult population suffer from drug use disorders. Opioids, including heroin, remain the most harmful drug type.[885] After numerous drug addicts died in the capital, the Ministries of Public Health and Counter Narcotics launched a campaign in December gathering drug addicts in Kabul and offering them treatment.[886]

The United States is helping Afghanistan face this public-health crisis by funding a new rural treatment program to expand substance abuse treatment to the hardest-hit local communities. According to INL, the demand for treatment and prevention services far exceeds the capacity of the centers, most of which have extensive waiting lists for new patients. The United States also supports UNODC's global child-addiction program to develop protocols for treating opioid-addicted children, training treatment staff, and delivering services through NGOs.[887] The United States also funds an antidrug curriculum in Afghan schools, which has trained over 300 teachers and reached over 30,000 students.[888] INL will provide $6.3 million in FY 2016 appropriated funds by March 2018.[889] INL also started a pilot rural treatment program in June in Jowzjan and Laghman Provinces, however activities have been delayed because of security and weather conditions. INL expects the program to roll out by February 2018.[890]

Since 2015, INL has transitioned responsibility for 28 of the 86 U.S.-funded drug treatment centers in Afghanistan to the Ministry of Public Health (MOPH). Transition of other treatment centers, originally scheduled for

January 2017, has been suspended while INL, the MOPH, the MCN, and the NGOs renegotiate the transition plan.[891] INL and the Colombo Plan continue revising the plan in accordance to the accelerated transition schedule.[892] The remaining treatment centers will transition by the end of 2019. INL reduced funding to all facilities (including the 28 MOPH centers) by approximately 20% in 2015, another 15% in 2016, and another 25% in 2017.[893] INL is currently using FY 2015 funds for drug-demand-reduction and will obligate $8.5 million in FY 2016 funds during the second FY 2018 quarter.[894]

The most frequent patients at the remaining treatment centers are adult males. Of the 86 facilities, 66 are residential and 20 are outpatient centers; 31 are dedicated to female clients. Among the residential treatment centers, 44 also offer home-based services.[895] The residential treatment centers consist of 40 centers for adult males, eight for adult females, eight for children, five for adolescent males, and five for adolescent females.[896] Twelve of the 44 home-based programs provide services to adult females.[897]

INL said progress activity reports on the Colombo Plan were not available this quarter.

INL informed SIGAR this quarter that it no longer pays the salaries of clinical staff, who have all transferred to Afghan government control. INL has obligated approximately $150.6 million for the Colombo Plan since 2008.[898]

Counter-Narcotics Community Engagement

INL has obligated and spent $12.7 million to fund its Counter-Narcotics Community Engagement (CNCE) program since the program began in April 2013.[899] CNCE funds communication and outreach programs aimed at discouraging poppy cultivation, preventing drug use, and encouraging licit crops. According to INL, surveys indicate that the public messaging campaigns are having a slow but steady impact on Afghan attitudes about illicit narcotics.[900] The public health surveys conducted in 2014 indicate high exposure to anti-drug messaging, particular for messages related to health risks of drug use and addiction.[901]

CNCE is in its third phase, which began May 2016 and was scheduled to end in November 2017. INL extended the program at no cost until March 31, 2018, to complete activities that were postponed due to a six-month delay by MCN in issuing the contract to the implementer, Sayara Strategies.[902] Between July 1 and September 30, 2017, Sayara Strategies worked to fully transition program activities to the MCN. It produced audience analysis reports, and organized community outreach events and new counternarcotics-themed billboards. For the audience analysis reports, Sayara has staff gather information and gauge perceptions on the state of counternarcotics policies and messaging; it assesses the effectiveness of campaigns with audience reports. Over 2,000 residents and community leaders participated in 15 community outreach events.[903]

4 OTHER AGENCY OVERSIGHT

OTHER AGENCY OVERSIGHT CONTENTS

Photo on previous page
In this photo from the days of large-scale U.S. troop deployment, scouts from the 503rd Infantry Regiment (Airborne) keep watch as colleagues search a village in Kunar Province, Afghanistan. (U.S. Army photo by Sgt. Brandon Aird)

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. Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section compiles these updates. Publicly available copies of completed reports are posted on the agencies' respective websites.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full names; standardized capitalization, punctuation, and preferred spellings; and third-person instead of first-person construction.

These agencies perform oversight activities in Afghanistan and provide results to SIGAR:
- Department of Defense Office of Inspector General (DOD OIG)
- Department of State Office of Inspector General (State OIG)
- Government Accountability Office (GAO)
- U.S. Army Audit Agency (USAAA)
- U.S. Agency for International Development Office of Inspector General (USAID OIG)

COMPLETED OVERSIGHT ACTIVITIES

Table 4.1 lists the five oversight reports related to Afghanistan reconstruction that participating agencies completed this quarter.

TABLE 4.1

RECENTLY COMPLETED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF DECEMBER 31, 2017

Agency	Report Number	Date Issued	Report Title
DOD OIG	DODIG-2018-040	12/11/2017	Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan
DOD OIG	DODIG-2018-018	11/16/2017	Implementation of the DOD Leahy Law Regarding Allegations of Child Sexual Abuse by Members of the Afghan National Defense and Security Forces
State OIG	AUD-MERO-18-16	11/9/2017	Management Assistance Report: Although Progress Has Been Made, Challenges Remain in Monitoring and Overseeing Antiterrorism Assistance Program Activities in Afghanistan
State OIG	AUD-MERO-18-14	10/27/2017	Management Assistance Report: Contract Terms and Guidance for Approving Student Training Expenses Relating to the Justice and Corrections Programs in Afghanistan Require Attention
GAO	GAO-18-6	11/2/2017	Inspectors General: Documented Agreement of Certain Roles and Responsibilities Could Further Enhance Coordination in Afghanistan

Source: DOD OIG, response to SIGAR data call, 12/22/2017; State OIG, response to SIGAR data call, 12/13/2017; GAO, response to SIGAR data call, 12/22/2017; USAID OIG, response to SIGAR data call, 12/8/2017; USAAA, response to SIGAR data call, 1/10/2018.

U.S. Department of Defense Office of Inspector General

During this quarter, DOD OIG released two reports related to Afghanistan reconstruction.

Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan

The DOD OIG determined that the U.S. Army did not provide effective oversight of Logistics Civil Augmentation Program Government-furnished property. Specifically, the U.S. Army Sustainment Command did not include at least 26,993 items provided to the Logistics Civil Augmentation Program IV contractors in the army's accountable records.

Implementation of the DOD Leahy Law Regarding Allegations of Child Sexual Abuse by Members of the Afghan National Defense and Security Forces

The DOD OIG conducted this evaluation in response to a request from Congressional committee staff and individual members of Congress. The DOD OIG found that, prior to specific command guidance issued in September 2015, U.S. personnel in Afghanistan may not have known of the obligation to report allegations of child sexual abuse to their chains of command. The DOD OIG identified areas for improvement concerning DOD guidance on reporting gross violations of human rights, determinations of credibility, application of the notwithstanding authority, and records management.

U.S. Department of State Office of Inspector General-Middle East Regional Operations

During this quarter, State OIG released two reports related to Afghanistan reconstruction.

Audit of the Bureau of South and Central Asian Affairs

State OIG issued a management-assistance report on monitoring and overseeing antiterrorism assistance program activities in Afghanistan.

Audit of Department of State Grants and Cooperative Agreements

State OIG issued a management-assistance report on contract terms and guidance for approving student training expenses relating to the justice and corrections programs in Afghanistan.

Government Accountability Office

During this quarter, GAO released one report related to Afghanistan reconstruction.

Inspectors General: Document Agreement of Certain Roles and Responsibilities Could Further Enhance Coordination in Afghanistan

Overlap exists among the mandates of the four Offices of Inspector General (OIG) that conduct and report on oversight activities for U.S. operations in Afghanistan. The National Defense Authorization Act (NDAA) for Fiscal Year 2008 established the Special Inspector General for Afghanistan Reconstruction (SIGAR). Additionally, the OIGs for the Department of Defense (DOD), Department of State (State), and U.S. Agency for International Development (USAID)—the primary agencies with programs and operations in Afghanistan—conduct oversight of their respective agencies in accordance with the Inspector General Act of 1978, as amended (IG Act). This results in overlap of responsibilities, as SIGAR is required to oversee and report on Afghanistan reconstruction while the OIGs at DOD, State, and USAID are required to oversee and report on their respective agencies' programs and operations, including those related to Afghanistan reconstruction.

The NDAA for Fiscal Year 2013 created a Lead Inspector General (Lead IG) role for overseas contingency operations, which is assigned to DOD OIG for Operation Freedom's Sentinel in Afghanistan. Because this requires the Lead IG to review the accuracy of information that federal agencies provide to support the contingency operation, potential overlap exists with SIGAR and the OIGs at State and USAID as they perform their duties and responsibilities under their general oversight authorities.

Both SIGAR and the Lead IG are subject to statutory requirements to report on a quarterly basis on the overall conduct of the federal programs and operations within the scope of their oversight. The Lead IG is required to biannually report on the activities of the State and USAID OIGs related to Operation Freedom's Sentinel, while these OIGs are also subject to the general semiannual reporting requirements of the IG Act.

To help prevent duplication, these mandates include provisions requiring SIGAR and the other OIGs to coordinate their oversight activities. SIGAR and the other OIGs have established coordination mechanisms to help prevent duplication of oversight activities related to U.S. operations in Afghanistan. GAO reviewed the objectives of 137 audit, inspection, and evaluation reports issued by the four OIGs from January 1, 2015, through September 30, 2016, and did not identify duplicate objectives among these reports. GAO also reviewed 43 special projects issued by SIGAR and did not identify any duplication between these products and the reported objectives of the reports that the OIGs issued.

However, SIGAR and DOD IG, as the Lead IG, have not documented their agreed-upon roles and responsibilities for obtaining data from agencies and other OIGs used to prepare their mandated reports. According to GAO's leading practices for effective interagency collaboration, documenting significant items that affect collaborative agreements could enhance coordination and strengthen the commitment to working collaboratively. Without documented agreement on roles and responsibilities to address overlapping areas in their reports, there is increased risk that SIGAR and DOD OIG could (1) duplicate requests for information, resulting in unnecessary burden on agencies responding to them, and (2) duplicate efforts in meeting their respective reporting requirements.

U.S. Army Audit Agency

The USAAA completed no audits related to Afghanistan reconstruction this quarter.

U.S. Agency for International Development Office of Inspector General

USAID OIG completed no audits related to Afghanistan reconstruction this quarter.

ONGOING OVERSIGHT ACTIVITIES

As of December 31, 2017, the participating agencies reported 18 ongoing oversight activities related to reconstruction in Afghanistan. The activities reported are listed in Table 4.2 and described in the following sections by agency.

TABLE 4.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF DECEMBER 31, 2017

Agency	Project Number	Date Initiated	Project Title
DOD OIG	D2017-D000PT-0186.000	9/6/2017	Military Facilities Evaluation Follow-Up Kandahar Air Field Afghanistan
DOD OIG	D2017-D000CI-0176.000	8/1/2017	Summary Audit of U.S. Direct Funding Provided to Afghanistan
DOD OIG	D2017-D000JB-0171.000	7/19/2017	Audit of DOD Oversight of Logistics Civil Augmentation Program Invoice Review and Payment
DOD OIG	D2017-D00SPO-0081.000	2/2/2017	Evaluation of U.S./Coalition Efforts to Train, Advise, and Assist the Afghan Air Force
DOD OIG	D2016-DISPA2-0195.000	8/11/2016	Evaluation of Airborne ISR Allocation Process Supporting Counterterrorism Operations in Afghanistan
State OIG	17AUD09	9/25/2017	DOS OIG Audit of the Invoice Review Process for Bureau of International Narcotics and Law Enforcement Affairs' Overseas Contingency Operations contracts
State OIG	17AUD065	6/15/2017	Audit of the Bureau of International Narcotics and Law Enforcement Affairs Aviation Program
State OIG	17AUD018	1/15/2017	Follow-Up Review of Explosive Detection Dogs in Iraq and Afghanistan
State OIG	16AUD044	10/15/2016	Audit of Embassy Kabul Construction and Commissioning
State OIG	17AUD072	8/15/2016	Audit of the Antiterrorism Assistance Program in Countries Under the Department of State Bureaus of Near Eastern Affairs and South and Central Asian Affairs
GAO	102270	8/21/2017	Defense Logistic Agency's Disposal of Excess Equipment in Afghanistan
GAO	102267	8/21/2017	Joint Improvised-Threat Defeat Organization Transition
GAO	102261	8/14/2017	Advise and Assist Lessons Learned
GAO	101213	10/31/2016	Iraqi and Afghan Special Immigrant Resettlement
GAO	101053	8/1/2016	Afghan Defense and Security Forces' Equipment and Capability
USAAA	A-2017-IEX-0136.000	6/13/2017	Accuracy of the Financial Data the Army Provides to DOD for Inclusion into the Cost of War Report Provided to Congress
USAID OIG	8F1C0217	8/9/2017	Follow-Up Audit of USAID's Multi-Tiered Monitoring Strategy in Afghanistan
USAID OIG	FF1C0216	5/11/2016	Audit of USAID/Afghanistan's New Development Partnership

Source: DOD OIG, response to SIGAR data call, 12/22/2017; State OIG, response to SIGAR data call, 12/13/2017; GAO, response to SIGAR data call, 12/22/2017; USAID OIG, response to SIGAR data call, 12/8/2017; USAAA, response to SIGAR data call, 1/10/2018.

U.S. Department of Defense Office of Inspector General

The Department of Defense continues to face many challenges in executing its Overseas Contingency Operations (OCO). DOD OIG has identified priorities based on those challenges and high risks. DOD OIG oversight focuses on the areas of monitoring and oversight of acquisition and contracting processes that support training, equipping, and sustaining Afghanistan security forces. DOD OIG will also continue to review and assess the Department's efforts to train and equip Afghan National Defense and Security Forces.

The DOD OIG-led Southwest Asia Joint Planning Group assists in the coordination and deconfliction of federal and DOD OCO-related oversight activities. DOD OIG, working with SIGAR as well as fellow Inspectors

General and Defense oversight-community members, has issued the FY 2018 Comprehensive Oversight Plan for Overseas Contingency Operations (COP-OCO), the third annual joint strategic plan submitted to Congress describing whole-of-government oversight activities in support of the ongoing overseas contingency operations as well as oversight efforts in Southwest Asia. The COP-OCO includes the Joint Strategic Oversight Plans (JSOP) for Operation Inherent Resolve and Afghanistan. The Afghanistan JSOP includes Operation Freedom's Sentinel (OFS), as well as reconstruction and humanitarian-assistance programs and activities that are separate from OFS.

DOD OIG has five ongoing projects this quarter that relate to reconstruction or security operations in Afghanistan.

Military Facilities Evaluation Follow-Up Kandahar Airfield Afghanistan

The DOD OIG is determining whether U.S. military-occupied facilities supporting Operation Freedom's Sentinel comply with DOD health and safety policies and standards regarding electrical distribution and fire-protection systems.

Summary Audit of U.S. Direct Funding Provided to Afghanistan

The DOD OIG is summarizing systemic challenges with CSTC-A's oversight of the direct funding provided to the Afghan government.

Audit of DOD Oversight of Logistics Civil Augmentation Program Invoice and Review and Payment

The DOD OIG is determining whether the DOD adequately monitored contractor performance and conducted sufficient invoice reviews for services provided under the Logistics Civil Augmentation Program IV contract.

Evaluation of U.S./Coalition Efforts to Train, Advise, and Assist the Afghan Air Force

The DOD OIG is evaluating the U.S./Coalition progress toward—and its planned efforts to accomplish—the Train, Advise, and Assist Command-Air (TAAC-Air) mission of training, advising, and assisting their Afghan partners to develop into a professional, capable, and sustainable air force.

Evaluation of Airborne ISR Allocation Process Supporting Counterterrorism Operations in Afghanistan

The DOD OIG is determining whether U.S. Forces-Afghanistan's airborne Intelligence, Surveillance, and Reconnaissance (ISR) allocation process effectively supports U.S. counterterrorism operations.

U.S. Department of State Office of Inspector General-Middle East Regional Operations

State OIG has five ongoing projects this quarter related to Afghanistan reconstruction.

Audit of the Bureau of International Narcotics and Law Enforcement Affairs' Invoice Review Process

State OIG is currently auditing the invoice review process for Overseas Contingency Operations contracts that have been awarded by the Bureau of International Narcotics and Law Enforcement Affairs.

Audit of the Bureau of International Narcotics and Law Enforcement Affairs Aviation Program

The purpose of the audit is to determine whether the Bureau of International Narcotics and Law Enforcement Affairs is administering its aviation program, including key internal controls such as inventory management, aviation-asset usage, aircraft maintenance, and asset disposal, in accordance with federal requirements and department guidelines.

Audit of the Bureau of Diplomatic Security's Explosives Detection Dog Program

The purpose of the audit is to determine whether the Bureau of Diplomatic Security is managing and overseeing the Explosives Detection Dog Program in accordance with State guidance and whether the selected contractors are complying with contract terms and conditions.

Audit of Embassy Kabul Construction and Commissioning

The purpose of this audit is to determine whether the Bureau of Overseas Buildings Operations followed State Department policies and guidance governing the affirmation of substantial completion and final acceptance of construction projects at U.S. Embassy Kabul.

Audit of State's Antiterrorism Assistance Programs in Countries within the Bureau of Near Eastern Affairs and the Bureau of South and Central Asian Affairs

The purpose of this audit is to determine the extent to which the Bureaus of Diplomatic Security and Counterterrorism have (1) developed specific, measurable, and outcome-oriented goals and objectives; and (2) developed and implemented an evaluation process to assess host-country performance.

Government Accountability Office

GAO has five ongoing projects this quarter related to Afghanistan reconstruction.

Defense Logistics Agency's Disposal of Excess Equipment in Afghanistan

GAO reported in a previous report (GAO-14-768) that it is sometimes more cost-effective to destroy excess equipment in Afghanistan than to return it to the United States. However, the Federal Spending Oversight Subcommittee of the Senate Homeland Security and Governmental Affairs Committee is concerned that DOD is destroying new and usable excess equipment in Afghanistan that could be used by others (military services or allies) and in demand in DOD's logistical system.

This review will address: 1. What is the volume and value of new or otherwise usable equipment being disposed in Afghanistan? 2. What procedures are used by DOD to ensure that items designated for disposal in Afghanistan are not in demand in the DOD logistics system, by our allies, or elsewhere in Afghanistan? 3. To what extent are potential future orders and requirements in Afghanistan considered in decisions to dispose of new and usable items?

Joint Improvised-Threat Defeat Organization Transition

In 2006, DOD established the Joint Improvised Explosive Device Defeat Organization (JIEDDO) to lead and coordinate the department's efforts to develop counter-IED capabilities to support operations primarily in Iraq and Afghanistan. In 2015, JIEDDO was designated a combat support agency and renamed the Joint Improvised-Threat Defeat Agency (JIDA). At the direction of Congress to gain efficiencies in the department's headquarters functions, DOD transitioned JIDA to the Joint Improvised-Threat Defeat Organization (JIDO) as a single joint organization under the authority, direction, and control of the Defense Threat Reduction Agency (DTRA) in 2016.

GAO will assess the transition of JIDO under the authority, direction, and control of the DTRA, including (1) the extent to which JIDO activities, functions, and resources have been efficiently and effectively transitioned and what, if any, efficiency and effectiveness gains are anticipated; and (2) how, if at all, the transition has affected JIDO's core mission and functions, including operational support to U.S. and allied forces.

Advise and Assist Lessons Learned

U.S. military personnel have been actively engaged as part of Operation Inherent Resolve (OIR) in advising and assisting Iraqi Security Forces and vetted Syrian forces to counter the Islamic State of Iraq and the Levant since late 2014. In Afghanistan, the U.S. still has more than 8,000 military personnel, many of whom are focused on advising and assisting the Afghan

National Defense and Security Forces as part of Operation Freedom's Sentinel (OFS).

GAO notes that the DOD approach to advising and assisting partner nation forces has evolved over time, transitioning from a larger U.S. military presence to now relying on a more limited number of U.S. forces on the ground. For example, the current approach in Syria uses a small footprint with a significant presence of special operations forces and reliance on key enablers such as air support, airborne intelligence, surveillance, and reconnaissance (ISR), and logistics. DOD continues to draw personnel from across the military services, including from conventional combat units, to serve as advisors in Iraq and Afghanistan.

GAO has previously identified challenges DOD has faced in supporting advising missions, such as selecting and training advisor personnel, balancing advising activities with other missions, and maintaining the readiness of units that provide advisors. The committee is aware of ongoing efforts to develop new capabilities, such as the Army's effort to develop advise and assist brigades.

Given these past challenges, and the emphasis that current military strategy continues to place on the importance of advising partner security forces to counter global threats, it remains essential for DOD to take steps to ensure that it: (1) has an effective approach for selecting, training, and utilizing advisor personnel in ongoing operations; and (2) continues the development of a long-term strategy that institutionalizes successful advise-and-assist approaches to ensure U.S. forces are positioned to effectively execute similar missions in the future.

Iraqi and Afghan Special Immigrant Resettlement

Iraqi and Afghan special immigrant visa (SIV) holders who either worked as translators or were employed by the U.S. government in Iraq or Afghanistan are eligible for resettlement assistance when they are admitted to the United States. The Department of State's Refugee Admissions Reception and Placement Program provides initial resettlement services to refugees and certain SIVs, working with nine national resettlement agencies and their local affiliates. After the first 90 days from refugees' and SIVs' entry into the country, the Department of Health and Human Services' Office of Refugee Resettlement provides resettlement services through state-level or private programs.

The review will address: (1) how do relevant federal agencies ensure that the housing, employment, and other needs of Iraqi and Afghan SIV holders are being met, (2) what does available housing and employment information show regarding Iraqi and Afghan SIV holders' progress in achieving self-sufficiency, and (3) what factors, if any, affect resettlement agencies' ability to serve Iraqi and Afghan SIV holders.

Afghan National Defense and Security Forces' Equipment and Capability

Since 2002, the United States, with assistance from the North Atlantic Treaty Organization and other Coalition nations, has worked to train, equip, and develop the capability of the Afghan National Defense and Security Forces. In January 2015, the ANDSF formally assumed security responsibilities for all of Afghanistan. The United States continues to train and equip the ANDSF to develop a force that can protect the Afghan people and contribute to regional and international security. A House report associated with the FY 2017 National Defense Authorization Act cited concerns about the security situation in Afghanistan and included a provision for GAO to review U.S. assistance to the ANDSF, including weapons and equipment and the ANDSF's capability to operate and maintain such items.

U.S. Army Audit Agency

This quarter the USAAA has one ongoing audit related to Afghanistan reconstruction.

Accuracy of Army Financial Data Provided for the Cost of War Report to Congress

The objective of this audit is to verify that the Army's obligations and disbursements reported in the Cost of War report for Operation Freedom's Sentinel are accurate and reported timely.

U.S. Agency for International Development Office of Inspector General

This quarter USAID OIG has two ongoing audits related to reconstruction initiatives.

Follow-Up Audit of USAID's Multi-Tiered Monitoring Strategy in Afghanistan

The objectives of this audit is to determine the extent which USAID has used its multi-tiered monitoring strategy in Afghanistan to manage projects and serve as the basis for informed decision making. The entrance conference was held August 9, 2017.

Audit of USAID/Afghanistan's New Development Partnership

The objectives of this audit are to determine if USAID/Afghanistan has adopted internal policies and procedures to adequately verify the achievement of New Development Partnership (NDP) indicators contained in the July 25, 2015, NDP results framework; and if USAID/Afghanistan has adequately verified the achievement of completed indicators under the NDP for any payments made to date.

Page Left Intentionally Blank

APPENDICES AND ENDNOTES CONTENTS

The Official Seal of SIGAR

The official seal of SIGAR represents the coordination of efforts between the United States and Afghanistan to provide accountability and oversight of reconstruction activities. The phrases in Dari (top) and Pashto (bottom) on the seal are translations of SIGAR's name.

APPENDICES AND ENDNOTES

APPENDIX A

CROSS-REFERENCE OF REPORT TO STATUTORY REQUIREMENTS

This appendix cross-references the pages of this report to the quarterly reporting and related requirements under SIGAR's enabling legislation, the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 1229 (Table A.1), and to the semiannual reporting requirements prescribed for inspectors general more generally under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3) (Table A.2) and the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, §1521. (Table A.3)

TABLE A.1

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229

Public Law Section	SIGAR Enabling Language	SIGAR Action	Report Section
Purpose			
Section 1229(a)(3)	To provide for an independent and objective means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress on corrective action.	Ongoing; quarterly report	Full report
Supervision			
Section 1229(e)(1)	The Inspector General shall report directly to, and be under the general supervision of, the Secretary of State and the Secretary of Defense.	Report to the Secretary of State and the Secretary of Defense	Full report
Duties			
Section 1229(f)(1)	OVERSIGHT OF AFGHANISTAN RECONSTRUCTION — It shall be the duty of the Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of amounts appropriated or otherwise made available for the reconstruction of Afghanistan, and of the programs, operations, and contracts carried out utilizing such funds, including subsections (A) through (G) below.	Review appropriated/available funds Review programs, operations, contracts using appropriated/available funds	Full report
Section 1229(f)(1)(A)	The oversight and accounting of the obligation and expenditure of such funds	Review obligations and expenditures of appropriated/available funds	SIGAR Oversight Funding
Section 1229(f)(1)(B)	The monitoring and review of reconstruction activities funded by such funds	Review reconstruction activities funded by appropriations and donations	SIGAR Oversight
Section 1229(f)(1)(C)	The monitoring and review of contracts funded by such funds	Review contracts using appropriated and available funds	Note 1
Section 1229(f)(1)(D)	The monitoring and review of the transfer of such funds and associated information between and among departments, agencies, and entities of the United States, and private and nongovernmental entities.	Review internal and external transfers of appropriated/available funds	Appendix B

Continued on the next page

TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229			
Public Law Section	**SIGAR Enabling Language**	**SIGAR Action**	**Report Section**
Section 1229(f)(1)(E)	The maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such fund[s]	Maintain audit records	SIGAR Oversight Appendix C Appendix D
Section 1229(f)(1)(F)	The monitoring and review of the effectiveness of United States coordination with the Governments of Afghanistan and other donor countries in the implementation of the Afghanistan Compact and the Afghanistan National Development Strategy	Monitoring and review as described	Audits
Section 1229(f)(1)(G)	The investigation of overpayments such as duplicate payments or duplicate billing and any potential unethical or illegal actions of Federal employees, contractors, or affiliated entities, and the referral of such reports, as necessary, to the Department of Justice to ensure further investigations, prosecutions, recovery of further funds, or other remedies	Conduct and reporting of investigations as described	Investigations
Section 1229(f)(2)	OTHER DUTIES RELATED TO OVERSIGHT — The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duties under paragraph (1).	Establish, maintain, and oversee systems, procedures, and controls	Full report
Section 1229(f)(3)	DUTIES AND RESPONSIBILITIES UNDER INSPECTOR GENERAL ACT OF 1978 — In addition, ... the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978.	Duties as specified in Inspector General Act	Full report
Section 1229(f)(4)	COORDINATION OF EFFORTS — The Inspector General shall coordinate with, and receive the cooperation of, each of the following: (A) the Inspector General of the Department of Defense, (B) the Inspector General of the Department of State, and (C) the Inspector General of the United States Agency for International Development.	Coordination with the inspectors general of DOD, DOS, and USAID	Other Agency Oversight
Federal Support and Other Resources			
Section 1229(h)(5)(A)	ASSISTANCE FROM FEDERAL AGENCIES — Upon request of the Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such information or assistance to the Inspector General, or an authorized designee.	Expect support as requested	Full report
Section 1229(h)(5)(B)	REPORTING OF REFUSED ASSISTANCE — Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary of State or the Secretary of Defense, as appropriate, and to the appropriate congressional committees without delay.	None reported	N/A

Continued on the next page

TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229

Public Law Section	SIGAR Enabling Language	SIGAR Action	Report Section
Reports			
Section 1229(i)(1)	QUARTERLY REPORTS — Not later than 30 days after the end of each fiscal-year quarter, the Inspector General shall submit to the appropriate committees of Congress a report summarizing, for the period of that quarter and, to the extent possible, the period from the end of such quarter to the time of the submission of the report, the activities during such period of the Inspector General and the activities under programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Afghanistan, including the following –	Report – 30 days after the end of each calendar quarter Summarize activities of the Inspector General Detailed statement of all obligations, expenditures, and revenues	Full report Appendix B
Section 1229(i)(1)(A)	Obligations and expenditures of appropriated/donated funds	Obligations and expenditures of appropriated/donated funds	Appendix B
Section 1229(i)(1)(B)	A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Afghanistan, together with the estimate of the Department of Defense, the Department of State, and the United States Agency for International Development, as applicable, of the costs to complete each project and each program	Project-by-project and program-by-program accounting of costs. List unexpended funds for each project or program	Funding Note 1
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 1

Continued on the next page

TABLE A.1 (CONTINUED)

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 110-181, § 1229

Public Law Section	SIGAR Enabling Language	SIGAR Action	Report Section
Section 1229(i)(3)	PUBLIC AVAILABILITY — The Inspector General shall publish on a publicly available Internet website each report under paragraph (1) of this subsection in English and other languages that the Inspector General determines are widely used and understood in Afghanistan.	Publish report as directed at www.sigar.mil Dari and Pashto translation in process	Full report
Section 1229(i)(4)	FORM — Each report required under this subsection shall be submitted in unclassified form, but may include a classified annex if the Inspector General considers it necessary.	Publish report as directed	Full report
Section 1229(j)(1)	Inspector General shall also submit each report required under subsection (i) to the Secretary of State and the Secretary of Defense.	Submit quarterly report	Full report

Note 1: Although this data is normally made available on SIGAR's website (www.sigar.mil), the data SIGAR has received is in relatively raw form and is currently being reviewed, analyzed, and organized for future SIGAR use and publication.
* Covered "contracts, grants, agreements, and funding mechanisms" are defined in paragraph (2) of Section 1229(i) of Pub. L. No. 110-181 as being—
"any major contract, grant, agreement, or other funding mechanism that is entered into by any department or agency of the United States Government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan with any public or private sector entity for any of the following purposes:
To build or rebuild physical infrastructure of Afghanistan.
To establish or reestablish a political or societal institution of Afghanistan.
To provide products or services to the people of Afghanistan."

TABLE A.2

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies	Extract pertinent information from SWA/JPG member reports List problems, abuses, and deficiencies from SIGAR audit reports, investigations, and inspections	Other Agency Oversight See Letters of Inquiry at www.sigar.mil
Section 5(a)(2)	Description of recommendations for corrective action...with respect to significant problems, abuses, or deficiencies	Extract pertinent information from SWA/JPG member l reports List recommendations from SIGAR audit reports	Other Agency Oversight See Letters of Inquiry at www.sigar.mil
Section 5(a)(3)	Identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed	List all instances of incomplete corrective action from previous semiannual reports	In process
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
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
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

TABLE A.2 (CONTINUED)

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(7)	A summary of each particularly significant report	Extract pertinent information from SWA/JPG member reports Provide a synopsis of the significant SIGAR reports	Other Agency Oversight A full list of significant reports can be found at www.sigar.mil
Section 5(a)(8)	Statistical tables showing the total number of audit reports and the total dollar value of questioned costs	Extract pertinent information from SWA/JPG member reports Develop statistical tables showing dollar value of questioned cost from SIGAR reports	See reports of SWA/JPG members In process
Section 5(a)(9)	Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management	Extract pertinent information from SWA/JPG member reports Develop statistical tables showing dollar value of funds put to better use by management from SIGAR reports	See reports of SWA/JPG members In process
Section 5(a)(10)	A summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period for which no management decision has been made by the end of reporting period, an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision	Extract pertinent information from SWA/JPG member reports Provide a synopsis of SIGAR audit reports in which recommendations by SIGAR are still open	See reports of SWA/JPG members None
Section 5(a)(11)	A description and explanation of the reasons for any significant revised management decision	Extract pertinent information from SWA/JPG member reports Explain SIGAR audit reports in which significant revisions have been made to management decisions	See reports of SWA/JPG members None
Section 5(a)(12)	Information concerning any significant management decision with which the Inspector General is in disagreement	Extract pertinent information from SWA/JPG member reports Explain SIGAR audit reports in which SIGAR disagreed with management decision	See reports of SWA/JPG members No disputed decisions during the reporting period
Section 5(a)(13)	Information described under [Section 804(b)] of the Federal Financial Management Improvement Act of 1996 (instances and reasons when an agency has not met target dates established in a remediation plan)	Extract pertinent information from SWA/JPG member reports Provide information where management has not met targets from a remediation plan	See reports of SWA/JPG members No disputed decisions during the reporting period
Section 5(a)(14)(A)	An Appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or	SIGAR has posted in full the results of, and reports from, SIGAR's last peer review by NASA OIG for the period ending 9/30/2015	Posted in full at www.sigar.mil
Section 5(a)(14)(B)	If no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General	A peer review was not conducted in the reporting period	Posted in full at www.sigar.mil

TABLE A.2 (CONTINUED)

CROSS-REFERENCE TO SEMIANNUAL REPORTING REQUIREMENTS UNDER SECTION 5 OF THE IG ACT OF 1978, AS AMENDED (5 U.S.C. APP. 3) ("IG ACT")

IG Act Section	IG Act Language	SIGAR Action	Section
Section 5(a)(15)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implement, including a statement describing the status of the implementation and why implementation is not complete	None – all peer review recommendations effectively addressed, and remedial measures implemented, by 9/30/2015	Recommendations and related materials posted in full at www.sigar.mil
Section 5(a)(16)	Any peer reviews conducted by SIGAR of another IG Office during the reporting period, including a list of any outstanding recommendations made from any previous peer review . . . that remain outstanding or have not been fully implemented	Not applicable (SIGAR did not conduct, or participate in the conduct, of a peer review of another Office of Inspector General during the reporting period)	SIGAR Oversight

TABLE A.3

CROSS-REFERENCE TO SIGAR QUARTERLY REPORTING REQUIREMENTS UNDER PUB. L. NO. 115-91, §1521

Public Law Section	NDAA Language	SIGAR Action	Report Section
Section 1521(e)(1)	(1) QUALITY STANDARDS FOR IG PRODUCTS.—Except as provided in paragraph (3), each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall be prepared— (A) in accordance with the Generally Accepted Government Auditing Standards/Government Auditing Standards (GAGAS/GAS), as issued and updated by the Government Accountability Office; or (B) if not prepared in accordance with the standards referred to in subparagraph (A), in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (commonly referred to as the "CIGIE Blue Book").	Prepare quarterly report in accordance with the Quality Standards for Inspection and Evaluation, issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), commonly referred to as the "CIGIE Blue Book," for activities funded under the Afghanistan Security Forces Fund.	Section 1 Reconstruction Update Funding
Section 1521(e)(2)	(2) SPECIFICATION OF QUALITY STANDARDS FOLLOWED.—Each product published or issued by an Inspector General relating to the oversight of programs and activities funded under the Afghanistan Security Forces Fund shall cite within such product the quality standards followed in conducting and reporting the work concerned.	Cite within the quarterly report the quality standards followed in conducting and reporting the work concerned. The required quality standards are quality control, planning, data collection and analysis, evidence, records maintenance, reporting, and follow-up.	Inside front cover Appendix A

APPENDIX B

U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION ($ MILLIONS)

Table B.1 lists funds appropriated for Afghanistan reconstruction by program, per year, as of December 31, 2017. Table B.2 lists fund appropriated for counter-narcotics initiatives since 2002.

TABLE B.2

COUNTERNARCOTICS, CUMULATIVE AMOUNT APPROPRIATED, SINCE 2002 ($ MILLIONS)	
ASFF	$1,311.92
DOD CN	3,132.46
ESF	1,463.89
DA	77.72
INCLE	2,263.52
DEA[a]	444.61
Total	**$8,694.11**

Table B.2 Note: Numbers have been rounded. Counternarcotics funds cross-cut both the Security and Governance & Development spending categories; these funds are also captured in those categories in Table B.1. Figures represent cumulative amounts committed to counternarcotics initiatives in Afghanistan since 2002. Intitatives include eradication, interdiction, support to Afghanistan's Special Mission Wing (SMW), counternarcotics-related capacity building, and alternative agricultural development efforts. ESF, DA, and INCLE figures show the cumulative amounts committed for counternarcotics intiatives from those funds. SIGAR excluded ASFF funding for the SMW after FY 2013 from this analysis due to the decreasing number of counterternarcotics missions conducted by the SMW.

[a] DEA receives funding from State's Diplomatic & Consular Programs account in addition to DEA's direct line appropriation listed in Appendix B.

Table B.2 Source: SIGAR analysis of counternarcotics funding, 1/20/2018; State, response to SIGAR data call, 1/17/2018; DOD, response to SIGAR data call, 1/11/2018 and 3/8/2016; USAID, response to SIGAR data call, 1/18/2018 and 1/17/2018; DOJ, response to SIGAR data call, 6/30/2017.

Table B.1 Note: Numbers have been rounded. DOD reprogrammed $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, and $178 million from FY 2013 ASFF to fund other DOD OCO requirements. DOD reprogrammed $230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, and $150 million from FY 2016 in Pub. L. No. 115-31. DOD transferred $101 million from FY 2011 AIF, $179.5 million from FY 2013 AIF, and $55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.

[a] FY 2018 figure reflects amount made available for obligation under continuing resolutions.

Table B.1 Source: DOD, response to SIGAR data call, 1/17/2018, 1/11/2018, 10/12/2017, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data call, 1/17/2018, 1/10/2018, 10/13/2017, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012, and 6/27/2012; Treasury, response to SIGAR data call, 7/10/2017; OMB, response to SIGAR data call, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data call, 1/18/2018, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data call, 6/30/2017 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016; Pub. L. Nos. 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

TABLE B.1

U.S. FUNDING SOURCES	AGENCY	Total	FY 2002–06
Security			
Afghanistan Security Forces Fund (ASFF)	DOD	$69,561.66	2,903.13
Train & Equip (DOD)	DOD	$440.00	440.00
Foreign Military Financing (FMF)	State	$1,059.14	1,059.14
International Military Education and Training (IMET)	State	$17.53	3.16
Voluntary Peacekeeping (PKO)	State	$69.33	69.33
Afghanistan Freedom Support Act (AFSA)	DOD	$550.00	550.00
Drug Interdiction & Counter-Drug Activities (DOD CN)	DOD	$3,132.46	404.39
Total - Security		**$74,830.12**	**5,429.15**
Governance & Development			
Commander's Emergency Response Program (CERP)	DOD	$3,689.37	391.00
Afghanistan Infrastructure Fund (AIF)	DOD	$988.50	0.00
Task Force for Business and Stability Operations (TFBSO)	DOD	$822.85	0.00
Economic Support Fund (ESF)	USAID	$19,882.27	3,004.44
Development Assistance (DA)	USAID	$886.50	568.26
Child Survival & Health (CSH + GHAI)	USAID	$554.63	170.05
Commodity Credit Corp (CCC)	USAID	$33.43	8.80
USAID (other)	USAID	$51.90	5.50
Non-Proliferation, Antiterrorism, Demining & Related (NADR)	State	$767.94	221.97
Provincial Reconstruction Team Advisors	USDA	$5.70	0.00
Treasury Technical Assistance	Treasury	$4.65	3.10
International Narcotics Control & Law Enforcement (INCLE)	State	$5,062.94	1,221.93
Drug Enforcement Administration (DEA)	DOJ	$235.20	47.59
Total - Governance & Development		**$32,985.87**	**5,642.66**
Humanitarian			
Pub. L. No. 480 Title I	USDA	$5.00	5.00
Pub. L. No. 480 Title II	USAID	$1,086.26	376.66
Disaster Assistance (IDA)	USAID	$703.53	298.26
Transition Initiatives (TI)	USAID	$37.54	32.58
Migration & Refugee Assistance (MRA)	State	$1,253.85	354.80
Emergency Refugee & Migration Assistance (ERMA)	State	$25.20	25.00
Food for Progress	USDA	$109.49	67.38
416(b) Food Aid	USDA	$95.18	95.18
Food for Education	USDA	$50.49	50.49
Emerson Trust	USDA	$22.40	0.00
Total - Humanitarian		**$3,388.95**	**1,305.35**
Civilian Operations			
Oversight		$480.78	0.00
Other		$10,404.14	671.53
Total - Civilian Operations		**$10,884.92**	**671.53**
Total Funding		**$122,089.86**	**13,048.68**

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018[a]
7,406.40	2,750.00	5,606.94	9,166.77	10,619.28	9,200.00	4,946.20	3,962.34	3,939.33	3,502.26	4,262.72	1,296.29
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
1.19	1.66	1.40	1.76	1.56	1.18	1.42	1.50	1.05	0.86	0.80	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290.97	192.81	230.06	392.27	379.83	472.99	255.81	238.96	0.00	138.76	135.61	0.00
7,698.57	**2,944.47**	**5,838.40**	**9,560.80**	**11,000.67**	**9,674.16**	**5,203.44**	**4,202.80**	**3,940.38**	**3,641.88**	**4,399.12**	**1,296.29**
209.00	488.33	550.67	1,000.00	400.00	400.00	200.00	30.00	10.00	5.00	5.00	0.37
0.00	0.00	0.00	0.00	299.00	400.00	145.50	144.00	0.00	0.00	0.00	0.00
0.00	0.00	14.44	59.26	239.24	245.76	138.20	122.24	3.72	0.00	0.00	0.00
1,224.75	1,399.51	2,077.48	3,346.00	2,168.51	1,836.76	1,802.65	907.00	831.90	633.27	650.00	0.00
166.81	149.43	0.40	0.30	0.00	0.00	0.35	0.00	0.95	0.00	0.00	0.00
100.77	63.04	58.23	92.30	69.91	0.00	0.25	0.01	0.06	0.00	0.00	0.00
0.00	10.77	4.22	4.22	3.09	0.38	0.00	0.00	0.00	0.00	1.95	0.00
0.00	21.96	2.81	3.45	6.25	7.10	1.84	0.80	0.82	1.08	0.29	0.00
36.72	29.72	59.92	70.74	69.30	65.32	52.60	43.20	43.50	37.96	37.00	0.00
0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.13	0.75	0.47	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00
251.74	307.56	493.90	589.00	400.00	357.92	593.81	225.00	250.00	210.00	160.00	2.08
20.38	40.59	18.88	19.20	18.70	18.70	17.00	18.70	9.05	3.31	3.10	0.00
2,010.30	**2,511.66**	**3,287.12**	**5,184.47**	**3,673.99**	**3,331.93**	**2,952.39**	**1,490.96**	**1,149.99**	**890.61**	**857.35**	**2.45**
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60.00	149.53	73.01	58.13	112.55	59.20	46.15	65.97	53.73	26.65	4.69	0.00
0.03	16.84	27.13	29.61	66.23	56.00	21.50	28.15	25.69	39.89	93.84	0.37
0.00	0.00	0.75	0.84	1.08	0.62	0.32	0.83	0.49	0.04	0.00	0.00
54.00	44.25	76.79	80.93	65.00	99.56	76.07	107.89	129.27	84.27	81.03	0.00
0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.47	20.55	12.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	22.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
123.50	**253.57**	**189.97**	**169.51**	**244.85**	**215.38**	**144.04**	**202.83**	**209.18**	**150.85**	**179.55**	**0.37**
2.50	14.30	25.20	34.40	37.20	59.00	58.70	62.65	68.60	62.37	55.74	0.13
207.80	435.51	1,065.86	1,761.70	905.10	1,425.43	1,272.49	852.45	909.50	795.29	97.00	4.48
210.30	**449.81**	**1,091.06**	**1,796.10**	**942.30**	**1,484.43**	**1,331.19**	**915.10**	**978.10**	**857.65**	**152.74**	**4.61**
10,042.66	**6,159.50**	**10,406.55**	**16,710.87**	**15,861.81**	**14,705.90**	**9,631.06**	**6,811.69**	**6,277.65**	**5,541.00**	**5,588.76**	**1,303.72**

APPENDIX C

SIGAR WRITTEN PRODUCTS*

SIGAR Audits

Completed Performance Audits

SIGAR completed two performance audits during this reporting period.

COMPLETED SIGAR PERFORMANCE AUDIT AS OF DECEMBER 31, 2017

Report Identifier	Report Title	Date Issued
18-29-AR	Afghan National Defense and Security Forces: DOD Cannot Fully Account for U.S.-Funded Infrastructure Transferred to the Afghan Government	1/2018
18-19-AR	DOD Task Force for Business and Stability Operations: $775 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects	1/2018

New Performance Audits

SIGAR initiated one performance audit during this reporting period.

NEW SIGAR PERFORMANCE AUDIT AS OF DECEMBER 31, 2017

Project Identifier	Project Title	Date Initiated
SIGAR-123A	Department of State's Efforts to Support and Transition Drug Treatment Programs in Afghanistan	11/2017

Ongoing Performance Audits

SIGAR had 9 ongoing performance audits during this reporting period.

ONGOING SIGAR PERFORMANCE AUDITS AS OF DECEMBER 31, 2017

Project Identifier	Project Title	Date Initiated
SIGAR 121A	Afghan Government's Anti-Corruption Strategy	7/2017
SIGAR 120A	Afghan Air Force's Ability to Operate and Maintain U.S.-Provided Aircraft	3/2017
SIGAR 119A	U.S. Army Corps of Engineers' Local National Quality Assurance Program	3/2017
SIGAR 118A	DOD Efforts to Advise the Afghan Ministries of Defense and Interior	1/2017
SIGAR 117A	USAID's Regional Agricultural Development Program	12/2016
SIGAR 116A	Promoting Gender Equity in National Priority Programs (Promote)	11/2016
SIGAR 115A	U.S. Government Efforts to Increase the Supply, Quantity, and Distribution of Electric Power from the Kajaki Dam	4/2016
SIGAR 112A	Administration, Monitoring, and Reporting of the Afghanistan Reconstruction Trust Fund	12/2015
SIGAR 110A	Effectiveness of the Commander's Emergency Response Program in Afghanistan	8/2015

* SIGAR may also report on products and events occurring after December 31, 2017, up to the publication date.

Completed Financial Audits

SIGAR completed six financial audits during this reporting period.

COMPLETED SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2017		
Report Identifier	**Report Title**	**Date Issued**
SIGAR 18-27-FA	DOD Contract with Lockheed Martin Integrated Systems Inc. for Afghan Air Force Spare Parts Surge Buy in Support of the Afghan Security Forces	1/2018
SIGAR-18-26-FA	DOD TFBSO's Mineral Tender Development and Geologic Services (SRK Consulting Inc.)	1/2018
SIGAR 18-25-FA	DOD TFBSO's Banking and Financial Infrastructure Development in Afghanistan and Iraq (aXseum Solutions LLC)	1/2018
SIGAR 18-24-FA	DOD TFBSO's Business Improvement Support (Leidos Inc.)	1/2018
SIGAR 18-20-FA	DOD TFBSO's Effort to increase Self-Sufficiency of Special Operations Forces in Afghanistan (Alion)	1/2018
SIGAR 18-18-FA	DOD TFBSO's International Oil and Gas Sector Advisory Services Contract (Curtis)	12/2017

New Financial Audits

SIGAR initiated 10 new financial audits during this reporting period.

NEW SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2017		
Project Identifier	**Project Title**	**Date Initiated**
SIGAR F-142	Bridge Contract to Provide and Coordinate Operational Support for INL's Afghan Civilian Advisor Support (ACAS), Camp Gibson and Camp Falcon on the INL Strip Mall in Afghanistan	1/2018
SIGAR F-141	International Narcotics and Law Enforcement Program's Operations and Support Services in Kabul, Afghanistan, Non-Chief of Mission	1/2018
SIGAR F-138	Afghanistan University Support and Workforce Development Program	1/2018
SIGAR F-137	Strong Hubs for Afghan Hope and Resilience (SHAHAR)	1/2018
SIGAR F-136	Regional Agriculture Development Program North (RADP North)	1/2018
SIGAR F-135	Strengthening Education in Afghanistan (SEA II)	1/2018
SIGAR F-134	Women's Leadership Development (WLD)	1/2018
SIGAR F-133	Technical Assistance to Ministry of Public Works	1/2018
SIGAR F-132	Capacity Building and Change Management Program II (CBCMP-II)	1/2018
SIGAR F-131	Helping Mothers and Children Thrive (HEMAYAT)	1/2018

Ongoing Financial Audits

SIGAR had 21 financial audits in progress during this reporting period.

ONGOING SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2017		
Project Identifier	**Project Title**	**Date Initiated**
SIGAR F-130	Implement INL CSSP and Modernize Justice	8/2017
SIGAR F-129	Support to Mobile Security Teams	8/2017
SIGAR F-128	Afghanistan MBRC Phase II, Effort II	8/2017
SIGAR F-127	Afghanistan MBRC Phase II, Effort I	8/2017
SIGAR F-126	Afghanistan Trade and Revenue Project (ATAR)	8/2017

Continued on the next page

ONGOING SIGAR FINANCIAL AUDITS AS OF DECEMBER 31, 2017 (CONTINUED)

Project Identifier	Project Title	Date Initiated
SIGAR F-125	Initiative to Strengthen Local Administration (ISLA)	8/2017
SIGAR F-124	Strengthening Political Entities and Civil Society (SPECS)	8/2017
SIGAR F-123	Sheberghan Gas Development Project	8/2017
SIGAR F-122	Afghanistan Agriculture Extension Project I (AAEP-II)	8/2017
SIGAR F-121	Monitoring Support Project (MSP), Eastern Provinces	8/2017
SIGAR F-120	Sheberghan Gas Generation (SGG)	8/2017
SIGAR F-119	Construction of Ministry of Defense HQ Support and Security Brigade Expansion Phase II	5/2017
SIGAR F-118	Construction of Ministry of Defense Phase I	5/2017
SIGAR F-117	Freedom of Maneuver (FOM) Program	3/2017
SIGAR F-116	Combined Security Transition Command–Afghanistan, Afghanistan Ministry of Defense and Afghan National Army Program Support	3/2017
SIGAR F-115	ANA Communications Equipment Service Mentoring, Systems Engineering and Technical Assistance, and Training and Maintenance Radio Sustainment	3/2017
SIGAR F-114	Afghan Engineering Support Program	2/2017
SIGAR F-113	Mining Investment and Development for Afghanistan Sustainability (MIDAS) Project	2/2017
SIGAR F-112	Agriculture Credit Enhancement (ACE) Program in Afghanistan	2/2017
SIGAR F-111	Early Grade Reading (EGR) Survey	2/2017
SIGAR F-109	DOD Contract with Friends of the American University of Afghanistan for Kabul Business Incubator	11/2016

SIGAR Inspections

Completed Inspections

SIGAR completed two inspection reports during this reporting period.

COMPLETED SIGAR INSPECTIONS AS OF DECEMBER 31, 2017

Product Identifier	Report Title	Date Issued
18-28-IP	Afghan National Army Camp Commando Phase IV: Construction Met Contract Requirements and Most Facilities Are Being Used, but Are Not Well Maintained	1/2018
18-22-IP	American University of Afghanistan Women's Dormitory: Construction Met Contract Requirements and Building Deficiencies Were Corrected	1/2018

Ongoing Inspections

SIGAR had 14 ongoing inspections during this reporting period.

ONGOING SIGAR INSPECTIONS AS OF DECEMBER 31, 2017

Project Identifier	Project Title	Date Initiated
SIGAR-I-052	Inspection of the North East Power System Project Phase 1: Transmission Lines Between Argandeh and Pul-e Alam and Substation at Pul-e Alam	10/2017
SIGAR-I-051	Inspection of the Power Transmission Expansion and Connectivity Project Power Substations at Ghazni and Sayadabad	10/2017
SIGAR-I-050	Inspection of Construction and Utility Upgrades for the ANA Garrison at South Kabul International Airport	9/2017
SIGAR-I-049	Inspection of the ANP Women's Compound at the Ministry of Interior HQ Complex	9/2017
SIGAR-I-048	Inspection of the Power Transmission Expansion and Connectivity Project Transmission Line Between Arghandi and Ghazni	9/2017
SIGAR-I-045a	Inspection of the Marshal Fahim National Defense University – Phase 1	2/2017
SIGAR-I-045b	Inspection of the Marshal Fahim National Defense University – Phase 3	2/2017
SIGAR-I-044	Inspection of the Zarang Border Crossing Point	2/2017
SIGAR-I-043	Inspection of the Kang Border Patrol Company Headquarters	2/2017
SIGAR-I-042	Inspection of the Wardak Prison	2/2017
SIGAR-I-041	Inspection of the Northeast Power System Project	5/2016
SIGAR-I-034	Inspection of Construction for the Afghan National Army's Ground Forces Command, Garrison Support Unit, and Army Support Command	8/2015
SIGAR-I-033a	Inspection of Afghan National Army Camp Commando – Phase III	7/2015
SIGAR-I-031b	Inspection of the Ministry of Interior's Headquarters Support Structures	7/2015

SIGAR Evaluations

Completed Evaluation

SIGAR completed one evaluation report this reporting period.

COMPLETED SIGAR EVALUATIONS AS OF DECEMBER 31, 2017

Product Identifier	Product Title	Date Issued
SIGAR 17-47-IP	Child Sexual Assault in Afghanistan	1/2018

Ongoing Evaluation

SIGAR had one ongoing evaluation report this reporting period.

ONGOING SIGAR EVALUATIONS AS OF DECEMBER 31, 2017

Product Identifier	Product Title	Date Initiated
SIGAR 122A	Fuel Availability in Afghanistan	9/2017

SIGAR Special Projects
Completed Special Projects
SIGAR completed six Special Projects products this reporting period.

COMPLETED SIGAR SPECIAL PROJECTS AS OF DECEMBER 31, 2017		
Product Identifier	**Product Title**	**Date Issued**
SIGAR 18-23-SP	Information on USAID's Stability in Key Areas Program-Northern Region	1/2018
SIGAR 18-21-SP	State Department's Good Performer's Initiative	1/2018
SIGAR 18-17-SP	Schools in Faryab Province	12/2017
SIGAR 18-14-SP	DOD-Procured Non-Intrusive Inspection Equipment	11/2017
SIGAR 18-13-SP	USAID-Supported Health Facilities in Khowst Province	11/2017
SIGAR 18-12-SP	Warehousing for ANDSF Operations & Maintenance	11/2017

SIGAR Lessons Learned Projects
Ongoing Lessons Learned Projects
SIGAR has three ongoing Lessons Learned projects this reporting period.

ONGOING SIGAR LESSONS LEARNED PROJECTS AS OF DECEMBER 31, 2017		
Project Identifier	**Project Title**	**Date Initiated**
SIGAR LL-07	Stabilization	2/2016
SIGAR LL-05	Private Sector Development and Economic Growth	10/2015
SIGAR LL-04	Counternarcotics in Afghanistan Reconstruction	4/2015

APPENDIX D

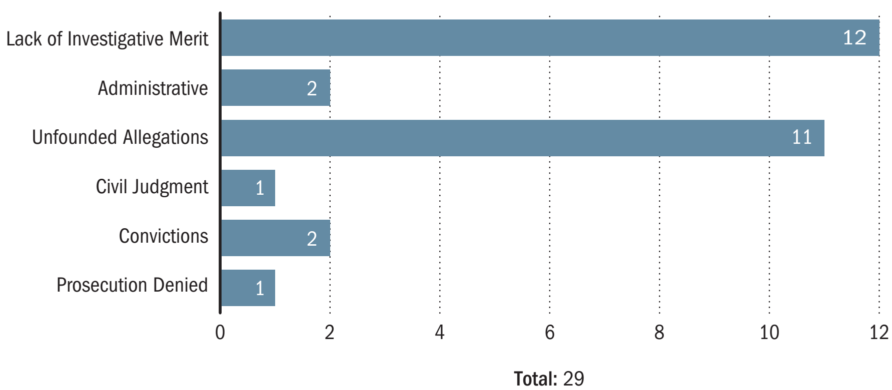
SIGAR INVESTIGATIONS AND HOTLINE

SIGAR Investigations

This quarter, SIGAR opened 12 new investigations and closed 29, bringing the total number of ongoing investigations to 217. Of the closed investigations, most were closed due to lack of investigative merit, as shown in Figure D.1. Of the new investigations, most were related to procurement or contract fraud, as shown in Figure D.2.

FIGURE D.1

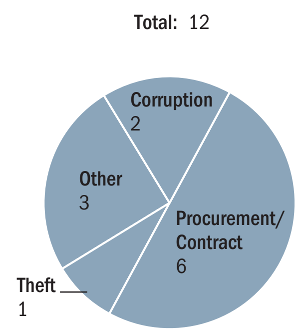
SIGAR INVESTIGATIONS: CLOSED INVESTIGATIONS, OCTOBER 1–DECEMBER 31, 2017



Source: SIGAR Investigations Directorate, 1/4/2018.

FIGURE D.2

SIGAR NEW INVESTIGATIONS, OCTOBER 1–DECEMBER 31, 2017



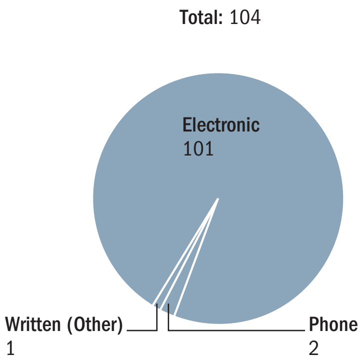
Source: SIGAR Investigations Directorate, 1/3/2018

SIGAR Hotline

The SIGAR Hotline received 104 complaints this quarter, as shown in Figure D.3. In addition to working on new complaints, the Investigations Directorate continued its work this quarter on complaints received prior to October 1, 2017. This quarter, the directorate processed 230 complaints, most of which are under review or were closed, as shown in Figure D.4.

FIGURE D.3

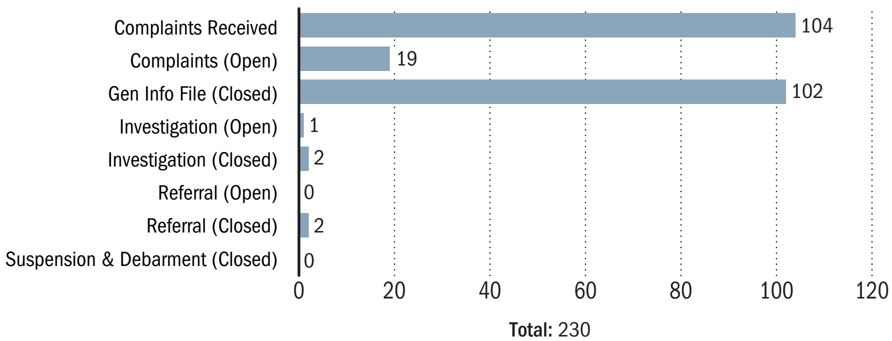
SOURCE OF SIGAR HOTLINE COMPLAINTS, OCTOBER 1–DECEMBER 31, 2017



Source: SIGAR Investigations Directorate, 1/12/2018.

FIGURE D.4

STATUS OF SIGAR HOTLINE COMPLAINTS: OCTOBER 1–DECEMBER 31, 2017



Source: SIGAR Investigations Directorate, 1/12/2018.

SIGAR SUSPENSIONS AND DEBARMENTS

Table D.1 is a comprehensive list of finalized suspensions, debarments, and special entity designations relating to SIGAR's work in Afghanistan as of December 31, 2017. *SIGAR lists its suspensions, debarments and special entity designations for historical purposes only*. For the current status of any individual or entity listed herein as previously suspended, debarred or listed as a special entity designation, please consult the System for Award Management, www.sam.gov.

Entries appearing in both the suspension and debarment sections are based upon their placement in suspended status following criminal indictment or determination of non-responsibility by agency suspension and debarment official. Final debarment was imposed following criminal conviction in U.S. Federal District Court and/or final determination by agency suspension and debarment official regarding term of debarment.

TABLE D.1

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017
Special Entity Designations
Arvin Kam Construction Company
Arvin Kam Group LLC, d.b.a. "Arvin Kam Group Security," d.b.a. "Arvin Kam Group Foundation," d.b.a. "Arvin Global Logistics Services Company"
Ayub, Mohammad
Fruzi, Haji Khalil
Haji Amir Muhammad
Haji Dhost Mohammad Zurmat Construction Company
Jan, Nurullah
Khan, Haji Mohammad Almas
Noh-E Safi Mining Company
Noor Rahman Company
Noor Rahman Construction Company
Nur Rahman Group, d.b.a. "NUCCL Construction Company," d.b.a. "RUCCL Rahman Umar Construction Company," d.b.a. "Rahman Trading and General Logistics Company LLC
Rahman, Nur, a.k.a. "Noor Rahman," a.k.a. "Noor Rahman Safa"
Rhaman, Mohammad
Saadat, Vakil
Triangle Technologies
Wasim, Abdul Wakil
Zaland, Yousef
Zurmat Construction Company
Zurmat Foundation
Zurmat General Trading
Zurmat Group of Companies, d.b.a. "Zurmat LLC"
Zurmat Material Testing Laboratory
Suspensions
Al-Watan Construction Company
Basirat Construction Firm
Brophy, Kenneth
Naqibullah, Nadeem
Rahman, Obaidur
Campbell, Neil Patrick
Borcata, Raul A.
Close, Jarred Lee
Logistical Operations Worldwide
Robinson, Franz Martin
Taylor, Zachery Dustin
Aaria Group Construction Company
Aaria Group
Aaria Herai General Trading
Aaria M.E. General Trading LLC
Aaria Middle East
Aaria Middle East Company LLC
Aaria Middle East Company Ltd – Herat
Aaria Supplies Company Ltd
Aaria Supply Services and Consultancy
Aftech International
Aftech International Pvt. Ltd
Alam, Ahmed Farzad
Albahar Logistics
American Aaria Company LLC
American Aaria LLC
Barakzai, Nangialai
Formid Supply and Services
Greenlight General Trading
Kabul Hackle Logistics Company
Sharpway Logistics
United States California Logistics Company
Yousef, Najeebullah
Rahimi, Mohammad Edris
Wooten, Philip Steven
Domineck, Lavette Kaye
Markwith, James
All Points International Distributors Inc.
Cipolla, James
Hercules Global Logistics
Schroeder, Robert
AISC LLC
American International Security Corporation
Brothers, Richard S.
David A Young Construction & Renovation Inc.
Force Direct Solutions LLC
Harris, Christopher
Hernando County Holdings LLC
Hide-A-Wreck LLC
Panthers LLC
Paper Mill Village Inc
Shroud Line LLC
Spada, Carol
Taylor, Michael
Welventure LLC
World Wide Trainers LLC
Young, David
Espinoza, Mauricio
Long, Tonya
Brophy, Kenneth Michael
Rivera-Medina, Franklin Delano
Peace Thru Business
Pudenz, Adam Jeff Julias
Elham, Yaser, a.k.a. "Najibullah Saadullah"
Everest Faizy Logistics Services
Faizy Elham Brothers Ltd
Faizy, Rohullah
Hekmat Shadman General Trading LLC
Hekmat Shadman Ltd., d.b.a. "Hikmat Shadman Ltd"
Hikmat Shadman Construction and Supply Company
Hikmat Shadman Logistics Services Company, d.b.a. "Hikmat Shadman Commerce Construction and Supply Company," d.b.a. "Hikmat Shadman Commerce Construction Services"
Saif Hikmat Construction Logistic Services and Supply Co
Shadman, Hikmatullah, a.k.a. "Hikmat Shadman," a.k.a. "Haji Hikmatullah Shadman," a.k.a. "Hikmatullah Saadulah"
Travis, James Edward
Sherzai, Akbar Ahmed
Bertolini, Robert L.
Kahn, Haroon Shams, a.k.a. "Haroon Shams"
Shams Constructions Limited
Shams General Services and Logistics Unlimited
Shams Group International, d.b.a. "Shams Group International FZE"
Shams London Academy
Shams Production
Shams Welfare Foundation
Autry, Cleo Brian
Chamberlain, William Todd
Cook, Jeffrey Arthur
Harper, Deric Tyron
Swim, Alexander

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017 (CONTINUED)

Suspensions (continued)

Walls, Barry Lee, Jr.	Al Quraishi Bureau	Pena, Ramiro
Ciampa, Christopher	Al Zakoura Company	Ware, Marvin
Casellas, Luis Ramon	Al-Amir Group LLC	Green, Robert Warren
International Contracting and Development	Al-Noor Contracting Company	Bailly, Louis Matthew
Sobh, Adeeb Nagib, a.k.a. "Ali Sobh"	Al-Noor Industrial Technologies Company	Albright, Timothy H.
Stallion Construction and Engineering Group	California for Project Company	Bailly, Louis Matthew
Wazne Group Inc., d.b.a. "Wazne Wholesale"	Civilian Technologies Limited Company	Bunch, Donald P.
Wazne, Ayman, a.k.a. "Ayman Ibrahim Wazne"	Industrial Techniques Engineering Electromechanically Company	Epps, Willis
Hampton, Seneca Darnell	Jamil, Omar K.	Kline, David
Green, George E.	Pulsars Company	Morgan, Sheldon J.
Tran, Anthony Don	San Francisco for Housing Company	Badgett, Michael J.
Vergez, Norbert	Sura Al Mustakbal	Blevins, Kenneth Preston
Mayberry, Teresa	Top Techno Concrete Batch	Banks, Michael
Addas, James	Edmondson, Jeffrey B.	Badgett, Michael J.
Advanced Ability for U-PVC	Lugo, Emanuel	Blevins, Kenneth Preston
Al Bait Al Amer	Montague, Geoffrey K.	Banks, Michael
Al Iraq Al Waed		

Debarments

Farooqi, Hashmatullah	Radhi, Mohammad Khalid	Kunari, Haji Pir Mohammad
Hamid Lais Construction Company	Safi, Fazal Ahmed	Mushfiq, Muhammad Jaffar
Hamid Lais Group	Shin Gul Shaheen, a.k.a. "Sheen Gul Shaheen"	Mutallib, Abdul
Lodin, Rohullah Farooqi	Espinoza-Loor, Pedro Alfredo	Nasrat, Sami
Bennett & Fouch Associates LLC	Campbell, Neil Patrick	National General Construction Company
Brandon, Gary	Navarro, Wesley	Passerly, Ahmaad Saleem
K5 Global	Hazrati, Arash	Rabi, Fazal
Ahmad, Noor	Midfield International	Rahman, Atta
Noor Ahmad Yousufzai Construction Company	Moore, Robert G.	Rahman, Fazal
Ayeni, Sheryl Adenike	Noori, Noor Alam, a.k.a. "Noor Alam"	Roshandil, Mohammad Ajmal
Cannon, Justin	Northern Reconstruction Organization	Saber, Mohammed
Constantino, April Anne	Shamal Pamir Building and Road Construction Company	Safi, Azizur Rahman
Constantino, Dee	Wade, Desi D.	Safi, Matiullah
Constantino, Ramil Palmes	Blue Planet Logistics Services	Sahak, Sher Khan
Crilly, Braam	Mahmodi, Padres	Shaheed, Murad
Drotleff, Christopher	Mahmodi, Shikab	Shirzad, Daulet Khan
Fil-Tech Engineering and Construction Company	Saber, Mohammed	Uddin, Mehrab
Handa, Sdiharth	Watson, Brian Erik	Watson, Brian Erik
Jabak, Imad	Abbasi, Shahpoor	Wooten, Philip Steven
Jamally, Rohullah	Amiri, Waheedullah	Espinoza, Mauricio
Khalid, Mohammad	Atal, Waheed	Alam, Ahmed Farzad
Khan, Daro	Daud, Abdulilah	Greenlight General Trading
Mariano, April Anne Perez	Dehati, Abdul Majid	Aaria Middle East Company LLC
McCabe, Elton Maurice	Fazli, Qais	Aaria Middle East Company Ltd – Herat
Mihalczo, John	Hamdard, Mohammad Yousuf	Aaria M.E. General Trading LLC
Qasimi, Mohammed Indress		Aaria Middle East

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017 (CONTINUED)

Debarments (continued)		
Barakzai, Nangialai	Khan, Solomon Sherdad, a.k.a. "Solomon"	Johnson, Angela
Formid Supply and Services	Mursalin, Ikramullah, a.k.a. "Ikramullah"	CNH Development Company LLC
Aaria Supply Services and Consultancy	Musafer, Naseem, a.k.a. "Naseem"	Johnson, Keith
Kabul Hackle Logistics Company	Ali, Esrar	Military Logistic Support LLC
Yousef, Najeebullah	Gul, Ghanzi	Eisner, John
Aaria Group	Luqman Engineering Construction Company, d.b.a. "Luqman Engineering"	Taurus Holdings LLC
Aaria Group Construction Company	Safiullah, a.k.a. "Mr. Safiullah"	Brophy, Kenneth Michael
Aaria Supplies Company Ltd.	Sarfarez, a.k.a."Mr. Sarfarez"	Abdul Haq Foundation
Rahimi, Mohammad Edris	Wazir, Khan	Adajar, Adonis
All Points International Distributors Inc.	Akbar, Ali	Calhoun, Josh W.
Hercules Global Logistics	Crystal Construction Company, d.b.a. "Samitullah Road Construction Company"	Clark Logistic Services Company, d.b.a. "Clark Construction Company"
Schroeder, Robert	Samitullah (Individual uses only one name)	Farkas, Janos
Helmand Twinkle Construction Company	Ashna, Mohammad Ibrahim, a.k.a. "Ibrahim"	Flordeliz, Alex F.
Waziri, Heward Omar	Gurvinder, Singh	Knight, Michael T., II
Zadran, Mohammad	Jahan, Shah	Lozado, Gary
Afghan Mercury Construction Company, d.b.a. "Afghan Mercury Construction & Logistics Company"	Shahim, Zakirullah a.k.a. "Zakrullah Shahim", a.k.a. "Zikrullah Shahim"	Mijares, Armando N., Jr.
Mirzali Naseeb Construction Company	Alyas, Maiwand Ansunullah a.k.a. "Engineer Maiwand Alyas"	Mullakhiel, Wadir Abdullahmatin
Montes, Diyana	BMCSC	Rainbow Construction Company
Naseeb, Mirzali	Maiwand Haqmal Construction and Supply Company	Sardar, Hassan, a.k.a. "Hassan Sardar Inqilab"
Robinson, Franz Martin	New Riders Construction Company, d.b.a. "Riders Construction Company," d.b.a. "New Riders Construction and Services Company"	Shah, Mohammad Nadir, a.k.a. "Nader Shah"
Smith, Nancy	Riders Constructions, Services, Logistics and Transportation Company	Tito, Regor
Sultani, Abdul Anas a.k.a. "Abdul Anas"	Riders Group of Companies	Brown, Charles Phillip
Faqiri, Shir	Domineck, Lavette Kaye	Sheren, Fasela, a.k.a. "Sheren Fasela"
Hosmat, Haji	Markwith, James	Anderson, Jesse Montel
Jim Black Construction Company	Martinez, Rene	Charboneau, Stephanie, a.k.a. "Stephanie Shankel"
Arya Ariana Aryayee Logistics, d.b.a. "AAA Logistics," d.b.a. "Somo Logistics"	Maroof, Abdul	Hightower, Jonathan
Garst, Donald	Qara, Yousef	Khan, Noor Zali, a.k.a. "Wali Kahn Noor"
Mukhtar, Abdul a.k.a. "Abdul Kubar"	Royal Palace Construction Company	Saheed, a.k.a. "Mr. Saheed;" a.k.a. "Sahill;" a.k.a. "Ghazi-Rahman"
Noori Mahgir Construction Company	Bradshaw, Christopher Chase	Weaver, Christopher
Noori, Sherin Agha	Zuhra Productions	Al Kaheel Oasis Services
Long, Tonya	Zuhra, Niazai	Al Kaheel Technical Service
Isranuddin, Burhanuddin	Boulware, Candice a.k.a. "Candice Joy Dawkins"	CLC Construction Company
Matun, Navidullah, a.k.a. "Javid Ahmad"	Dawkins, John	CLC Consulting LLC
Matun, Wahidullah	Mesopotamia Group LLC	Complete Manpower Solutions
Navid Basir Construction Company	Nordloh, Geoffrey	Mohammed, Masiuddin, a.k.a. "Masi Mohammed"
Navid Basir JV Gagar Baba Construction Company	Kieffer, Jerry	Rhoden, Bradley L., a.k.a. "Brad L. Rhoden"
NBCC & GBCC JV		Rhoden, Lorraine Serena
Noori, Navid		Royal Super Jet General Trading LLC
Asmatullah, Mahmood, a.k.a. "Mahmood"		Super Jet Construction Company
Khan, Gul		Super Jet Fuel Services

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017 (CONTINUED)

Debarments (continued)		
Super Jet Group	Latifi, Abdul	LTCCORP Inc.
Super Jet Tours LLC, d.b.a. "Super Jet Travel and Holidays LLC"	McCammon, Christina	LTCCORP/Kaya Dijbouti LLC
Super Solutions LLC	Mohibzada, Ahmadullah, a.k.a. "Ahmadullah Mohebzada"	LTCCORP/Kaya East Africa LLC
Abdullah, Bilal	Neghat, Mustafa	LTCCORP/Kaya Romania LLC
Farmer, Robert Scott	Qurashi, Abdul	LTCCORP/Kaya Rwanda LLC
Mudiyanselage, Oliver	Raouf, Ashmatullah	LTCORP Technology LLC
Kelly, Albert, III	Shah, David	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"
Ethridge, James	Touba, Kajim	Toltest/Desbuild Germany JV LLC
Fernridge Strategic Partners	Zahir, Khalid	Veterans Construction/Lakeshore JV LLC
AISC LLC	Aryubi, Mohammad Raza Samim	Afghan Royal First Logistics, d.b.a. "Afghan Royal"
American International Security Corporation	Atlas Sahil Construction Company	American Barriers
David A Young Construction & Renovation Inc.	Bab Al Jazeera LLC	Arakozia Afghan Advertising
Force Direct Solutions LLC	Emar-E-Sarey Construction Company	Dubai Armored Cars
Harris, Christopher	Muhammad, Pianda	Enayatullah, Son of Hafizullah
Hernando County Holdings LLC	Sambros International, d.b.a. "Sambros International Ltd," d.b.a. "Sambros-UK JV"	Farhas, Ahmad
Hide-A-Wreck LLC	Sambros JV Emar-E-Sarey Construction Company, d.b.a. "Sambros JV ESCC"	Inland Holdings Inc
Panthers LLC	Antes, Bradley A.	Intermaax, FZE
Paper Mill Village Inc.	Lakeshore Engineering & Construction Afghanistan Inc, d.b.a. "Lakeshore General Contractors Inc"	Intermaax Inc
Shroud Line LLC	Lakeshore Engineering Services Inc	Karkar, Shah Wali
Spada, Carol	Lakeshore Engineering Services/Toltest JV LLC	Sandman Security Services
Welventure LLC	Lakeshore Toltest – Rentenbach JV LLC	Siddiqi, Atta
World Wide Trainers LLC	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"	Specialty Bunkering
Young, David Andrew	Lakeshore Toltest Guam LLC	Spidle, Chris Calvin
Woodruff and Company	Lakeshore Toltest JV LLC	Vulcan Amps Inc
Travis, James Edward	Lakeshore Toltest RRCC JV LLC	Worldwide Cargomasters
Khairfullah, Gul Agha	Lakeshore/Walsh JV LLC	Aziz, Haji Abdul, a.k.a. "Abdul Aziz Shah Jan," a.k.a. "Aziz"
Khalil Rahimi Construction Company	LakeshoreToltest METAG JV LLC	Castillo, Alfredo, Jr.
Momand, Jahanzeb, a.k.a. "Engineer Jahanzeb Momand"	LTC & Metawater JV LLC	Abbasi, Asim
Yar-Mohammad, Hazrat Nabi	LTC Holdings Inc.	Muturi, Samuel
Walizada, Abdul Masoud, a.k.a. "Masood Walizada"	LTC Italia SRL	Mwakio, Shannel
Alizai, Zarghona	LTC Tower General Contractors LLC	Ahmad, Jaweed
Aman, Abdul	LTCCORP Commercial LLC	Ahmad, Masood
Anwari, Laila	LTCCORP E&C Inc	A & J Total Landscapes
Anwari, Mezhgan	LTCCORP Government Services - OH Inc	Aryana Green Light Support Services
Anwari, Rafi	LTCCORP Government Services Inc	Mohammad, Sardar, a.k.a. "Sardar Mohammad Barakzai"
Arghandiwal, Zahra, a.k.a. "Sarah Arghandiwal"	LTCCORP Government Services-MI Inc	Pittman, James C., a.k.a. "Carl Pittman"
Azizi, Farwad, a.k.a. "Farwad Mohammad Azizi"	LTCCORP O&G LLC	Poaipuni, Clayton
Bashizada, Razia	LTCCORP Renewables LLC	Wiley, Patrick
Coates, Kenneth		Crystal Island Construction Company
Gibani, Marika		
Haidari, Mahboob		

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017 (CONTINUED)

Debarments (continued)

Afghan Columbia Constructon Company
Ahmadi, Mohammad Omid
Dashti, Jamsheed
Hamdard, Eraj
Hamidi, Mahrokh
Raising Wall Construction Company
Artemis Global Inc., d.b.a. "Artemis Global Logistics and Solutions," d.b.a. "Artemis Global Trucking LLC"
O'Brien, James Michael, a.k.a. "James Michael Wienert"
Tamerlane Global Services Inc., d.b.a. "Tamerlane Global LLC," d.b.a. "Tamerlane LLC," d.b.a. "Tamerlane Technologies LLC"
Jean-Noel, Dimitry
Hampton, Seneca Darnell
Dennis, Jimmy W.
Timor, Karim
Wardak, Khalid
Rahmat Siddiqi Transportation Company
Siddiqi, Rahmat
Siddiqi, Sayed Attaullah
Umbrella Insurance Limited Company
Taylor, Michael
Gardazi, Syed
Smarasinghage, Sagara
Security Assistance Group LLC
Bailly, Louis Matthew
Kumar, Krishan
Raj, Janak
Singh, Roop
Masraq Engineering and Construction Company
Miakhil, Azizullah
Stratton, William G
Umeer Star Construction Company
Zahir, Mohammad Ayub
Marshal Afghan American Construction Company
Marshal, Sayed Abbas Shah
Peace Thru Business
Pudenz, Adam Jeff Julias
Green, Robert Warren
Mayberry, Teresa
Addas, James
Advanced Ability for U-PVC
Al Bait Al Amer
Al Iraq Al Waed
Al Quraishi Bureau
Al Zakoura Company
Al-Amir Group LLC
Al-Noor Contracting Company
Al-Noor Industrial Technologies Company
California for Project Company
Civilian Technologies Limited Company
Industrial Techniques Engineering Electromechanically Company
Pena, Ramiro
Pulsars Company
San Francisco for Housing Company
Sura Al Mustakbal
Top Techno Concrete Batch
Albright, Timothy H.
Insurance Group of Afghanistan
Ratib, Ahmad, a.k.a. "Nazari"
Jamil, Omar K.
Rawat, Ashita
Casellas, Luis Ramon
Saber, Mohammad a.k.a. "Saber," a.k.a. "Sabir"
Zahir, Shafiullah Mohammad a.k.a. "Shafiullah," a.k.a. "Shafie"
Achiever's International Ministries Inc., d.b.a. "Center for Achievement and Development LLC"
Bickersteth, Diana
Bonview Consulting Group Inc.
Fagbenro, Oyetayo Ayoola, a.k.a. "Tayo Ayoola Fagbenro"
Global Vision Consulting LLC
HUDA Development Organization
Strategic Impact Consulting, d.b.a. "Strategic Impact KarKon Afghanistan Material Testing Laboratory"
Davies, Simon
Gannon, Robert, W.
Gillam, Robert
Mondial Defence Systems Ltd
Mondial Defense Systems USA LLC
Mondial Logistics
Khan, Adam
Khan, Amir, a.k.a. "Amir Khan Sahel"
Sharq Afghan Logistics Company, d.b.a. "East Afghan Logistics Company"
Hafizullah, Sayed; a.k.a. "Sadat Sayed Hafizullah"; a.k.a. "Sayed Hafizullah Delsooz"
Sadat Zohori Construction and Road Building Company; d.b.a. "Sadat Zohori Cons Co."
Abdullah, Son of Lal Gul
Ahmad, Aziz
Ahmad, Zubir
Aimal, Son of Masom
Ajmal, Son of Mohammad Anwar
Fareed, Son of Shir
Fayaz Afghan Logistics Services
Fayaz, Afghan, a.k.a. "Fayaz Alimi," a.k.a. "Fayaz, Son of Mohammad"
Gul, Khuja
Habibullah, Son of Ainuddin
Hamidullah, Son of Abdul Rashid
Haq, Fazal
Jahangir, Son of Abdul Qadir
Kaka, Son of Ismail
Khalil, Son of Mohammad Ajan
Khan, Mirullah
Khan, Mukamal
Khoshal, Son of Sayed Hasan
Malang, Son of Qand
Masom, Son of Asad Gul
Mateen, Abdul
Mohammad, Asghar
Mohammad, Baqi
Mohammad, Khial
Mohammad, Sayed
Mujahid, Son of Abdul Qadir
Nangiali, Son of Alem Jan
Nawid, Son of Mashoq
Noorullah, Son of Noor Mohammad
Qayoum, Abdul
Roz, Gul
Shafiq, Mohammad
Shah, Ahmad
Shah, Mohammad
Shah, Rahim
Sharif, Mohammad

TABLE D.1 (CONTINUED)

SPECIAL ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF DECEMBER 31, 2017 (CONTINUED)

Debarments (continued)
Waheedullah, Son of Sardar Mohammad
Wahid, Abdul
Wais, Gul
Wali, Khair
Wali, Sayed
Wali, Taj
Yaseen, Mohammad
Yaseen, Son of Mohammad Aajan
Zakir, Mohammad
Zamir, Son of Kabir
Rogers, Sean
Slade, Justin
Morgan, Sheldon J.
Dixon, Reginald
Emmons, Larry
Epps, Willis
Etihad Hamidi Group; d.b.a. "Etihad Hamidi Trading, Transportation, Logistics and Construction Company"
Etihad Hamidi Logistics Company; d.b.a. "Etihad Hamidi Transportation, Logistic Company Corporation"
Hamidi, Abdul Basit; a.k.a. Basit Hamidi
Kakar, Rohani; a.k.a. "Daro Khan Rohani"
Mohammad, Abdullah Nazar
Nasir, Mohammad
Wali Eshaq Zada Logistics Company; d.b.a. "Wali Ashqa Zada Logistics Company"; d.b.a. "Nasert Nawazi Transportation Company"
Ware, Marvin
Belgin, Andrew
Afghan Bamdad Construction Company, d.b.a. "Afghan Bamdda Development Construction Company"
Areeb of East company for Trade & Farzam Construction Company JV
Areeb of East for Engineering and General Trading Company Limited d.b.a. "Areeb of East, LLC"
Areeb-BDCC JV
Areebel Engineering and Logistics - Farzam
Areebel Engineering and Logistics
Areeb-Rixon Construction company LLC d.b.a. "Areeb-REC JV"
Carver, Elizabeth N.
Carver, Paul W.
RAB JV
Ullah, Izat; a.k.a. "Ezatullah"; a.k.a. "Izatullah, Son of Shamsudeen"
Saboor, Baryalai Abdul; a.k.a. "Barry Gafuri"
Stratex Logistic and Support, d.b.a. "Stratex Logistics"
Jahanzeb, Mohammad Nasir
Blevens, Kenneth Preston
Banks, Michael

APPENDIX E

SIGAR DATA CALL QUESTIONS THAT RECEIVED CLASSIFIED OR OTHERWISE RESTRICTED 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) and Resolute Support (RS), classified or restricted its responses to the **bolded** portions of 12 questions (up three from last quarter) from SIGAR's data call (below). As authorized by its enabling statute, SIGAR will publish a classified annex containing the classified or restricted data.

SECURITY

Question ID	Question
Jan-Sec-01	**1. Please provide the following information on ANA strength as of November 30, 2017 (or latest available date):** **a. the most recent three ANA PASR month-end reports with "as of" dates on each.** **b. please complete the attached ANA Strength spreadsheet (Sec-01 tab in "ANDSF Personnel, Equip, Funding Spreasheet"), or provide the applicable data.** **c. total number of officers, NCOs, and enlisted personnel within the ANA.** **d. monthly attrition rates for the last three months for the ANA by Corps, Division, SOF, and AAF with "as of" dates provided.** **2. Please provide an unclassified description of general ANA attrition trends over the last quarter.** **3. Please provide rounded strength figures for the ANA, AAF, and ANA and AAF civilians.**
Jan-Sec-04	On the ANDSF's performance: a. Considering the change in strategy to push U.S. advisors below the Corps and Zone level, please characterize the extent to which U.S. forces have visibility into the ANDSF units/pillars tactical and operational readiness and tactical effectiveness? **b. Please provide a recent unclassified assessment of the ANDSF elements at the Corps and Zone level as well as below if possible. The assessment can be general, but please cover performance areas such as reporting, training, planning, operational readiness, and leadership.** c. Please provide a recent classified comprehensive assessment of the ANDSF Corps and Zones via SIPR. We will provide examples of these assessments via NIPR/SIPR. d. In July, DCOS OPS reported that the TAACs and TFs would be conducting assessments at the ANA brigade / ANP Provincial HQ level. Please provide an unclassified summary of those assessments. In addition, if the original assessments are classified, or portions of them are, please provide those via SIPR.
Jan-Sec-08	**Please provide the following information on ANP strength as of November 30, 2017 (or latest available date):** **a. the most recent three ANP PERSTAT month-end reports with "as of" dates on each.** **b. please complete the attached ANP Strength spreadsheet (Sec-08 tab in "ANDSF Personnel, Equip, Funding Spreasheet"), or provide the applicable data.** **c. total number of officers, NCOs, and enlisted personnel within the ANP.** **d. monthly attrition rates for the last three months for the entire ANP and by ANP component with "as of dates" included.** **2. Please provide an unclassified description of general ANP attrition trends over the last quarter.** **3. Please provide rounded strength figures for the ANP, including each pillar.**
Jan-Sec-15	Please provide an update on the Afghan Local Police program, including: a. the current number of ALP members and current number of ALP members that are fully trained (include "as of" date) b. estimate of likely Fiscal Year 2017 costs to support and sustain the ALP at target strength (30,000) and capability c. retention, attrition, and **death rates for ALP members**. d. an update to the ALP reform status and district assessment findings e. The Fiscal Year 1395 Bilateral Financial Commitment Letter required all ALP personnel, by December 20, 2016, to possess a biometrically linked identification card and for 90% of all ALP personnel to be on an approved Tashkil in AHRIMS and enrolled in and using EFT for salary payments. Additionally, the Afghan Uniformed Police (AUP) is to validate there are no payments to ghost ALP personnel. What is the current status of the ALP and AUP in meeting these requirements?

Continued on the next page

SECURITY	
Question ID	**Question**
Jan-Sec-19	What accomplishments have occurred during the past three months in each of the Essential Function and Gender Affairs offices? And specifically, please also address: a. CSTC-A EF-1: What is the progress on donor country agreement to use the PAI as the basis for paying salaries to ANP via LOTFA? Is the estimated annual savings of $50 million you cited last quarter for all countries or just for the United States? (see last quarter's response "Oct-Sec-19…EF1" attached for $50M figure) b. CSTC-A EF-2: Please provide an update on the performance of the newly appointed Afghan MOD and MOI IGs, per last quarter's response. Of the 126 MOD and MOI IG positions, roughly how many are now filled (approximate percentage filled is fine rather than giving us the exact number of positions filled out of the authorized positions, e.g. "MOI has filled approximately 80% of its IG positions.")? (see "Final USFOR-A Response to Draft SIGAR Quarterly Report" attached, page 8, item 37 for 126 (55 +71) IG positions figure) c. CSTC-A EF-3: What types of GVHRs have been committed by MOD/MOI this quarter? What is being done by RS and GIROA to address problems progressing GVHR investigations once the crimes are identified? How many cases did MOD/MOI adjudicate this quarter of the total number of ongoing cases? d. CTSC-A EF-5: Please provide a general, unclassified summary of any recent eSAT visits. Please also provide a status update on the transition of ABP and ANCOP to the MOD. Will it be completed by the January 1, 2018 deadline? **e. DCOS OPS CJ7: The Fiscal Year 1395 Bilateral Financial Commitment Letter required the number of untrained ANP police to be below 5% of assigned strength by October 1, 2016. What was the percentage of untrained ANP police on November 30, 2017 (or most recent date)? If the untrained percentage was is still not obtained, as required, what actions were or will be taken? What was the percentage of untrained ANA personnel on November 30, 2017 (or most recent date)?** f. DCOS OPS EF6: Please provide an update on the MOI's progress toward achieving their five strategic goals. g. Gender Affairs: Please provide updates on how the Gender Affairs office is implementing TAA in cooperation with each EF office.
Jan-Sec-21	**Please provide the status of the ANDSF's medical/health care system as of November 30, 2017 (or latest available date), including:** **a. please complete the attached ANDSF Medical spreadsheet (Sec-21 tab in "ANDSF Personnel, Equip, Funding Spreasheet"), or provide the applicable data with an "as of date"** b. total cost of ANDSF medical equipment procured and fielded to date c. an update on the ANDSF's medical/health care system, services, and personnel accomplishments this past quarter d. What is the status of the improvements being made to the Afghan MEDEVAC system? What types of training are being conducted for medical personnel to prevent combat deaths and treat combat woundings? **e. Please provide rounded figures for ANDSF medical staff broken down by ANA, ANP, AAF, ASSF, and also by physicians and other medical personnel.**
Jan-Sec-23	1. Please provide information on insider attacks against Coalition Forces and ANDSF casualties, including: a. the number of insider attacks against U.S. military personnel during 2017 as of December 22, 2017 (or latest possible date). b. the number of U.S. military personnel wounded or killed from insider attacks during 2017 as of December 22, 2017 (or latest possible date). c. the number of insider attacks against ANDSF during 2017 as of December 22, 2017 (or latest possible date). d. the number of ANDSF personnel wounded or killed as a result of insider attacks during 2017 as of December 22, 2017 (or latest possible date). **e. the number of ANDSF personnel killed and wounded during 2017 as of December 22, 2017 (or latest possible date).** 2. What is RS doing at the HQ and corps level to prevent insider attacks (both green-on green and green-on-blue)? Please detail any actions occurring in this regard.
Jan-Sec-26*	Regarding USG support to the Special Mission Wing (SMW): a. Please provide a recent comprehensive unclassified update of the SMW as of November 30, 2017 (or latest possible date). b. Please identify each type of aircraft in the SMW inventory and the number of each. c. Please provide the number of aircraft purchased but not yet fielded. d. Please complete the attached ANDSF spreadsheet/SMW tab, or provide the applicable data. (Sec-26 tab in "ANDSF Personnel, Equip, Funding Spreasheet") e. What percentage of the SMW sorties are in support of counternarcotics? of counterterrorism? or, counternexus (CN & CT)? f. How many Fully Mission Qualified (Night Readiness Level (RL1)) aircrew members does the SMW currently have, by crew position: 1) Mi-17 Pilots and Pilot Trainers 2) Mi-17 Flight Engineers 3) Mi-17 Crew Chiefs 4) PC-12 Pilots 5) PC-12 Mission System Operators **g. Please provide the operational readiness rate of the SMW and what the achievement benchmarks are in this area.**

Continued on the next page

SECURITY

Question ID	Question
Jan-Sec-26* (Continued)	

1.1.5.9, page 32, 1st paragraph	(U//FOUO) Vetting Draft Statement: "NSOCC-A reported that operational readiness rates averaged [redacted]% for the Mi-17s and [redacted]% for the PC-12s for October and November 2017. [redacted] (NOTE: Jan-Sec 26g, 1Q18 response classified the above data as UNCLASSIFIED//FOUO, which is not releasable to the public)	

** Each quarter SIGAR provides reporting agencies with a draft of the quarterly report to vet. The above box is a screenshot from the USFOR-A response to SIGAR's vetting draft. It is included to show their request to restrict the publication of certain U.S. UNCLASSIFIED//FOR OFFICIAL USE ONLY (U//FOUO) data. The exemptions required to restrict public release were not provided. Redactions made by SIGAR.*

Question ID	Question
Jan-Sec-37†	**Please provide the following information on the districts within each province that are under GIROA versus insurgent control/influence in an unclassified format (as previously):**

a. What is the number and percentages of districts under insurgent control, under insurgent influence, contested, under GIROA influence, or under GIROA control.

b. What is the aggregate population of the districts classified for each of the following categories: (1) under insurgent control, (2) under insurgent influence, (3) neutral, (4) under GIROA influence, and (5) under GIROA control? What is the total estimated population of Afghanistan that RS uses?

c. What is the aggregate area (square miles or square kilometers) of the districts classified for each of the following categories: (1) under insurgent control, (2) under insurgent influence, (3) neutral, (4) under GIROA influence, and (5) under GIROA control? What is the total estimated area of Afghanistan (square miles or square kilometers) that RS uses?

d. Please provide in an unclassified format what three provinces contain the largest percentage of insurgent control/influence in area as well as population. As with previous data call responses, please provide the number of districts of the total districts within those provinces that are under insurgent control or influence in area and population.

e. Please describe any recent changes in RS's strategy to reverse the stalemate trend in district control.

f. Have there been any changes to the way district control is assessed since last quarter?

g. Please provide the classified data in Sheet/Tab 1 of the spreadsheet sent to you via SIPR on 5/10/2017. This data includes the full district-level breakdown of district control for all of Afghanistan's districts.

h. Please provide the quarterly district control assessment created for the next Periodic Mission Review with an 'as of' date for the data. If it is classified, please send it via SIPR. If there are any district control assessments created at a more frequent interval than the quarterly PMR, please provide copies of these products via SIPR.

1.1.2, page 8	(NRSU) [[Question to DCOS OPS AAG re Jan-Sec-37: Can you also please provide a fully updated district control data call response from the July 2017 QR (as of May 2017). Last quarter in vetting (item 22) you said there was/gave partial data from May 2017, but at the time, you did not provide us with this data for the July 2017 QR. This is necessary for our historical data collection and for analysis consistency. Will attach documents (data call response and vetting response item 22) for your reference.]] (NRSU) *Answer:* Numbers from MAY 2017 are: -GIRoA Control/ Influence: [redacted] of districts and [redacted] of population -Contested: [redacted] of districts and [redacted] of population -INS Control/ Influence: [redacted] of districts and [redacted] of population (NOTE: Jan-Sec-37 1Q18 data call response was classified as NATO/RS UNCLIASSIFED, which is not releasable to the public)	
1.1.2, page8	(NRSU) [[Question to DCOS OPS AAG Jan-Sec-37c: the population control numbers add up to [redacted] million instead of [redacted] Which of the numbers provided is incorrect?]] (NRSU) *Answer:* [redacted] (NOTE: Jan-Sec-37 1Q18 data call response was classified as NATO/RS UNCLIASSIFED, which is not releasable to the public)	

† Each quarter SIGAR provides reporting agencies with a draft of the quarterly report to vet. The above box is a screenshot from the USFOR-A response to SIGAR's vetting draft. It is included to show their request to restrict the publication of certain NATO/RS UNCLASSIFIED (NRSU) data. No justification for restricting the public release of the data was provided. Redactions made by SIGAR.

Continued on the next page

SECURITY	
Question ID	**Question**
Jan-Sec-40	**a. Please provide the ANA Corps/Kandak equipment operational readiness (OR) rate.** b Please provide the goal OR rate for each ANA corps, and the reasoning for that OR benchmark. c. If the OR rate is below the benchmark for some corps, please explain why for each corps and what actions are being taken to support the ANDSF to increase the OR rate. **d. Please provide the OR rate or similar metric for the ANP by zone, including the benchmark OR rates by zone.** If the rates are below benchmark, please explain why by zone. e. Please provide general, unclassified information on what equipment is reported and mission capable for the ANA and ANP at corps/zone level and higher.
Jan-Sec-57	1. In light of President Trump's August 21 remarks on the Strategy in Afghanistan and South Asia, please respond to the following: a. How is DOD responding to the strategy's new pillar of integrating all instruments of American power -- diplomatic, economic, and military -- toward a successful outcome in Afghanistan? 2. Please provide copies of the following documents (and any associated annexes): a. The current guiding strategic document(s) for US foreign assistance in Afghanistan. This would include anything like the “R four plus S” described by Secretary Mattis in his HASC testimony on October 3, 2017. b. How do the current U.S.-Afghan or Afghan strategy documents (Kabul Compact and Four-Year ANDSF Road Map) fit in to the administration's South Asia/Afghanistan strategy? **What specific security goals for Afghanistan are outlined in the strategy in Afghanistan?**
Jan-Sec-58	On the increase in U.S. and Coalition airstrikes in Afghanistan since mid-2017: **a. How many airstrikes have been carried out by U.S. and Coalition forces in 2017 (as of the latest possible date)?** b. How many civilian casualties have been incurred from these airstrikes in 2017 (as of the latest possible date)? c. What is USFOR-A/RS/DOD doing to mitigate civilian casualties resulting from airstrikes?

APPENDIX E

ABBREVIATIONS AND ACRONYMS

ACRONYM OR ABBREVIATION	DEFINITION
AAEP	Afghanistan Agriculture Extension Project
AAF	Afghan Air Force
AAFAMS	Afghan Armed Forces Academy of Medical Sciences
AAFM	Afghan Air Force Modernization
AAN	Afghan Analysts Network
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ABP	Afghan Border Police
ACAP	Afghan Civilian Assistance Program
ACE	Agricultural Credit Enhancement
ACEP	Afghan Civic Engagement Program
ACI-SCC JV	Advanced Constructors International LLC-Salai Construction Company, Joint Venture
ACJC	Anti-Corruption Justice Center
AD	alternative-development
ADALAT	Assistance for Development of Afghan Legal Access and Transparency
ADB	Asian Development Bank
ADF	Agricultural Development Fund
ADS	Automated Directive System
AFCEC	Air Force Civil Engineer Center
AFCENT	U.S. Air Force Central Command Combined Air Operations Center
AFMIS	Afghan Financial Management Information System
AFN	afghani (currency)
AFOSI	U.S. Air Force Office of Special Investigations
AGO	Attorney General's Office
AHRIMS	Afghan Human Resource Information Management System
AIF	Afghanistan Infrastructure Fund
AISA	Afghanistan Investment Support Agency
AITF	Afghanistan Infrastructure Trust Fund
ALBA	Assistance to Legislative Bodies of Afghanistan
ALP	Afghan Local Police
AML/CFT	anti-money-laundering/combating the financing of terrorism
ANA	Afghan National Army
ANASOC	ANA Special Command

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
ANCOP	Afghan National Civil Order Police
ANDSF	Afghan National Defense and Security Forces
ANP	Afghan National Police
AO	abandoned ordnance
APFM	Afghanistan Public Financial Management program
APPS	Afghan Personnel Pay System
APRP	Afghan Peace and Reintegration Plan
AROC	Afghan Resources Oversight Council
ARP	Afghans Read Program
ARTF	Afghanistan Reconstruction Trust Fund
ASFF	Afghanistan Security Forces Fund
ASSF	Afghan Special Security Forces
ATAR	Afghanistan Trade and Revenue Project
AUP	Afghan Uniformed Police
AUW	Asian University for Women
AWDP	Afghanistan Workforce Development Program
BADILL	Boost Alternative Development Intervention through Licit Livelihoods
BELT	Basic Education, Literacy, and Technical-Vocational Education and Training
BMPS	Border Management Task Force
BPHS	Basic Package of Health Services
BSA	Bank Secrecy Act
CASEVAC	casualty evacuation
CBARD	Community-Based Agricultre and Rural Development Project
CBCMP	Capacity Building and Change Management Program
CDCS	Country Development Cooperation Strategy
CERP	Commander's Emergency Response Program
CHAMP	Commercial Horticulture and Agricultural Marketing Program
CIA	Central Intelligence Agency
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CJTH	Craig Joint Theater Hospital
CMR	certified mission ready
CMS	Case Management System
CN	Counternarcotics
CNCE	Counter Narcotics Community Engagement
CNPA	Counternarcotics Police of Afghanistan
CoGS	Chief of General Staff

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
CoreIMS	Core Information Management System
CorePBM	CorePropertyManagement system
CPC	Criminal Procedure Code
CSIS	Center for Strategic and International Studies
CSO	civil-society organization
CSSP	Corrections System Support Program
CSTC-A	Combined Security Transition Command-Afghanistan
CTA	Counter-narcotics Central Transfer Account
CTF	Counter Threat Finance
DABS	Da Afghanistan Breshna Sherkat
DARSA	Directorate of Arghandab River Sub-Basin Authority
DCA	Development Credit Authority
DCAR	Delegated Cooperation Agreement
DCIS	Defense Criminal Investigative Service
DEA	Drug Enforcement Administration (U.S.)
DEWS Plus	Disease Early Warning System Plus
DFAC	dining facility
DFID	Department for International Development
DIG	Deputy Inspector General
DOD	Department of Defense (U.S.)
DOD CN	Department of Defense Drug Interdiction and Counter-Drug Activities fund (U.S.)
DOD OIG	Department of Defense Office of Inspector General
DOJ	Department of Justice (U.S.)
ECF	Extended Credit Facility
EF	essential function
EFT	electronic funds-transfer
EMIS	Education Management Information System (Afghan)
EPHS	Essential Package of Hospital Services
ERW	explosive remnants of war
eSAT	expeditionary sustainment advisory team
ESF	Economic Support Fund
EU	European Union
FBI	Federal Bureau of Investigation
FinTRACA	Financial Transactions and Reports Analysis Center of Afghanistan
FSR	Financial Statement Report
FY	fiscal year

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
GAO	Government Accountability Office (U.S.)
GBI	Global Broadband and Innovation
GCPSU	General Command Police Special Unit
GDP	gross domestic product
GDPDC	General Directorate of Prisons and Detention Centers
GEC	Girls' Education Challenge Program
GIROA	Government of the Islamic Republic of Afghanistan
GLE	Governor-Led Eradication
GOOD	Gender Occupational Opportunity Development
GPI	Good Performer's Initiative
GRAIN	Grain Research and Innovation
GVHR	gross violations of human rights
HEMAYAT	Helping Mothers and Children Thrive
HIG	Hezb-e Islami Gulbuddin
HIMARS	high-mobility artillery-rocket system
HOOAC	High Office of Oversight for Anti-Corruption (Afghan)
HPC	High Peace Council
HQ	headquarters
HRW	Human Rights Watch
HSR	Health Sector Resiliency
ICRC	International Committee of the Red Cross
IEC	Independent Election Commission (Afghan)
IED	improvised explosive device
IG	inspector general
IHSAN	Initiative for Hygiene, Sanitation, and Nutrition
IMF	International Monetary Fund
IMSMA	Information Management System for Mine Action
INCLE	International Narcotics Control and Law Enforcement (U.S)
INL	Bureau of International Narcotics and Law Enforcement Affairs (U.S.)
INSTC	International North-South Transport Corridor
ITA	Insider Threat Advisor
ITSI	Innovative Technical Solutions Inc.
IRD	International Relief and Development Inc.
IS-K	Islamic State Khorasan Province
ISLA	Initiative to Strengthen Local Administrations Program
IWA	Integrity Watch Afghanistan

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
JRD	Juvenile Rehabilitation Directorate
JSOU	Joint Special Operations University
JSSP	Justice Sector Support Program (State)
JTTP	Justice Training Transition Program (State)
JWIP	Judicial Wire Intercept Program
KBR	Kabul Bank Receivership Organization
KFZ	Kandahar Food Zone
kg	kilograms
kWh	kilowatt-hours
LLP	Lessons Learned Program
LOTFA	Law and Order Trust Fund for Afghanistan
MAIL	Ministry of Agriculture, Irrigation and Livestock (Afghan)
MCN	Ministry of Counter-Narcotics (Afghan)
MCTF	Major Crimes Task Force
MEC	Monitoring and Evaluation Committee (Afghan)
MEDCOM	Medical Command
MEDEVAC	medical evacuation
MIDAS	Mining Investment and Development for Afghan Stability
MISP	MOI Strategic Plan
MHM	Mayer Hoffman McCann
MOD	Ministry of Defense (Afghan)
MOE	Minister of Education (Afghan)
MOEc	Ministry of Economy (Afghan)
MOF	Ministry of Finance (Afghan)
MOHE	Ministry of Higher Education (Afghan)
MOI	Ministry of Interior (Afghan)
MOI HQ & IS	Ministry of Interior Headquarters and Institutional Support (Afghan)
MOJ	Ministry of Justice (Afghan)
MOMP	Ministry of Mines and Petroleum (Afghan)
MOPH	Ministry of Public Health (Afghan)
MOPW	Ministry of Public Works (Afghan)
MPD	MOI and Police Development project
NATO	North Atlantic Treaty Organization
NCIS	Naval Criminal Investigative Service
NDAA	National Defense Authorization Act
NDAP	National Drug Action Plan

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
NDS	National Directorate of Security
NDU	National Defense University
NEF	National Elections forum
NEI	Northern Electrical Interconnect
NEPS	Northeast Power System
NGO	nongovernmental organization
NII	nonintrustive inspection
NIU	National Interdiction Unit
NPA	National Procurement Authority
NPC	National Procurement Commision
NSOCC-A	NATO Special Operations Component Command-Afghanistan
NTB	National Transportation Brigades
O&M	operations and maintenance
OCHA	Office for the Coordination of Humanitarian Affairs
OFS	Operation Freedom's Sentinel
OIG	Office of the Inspector General
OPIC	Overseas Private Investment Corporation
OR	operational readiness
OTA	Office of Technical Assistance (U.S. Treasury)
OTSG	Office of the Surgeon General
PAI	Personnel Asset Inventory
PCASS	Preliminary Credibility Assessment Screening System
PCH	Partnership Contracts for Health
PEEL	Program Evaluation for Effective Learning
PIO	Public International Organization
PM/WRA	Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (State)
POD	proof of delivery
PTEC	Power Transmission Expansion and Connectivity
RADP	Regional Agriculture Development Program
RC	Recurrent Cost
RDECOM	Army Research, Development and Engineering Command
REER	real effective exchange rate
RS	Resolute Support
SAIC	Science Application International Corporation
SCA	State Department Bureau of South and Central Asian Affairs

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
SEHAT	System Enhancement for Health Action in Transition
SEPS	Southeast Power System
SFAB	Security Force Assistance Brigades
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
SHAHAR	Strong Hubs for Afghan Hope and Resilience
SHOPS Plus	Sustaining Health Outcomes through the Private Sector
SIKA	Stability in Key Areas
SIU	Sensitive Investigative Unit
SMAF	Self-Reliance through Mutual Accountability Framework
SMART	specific, measurable, achievable, realistic, and time-bound
SME	subject-matter expert
SMW	Special Mission Wing (Afghan)
SOCOM	Special Operations Command (U.S.)
SOF	Special Operations Forces
SPM	Support to Payroll Management
SPS	Strengthening Pharmaceutical Systems
SRAP	Special Representative for Afghanistan and Pakistan
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
TA-MOPW	Technical Assistance for the Ministry of Public Works Project
TFBSO	Task Force for Business and Stability Operations
TIU	Technical Investigative Unit
TMAF	Tokyo Mutual Accountability Framework
TTHS	Trainee, Transient, Holdee, and Students
UAE	United Arab Emirates
UN	United Nations
UNAMA	UN Assistance Mission in Afghanistan
UNDP	UN Development Programme
UNMAS	UN Mine Action Service
UNODC	UN Office on Drugs and Crime
USAAA	U.S. Army Audit Agency
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
USAID OIG	USAID Office of the Inspector General
USASMDC	U.S. Army Space and Missile Defense Command
USCID	U.S. Army Criminal Investigation Command
USCIS	U.S. Citizenship and Immigration Services
USFOR-A	U.S. Forces-Afghanistan
USGS	United States Geological Survey
USWDP	University Support and Workforce Development
UTC	Unified Training Command
UTS	Unified Training System
UXO	unexploded ordnance
VBIED	vehicle-borne improvised-explosive device
WIE	Women in the Economy Project
WLD	Women's Leadership Development
WPP	Women's Participation Projects
WTO	World Trade Organization

1. BBC, "Corruption soils Afghanistan's bright blue treasure," http://www.bbc.com/news/world-asia-36424018, 6/6/2016.
2. Captain Henry Drummond, East India Company, "On the Mines and Mineral Resources of Northern Afghanistan," *Journal of the Asiatic Society of Bengal*, Vol. X, Part 1 (January–June 1841), p. 76.
3. *New York Times*, "Trump Finds Reason for the U.S. to Remain in Afghanistan: Minerals," 7/25/2017.
4. The White House, "Readout of President Donald J. Trump's Meeting with President Ashraf Ghani of Afghanistan," https://www.whitehouse.gov/the-press-office/2017/09/22/readout-president-donald-j-trumps-meeting-president-ashraf-ghani, 9/22/2017.
5. Office of the President of Afghanistan, "President Ghani meets President Trump," http://president.gov.af/en/news/president-ghani-meets-president-trump/, 9/21/2017.
6. USGS, *U.S. Geological Survey Afghanistan Project Products*, administrative report, 9/2014, p. 69.
7. *New York Times*, "Trump Finds Reason for the U.S. to Remain in Afghanistan: Minerals," 7/25/2017.
8. Ministry of Mines and Petroleum, "Mines History," http://mom.gov.af/en/page/1357/11369, n.d., accessed 12/19/2017.
9. U.S. Geological Survey, "Preliminary Assessment of Non-Fuel Mineral Resources of Afghanistan, 2007," Fact Sheet 2007-3063, prepared in cooperation with USAID and Afghanistan Geological Survey, 10/2007, pp. 1–2.
10. Immanuel Ness and Zak Cope, eds., *The Palgrave Encyclopedia of Imperialism and Anti-Imperialism* (New York, 2016), p. 665.
11. Captain Henry Drummond, East India Company, "On the Mines and Mineral Resources of Northern Afghanistan," *Journal of the Asiatic Society of Bengal*, Vol. X, Part 1 (January–June 1841), pp. 91, 78, 83, 92.
12. Griffin W. Vyse, "Routes Through Afghanistan," *Journal of the Society of Arts* (UK), XXXII, No. 1,637, 4/4/1884, p. 477. The Society, founded in 1754, still operates: https://www.thersa.org/.
13. Thomas Hungerford Holdich (Royal Geographical Society) et al., "Afghanistan," *Encyclopaedia Britannica*, volume 1 (1911), online at https://en.wikisource.org/wiki/1911_Encyclopædia_Britannica/Afghanistan.
14. *Wall Street Journal*, "Electric-Vehicle Bulls Shake Up Metals Markets," 12/10/2017.
15. *New York Times*, "U.S. Identifies Vast Mineral Riches in Afghanistan," 6/13/2010.
16. *Pahjwok Afghan News*, "Afghanistan's minerals worth $3 trillion," 6/17/2010.
17. Reuters, "Mining to grow to near half Afghanistan GDP—minister," 12/6/2011.
18. Afghanistan Investment Support Agency, "About Us," http://investinafghanistan.af/about-aisa/.
19. Afghanistan Investment Support Agency, "Market Prospects: A country abundantly rich in natural resources," http://www.aisa.org.af/Content/Media/Documents/Mining171120141339166255533253 25.pdf, n.d., but file-creation metadata indicate 7/11/2014.
20. Department of Commerce, response to SIGAR data call, 12/22/2017.
21. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, highlights page.
22. World Bank, *Afghanistan in Transition: Looking Beyond 2014*, 2013, pp. 5, 6, 49.
23. World Bank, "The World Bank in Afghanistan: Overview," http://www.worldbank.org/en/country/afghanistan/overview, accessed 1/11/2018.
24. World Bank, *Afghanistan Development Update*, 11/2017, p. 15.
25. CRS, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, updated report RL30588, 12/13/2017, pp. 62–63.
26. John C. K. Daly (Central Asia-Caucasus Institute), "Afghanistan's Mineral Deposits Again Attract International Interest, Unrest and Smuggling," *The Central Asia-Caucasus Analyst*, https://www.cacianalyst.org/publications/analytical-articles/item/13472-afghanistans-mineral-depositsagain-attract-international-interest-unrest-and-smuggling.html, 9/27/2017.
27. *Tolonews.com*, "Ministry Shares List of Over 1,000 Mining Contracts," 11/10/2017.
28. MOMP, "Small Mines Contracts" list for Balkh Province, http://mom.gov.af/en/page/momp-contracts/104467, accessed 1-7-2018; MOMP. "Small Mines Contracts" list for Nangarhar Province, http://mom.gov.af/en/page/momp-contracts/104443, accessed 1-7-2018; Geology.com, "Serpentine," https://geology.com/minerals/serpentine.shtml, accessed 1/10/2018.
29. Geology.com, "Talc: The Softest Mineral," https://geology.com/minerals/talc.shtml, accessed 1/10/2017.
30. CIA, "Afghanistan," *World Factbook*, https://www.cia.gov/library/publications/the-world-factbook/geos/af.html, 11/14/2017.
31. State, response to SIGAR data call, 12/21/2017.
32. USIP, *Illegal Mining in Afghanistan: A Driver of Conflict*, PeaceBrief 226, 7/2017.
33. CIA, "Afghanistan," *World Factbook*, https://www.cia.gov/library/publications/the-world-factbook/geos/af.html, 11/14/2017.
34. UN, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 12/15/2017.
35. Alexandros Ragoussis and Heba Shams, "FDI [Foreign Direct Investment] in Fragile and Conflict-Affected Situations," in World Bank Group, *Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications*, dated 2018 but released online in October 2017, pp. 136, 146.
36. Jonathan E. Hillman (CSIS), "Trump's $3tn Afghan mining mirage," *Nikkei Asian Review*, https://asia.nikkei.com/Viewpoints/Jonathan-Hillman/Trump-s-3tn-Afghan-miningmirage, 11/29/2017.
37. Jonathan E. Hillman (CSIS), "Trump's $3tn Afghan mining mirage," Nikkei Asian Review, https://asia.nikkei.com/Viewpoints/Jonathan-Hillman/Trump-s-3tn-Afghan-miningmirage, 11/29/2017.
38. DFID (UK), "Overseas Business Risk–Afghanistan," gov.uk /government/publications/overseas-business-risk-afghanistan/overseas-business-risk-afghanistan, 5/24/2017.
39. Quoted in Elias Groll, "Despite Risks, Trump Administration Moves Forward With Afghanistan Mining Plan," *Foreign Policy*, 8/29/2017.
40. *Pajhwok Afghan News*, "Study uncovers $10m bribery bid in mines," https://www.pajhwok.com/en/2017/03/11/study-uncovers-10m-bribery-bid-mines, 3/11/2017; *Tolonews.com*, "Mining Industry's Incomes Decline Due To 'Embezzlement'," 7/22/2017.

41. SIGAR Investigations Directorate, letter to President Ashraf Ghani, 1/30/2016.
42. *Tolonews.com*, "Minister of Mines Resigns," 3/28/2016.
43. *Wall Street Journal*, "Mining World's Ultimate Deal-Maker Struggles in New Frugal Era," 12/16/2017.
44. State, response to SIGAR data call, 12/21/2017; USAID, response to SIGAR data call, 12/21/2017.
45. USAID, response to SIGAR data call, 12/21/2017, 6/22/2017, 4/9/2017, and 3/24/2017.
46. USAID, response to SIGAR data call, 12/21/2017.
47. GIROA, *Roadmap for Reform Extractive Industries Sector in Afghanistan*, 9/2017, p. 4.
48. Checchi and Company Consulting, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, study contracted by USAID, 8/2017, pp. 19, 28.
49. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, p. 2.
50. This figure differs from those reported in SIGAR's 2015 (SIGAR-15-55-AR) and 2016 (SIGAR-16-11-AR) extractives audits, which said that TFBSO had obligated at least $275 million towards extractives projects. Observing that some monies were de-obligated as contracts were closed out, SIGAR revised downward its estimate of TFBSO's obligations for mineral tender support and promotion activities from $65.7 million to $51 million in for its TFBSO performance audit released this quarter. Moreover, in previous audit reports, contracts to Zantech Information Technology Services, worth $46.3 million in total, were originally classified as a component of TFBSO's Hydrocarbon Contract Tender Support and Promotion Project. However, in light of information showing that Zantech supported other TFBSO projects, SIGAR reclassified Zantech contracts as indirect program costs in its January 2018 performance audit of TFBSO. These distinctions represent the main drivers of the difference in TFBSO obligations presented here, relative to SIGAR's 2015 and 2016 audits on U.S. extractives programming in Afghanistan. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, pp. 24–28; SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, p. 2.
51. USAID, Fact Sheet, "Sheberghan Gas Development Project (SGDP)," 11/7/2016, p. 1; USAID, Fact Sheet, "Mining Investment and Development for Afghanistan Sustainability Project," 7/19/2017, p. 1; SIGAR, *Afghanistan's Mineral, Oil, and Gas Industries: Unless U.S. Agencies Act Soon to Sustain Investments Made, $488 Million in Funding is at Risk*, SIGAR-15-55-AR, 4/24/2015, i.
52. SIGAR, *Afghanistan's Mineral, Oil, and Gas Industries: Unless U.S. Agencies Act Soon to Sustain Investments Made, $488 Million in Funding is at Risk*, SIGAR-15-55-AR, 4/24/2015, i; USAID, Fact Sheet, "Sheberghan Gas Development Project (SGDP)," 11/7/2016, p. 2.
53. SIGAR, *Afghanistan's Mineral, Oil, and Gas Industries: Unless U.S. Agencies Act Soon to Sustain Investments Made, $488 Million in Funding is at Risk*, SIGAR-15-55-AR, 4/24/2015, i.
54. USAID, response to SIGAR data call, 1/17/2018.
55. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, i.
56. CQ, *Newsmaker Transcripts: Center for Strategic and International Studies Holds Forum on Private Sector Engagement in Afghanistan*, 11/27/2017.
57. World Bank, *Afghanistan Development Update*, 11/2017, p. 15; SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, i–ii, p. 16.
58. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, pp. ii, 16; SIGAR, *Afghanistan's Mineral, Oil, and Gas Industries: Unless U.S. Agencies Act Soon to Sustain Investments Made, $488 Million in Funding is at Risk*, SIGAR-15-55-AR, 4/24/2015, ii–iii; SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, pp. 9–10, 12–13.
59. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, p. 10; SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, ii, p. 14.
60. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, p. 53.
61. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, i.
62. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, i.
63. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, pp. 13, 25.
64. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, p. 29.
65. *Afghan Pajhwok News*, "Afghanistan's minerals worth $3 trillion," 6/17/2010.
66. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, p. 29; SIGAR, *Quarterly Report to the United States Congress*, 4/30/2016, p. 169; SIGAR calculation.
67. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*,

contract report by Checchi and Company Consulting Inc., 8/2017, pp. 29–30; USAID, *Sheberghan Gas Generation Activity (SGGA) Final Capacity Development Evaluation Report*, 6/27/2016, p. 4; SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, p. 10.
68. USAID, *Sheberghan Gas Generation Activity (SGGA) Final Capacity Development Evaluation Report*, 6/27/2016, p. 4.
69. *TOLOnews*, "MPs Approve 11 Ministers but Rejected Female Candidate," 12/4/2017.
70. CQ, *Newsmaker Transcripts: Center for Strategic and International Studies Holds Forum on Private Sector Engagement in Afghanistan*, 11/27/2017.
71. Quoted in Elias Groll, "Despite Risks, Trump Administration Moves Forward With Afghanistan Mining Plan," *Foreign Policy*, 8/29/2017.
72. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, p. 12; USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, p. 25.
73. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, p. 12.
74. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, p. 13.
75. GAO, *DOD Task Force for Business and Stability Operations: Actions Needed to Establish Project Management Guidelines and Enhance Information Sharing*, GAO-11-715, 6/2011, pp. 9, 12.
76. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, pp. 13, 25.
77. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, pp. 24–25.
78. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, ii.
79. DOD, response to SIGAR vetting, 1/15/2018.
80. Peter G. Franck (Syracuse University), "Problems of Economic Development in Afghanistan," *Middle East Journal* 3:4 (10/1949), p. 421.
81. Department of Commerce, response to SIGAR data call, 12/22/2017.
82. Department of Commerce, response to SIGAR data call, 12/22/2017.
83. State, response to SIGAR data call, 12/19/2017.
84. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, i, p. 9.
85. RAND Corporation, *Task Force for Business and Stability Operations: Lessons from Afghanistan*, 1/8/2016, p. 90.
86. SIGAR, *DOD Task Force for Business and Stability Operations: $675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, 1/2018, i, p. 11.
87. SIGAR, *Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, SIGAR-16-11-AR, 1/13/2016, I; USAID, *Mining Investment And Development For Afghan Sustainability (MIDAS) Performance Management Plan (PMP)*, contract publication prepared by ECC Water & Power LLC., 11/18/2013; USAID, *SGGA Performance Monitoring Plan*, contract publication prepared by Advanced Engineering Associates International, Inc., 12/29/2012.
88. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, pp. 25–26.
89. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, p. 25.
90. EIA, "U.S. Crude Oil and Natural Gas Proved Reserves, Year-end 2015," eia.gov/naturalgas/crudeoilreserves, 12/14/2016.
91. UN Statistics Division, "Glossary of the 1993 SNA –[System of National Accounts]," definition of term, unstats.un.org /unsd/nationalaccount/glossresults.asp, accessed 12/5/2017.
92. World Bank, *Afghanistan in Transition: Looking Beyond 2014*, 2013, p. 52.
93. Tim Worstall, "Dear President Trump, Afghanistan's Minerals Aren't Very Valuable, They're Really Not," *Forbes*, https://www.forbes.com/sites/timworstall/2017/07/27/dear-president-trump-afghanistansminerals-arent-very-valuable-theyre-really-not/#13eaef4a2615, 7/27/2017.
94. Afghanistan Investment Support Agency, "Market Prospects: A country abundantly rich in natural resources," http://www.aisa.org.af/Content/Media/Documents/Mining17112014133916625553325325.pdf, n.d., but file-creation data indicate 7/11/2014.
95. *New York Times*, "U.S. Identifies Vast Mineral Riches in Afghanistan," 6/13/2010.
96. *Financial Times*, definition of "Dutch disease," http://lexicon.ft.com/Term?term=dutch-disease, accessed 1/14/2018, For a summary of the "possibly unpleasant side effects of a boom" in commodity exports, see Jeffrey A. Frankel (Harvard University), "The Natural Resource Curse: A Survey," National Bureau of Economic Research Working Paper 15836, 3/2010, pp. 19–23.
97. USAID, response to SIGAR data call, 12/21/2017.
98. Radio Free Europe/Radio Liberty, "Taliban Targets Medical Clinics In New Afghan Insurgency Strategy," rferl.org /a/afghanistan-taliban-targets-hospitals-strategy/28760791.html, 9/27/2017.
99. Mining.com, "Banro halts gold mine in Congo as access road blocked,' http://www.mining.com/banro-halts-gold-mine-congo-access-road-blocked/, 9/25/2017.
100. USAID, *Final Performance Evaluation of Mining Investment and Development for Afghan Sustainability, 2012-2017*, contract report by Checchi and Company Consulting Inc., 8/2017, p. 5.
101. Elias Groll, "Despite Risks, Trump Administration Moves Forward With Afghanistan Mining Plan," *Foreign Policy*, 8/29/2017.

102. USAID, OPPD and OAPA, response to SIGAR data call, 12/21/2017; USAID, OAPA, response to SIGAR vetting, 1/16/2018; Checchi and Company Consulting Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 25.
103. Checchi and Company Consulting Inc, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, pp. 15–16.
104. Checchi and Company Consulting, Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, pp. 16, 43.
105. Results as of 9 January 2018; USFOR-A, response to SIGAR data call, 1/12/2018.
106. See Appendix B of this report.
107. London Conference on Afghanistan, "Communiqué," 1/28/2010.
108. USAID/Afghanistan, "Mission Order 220.03," 3/24/2015.
109. OSD, *Department of Defense Budget Fiscal Year (FY) 2018: Justification for FY 2018 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF)*, 5/2017; Department of the Army, *Fiscal Year (FY) 2018 Budget Estimates, Volume III: Operation and Maintenance Army, Overseas Contingency Operations (OCO) Request*, 5/2017.
110. Pub. L. No. 111-32, 6/24/2009.
111. DOD, response to SIGAR vetting, 7/20/2009.
112. Pub. L. No. 112-74, Section 9009, 12/23/2011; Deputy Secretary of Defense, "Afghanistan Resources Oversight Council (AROC) memorandum," 8/3/2011.
113. See Appendix B of this report.
114. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2017 (Draft)," 10/18/2017.
115. DOD, Department of Defense Budget Fiscal Year (FY) 2018, Justification for FY 2018 Overseas Contingency Operations (OCO), Afghanistan Security Forces Fund (ASFF), 5/2017, p. 1.
116. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2017 (Draft)," 10/18/2017.
117. DOD OIG, *Distribution of Funds and the Validity of Obligations for the Management of the Afghanistan Security Forces Fund - Phase I*, Report No. D-2008-012, 11/5/2007, p. 2.
118. Pub. L. No. 112-74, Section 9009 and Deputy Secretary of Defense, Afghanistan Resources Oversight Council (AROC) memorandum, 8/3/2011.
119. DFAS, response to SIGAR data call, 10/19/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
120. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
121. DOD, "Commanders' Emergency Response Program (CERP)," DOD Financial Management Regulation Vol. 12, Ch. 27, 1/2009, p. 27-3.
122. Pub. L. No. 113-235, 12/16/2014.
123. DOD, response to SIGAR data call, 1/17/2018.
124. DOD, response to SIGAR data call, 1/17/2018 and 10/18/2017.
125. Pub. L. No. 112-74, Section 9009, 12/23/2011; Deputy Secretary of Defense, "Afghanistan Resources Oversight Council (AROC) memorandum," 8/3/2011; U.S. Senate Committee on Armed Services, press release, "Senate Passes Ike Skelton National Defense Authorization Act for Fiscal Year 2011," 12/22/2010.
126. Pub. L. No. 112-74, Section 9009, 12/23/2011; Deputy Secretary of Defense, "Afghanistan Resources Oversight Council (AROC) memorandum," 8/3/2011; U.S. Senate Committee on Armed Services, press release, "Senate Passes Ike Skelton National Defense Authorization Act for Fiscal Year 2011," 12/22/2010.
127. OSD-P, *DOD Implementation of the Afghanistan Infrastructure Fund Annual Report to Congress*, 9/22/2017.
128. See Appendix B of this report.
129. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2017.
130. TFBSO, "About TFBSO," accessed 10/20/2011; DOD, response to SIGAR data call, 1/13/2015 and 7/22/2011.
131. DOD, response to SIGAR data call, 1/18/2017.
132. DOD, response to SIGAR data call, 10/12/2017.
133. DOD, "Drug Interdiction and Counter-Drug Activities, Defense FY 2009 Supplemental Request Drug Interdiction and Counterdrug Activities," accessed 4/13/2010.
134. DOD OIG, *Independent Auditor's Report on the DOD FY 2011 Detailed Accounting Report of the Funds Obligated for National Drug Control Program Activities*, Report No. DODIG-2012-04, 1/30/2012.
135. DOD, response to SIGAR data call, 1/11/2018.
136. USAID, *U.S. Foreign Assistance Reference Guide*, 1/2005, p. 6.
137. USAID, response to SIGAR data call, 1/18/2018 and 10/19/2016; State, response to SIGAR data call, 10/11/2017, 5/4/2016, 4/15/2015, and 4/15/2014; DOD, response to SIGAR data call, 10/6/2014.
138. USAID, response to SIGAR data call, 1/18/2018 and 10/16/2017.
139. State, response to SIGAR data call, 10/13/2009.
140. State, response to SIGAR data call, 1/17/2018.
141. State, response to SIGAR data call, 1/17/2018 and 10/11/2017.
142. SIGAR, *Quarterly Report to the U.S. Congress*, 7/30/2010, p. 51.
143. World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," p. 4.
144. World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," p. 1.
145. World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," p. 4.
146. World Bank, *Quarterly Country Update: Afghanistan*, 4/2011, p. 16.
147. World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," p. 8.
148. World Bank, "Quarterly Country Update: Afghanistan," 4/2011, p. 16.
149. World Bank, "ARTF: Administrator's Report on Financial Status as of November 21, 2017 (end of 11th month of FY 1396)," pp. 8–10.
150. EC, "Afghanistan: State of Play, January 2011," 3/31/2011, p. 7.
151. UNDP, response to SIGAR data call, 1/14/2018.
152. UNDP, response to SIGAR data call, 7/18/2017; UNDP, "Law and Order Trust Fund for Afghanistan (LOTFA) Support to Payroll Management (SPM) and MOIA and Police Development (MPD) Projects 2016 Annual Progress Report, 4/16/2017, iii, p. 6; UNDP, "Law and Order Trust Fund for Afghanistan [LOTFA] 1 July 2015–December 2016 (Phase VIII Project Document), 6/29/2015, ii, x, p. 34.

153. UNDP, “Law and Order Trust Fund for Afghanistan [LOTFA] 1 July 2015–December 2016 (Phase VIII Project Document),” 6/29/2015, ii, x; UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) Support to Payroll Management (SPM) Quarterly Progress Report, January – March 2017,” 5/16/2017, iii; UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) MOIA and Police Development (MPD) Project Quarterly Progress Report, January – March 2017,” 5/16/2017, ii.
154. UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) Support to Payroll Management, 2017 3rd Quarterly Progress Report, Annexes: Financial Reports, Issue and Risk Frameworks,” 11/17/2017, Annex 2; UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) MOIA and Police Development, 2017 3rd Quarterly Progress Report, Annexes” 11/28/2017, Annex 2; UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) Support to Payroll Management and MOIA and Police Development Projects Annual Project Progress Report 2016 Annexes,” 4/16/2017, pp. 4–5; UNDP, “Law and Order Trust Fund for Afghanistan (LOTFA) Support to Payroll Management MOIA and Police Development Projects: Phase One (July–December 2015) 2015 Annual Progress Report Annexes Financial Reports, Issue and Risk Frameworks,” 2/24/2016, pp. 4–5.
155. DOD, “Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan,”11/28/2017.
156. DOD, “Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan,” 11/28/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
157. Last quarter, USAF reported a record 753 munitions dropped in August 2017, but that number has now been corrected to 503. United States Air Force Central Command Combined Air Operations Center, “Airpower Summary,” 12/31/2017, p. 2.
158. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 6.
159. United States Air Force Central Command Combined Air Operations Center, “Airpower Summary,” 12/31/2017, p. 3; DOD, “Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan,” 11/28/2017.
160. DOD, “Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan,” 11/20/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
161. Reuters, “Despite NATO Pledge to Increase Afghan Support, Troop Shortfall Remains: U.S.,” 11/9/2017; *Pajhwok Afghan News*, “NATO Rules Out Return to Combat Operations,” 11/06/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
162. United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017, Pub. L. No. 115-91, § 4302 (010-080); United States Congress, *National Defense Authorization Act for Fiscal Year 2017*, 12/23/2016, Pub. L. No. 114-328, § 4302; OSD-P, response to SIGAR vetting, 1/15/2018.
163. United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017, Pub. L. No. 115-91, § 1212 (f)(1–4).
164. United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017 Pub. L. No. 115-91, § 1258 (a)(1)(k) and *National Defense Authorization Act for Fiscal Year 2017*, 12/23/2016, Pub. L. No. 114-328, § 1258 (1)(k).
165. United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017, Pub. L. No. 115-91, § 1521 (d)(1)(2).
166. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5; SIGAR, analysis of UN-provided data, 1/2018.
167. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/9/2014, p. 5; 2/27/2015, p. 4; 6/10/2015, p. 4; 9/1/2015, p. 4; 12/10/2015, p. 5; 3/7/2016, p. 6; 6/10/2016, p. 4; 9/7/2016, p. 5; 12/13/2016, p. 4; 3/3/2017, p. 4; 6/15/2017, p. 4; 9/15/2017, p. 4; 12/15/2017, p. 5; SIGAR, analysis of UN-provided data, 1/2018.
168. USFOR-A, response to SIGAR vetting, 1/16/2018.
169. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5; USFOR-A, response to SIGAR vetting, 1/16/2018.
170. *Khaama Press*, “Taliban and ISIS clashes spread to Laghman as both sides suffer heavy casualties,” 11/29/2017.
171. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5; USFOR-A, response to SIGAR vetting, 1/16/2018; USFOR-A, response to SIGAR vetting, 1/16/2018.
172. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5; USFOR-A, response to SIGAR vetting, 1/16/2018.
173. Office of the President, “President Ghani Presides At Senior Security Officials Meeting,” 11/15/2017; Office of the President, “President Ghani Chairs Senior Security Officials Meeting,” 12/19/2017.
174. UNAMA, *Protection of Civilians in Armed Conflict: Attacks Against Places of Worship, Religious Leaders and Worshippers*, 11/7/2017, p. 1.
175. UNAMA, *Protection of Civilians in Armed Conflict: Attacks Against Places of Worship, Religious Leaders and Worshippers*, 11/7/2017, p. 1.
176. UNAMA, *Protection of Civilians in Armed Conflict: Attacks Against Places of Worship, Religious Leaders and Worshippers*, 11/7/2017, p. 1.
177. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 27; USFOR-A, response to SIGAR vetting, 1/16/2018.
178. UNAMA, *Quarterly Report on the Protection of Civilians in Armed Conflict: 1 January to 30 September 2017*, 10/12/2017, pp. 2, 4; USFOR-A, response to SIGAR vetting, 1/16/2018.
179. UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5.
180. *TOLOnews*, “Resolute Support Launches Probe Into Kunduz Air Strikes,” 11/6/2017; Reuters, “US Investigation Finds No Afghan Civilian Casualties in Kunduz Strike,” 11/7/2017.
181. AP, “Suicide Bombings in Afghanistan Hit Mosques, Killing 63,” 10/20/2017; Reuters, “Islamic State Claims Responsibility for Attack on Shi’ite Mosque in Kabul: Statement,” 10/20/2017; UN, *Report of the Secretary-General*, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 5.

182. *New York Times*, "Islamic State Claims Deadly Blast at Afghan Shiite Center," 12/28/2017.
183. Voice of America, "Militants Attack Afghan Spy Agency's Facility in Kabul," 12/17/2017; *Radio Free Europe/Radio Liberty*, "At Least Ten Killed In Suicide Blast Near Afghan Intelligence Headquarters," 12/26/2017.
184. *WSJ.com*, "Taliban Kills 43 Afghan Soldiers in Attack on Military Base," 10/19/2017.
185. Voice of America, "Analysts: Rise in Taliban Attacks Linked to Trump Policy, Negotiation Tactic," 11/10/2017.
186. See Appendix B of this report.
187. OSD-P, email to SIGAR, 1/13/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
188. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
189. United States Congress, National Defense Authorization Act for Fiscal Year 2018, 12/12/2017, Pub. L. No. 115-91, § 4302 (010-080); United States Congress, National Defense Authorization Act for Fiscal Year 2017, 12/23/2016, Pub. L. No. 114-328, § 4302; SIGAR, analysis of NDAA funding figures.
190. General Joseph F. Dunford Jr., U.S. Marine Corps, Chairman of the Joint Chiefs of Staff, Statement Before the House Committee on Armed Services, "U.S. Defense Strategy in South Asia," 10/3/2017.
191. DOD, "Department of Defense Press Briefing by General Nicholson via teleconference from Kabul, Afghanistan," 11/28/2017; SIGAR, *Quarterly Report to the United States Congress*, 4/30/2016, pp. 95–96.
192. USFOR-A, response to SIGAR data call, 11/27/2017 and 9/12/2017.
193. USFOR-A, response to SIGAR data call, 11/27/2017 and 9/12/2017; USFOR-A, response to SIGAR vetting, 10/14/2017.
194. *Military Times*, "Mattis Looks to Ease Strain on Special Forces in 2018," 1/2/2018; *WSJ*, "U.S. Military to Bulk Up in Afghanistan With Drones, Troops," 1/11/2018.
195. USFOR-A, response to SIGAR data call, 11/27/2017.
196. Reuters, "Despite NATO Pledge to Increase Afghan Support, Troop Shortfall Remains: U.S.," 11/9/2017.
197. USFOR-A, response to SIGAR data call, 11/27/2017 and 9/12/2017; USFOR-A, response to SIGAR vetting, 1/16/2018; Defense.gov, "Operation Enduring Freedom U.S. Casualty Status" and "Operation Freedom's Sentinel U.S. Casualty Status," 1/19/2018.
198. State, "Department Press Briefing," 8/24/2017; Office of the President, "Joint Afghan – U.S. Press Release on the Bilateral Compact Executive Committee Meeting," 8/23/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
199. RS, response to SIGAR data call, 10/15/2017; SIGAR, analysis of RS-provided ANDSF data, 1/2018.
200. USFOR-A, response to SIGAR data call, 11/27/2017.
201. USFOR-A, response to SIGAR data call, 11/27/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
202. USFOR-A, response to SIGAR data call, 11/27/2017.
203. USFOR-A, response to SIGAR data call, 11/25/2017, 11/26/2016, 12/4/2015, and 12/28/2014; USFOR-A, response to SIGAR vetting, 1/12/2016; BBC, "What lies behind Afghanistan's Insider Attacks?" 3/11/2013.
204. USFOR-A, response to SIGAR data call, 9/2/2017 and 11/25/2017.
205. USFOR-A, response to SIGAR data call, 11/26/2016 and 11/25/2017.
206. USFOR-A, response to SIGAR data call, 11/26/2016 and 11/25/2017.
207. Last quarter, USFOR-A reported American casualties in five of six insider attacks. This quarter the number was amended to three of six attacks. USFOR-A, response to SIGAR data call, 11/25/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
208. USFOR-A, response to SIGAR data call, 12/7/2017.
209. USFOR-A, response to SIGAR data call, 12/7/2017.
210. USFOR-A, response to SIGAR data call, 12/7/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
211. USFOR-A, response to SIGAR data call, 12/7/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
212. CSTC-A, response to SIGAR data call, 11/26/2017.
213. CSTC-A, response to SIGAR data call, 12/1/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
214. CSTC-A, response to SIGAR data call, 12/1/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
215. CSTC-A, response to SIGAR data call, 12/5/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
216. USFOR-A, response to SIGAR data call, 12/1/2017.
217. USFOR-A, response to SIGAR data call, 12/7/2017.
218. USFOR-A, response to SIGAR data call, 12/7/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
219. CSTC-A, response to SIGAR data call, 12/1/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
220. USFOR-A, response to SIGAR data call, 12/1/2017.
221. USFOR-A, response to SIGAR data call, 12/1/2017.
222. USFOR-A, response to SIGAR data call, 12/1/2017.
223. USFOR-A, response to SIGAR data call, 12/1/2017; *TOLOnews*, "MPs Approve 11 Minister But Reject Female Candidate," 12/4/2017.
224. USFOR-A, response to SIGAR data call, 12/1/2017; *TOLOnews*, "MPs Approve 11 Minister But Reject Female Candidate," 12/4/2017.
225. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 34–35; OSD-P, response to SIGAR vetting, 1/15/2018.
226. OSD-P, response to SIGAR vetting, 7/14/2017 and 1/15/2018.
227. USFOR-A, response to SIGAR data call, 3/4/2016; USFOR-A, response to SIGAR vetting, 10/11/2016.
228. USFOR-A, response to SIGAR data call, 11/28/2017.
229. NSOCC-A, response to SIGAR data call, 8/28/2017.
230. USFOR-A, response to SIGAR data call, 5/25/2016; RS, email to SIGAR, 12/27/2016; CSTC-A, response to SIGAR vetting, 4/11/2017.
231. USFOR-A, response to SIGAR data call, 5/25/2017; OSD-P, response to SIGAR vetting, 10/13/2017.
232. USFOR-A, response to SIGAR data call, 11/26/2016; USFOR-A, response to SIGAR vetting, 7/15/2016.
233. USFOR-A, response to SIGAR data call, 11/28/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
234. RS, email to SIGAR, 12/27/2016; *WSJ.com*, "U.S. Military Moves to Clear 'Ghost Soldiers' From Afghan Payroll," 1/19/2017.
235. USFOR-A, response to SIGAR data call, 9/2/2017 and 5/25/2017.
236. USFOR-A, response to SIGAR data call, 11/28/2017.
237. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 34.
238. USFOR-A, response to SIGAR data call, 8/28/2017 and 12/2/2017.
239. USIP, Special Report 322, *Police Transition in Afghanistan*, 2/2013.

240. CSTC-A, response to SIGAR data call, 8/27/2016; OSD-P, response to SIGAR vetting, 1/15/2018.
241. DOD, *Enhancing Security and Stability in Afghanistan*, 6/2017, p. 33.
242. NSOCC-A, response to SIGAR data call, 12/6/2017.
243. NSOCC-A, response to SIGAR data call, 11/30/2017 and 11/28/2016; SIGAR, analysis of NSOCC-A provided data, 12/2017.
244. CSTC-A, MOI FY 1396 Financial Commitment Letter, 4/13/2017; NSOCC-A, response to SIGAR data call, 11/30/2017; SIGAR, analysis of NSOCC-A provided data, 9/2017.
245. NSOCC-A, response to SIGAR data call, 8/28/2017.
246. USFOR-A, response to SIGAR data call, 5/25/2017 and 9/5/2017; NSOCC-A, response to SIGAR vetting, 1/16/2018.
247. USFOR-A, response to SIGAR data call, 9/5/2017; NSOCC-A response to SIGAR data call, 5/23/2017; NSOCC-A, response to SIGAR vetting, 1/16/2018.
248. NSOCC-A, response to SIGAR data call, 11/30/2017 and 11/28/2016; USFOR-A, response to SIGAR vetting, 1/16/2018.
249. NSOCC-A, response to SIGAR data call, 5/23/2017.
250. NSOCC-A, response to SIGAR data call, 11/30/2017.
251. NSOCC-A, response to SIGAR data call, 11/30/2017.
252. NSOCC-A, response to SIGAR data call, 11/30/2017; USFOR-A, response to SIGAR vetting, 10/16/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
253. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
254. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 34–35, 47.
255. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 47.
256. USFOR-A, response to SIGAR vetting, 4/11/2017.
257. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
258. CSTC-A, response to SIGAR data call, 12/2/2017 and 11/20/2016; SIGAR analysis of CSTC-A provided data, 12/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
259. CSTC-A, response to SIGAR data call, 12/2/2017.
260. CSTC-A, response to SIGAR data call, 12/2/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
261. CSTC-A, response to SIGAR data call, 12/2/2017 and 11/20/2016; SIGAR analysis of CSTC-A provided data, 12/2017.
262. CSTC-A, response to SIGAR data call, 12/2/2017 and 8/28/2017; XE Currency Converter, "XE Currency Converter: AFN to USD," 12/22/2017; SIGAR, analysis of CSTC-A provided data, 12/2017; DOD, response to SIGAR vetting, 7/14/2017; DOD, *Enhancing Security and Stability in Afghanistan*, 6/2017, p. 2.
263. OSD-P, response to SIGAR vetting, 7/15/2016 and 10/11/2016.
264. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
265. CSTC-A, response to SIGAR data call, 12/5/2017.
266. CSTC-A, response to SIGAR data call, 12/5/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
267. CSTC-A, response to SIGAR data call, 12/5/2017; OSD-P, response to SIGAR vetting, 1/18/2018.
268. CSTC-A, response to SIGAR data call, 12/5/2017.
269. CSTC-A, response to SIGAR data call, 12/5/2017.
270. CSTC-A, response to SIGAR data call, 12/5/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
271. DOD, response to SIGAR vetting, 7/14/2017.
272. CSTC-A, response to SIGAR data call, 3/1/2017.
273. CSTC-A, response to SIGAR data call, 12/5/2017.
274. CSTC-A, response to SIGAR data call, 11/21/2016; DOD, response to SIGAR vetting, 1/12/2017.
275. CSTC-A, response to SIGAR data call, 12/5/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
276. CSTC-A, response to SIGAR data call, 12/5/2017.
277. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
278. CSTC-A, response to SIGAR data call, 12/5/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
279. CSTC-A, response to SIGAR data call, 8/28/2017 and 12/5/2017.
280. CSTC-A, response to SIGAR data call, 8/28/2017 and 12/5/2017; USFOR-A, response to SIGAR vetting,1/16/2018.
281. CSTC-A, response to SIGAR data call, 12/5/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
282. CSTC-A, response to SIGAR data call, 12/5/2017.
283. CSTC-A, response to SIGAR data call, 12/5/2017.
284. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
285. CSTC-A, response to SIGAR data call, 8/28/2017 and 12/5/2017.
286. CSTC-A, response to SIGAR data call, 12/2/2017.
287. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 47.
288. USFOR-A, response to SIGAR vetting, 10/16/2017.
289. CSTC-A, response to SIGAR data call, 11/30/2017; SIGAR, analysis of CSTC-A provided data, 10/2017; DOD, *Department of Defense Budget, Fiscal Year (FY) 2018, Justification for FY 2018 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF)*, 5/2017, p. 3; OSD-P, response to SIGAR vetting, 1/15/2018; USFOR-A, response to SIGAR vetting, 1/16/2018.
290. CSTC-A, response to SIGAR data call, 11/30/2017; SIGAR, analysis of CSTC-A provided data, 12/2017.
291. USFOR-A, response to SIGAR data call, 12/3/2017.
292. USFOR-A, response to SIGAR data call, 12/3/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
293. USFOR-A, response to SIGAR data call, 12/3/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
294. USFOR-A, response to SIGAR data call, 12/3/2017; OSD-P, response to SIGAR vetting, 1/15/2018. .
295. USFOR-A, response to SIGAR data call, 8/28/2017 and 12/3/2017; OSD-P, response to SIGAR vetting, 1/15/2018.
296. USFOR-A, response to SIGAR data call, 12/3/2017.
297. USFOR-A, response to SIGAR data call, 12/3/2017; SIGAR, analysis of USFOR-A provided data, 12/2017.
298. USFOR-A, response to SIGAR data call, 8/28/2017 and 12/3/2017; SIGAR, analysis of USFOR-A provided data, 10/2017.
299. USFOR-A, response to SIGAR data call, 12/3/2017; SIGAR, analysis of USFOR-A provided data, 12/2017.
300. USFOR-A, response to SIGAR data call, 8/28/2017 and 12/3/2017; SIGAR, analysis of USFOR-A provided data, 10/2017.
301. USFOR-A, response to SIGAR data call, 8/28/2017 and 12/3/2017; SIGAR, analysis of USFOR-A provided data, 10/2017.
302. USFOR-A, response to SIGAR vetting, 1/16/2018.
303. SIGAR, *Quarterly Report to the United States Congress*, 4/30/2017, pp. 111–113.

304. USFOR-A noted that "misson pilots" should now be referred to as "aircraft commanders." USFOR-A, response to SIGAR data call, 8/28/2017 and 12/3/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
305. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 73–75.
306. DOD, *Enhancing Security and Stability in Afghanistan*, 6/2017, p. 65.
307. NSOCC-A, response to SIGAR data call, 11/29/2017; SIGAR, analysis of USFOR-A provided data, 12/2017.
308. OSD-P, response to SIGAR vetting, 1/15/2018; NSOCC-A, response to SIGAR vetting, 1/16/2018.
309. NSOCC-A, response to SIGAR data call, 11/29/2017; SIGAR, analysis of USFOR-A provided data, 12/2017.
310. NSOCC-A, response to SIGAR data call, 11/29/2017.
311. NSOCC-A, response to SIGAR data call, 8/22/2017 and 11/29/2017; SIGAR, analysis of USFOR-A provided data, 12/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
312. NSOCC-A, response to SIGAR data call, 11/29/2017.
313. NSOCC-A, response to SIGAR data call, 11/29/2017.
314. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
315. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 80.
316. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
317. CSTC-A, response to SIGAR data call, 12/31/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
318. CSTC-A, response to SIGAR data call, 11/26/2017 and 8/21/2017.
319. CSTC-A, response to SIGAR data call, 11/26/2017.
320. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
321. CSTC-A, response to SIGAR data call, 11/30/2017.
322. CSTC-A, response to SIGAR data call, 12/5/2017; OSD-P, response to SIGAR vetting, 1/15/2018 and 1/18/2018.
323. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
324. CSTC-A, response to SIGAR data call, 12/3/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
325. CSTC-A noted in vetting comments that they provided an incorrect figure for the cost of the ANP Police District 9 project last quarter. The figure reported this quarter is correct. CSTC-A, response to SIGAR data call, 12/3/2017 and 8/28/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
326. CSTC-A, response to SIGAR data call, 12/3/2017.
327. CSTC-A, response to SIGAR data call, 12/3/2017.
328. USFOR-A, response to SIGAR vetting, 1/16/2018.
329. CSTC-A, response to SIGAR data call, 12/3/2017.
330. CSTC-A, response to SIGAR data call, 12/3/2017.
331. DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2017," 1/19/2018.
332. USFOR-A, response to SIGAR data call, 12/7/2017.
333. USFOR-A, response to SIGAR data call, 12/7/2017.
334. CSTC-A, response to SIGAR data call, 12/2/2017.
335. CSTC-A, response to SIGAR data call, 12/2/2017.
336. CSTC-A, response to SIGAR data call, 12/2/2017.
337. CSTC-A, response to SIGAR data call, 9/5/2017 and 5/25/2017; CSTC-A, "MOI FY 1395 Financial Commitment Letter," 12/28/2015.
338. RS, response to SIGAR data call, 12/1/2017 and 5/18/2017.
339. RS, response to SIGAR data call, 12/1/2017 and 8/28/2017; SIGAR, analysis of RS provided data, 10/2017; USFOR-A, response to SIGAR vetting, 10/16/2017 and 1/16/2018.
340. *Guardian* (UK), "Outrage at Video of Afghan Colonel Sexually Exploiting Woman," 11/2/2017; Wahzma Frogh, SIGAR interview, Kabul, 9/1/2016.
341. For more information about SIGAR's fact-finding mission, see: SIGAR, *Quarterly Report to the United States Congress*, 10/30/2016, pp. 12–14; *Guardian* (UK), "Outrage at Video of Afghan Colonel Sexually Exploiting Woman," 11/2/2017; Wahzma Frogh, SIGAR interview, Kabul, 9/1/2016.
342. *New York Times*, "Harassment All Around, Afghan Women Weigh Risks of Speaking Out," 12/10/2017.
343. RS, response to SIGAR data call, 12/1/2017; RS, response to SIGAR vetting, 1/16/2018.
344. United States Congress, *National Defense Authorization Act for Fiscal Year 2017*, 12/23/2016, Pub. L. No. 114-328, §1521 (c)(D); United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017, Pub. L. No. 115-91, §1521 (c)(1-2).
345. United States Congress, *National Defense Authorization Act for Fiscal Year 2017*, 11/30/2016, Pub. L. No. 114-328, §1521 (c)(D); United States Congress, *National Defense Authorization Act for Fiscal Year 2018*, 12/12/2017, Pub. L. No. 115-91, §1521 (c)(1-2).
346. CSTC-A, response to SIGAR data call, 8/28/2017; SIGAR, analysis of CSTC-A provided data, 10/2017; USFOR-A, response to SIGAR vetting, 10/16/2017.
347. CSTC-A, response to SIGAR data call, 12/1/2017.
348. CSTC-A, response to SIGAR data call, 12/1/2017.
349. CSTC-A, response to SIGAR data call, 12/1/2017.
350. CSTC-A, response to SIGAR data call, 12/1/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
351. CSTC-A, response to SIGAR data call, 12/1/2017.
352. CSTC-A, response to SIGAR data call, 12/1/2017; USFOR-A, response to SIGAR vetting, 1/16/2018.
353. *United Nations Mine Action* website, "About," http://www.mineaction.org/print/programmes/afghanistan, accessed 12/14/2017.
354. State, PM/WRA, response to SIGAR data call, 12/21/2017; PM/WRA, response to SIGAR vetting, 1/10/2018.
355. State, PM/WRA, response to SIGAR data call, 12/21/2017.
356. State, PM/WRA, response to SIGAR data call, 12/21/2017.
357. *United Nations Mine Action* website, "About," http://www.mineaction.org/print/programmes/afghanistan, accessed 12/14/2017; USAID, response to SIGAR data call, 12/21/2017.
358. State, PM/WRA, response to SIGAR vetting, 7/13/2017.
359. *United Nations Mine Action* website, "About," http://www.mineaction.org/print/programmes/afghanistan, accessed 12/14/2017.
360. UNMAS, *Afghan Civilian Assistance Programme – III (ACAP III), Project Implementation Plan, Year Three, 01 July 2017-14 February 2018*, n.d., p. 9.
361. UN, *The situation in Afghanistan and its implications for international peace and security: Report of the Secretary-General*, 12/15/2017, p. 12.

362. Radio Free Europe, "Powerful Afghan Governor Defies Government, Refuses to Leave Post," 12/23/2017; Radio Free Europe, "Afghan Governor's Dismissal Highlights Rift In Party, Risks To Unity Government," 12/19/2017.
363. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 9/15/2017, p. 3; *Tolonews*, "New Alliance Lists Demands; Calls For Systematic Reforms," 6/30/2017.
364. VOA, "Ousted Afghan Governor Returns to Office in Defiance of Presidential Orders," 12/30/2017; Radio Free Europe, "Powerful Afghan Governor Vows To Fight His Disputed Ouster," 12/19/2017.
365. *Tolonews*, "Noor Ready to Run for President," 1/7/2018; *New York Times*, "Challenging the Afghan State, a Cornered Strongman Tries to Ascend, 1/15/2018.
366. *Tolonews*, "Jamiat Asks Ghani To Review Decision On Ousting Of Noor," 12/20/2017; Radio Free Europe, "Powerful Afghan Governor Vows To Fight His Disputed Ouster," 12/19/2017.
367. *Tolonews*, "Noor Warns Govt Against Using Force To Replace Him," 1/11/2018; Reuters, "Stand-off over powerful Afghan governor foreshadows bitter election fight," 1/7/2018.
368. White House, "Readout of the Vice President's Call with Afghan President Ashraf Ghani," 1/16/2018.
369. *New York Times*, "Afghan President's Critics Losing Patience Over Delayed Vote," 12/12/2017.
370. Radio Free Europe, "Afghan Provincial Police Chief Says Government Cannot Fire Him," 1/3/2018; *Tolonews*, "Raziq Backs Noor As Incumbent Balkh Governor," 1/4/2018.
371. *Tolonews*, "Noor Warns Govt Against Using Force To Replace Him," 1/11/2018.
372. AFP, "Afghan VP Dostum's bodyguards jailed five years for rape," 11/6/2017; DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017*, 9/31/2017, p. 10.
373. The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, pp. 5–6, 10, 17; The White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
374. The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, pp. 63, 188–189.
375. SIGAR analysis of the Asia Foundation's 2017 Afghan Survey Data (downloaded 11/16/2017).
376. See Appendix B of this report.
377. State, "Department Press Briefing," 8/24/2017; Office of the President, "Joint Afghan – U.S. Press Release on the Bilateral Compact Executive Committee Meeting," 8/23/2017; State, SCA, response to SIGAR vetting, 10/13/2017; State, SCA, response to SIGAR data call, 12/29/2017.
378. State, SCA, response to SIGAR data call, 9/27/2017; Office of the President, "Joint Afghan – U.S. Press Release on the Bilateral Compact Executive Committee Meeting," 8/23/2017; State, SCA, response to SIGAR data call, 12/29/2017.
379. State, SCA, response to SIGAR data call, 12/29/2017.
380. State, SCA, response to SIGAR data call, 9/27/2017; State, "Department Press Briefing," 8/24/2017; State, SCA, response to SIGAR vetting, 10/12/2017.
381. State, SCA, response to SIGAR data call, 12/29/2017.
382. State, "Afghanistan Compact: Governance Benchmarks," 12/16/2017.
383. State, "Afghanistan Compact: Governance Benchmarks," 12/16/2017.
384. State, "Afghanistan-United States Compact: Peace and Reconciliation Benchmarks," 12/20/2017, pp. 1–2.
385. *Afghanistan Analysts Network*, "The 'government of national unity' deal (full text)," 9/21/2014.
386. State, SCA, response to SIGAR data call, 12/29/2017.
387. UN, "Briefing to the United Nations Security Council by the Secretary-General's Special Representative for Afghanistan, Mr. Tadamichi Yamamoto," 12/21/2017.
388. State, SCA, response to SIGAR data call, 12/29/2017.
389. IEC, "Voter Registration and Preparation of the Voter List, Using Manual Approach based on Tazkera," 12/6/2017, slides 4–7; IEC, "Voter Registration Indicative Budget (Tazkira based)," 12/6/2017.
390. UNAMA, "New agreement signed enabling enhanced United Nations support to Afghan elections," 12/30/2017.
391. UNDP, "National Election Forum III: The Use of Tazkira in Voter Registration," 12/6/2017, p. 2.
392. State, SCA, response to SIGAR data call, 9/27/2017; USAID, "Program Contribution Agreement: USAID Activity Number AID-306-IO-15-00006," 5/20/2015, p. 1; State, SCA, response to SIGAR data call, 12/29/2017.
393. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2016, p. 7; Ambassador Alice Wells, testimony before House Foreign Affairs Subcommittee on Middle East and North Africa and Subcommittee on Asia and the Pacific, joint hearing on "The President's Plan for Afghanistan and Pakistan: Objectives and Resources," 11/8/2017.
394. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 4.
395. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 4; State, SCA, response to SIGAR data call, 12/28/2017.
396. The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, pp. 8, 57.
397. State, SCA, response to SIGAR data call, 12/29/2017.
398. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 12/15/2017, p. 4.
399. VOA, "Afghan Peace Body Offers Kabul Office for Taliban Talks," 12/6/2017.
400. High Peace Council/Executive Secretariat for Peace and Reconciliation Process, *Detailed Activity Plan (September – December 2017)*, n.d., p. 3.
401. High Peace Council/Executive Secretariat for Peace and Reconciliation Process, *Detailed Activity Plan (September – December 2017)*, n.d., p. 3.
402. State, SCA, response to SIGAR data call, 12/29/2017.
403. High Peace Council/Executive Secretariat for Peace and Reconciliation Process, *Bimonthly Report (20th September through 30th November 2017)*, 11/30/2017, pp. 4–5.

404. High Peace Council/Executive Secretariat for Peace and Reconciliation Process, *Bimonthly Report (20th September through 30th November 2017)*, 11/30/2017, pp. 23–24.
405. State, SCA, response to SIGAR data call, 1/9/2018.
406. High Peace Council/Executive Secretariat for Peace and Reconciliation Process, "Declaration of the National Consultative Ulema Conference on Peace," 12/26/2017, pp. 1–2.
407. *Pajhwok Afghan News*, "Ghani Endorses Ulema Demands, Hopes Taliban To Do So," 12/27/2017.
408. State, SCA, response to SIGAR data call, 1/9/2018.
409. State, SRAP, response to SIGAR data call, 9/27/2016.
410. *Washington Post*, "An Afghan warlord comes out of the shadows to make peace. But few trust him," 9/29/2016.
411. State, SCA, response to SIGAR data call, 12/29/2017.
412. *New York Times*, "Pakistan Summons U.S. Diplomat After Trump's Tweet Stirs Outrage," 1/2/2018.
413. *New York Times*, "Visiting Afghanistan, Pence Says U.S. Will 'See This Through'," 12/22/2017.
414. State, "Department Press Briefing," 1/4/2018.
415. Reuters, "China, Pakistan to look at including Afghanistan in $57 billion economic corridor," 12/26/2017; VOA, "China Seemingly Brokers New Afghanistan-Pakistan Talks," 12/26/2017; Radio Free Europe, "Pakistan, Afghanistan Appeal To Taliban To Join Peace Talks," 12/26/2017.
416. Ministry of External Affairs, Government of India, "Joint Communiqué of the 15th Meeting of the Foreign Ministers of the Russian Federation, the Republic of India and the People's Republic of China," 12/11/2017; *Tolonews*, "MoFA Welcomes Role of Regional Countries in Peace Process," 12/12/2017.
417. VOA, "Planned Pakistan-Afghanistan Border Fence Moves Ahead Despite Objections," 12/30/2017.
418. Council of the EU, "Brussels Conference on Afghanistan: main results," 10/5/2016, p. 1.
419. John Kerry, "Remarks at the Brussels Conference on Afghanistan," 10/5/2016; USAID, OPPD, response to SIGAR vetting, 1/12/2017; State, SRAP, response to SIGAR vetting, 1/12/2017.
420. USAID, OPPD, response to SIGAR vetting 10/13/2014; USAID, OPPD, response to SIGAR data call, 1/12/2017; GIROA, "Communiqué: Conference Outcomes, Contributions and Participants," 1/28/2010, p. 5; "The Tokyo Declaration: Partnership for Self-Reliance in Afghanistan from Transition to Transformation," 7/8/2012; USAID, OPPD, response to SIGAR vetting, 10/13/2014; GIROA, *Self-Reliance through Mutual Accountability Framework (SMAF)*, 9/5/2015, p. 6.
421. USAID, OPPD, response to SIGAR data call, 12/21/2017; USAID, OPPD, response to SIGAR vetting, 1/9/2018 and 1/29/2018.
422. USAID, OFM, response to SIGAR data call, 1/17/2018.
423. USAID, OPPD, response to SIGAR data call, 12/30/2013.
424. USAID, OPPD, response to SIGAR data call, 6/30/2014.
425. USAID, "Afghanistan Reconstruction Trust Fund (ARTF)," 8/26/2013.
426. USAID, "U.S. government contributed $105 million to Asian Development Bank Infrastructure Fund for Afghanistan," 3/18/2014.
427. USAID, OPPD, response to SIGAR data call, 12/30/2013.
428. World Bank, "Administrator's Report on Financial Status," 11/21/2017, p. 4.
429. World Bank, "Administrator's Report on Financial Status," 11/21/2017, p. 2.
430. World Bank, *Anti-Corruption and Results Monitoring Action Plan: A proposal to enhance monitoring efforts*, 10/16/2017, pp. 1–2.
431. World Bank, *Anti-Corruption and Results Monitoring Action Plan: A proposal to enhance monitoring efforts*, 10/16/2017, pp. 1–2.
432. BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, pp. 29, 31.
433. BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, pp. 29–31.
434. BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, p. 17.
435. BDO, *Monitoring Agent for Afghanistan Reconstruction Trust Fund (ARTF): Detailed Quarterly Management Report, Period Covered: Saratan to Sunbula FY 1396*, 10/2017, p. 4.
436. SIGAR, *Quarterly Report to the United States Congress*, 4/30/2017, p. 67.
437. DOD, response to SIGAR vetting, 1/12/2017.
438. DOD, CSTC-A, response to SIGAR data call, 7/1/2014.
439. DOD, CSTC-A, response to SIGAR data call, 4/4/2014.
440. DOD, CSTC-A, response to SIGAR data call, 3/23/2015.
441. CSTC-A, "CSTC-A Funding Authorization Letter for the Ministry of Defense (MOD)," 12/24/2016, p. 1; DOD, "CSTC-A Funding Authorization Letter for the Ministry of Interior (MOI)," 12/24/2016, p. 1.
442. DOD, USFOR-A, response to SIGAR vetting, 1/16/2018.
443. DOD, CSTC-A, response to SIGAR data call, 12/3/2017.
444. DOD, USFOR-A, response to SIGAR vetting, 1/16/2018; DOD, *Enhancing Security and Stability in Afghanistan*, 12/1/2017, p. 98.
445. DOD, *Enhancing Security and Stability in Afghanistan*, 12/1/2017, p. 98.
446. DOD, CSTC-A, response to SIGAR data call, 12/2/2017.
447. DOD, CSTC-A, response to SIGAR data call, 12/2/2017.
448. DOD, CSTC-A, response to SIGAR data call, 12/2/2017.
449. DOD, OSD-P, response to SIGAR vetting, 1/15/2018.
450. DOD, CSTC-A, response to SIGAR data call, 12/2/2017; Office of the President, Islamic Republic of Afghanistan, *Presidential Decree #60, Legal Order by the President of the Islamic Republic of Afghanistan on Modification of Some Articles of the Procurement Law*, 2/10/2015.
451. USAID, OPPD, response to SIGAR vetting, 4/12/2015; USAID, ODG, response to SIGAR vetting, 1/9/2018.
452. Checchi and Company Consulting Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 26.
453. Checchi and Company Consulting, Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 33.
454. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 12/13/2016, pp. 2–3; Afghanistan Analysts Network, "Parliament Kicks Out Ministers Again: A multi-dimensional

power struggle," 11/19/2016; Reuters, "Afghan leader defies parliament by telling sacked ministers to stay," 11/14/2016.
455. State, SCA, response to SIGAR data call, 12/29/2017.
456. State, SCA, response to SIGAR data call, 12/29/2017.
457. *Pajhwok Afghan News*, "MPs Reject Decree On Military Retirement Age," 12/20/2017.
458. *Pajhwok Afghan News*, "Wolesi Jirga Rejects Draft Budget For Next Year," 12/13/2017.
459. *Tolonews*, "MPs Approve New Fiscal Year's Budget," 1/17/2018.
460. USAID, *Contract No. AID-OAA-I-12-00003/AID-306-TO-13-00004*, 3/28/2013, p. 9; USAID, OFM, response to SIGAR data call, 1/17/2018.
461. DAI, *ALBA Weekly Report*, 11/22/2017, p. 5.
462. *Afghan Civic Engagement Program (ACEP): Agreement No. AID-306-A-14-00001*, 2/3/2016, p. 5.
463. USAID, ODG, response to SIGAR data call, 12/21/2017.
464. USAID, OAPA, *Request for Categorical Exclusion*, 7/14/2016, p. 2; USAID, response to SIGAR data call, 7/10/2017.
465. USAID, ODG, response to SIGAR data call, 12/21/2017.
466. *Tolonews*, "Watchdog Labels 2017 Second Deadliest Year For Journalists," 12/28/2017; VOA, "Report: 21 Journalists Killed in Afghanistan in 2017," 1/3/2018; NAI, "Media Watch Annual Report 2017," n.d., p. 2; NAI, "Instances of journalists' murder, injuries, beaten, detain, insult and threat in 2016 in Afghanistan," n.d.
467. Checchi and Company Consulting Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 25.
468. Tetra Tech ARD, *Initiative to Strengthen Local Administrations in Afghanistan (ISLA) Project) Monthly Report, February 2015*, 3/15/2015, ii; USAID, ODG, response to SIGAR data call, 12/22/2016; USAID, ODG, response to SIGAR vetting, 1/12/2017; USAID, OFM, response to SIGAR data call, 1/17/2018.
469. USAID, ODG, response to SIGAR data call, 9/21/2017.
470. USAID, ODG, response to SIGAR data call, 12/21/2017; USAID, ODG, response to SIGAR vetting, 1/9/2018.
471. Tetra Tech, *USAID Initiative To Strengthen Local Administrations (ISLA) Annual Report*, 10/30/2017, pp. 14–15; USAID, ODG, response to SIGAR vetting, 1/9/2018.
472. Development Alternatives Inc., *Strong Hubs for Afghan Hope and Resilience (SHAHAR): Monthly Report February 2015*, 3/15/2015, p. 4; Central Statistics Office, "Settled Population by civil division, Urban and Rural and Sex 2004-5," n.d., accessed 10/5/2016; Central Statistics Office, "Estimated Settled Population by Civil Division, Urban, Rural and Sex-2016-17," n.d., accessed 10/5/2016; USAID, ODG, response to SIGAR vetting, 1/12/2017; USAID, "Modification 07/REQM-306-1 7-000434," 11/28/2017, p. 1.
473. DAI, *USAID Strong Hubs for Afghan Hope and Resilience (SHAHAR) Annual Report*, 10/30/2017, pp. 83–84.
474. The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, p. 99.
475. The Asia Foundation, *A Survey of the Afghan People: Afghanistan in 2017*, p. 100.
476. USAID, ODG, response to SIGAR data call, 6/25/2015; USAID, ODG, response to SIGAR vetting, 7/12/2015.
477. Pacific Architects and Engineers Inc., *Quarterly Progress Report March - May 2017*, 5/2017, p. 1; State, INL, response to SIGAR data call, 12/27/2017; State, INL, response to SIGAR vetting, 1/12/2018.
478. Pacific Architects and Engineers Inc., *JSSP System Integration Section Case Management System Consolidated Monthly Report*, 9/2017, p. 1; Pacific Architects and Engineers Inc., "System Linkage-CMS," 2017.
479. DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017*, 9/31/2017, pp. 6–7.
480. AGO, *Professional Grades Training Needs Assessment and Recommendations for a Training Program*, 11/2017, pp. 1–2, 9, 12, 14.
481. State, INL, response to SIGAR vetting, 1/12/2018.
482. USAID, *Contract AID-OAA-I-13-0034/AID-306-TO-16-00007*, 4/16/2016, p. 8; USAID, *Contract AID-OAA-I-13-0034/AID-306-TO-16-00007: Modification 01*, 7/31/2016, p. 3.
483. Checchi and Company Consulting Inc., *Assistance for the Development of Afghan Legal Access and Transparency (ADALAT) Human & Institutional Capacity Development (HICD) Report for The Liaison Office (TLO)*, 12/4/2017, pp. 17, 29.
484. Checchi and Company Consulting Inc., *Assistance for the Development of Afghan Legal Access and Transparency (ADALAT) Human & Institutional Capacity Development (HICD) Report for The Liaison Office (TLO)*, 12/4/2017, p. 18.
485. State, INL, response to SIGAR data call, 12/27/2017.
486. State, INL, response to SIGAR data call, 12/27/2017.
487. State, INL, response to SIGAR data call, 12/27/2017.
488. Brussels Conference on Afghanistan, "Self-Reliance through Mutual Accountability Framework: SMART Deliverables 2017/2018," 10/5/2016, p. 1; Government of the Islamic Republic of Afghanistan, *Self-Reliance through Mutual Accountability Framework (SMAF) SMART Deliverables 2017-18: Status Report*, 6/2017, p. 4; UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 9/15/2017, p. 9.
489. Office of the President, "President Ghani Chairs a Meeting of High Council of Rule of Law and Anti-Corruption," 9/28/2017.
490. PAE, *Deliverable 34 Draft Legislative Reform Monthly Report*, 9/2017, p. 3; State, INL, response to SIGAR vetting, 1/12/2018.
491. *Pajhwok Afghan News*, "Former IT Minister Found Innocent, Says CEO," 8/10/2017; DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017*, 9/31/2017, p. 9–10; State, INL, response to SIGAR vetting, 1/12/2018.
492. UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 6/10/2016, p. 11.
493. CSTC-A, "Briefing for Mr. John Sopko," 6/10/2016.
494. UN, report of the Secretary-General, The situation in Afghanistan and its implications for international peace and security, 9/7/2016, p. 10.

495. State, "Afghanistan Compact: Governance Benchmarks," 12/16/2017.
496. DOD, CSTC-A, response to SIGAR data call, 12/1/2017.
497. DOD, CSTC-A, response to SIGAR data call, 12/1/2017.
498. SIGAR analysis of CSTC-A-provided ACJC case tracker dated 11/20/2017.
499. DOD, CSTC-A, response to SIGAR data call, 12/1/2017.
500. DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017, 9/31/2017*, pp. 8–9.
501. DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017*, 9/31/2017, p. 8; State, INL, response to SIGAR vetting, 1/12/2018.
502. DOJ, *Department of Justice/Office of the Deputy Attorney General – INL Inter-Agency Agreement (December 30, 2016) Counter-Corruption, Major Crimes, Counternarcotics, and National Security Investigation and Prosecution Program Quarterly Progress Report Fourth Quarter, FY 2017*, 9/31/2017, p. 10.
503. AFP, "'We don't feel safe': Afghan anti-graft officials demand protection," 11/11/2017.
504. USAID, ODG, response to SIGAR data call, 6/25/2015; USAID, ODG, response to SIGAR vetting, 7/11/2017.
505. Independent Joint Anti-Corruption Monitoring and Evaluation Committee, *Progress Monitoring Report Against Corruption Ministry of Higher Education (MoHE)*, 11/20/2017, pp. 3, 6, 14–15.
506. DOD, CSTC-A, response to SIGAR data call, 12/1/2017.
507. DOD, CSTC-A, response to SIGAR data call, 8/28/2017 and 12/1/2017.
508. DOD, CSTC-A, response to SIGAR data call, 12/1/2017.
509. Office of the Prosecutor, ICC, "Statement of ICC Prosecutor, Fatou Bensouda, regarding her decision to request judicial authorisation to commence an investigation into the Situation in the Islamic Republic of Afghanistan," 11/3/2017.
510. NPR, "ICC Prosecutor Calls For Afghanistan War Crimes Investigation," 11/3/2017.
511. *New York Times*, "Hague Prosecutor Seeks to Pursue Afghan Case That Could Ensnare Americans," 11/3/2017.
512. State, PRM, response to SIGAR data call, 12/22/2017; UN, report of the Secretary-General, *The situation in Afghanistan and its implications for international peace and security*, 3/3/2017, p. 9.
513. UN, OCHA, "Afghanistan Weekly Field Report," 12/24/2017, p. 1; State, PRM, response to SIGAR data call, 12/22/2017.
514. State, PRM, response to SIGAR data call, 12/22/2017.
515. RFE, "Amid U.S.-Pakistan Spat, Afghan Refugees Feel Trapped In Uncertainty," 1/13/2018.
516. IOM, "Return of Undocumented Afghans: Weekly Situation Report," 12/23/2017.
517. SIGAR analysis of UN, OCHA, "Summary of conflict induced displacements (1 Jan to 19 Dec 2017)," 12/24/2017.
518. State, PRM, response to SIGAR data call, 12/22/2017.
519. SIGAR analysis of UN, OCHA, "Summary of conflict induced displacements (1 Jan to 19 Dec 2017)," 12/24/2017; CSO, "Estimated Population by Civil Division , Urban, Rural, Nomidic and Sex-2017-18," n.d.
520. EUROSTAT, "First time asylum applicants in the EU-28 by citizenship, Q3 2016 – Q3 2017," 12/13/2017; EUROSTAT, "First time asylum applicants in the EU-28 by citizenship, Q4 2015 – Q4 2016," 3/16/2017.
521. USAID, "Remarks by Administrator Rajiv Shah at the U.S. Institute of Peace Regarding Afghanistan Promote," 7/18/2013.
522. USAID, "USAID Launches Long-Term Commitment to Afghan Women and Girls," 11/8/2014; USAID, OPPD, response to SIGAR vetting, 10/12/2015; USAID, OG, response to SIGAR vetting, 10/11/2016.
523. Checchi and Company Consulting, Inc, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 5.
524. USAID, OG, response to SIGAR data call, 12/21/2017; DAI, *Promote: Women in the Economy Monthly Report*, 12/14/2017, p. 19.
525. USAID, OG, response to SIGAR data call, 12/21/2017.
526. Chemonics International Inc., *USAID Promote: Women in Government Monthly Progress Report*, 12/15/2017, pp. 6, 9–10.
527. DAI, *USAID Promote Musharikat Project Monthly Report*, 12/7/2017, p. 8.
528. Checchi and Company Consulting Inc., *Mid-Term Performance Evaluation of the Promote Women's Leadership Development Program*, 12/3/2017, pp. 6, 9.
529. Checchi and Company Consulting Inc., *Mid-Term Performance Evaluation of the Promote Women's Leadership Development Program*, 12/3/2017, pp. 21–22.
530. Checchi and Company Consulting Inc., *Mid-Term Performance Evaluation of the Promote Women's Leadership Development Program*, 12/3/2017, p. 24.
531. World Bank, *Afghanistan Development Update*, 11/2017, i.
532. IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017; IMF, "IMF Extended Credit Facility (ECF)," https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/04/Extended-Credit-Facility, accessed 10/13/2017.
533. GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017; *Pajhwok Afghan News*, "Senate approves draft budget for next fiscal year," 11/21/2017. *TOLOnews*, "MPs Label Draft Budget As 'Unbalanced'," 12/13/2017; IWA, *The Game Of Numbers: Analysis of the National Budget 2018*, 12/2017, p. 6.
534. According to DAB, the average of "Buy" and "Sell" Transfer rates on 12/25/2017 was AFN 69.4828/1 USD. As of 1/17/2018, DAB had not published updated exchange rates. GIROA, "Wolesi Jirga approves the FY-1397 National budget," 1/17/2018; *Pajhwok Afghan News*, "Wolesi Jirga OKs budget with hike in development spending," 1/17/2018; DAB, "Exchange Rates: 25 December 2017," http://dab.gov.af/en/DAB/currency, accessed 1/17/2018.

535. IWA, *The Game Of Numbers: Analysis of the National Budget 2018*, 12/2017, p. 6.
536. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, pp. 1–2.
537. IWA, *The Game Of Numbers: Analysis of the National Budget 2018*, 12/2017, p. 6.
538. USAID, response to SIGAR data call, 12/21/2017; White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
539. USAID, response to SIGAR data call, 1/17/2018 and 12/21/2017.
540. SIGAR, communications with MOF officials, 8/21/2017.
541. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2017, p. 185; SIGAR analysis of USAID-provided AFMIS data exported 1/8/2017.
542. SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR analysis of World Bank, *Afghanistan Development Update*, 5/2017, p. 10.
543. See Appendix B of this report; USAID response to SIGAR data call, 1/18/2018.
544. State, *Congressional Budget Justification*, *Department of State*, *Foreign Operations*, *and Related Programs*, *Fiscal Year 2018*, 5/19/2017, p. 297.
545. State, *Congressional Budget Justification*, *Department of State*, *Foreign Operations*, *and Related Programs*, *Fiscal Year 2018*, 5/19/2017, p. 297.
546. White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
547. USAID, response to SIGAR data call, 12/21/2017; USAID response to SIGAR vetting, 1/16/2018.
548. USAID, response to SIGAR data call, 12/21/2017.
549. USAID, response to SIGAR vetting, 1/9/2018; GIROA, "The Afghanistan National Peace and Development Framework (ANPDF) 2017 to 2021," http://afghanistan-un.org/2016/10/the-afghanistan-national-peace-and-development-framework-anpdf-2017-to-2021/, accessed 1/14/2018.
550. CQ, *Newsmaker Transcripts: Center for Strategic and International Studies Holds Forum on Private Sector Engagement in Afghanistan*, 11/27/2017.
551. CIA, "Afghanistan: Population distribution," World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/af.html, accessed 1/14/2018.
552. IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017.
553. IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017.
554. World Bank, *Afghanistan Development Update*, 11/2017, i.
555. IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017; World Bank, *Afghanistan Development Update*, 11/2017, i.
556. World Bank, *Afghanistan Development Update*, 11/2017, i, p. 2.
557. World Bank, *Afghanistan Development Update*, 11/2017, p. 2.
558. World Bank, *Afghanistan Development Update*, 11/2017, i.
559. IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017.
560. GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017; GIROA, "Cabinet," https://president.gov.af/en/cabinet-members/?q=council&t=cabinet, accessed 12/20/2017.
561. *Pajhwok Afghan News*, "Senate approves draft budget for next fiscal year," 11/21/2017.
562. *TOLOnews*, "MPs Label Draft Budget As 'Unbalanced'," 12/13/2017; IWA, *The Game Of Numbers: Analysis of the National Budget 2018*, 12/2017, p. 6.
563. According to DAB, the average of "Buy" and "Sell" Transfer rates on 12/25/2017 was AFN 69.4828/1 USD. As of 1/17/2018, DAB had not published updated exchange rates. GIROA, "Wolesi Jirga approves the FY-1397 National budget," 1/17/2018; *Pajhwok Afghan News*, "Wolesi Jirga OKs budget with hike in development spending," 1/17/2018; DAB, "Exchange Rates: 25 December 2017," http://dab.gov.af/en/DAB/currency, accessed 1/17/2018.
564. According to DAB, the average of "Buy" and "Sell" Transfer rates on 12/25/2017 was AFN 69.4828/1 USD. As of 1/17/2018, DAB had not published updated exchange rates. SIGAR analysis of GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017; SIGAR analysis of GIROA, "Wolesi Jirga approves the FY-1397 National budget," 1/17/2018; DAB, "Exchange Rates: 25 December 2017," http://dab.gov.af/en/DAB/currency, accessed 1/17/2018.
565. SIGAR analysis of *Pajhwok Afghan News*, "Wolesi Jirga OKs budget with hike in development spending," 1/17/2018; SIGAR analysis of GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017; SIGAR analysis of GIROA, "Wolesi Jirga approves the FY-1397 National budget," 1/17/2018.
566. According to DAB, the average of "Buy" and "Sell" Transfer rates on 12/25/2017 was AFN 69.4828/1 USD. As of 1/17/2018, DAB had not published updated exchange rates. The exchange rate on 1/16/2017, when the lower house passed the FY 1396 budget was AFN 66.80/1 USD. SIGAR analysis of GIROA, "Wolesi Jirga approves the FY-1397 National budget," 1/17/2018; SIGAR analysis of GIROA, "Wolesi Jirga approves the 1396 Financial Year National Budget," 1/16/2017; DAB, "Exchange Rates: 25 December 2017," http://dab.gov.af/en/DAB/currency, accessed 1/17/2018; DAB, "Exchange Rates: 1/16/2017, http://dab.gov.af/en, accessed 1/16/2017.
567. GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017.
568. GIROA, "The national budget plan of 1397 was approved by the Cabinet Meeting," 11/6/2017.
569. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, pp. 1, 5–6.
570. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, pp. 1–2.

571. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, p. 3.
572. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, p. 7.
573. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, p. 9.
574. IWA, *The Game Of Numbers: Analysis of the National Budget 2018*, 12/2017, p. 6.
575. IMF, *Staff Report For The 2017 Article IV Consultation And Second Review Under The Extended Credit Facility Arrangement, And Request For Modification Of Performance Criteria*, 11/21/2017, p. 7; Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, p. 7.
576. IMF, *Staff Report For The 2017 Article IV Consultation And Second Review Under The Extended Credit Facility Arrangement, And Request For Modification Of Performance Criteria*, 11/21/2017, pp. 9–10, 32; IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, p. 4.
577. IMF, *Staff Report For The 2017 Article IV Consultation And Second Review Under The Extended Credit Facility Arrangement, And Request For Modification Of Performance Criteria*, 11/21/2017, pp. 10–11.
578. Afghanistan Analysts Network, "The 2018 Afghan National Budget: Confronting hard realities by accelerating reforms," 12/5/2017, pp. 5–6.
579. SIGAR, communications with MOF officials, 8/21/2017.
580. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2017, p. 185; SIGAR analysis of USAID-provided AFMIS data exported 1/8/2017.
581. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2017, pp. 185–188.
582. MOF, Treasury, Documents, http://www.treasury.gov.af/en/documents, accessed 4/4/2017; MOF, Treasury, Documents, http://www.treasury.gov.af/en/documents, accessed 1/11/2018.
583. SIGAR, analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR, analysis of USAID-provided AFMIS data exported 3/7/2017.
584. SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR analysis of USAID-provided AFMIS data exported 3/7/2017; Afghanistan Analysts Network, "Afghan Government Revenue Continues to Grow: A bright spot in a weak economy," 9/27/2017.
585. SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR analysis of USAID-provided AFMIS data exported 3/7/2017.
586. SIGAR analysis of USAID-provided AFMIS data exported 3/7/2017; SIGAR analysis of World Bank, *Afghanistan Development Update*, 5/2017, p. 10.
587. MOF, Treasury, Documents, http://www.treasury.gov.af/en/documents, accessed 4/4/2017; MOF, Treasury, Documents, http://www.treasury.gov.af/en/documents, accessed 1/11/2018.
588. SIGAR analysis of USAID-provided AFMIS data exported 1/8/2018; SIGAR analysis of World Bank, *Afghanistan Development Update*, 5/2017, p. 10.
589. IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, p. 12.
590. IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, pp. 12–13.
591. World Bank, *Afghanistan Development Update*, 11/2017, p. 5; IMF, "Exchange Rates: Concepts, Measurements And Assessment Of Competitiveness," presentation at the IMF–Singapore Regional Training Institute, Bangkok, 11/28/2014, p. 26.
592. World Bank, *Afghanistan Development Update*, 11/2017, p. 5.
593. World Bank, *Afghanistan Development Update*, 11/2017, p. 6.
594. World Bank, *Afghanistan Development Update*, 11/2017, p. 5.
595. SIGAR analysis of USAID response to SIGAR data call, 12/21/2017; USAID, response to SIGAR vetting, 1/9/2018; SIGAR analysis of DAB, "Currency Hijri Average," n.d., http://dab.gov.af/en/page/monetary-policy/rates-statistics/currency-hijri-average, accessed 1/5/2017; SIGAR analysis of IMF, "IMF Executive Board Concludes 2017 Article IV Consultation and Completes the Second Review Under the ECF for the Islamic Republic of Afghanistan," Press Release No. 17/476, 12/8/2017; SIGAR analysis of World Bank, Afghanistan Development Update, 11/2017, pp. 6, 26.
596. IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, p. 13.
597. IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, p. 13.
598. GIROA, "Deputy Foreign Minister meets with Indian Ambassador to Kabul," 6/20/2017; Associated Press, "Afghan president inaugurates first air corridor with India," 6/19/2017.
599. SIGAR analysis of English-language news releases on the President of Afghanistan and Chief Executive of Afghanistan websites from January 1, 2017 to December 31, 2017; The White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
600. The White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
601. SIGAR analysis of UNComtrade data, exported 1/8/2018.
602. IMF, *Islamic Republic Of Afghanistan: Selected Issues*, 12/2017, p. 13.
603. IMF, *First Review Under the Extended Credit Facility Arrangement and Request for Modification of Performance Criteria*, 5/8/2017, pp. 14, 24, 42.
604. World Bank, *Afghanistan Development Update*, 11/2017, p. 10.
605. State, "Strengthening the Strategic Partnership of the United States and Afghanistan," 3/24/2015.
606. Treasury, response to SIGAR data call, 9/21/2017 and 6/23/2017; Treasury, response to SIGAR vetting, 10/23/2017.
607. SIGAR, correspondence with Treasury official, 12/27/2017 and 12/28/2017.
608. Pub. L. No. 110-181, "National Defense Authorization Act for FY 2008," 1/28/2008.
609. State, *International Narcotics Control Strategy Report, Vol. II*, 3/2017, pp. 8, 27–28.
610. To convert to USD, SIGAR used average transfer exchange rates for December 2017 (AFN 69.1885/1 USD; AFN 81.6759/1 EUR). GIROA, FinTRACA, *Annual Report 2017*, 1/2018, pp. 5, 21; DAB, "Exchange Rates," http://dab.gov.af/en/DAB/currency, accessed 1/15/2018.

611. USIP, *Responding to Corruption and the Kabul Bank Collapse*, 12/2016, p. 2.
612. GIROA, "President's Order on Kabul Bank Crisis," 10/1/2014; DOJ, response to SIGAR data call, 9/18/2017; USIP, *Responding to Corruption and the Kabul Bank Collapse*, 12/2016, p. 1; Kabul Bank Receivership, "Kabul Bank Recovery and Loan Portfolio," 9/16/2017.
613. USIP, *Responding to Corruption and the Kabul Bank Collapse*, 12/2016, p. 2.
614. DOJ, response to SIGAR data call, 12/27/2017.
615. USAID, *Afghanistan, Performance Management Plan: Afghanistan Implementation Plan for Transition 2015–2018*, 9/2015, pp. 6–8.
616. Checchi and Company Consulting, *USAID/Afghanistan Plan for Transition Strategy (2015-2018) Mid-Course Stocktaking Exercise*, study contracted by USAID, 8/2017, pp. 15–16.
617. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2015, pp. 13–14; USIP, *Industrial-Scale Looting of Afghanistan's Mineral Resources*, 6/2017, p. 2.
618. USAID, response to SIGAR data call, 12/21/2017.
619. World Bank, *Afghanistan Development Update*, 10/2016, p. 3. USAID, response to SIGAR data call, 12/21/2017.
620. USAID, response to SIGAR data call, 12/21/2017; State, response to SIGAR data call, 12/19/2017.
621. DOD, response to SIGAR vetting, 1/15/2018.
622. AREU, *Mining Governance: An Effective Extractive Industries Revenue Collection System for Afghanistan*, May 2017, p. 2; *TOLOnews*, "MPs Approve 11 Ministers but Rejected Female Candidate," 12/4/2017.
623. USIP, *Afghanistan's Emerging Mining Oligarchy*, 1/2015, p. 9; *TOLOnews*, "Analysts: Over 2,000 Illegal Mining Sites in Afghanistan," 6/24/2015; UN, *Report of the Analytical Support and Sanctions Monitoring Team*, 10/5/2016 p. 17.
624. GIROA, *Afghanistan National Peace and Development Framework 2017 to 2021*, 8/30/2016, p. 18; USIP, *Industrial-Scale Looting of Afghanistan's Mineral Resources*, 6/2017, p. 12.
625. USAID, response to SIGAR data call, 12/21/2017.
626. State, "Afghanistan-United States Compact–Economic Benchmarks," as of 12/23/2017, p. 5; DOD, response to SIGAR vetting, 1/16/2018.
627. GIROA, *Roadmap for Reform Extractive Industries Sector In Afghanistan*, 9/2017, p. 4; DOD, response to SIGAR vetting, 1/16/2018.
628. GIROA, *Roadmap for Reform Extractive Industries Sector In Afghanistan*, 9/2017, p. 5.
629. USAID, response to SIGAR data call, 4/9/2017, and 3/24/2017.
630. CQ, *Newsmaker Transcripts: Center for Strategic and International Studies Holds Forum on Private Sector Engagement in Afghanistan*, 11/27/2017.
631. CQ, *Newsmaker Transcripts: Center for Strategic and International Studies Holds Forum on Private Sector Engagement in Afghanistan*, 11/27/2017.
632. USAID, response to SIGAR data call, 12/21/2017; Office of the President, Islamic Republic of Afghanistan, "Joint Afghan-U.S. Press Release on the Bilateral Compact Executive Committee Meeting," 8/23/2017.
633. World Bank, *Afghanistan: Country Snapshot*, 10/2016, p. 8; World Bank, *Afghanistan Development Update*, 10/2016, pp. 18, 37; World Bank, *Afghanistan Development Update*, 5/2017, p. 31.
634. World Bank, *Afghanistan: Unlocking the Potential of Horticulture*, 6/2017, p. 2.
635. World Bank, *Afghanistan Development Update*, 11/2017, p. 12.
636. GIROA, *Afghanistan National Peace and Development Framework 2017 to 2021*, 8/30/2016, p. 16.
637. USAID, "Afghan and U.S. Governments Team Up to Focus on Farmers in Boosting Afghanistan's Agricultural Sector," 7/25/2016.
638. SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of November 21, 2017.
639. USAID, response to SIGAR data call, 9/30/2013, 6/25/2015, and 12/28/2015; USAID, response to SIGAR vetting, 7/14/2014 and 1/14/2016.
640. USAID, response to SIGAR data call, 12/21/2017.
641. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2017, pp. 199–200.
642. USAID, *Agricultural Credit Enhancement II Program, Annual Report No. 2*, 7/2017, p. 10; USAID, response to SIGAR vetting, 10/10/2017.
643. The average of "Buy" and "Sell" transfer exchange rates on 1/9/2018 was 69.1885 AFN/1 USD. USAID, response to SIGAR vetting, 1/9/2018; DAB, "Exchange Rates: 09 JAN 2018," http://dab.gov.af/en/DAB/currency, accessed 1/9/2018.
644. USAID, *Contract AID-EEM-E-00-05-00002/AID-306-BC-15-00005: Modification 5*, 10/24/2017, p. 2.
645. USAID, *Contract AID-EEM-E-00-05-00002/AID-306-BC-15-00005: Modification 5*, 10/24/2017, p. 2.
646. USAID, *ACAP Partners Afghanistan Renewal Final Report*, 6/2006, pp. 2–4, 9–10.
647. SIGAR, correspondence with ADB official, 12/22/2017.
648. MFA, *Towards Regional Economic Growth and Stability: The Silk Road Through Afghanistan*, 9/2015, p. 37.
649. World Bank, *Afghanistan Country Snapshot*, 10/2016, p. 7.
650. DABS, "Da Afghanistan Breshna Sherkat, Presentation," 9/17/2016; USAID, OI, response to SIGAR vetting, 4/11/2017.
651. World Bank, *Afghanistan, Systematic Country Diagnostic*, 2/1/2016, p. 33; World Bank, Report No: ACS8228, *Islamic State of Afghanistan, Pathways to Inclusive Growth*, 3/2014, p. 90.
652. World Bank, *Afghanistan Economic Update*, 4/2015, p. 23.
653. GIROA, "NPC approves the First Investment Projects of Gas Power Plant and Installation of Power Generating plant worth $ 113 million," n.d., http://www.npa.gov.af/en/SingleNews_3_B_2?id=47, accessed 1/4/2018.
654. GIROA, MEC, "Vulnerability to Corruption Assessment Of Da Afghanistan Breshna Sherkat (DABS)," 12/2017, pp. 3, 35.
655. GIROA, MEC, "Vulnerability to Corruption Assessment Of Da Afghanistan Breshna Sherkat (DABS)," 12/2017, p. 3.
656. GIROA, MEC, "Vulnerability to Corruption Assessment Of Da Afghanistan Breshna Sherkat (DABS)," 12/2017, p. 30.
657. SIGAR, *Quarterly Report to the United States Congress*, 7/30/2014, p. 173.
658. USAID, response to SIGAR data call 6/30/2014 and 1/7/2014.

659. GIROA, MEC, "Vulnerability to Corruption Assessment Of Da Afghanistan Breshna Sherkat (DABS)," 12/2017, pp. 3, 35.
660. SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018. For past examples of SIGAR warnings regarding on-budget assistance to DABS, see: SIGAR, *Afghanistan Infrastructure Fund: Agencies Have Not Assessed Whether Six Projects That Began in Fiscal Year 2011, Worth about $400 million, Achieved Counterinsurgency Objectives and Can Be Sustained*, SIGAR 18-10-AR, 10/2017, p. 18; John F. Sopko, "Oversight of USAID and State Department Reconstruction Efforts in Afghanistan," Testimony Before the House Committee on Foreign Affairs, SIGAR 14-65-TY, 6/10/2014, p. 30; SIGAR, *SIGAR Alert/Kajaki Dam Direct Assistance-Oversight Provisions*, 12/31/2013.
661. USAID, response to SIGAR data call 12/21/2017.
662. USAID, *Afghanistan, Performance Management Plan: Afghanistan Implementation Plan for Transition 2015–2018*, 9/2015, p. 9.
663. SIGAR analysis of DOD-provided CERP data set, 7/2015; SIGAR analysis of USFOR-A, JENG, *FY 2011–2014 Afghanistan Infrastructure Fund Program and Schedule*, 12/17/2017.
664. USAID, OI, response to SIGAR vetting, 4/12/2015; SIGAR analysis of USFOR-A, JENG, FY 2011–2014 Afghanistan Infrastructure Fund Program and Schedule, 12/17/2017.
665. USAID, response to SIGAR vetting, 1/15/2014; USAID, Fact Sheet, "Power Transmission Expansion and Connectivity Project Overview," 8/25/2015.
666. USAID, OI, response to SIGAR vetting, 7/12/2015 and 4/13/2016; USAID, Fact Sheet, "Power Transmission Expansion and Connectivity Project Overview," 8/25/2015.
667. USAID, response to SIGAR data call, 12/21/2017; White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017.
668. USAID, response to SIGAR data call, 12/21/2017.
669. USAID, response to SIGAR data call, 12/21/2017; USAID, *Implementation Letter (IL) 22-78 Temporary Suspension of USAID Funding for DABS' Ghazni-Kandahar Transmission Lines Contract (DABS-94—ICB-040) under USAID Agreement 306-05-00*, 10/20/2017; USAID, *Implementation Letter (IL) 22-79 Withdrawal of Award Consent for SEPS Completion and Ghazni-Kandahar five substation pending procurement actions under USAID agreement 306-05-00*, 11/9/2017.
670. USAID, *Implementation Letter (IL) 22-79 Withdrawal of Award Consent for SEPS Completion and Ghazni-Kandahar five substation pending procurement actions under USAID agreement 306-05-00*, 11/9/2017.
671. USAID, response to SIGAR vetting, 1/9/2018.
672. General David Petraeus, "Afghanistan Commanders' Emergency Response Program (CERP) Kandahar City 30 MW Diesel Power Generation Project," memo to Under Secretary of Defense for Policy and Comptroller, 6/5/2010, p. 1.
673. USAID, *Mid-Term Performance Evaluation: Power Transmission Expansion And Connectivity (PTEC) Commercialization Activities*, i.
674. USAID, *Mid-Term Performance Evaluation: Power Transmission Expansion And Connectivity (PTEC) Commercialization Activities*, ii, iv.
675. USAID, response to SIGAR data call, 12/21/2017; USAID, *Implementation Letter (IL) 22-78 Temporary Suspension of USAID Funding for DABS' Ghazni-Kandahar Transmission Lines Contract (DABS-94—ICB-040) under USAID Agreement 306-05-00*, 10/20/2017.
676. USAID, response to SIGAR data call, 12/21/2017.
677. USAID, response to SIGAR data call, 9/21/2017.
678. USAID, response to SIGAR data call, 6/22/2017 and 12/22/2016; USAID, OI, "Kajaki Dam Hydropower Plant (Kajaki Unit 2), Project Status Update," 9/7/2016.
679. USAID, OI, "Kajaki Unit 2 Completion Summary, as of 9/7/2016," 9/27/2016; USAID, OI, response to SIGAR data call, 6/22/2017 and 3/24/2017; USAID, response to SIGAR vetting, 1/9/2018.
680. USAID, response to SIGAR data call, 12/21/2017; USAID, response to SIGAR vetting, 1/9/2018.
681. USAID, response to SIGAR vetting, 10/11/2016; USAID, OI, response to SIGAR data call, 3/24/2017.
682. U.S. Embassy Kabul/USFOR-A, *Memorandum for United States Secretary of State, United States Secretary of Defense, Afghanistan Infrastructure Fund Reprogramming for Fiscal Year 2014*, 5/8/2015; DOD, response to SIGAR data call, 9/28/2015 and 12/22/2016.
683. USAID, response to SIGAR data call, 12/22/2016.
684. USAID, OI, response to SIGAR data call, 12/21/2017.
685. USAID, response to SIGAR vetting, 1/9/2018.
686. USAID, OI, response to SIGAR data call, 3/24/2017, 12/22/2016, and 9/23/2016; USAID, USAID Energy Projects in Afghanistan, 8/2015; USAID, response to SIGAR vetting, 10/10/2017.
687. USAID, OI, response to SIGAR data call, 9/21/2017; USAID, "Afghanistan Utility Breaks Ground On Landmark Infrastructure Project," 9/24/2017.
688. USAID, response to SIGAR data call, 12/21/2017; USAID, response to SIGAR vetting, 1/9/2018.
689. DOD, response to SIGAR data call, 9/28/2015; DOD, response to SIGAR vetting, 1/16/2018 and 1/15/2016.
690. Public Law No: 113-235, *Consolidated and Further Continuing Appropriations Act, 2015, Division C–Department of Defense Appropriations Act, 2015*, 12/16/2014; Public Law No: 114-113, *Consolidated Appropriations Act, 2016*, 12/18/2015; Public Law No: 115-31, *Consolidated Appropriations Act, 2017*, 5/5/2017, pp. 146–147.
691. OSD-P, *DOD Implementation of the Afghanistan Infrastructure Fund Annual Report to Congress*, 9/22/2017.
692. SIGAR analysis of USFOR-A, JENG, *FY 2011-2014 AIF Program Status Report*, 12/17/2017; DOD, response to SIGAR vetting, 1/16/2018.
693. World Bank, *Afghanistan: Country Snapshot*, 10/2016, p. 10; World Bank, "Afghanistan Transport Sector," accessed 7/8/2013; World Bank, *Afghanistan Economic Update*, 4/2015, pp. 19, 23; World Bank, "Competitiveness and Inclusive Growth for Sustainable Jobs," 5/7/2013, p. 27.
694. World Bank, *Afghanistan: Country Snapshot*, 10/2016, pp. 9–10.
695. SIGAR 17-11-AR, *Afghanistan's Road Infrastructure: Sustainment Challenges and Lack of Repairs Put U.S. Investment at Risk*, 10/2016, i.
696. World Bank, *Afghanistan: Country Snapshot*, 10/2016, pp. 9–10.
697. USAID, "New Milestone Achieved in Afghanistan's Road Sector Reform," 6/19/2016.

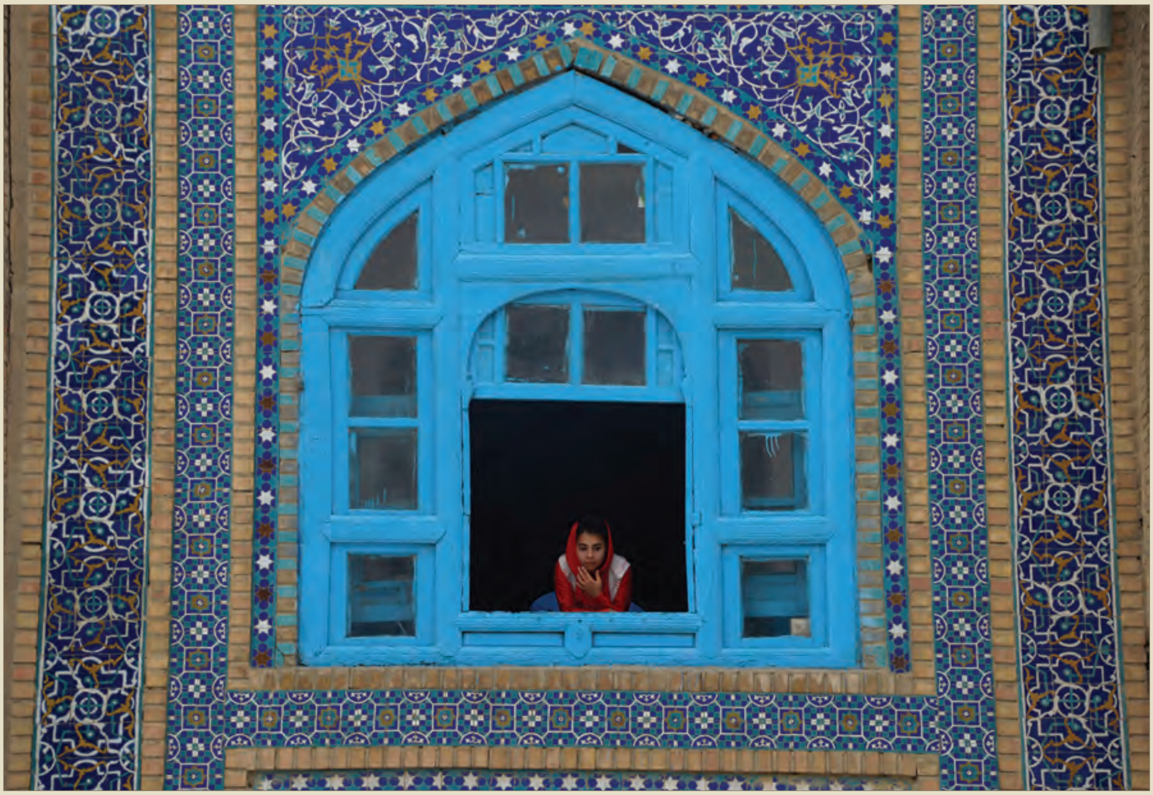
698. SIGAR 17-11-AR, *Afghanistan's Road Infrastructure: Sustainment Challenges and Lack of Repairs Put U.S. Investment at Risk*, 10/2016, i, ii.
699. DOD, response to SIGAR vetting, 1/16/2018.
700. USAID, OI, *Technical Assistance to the Ministry of Public Works, July Monthly Report No. 35*, 8/7/2017, p. 1; USAID, "Technical Assistance to the Ministry of Public Works," Factsheet, 7/2016; USAID, response to SIGAR data call, 9/21/2017 and 4/9/2017.
701. USAID, response to SIGAR data call, 12/21/2017, 9/21/2017, and 6/22/2017.
702. USAID, OI, response to SIGAR data call, 6/22/2017.
703. USAID, OI, *Technical Assistance to the Ministry of Public Works, Final Project Completion Report*, 6/24/17, pp. 5–6.
704. USAID, response to SIGAR data call, 12/21/2017.
705. World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, p. 142; World Bank, *Doing Business 2017: Equal Opportunity for All*, 10/25/2017, p. 188.
706. World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, pp. 126, 142; World Bank, *Doing Business 2017: Equal Opportunity for All*, 10/25/2017, p. 188.
707. World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017 p. 142.
708. SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of November 21, 2017.
709. GIROA, "Joint Afghan–U.S. Press Release On The Bilateral Compact Executive Committee Meeting, 8/23/2017. *Afghanistan-United States Compact: Economic Benchmarks*, current as of 12/23/2017, p. 6.
710. *Afghanistan-United States Compact: Economic Benchmarks*, current as of 12/23/2017, pp. 1–2.
711. SIGAR analysis of World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, p. 142; SIGAR analysis of World Bank, *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*, 10/29/2013, p. 173.
712. SIGAR analysis of World Bank, *Doing Business 2018: Reforming to Create Jobs*, 10/31/2017, p. 142; SIGAR analysis of World Bank, *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*, 10/29/2013, p. 173; World Bank, *Doing Business 2016: Measuring Regulatory Quality and Efficiency*, 10/2015, p. 183; World Bank, *Doing Business 2015: Going Beyond Efficiency*, 10/2014, p. 167.
713. USAID, *Afghanistan Trade and Revenue (ATAR) Project Quarterly Report April-June 2017*, 7/31/17, p. 6; USAID, *Afghanistan Trade And Revenue Project Final Report*, 11/6/2017, p. 9
714. USAID, response to SIGAR data call, 1/17/2018.
715. USAID, *Afghanistan Trade And Revenue Project Final Report*, 11/6/2017, pp. 9–10, 117.
716. SIGAR, *USAID'S Afghan Trade And Revenue: Program Has Failed To Achieve Goals For Implementation Of E-Payment System To Collect Customs Revenues*, SIGAR-17-61-SP, 8/2017, p. 2.
717. SIGAR, *USAID'S Afghan Trade And Revenue: Program Has Failed To Achieve Goals For Implementation Of E-Payment System To Collect Customs Revenues*, SIGAR-17-61-SP, 8/2017, p. 5.
718. SIGAR analysis of data from the Asia Foundation, *Afghanistan 2017: A Survey of the Afghan People*, 11/2017.
719. World Bank, *Afghanistan Country Snapshot*, 10/2016, p. 14.
720. UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 12/15/2017, p. 7; UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 9/15/2017, p. 7.
721. UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 9/15/2017, p. 7.
722. HRW, *"I Won't Be a Doctor, and One Day You'll Be Sick": Girls' Access to Education in Afghanistan*, 10/2017, pp. 3, 7–8.
723. MOE, EMIS Generated Report, *Government Schools by Province and Program 1395*, accessed 3/30/2017; MOE, EMIS Generated Report, *Government Inactive Schools by Province and Program 1395*, accessed 3/30/2017; MOE, EMIS Generated Report, *Total Enrollment for General Education Year 1395*, accessed 3/30/2017; MOE, EMIS Generated Report, *Government Schools by Province and Program 1396*, accessed 1/4/2017; MOE, EMIS Generated Report, *Government Inactive Schools by Province and Program 1396*, accessed 1/4/2017; MOE, EMIS Generated Report, *Total Enrollment for General Education Year 1396*, accessed 1/4/2017.
724. USAID, response to SIGAR vetting, 7/9/2014 and 10/12/2015.
725. USAID, "Response to the Inquiry Letter on Afghanistan Education Data Reliability, (SIGAR Inquiry Letter-15-62-SP)," 6/30/2015.
726. GIROA, MEC, *Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Education*, 10/2017, p. 86; SIGAR analysis of EMIS Generated Report, *Total Enrollment for General Education Year 1396*, accessed 1/4/2017.
727. GIROA, MEC, *Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Education*, 10/2017, p. 3.
728. GIROA, MEC, *Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Education*, 10/2017, p. 4.
729. USAID, *Afghanistan*, *Performance Management Plan: Afghanistan Implementation Plan for Transition 2015–2018*, 9/2015, pp. 10–11; USAID, response to SIGAR vetting, 7/12/2015; USAID, OED, response to SIGAR data call, 12/28/2015; USAID, response to SIGAR data call, 12/21/2017.
730. SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of November 21, 2017.
731. USAID, "U.S., Afghan Governments Launch Program to Give Students Access to Learning Materials," 11/7/2017; USAID, *Implementation Letter Number 20-11 under Strategic Objective Grant Agreement No. 306-07-00 for Basic Education, Learning, and Training (BELT) Program's Textbook Printing and Distribution*, 9/12/2017, p. 2; USAID, Fact Sheet, "Textbook Printing and Distribution," 5/31/2016, p. 1; USAID, response to SIGAR vetting, 1/9/2018.
732. USAID, "U.S., Afghan Governments Launch Program to Give Students Access to Learning Materials," 11/7/2017.
733. USAID, *Assessment Of USAID Afghanistan Education Programs: Analysis And Lessons Learned Study*, 2/2017, p. 13.
734. USAID, response to SIGAR vetting, 1/9/2018.

735. USAID, "Fact Sheet: Improved Health for Afghan Mothers and Children," 5/2015; USAID, "Health," https://www.usaid.gov/afghanistan/health, accessed 1/16/2016; World Bank, *Afghanistan: Country Snapshot*, 10/2015, p. 14.
736. UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 12/15/2017, p. 8.
737. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2017, p. 214.
738. UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 12/15/2017, p. 12; USAID, response to SIGAR vetting, 10/10/2017.
739. USAID, *Afghanistan*, *Performance Management Plan: Afghanistan Implementation Plan for Transition 2015–2018*, 9/2015, pp. 10, 19.
740. USAID, *Afghanistan*, *Performance Management Plan: Afghanistan Implementation Plan for Transition 2015–2018*, 9/2015, pp. 6, 10; USAID, *Partnership Contracts for Health Services*, *Semi-Annual Report*, *October 2014–March 2015*, 7/12/2015, p. 7; USAID, OHN, response to SIGAR vetting, 10/10/2017.
741. USAID, response to SIGAR data call, 12/21/2017; USAID, "Office of Health and Nutrition Portfolio Review," 11/2017, pp. 3–4, 6; USAID, response to SIGAR vetting, 1/9/2018.
742. USAID, response to SIGAR vetting, 7/12/2015.
743. SIGAR analysis of USAID, response to SIGAR data call, 1/17/2018; SIGAR analysis of World Bank, ARTF, *Administrator's Report on Financial Status*, as of November 21, 2017.
744. SIGAR, *USAID Supported Health Facilities In Khost Province*, *Afghanistan: Observations From 20 Site Visits*, SIGAR-18-13-SP, 11/2017, p. 2.
745. SIGAR, *USAID Supported Health Facilities In Khost Province*, *Afghanistan: Observations From 20 Site Visits*, SIGAR-18-13-SP, 11/2017, p. 2.
746. USAID, Fact Sheet, Initiative for Hygiene, Sanitation And Nutrition (IHSAN), 9/14/2017, p. 1; USAID, response to SIGAR vetting, 1/9/2018.
747. USAID, response to SIGAR data call, 1/17/2018.
748. USAID, *Initiative for Hygiene*, *Sanitation and Nutrition (IHSAN) Project: Annual Performance Progress Report*, 10/31/2017, pp. 45, 49.
749. USAID, *USAID Initiative for Hygiene*, *Sanitation*, *and Nutrition (IHSAN) Afghanistan: FY18 Work Plan*, p. 16.
750. Global Polio Eradication Initiative, "Afghanistan," n.d., http://polioeradication.org/where-we-work/afghanistan/, accessed 12/28/2017.
751. Global Polio Eradication Initiative, "Data and Monitoring, Polio This Week," 4/5/2017.
752. WHO, *Poliomyelitis*, *Report by the Secretariat A70/14*, 4/24/2017, p. 1; *The Guardian*, "Pakistan and Afghanistan Join Forces to Wipe Out Polio," 4/5/2016; USAID, OHN, response to SIGAR vetting, 10/10/2017.
753. USAID, OHN, response to SIGAR vetting, 10/10/2017 and 4/11/2017; UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 12/15/2017, p. 12.
754. UN, *The Situation in Afghanistan and its Implications for International Peace and Security*, report of the Secretary-General, 12/15/2017, p. 12.
755. USAID, response to SIGAR data call, 12/21/2017.
756. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, pp. 5–6, 34.
757. *Merriam-Webster Dictionary* website, hectare definition, https://www.merriam-webster.com/dictionary/hectare, accessed 12/19/2017; *United States Census Bureau* website, "State Area Measurements and Internal Point Coordinates," https://www.census.gov/geo/reference/state-area.html, accessed 12/19/2017.
758. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, pp. 5, 34.
759. INL, *International Narcotics Control Strategy Report*, *Volume II*, 3/2017, p. 27; UNODC, *World Drug Report 2014*, p. 21.
760. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, pp. 5–7.
761. *RS NATO* website, "Transcript of DOD Press Briefing with General John Nicholson, commander, U.S. Forces-Afghanistan," 11/21/2017, http://www.rs.nato.int/news-center/transcripts/dod-press-briefing-with-nicholson.aspx, accessed 11/21/2017.
762. *Whitehouse.gov*, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," 8/21/2017, https://www.whitehouse.gov/briefings-statements/remarks-president-trump-strategy-afghanistan-south-asia/, accessed 12/20/2017; *RS NATO* website, "Transcript of DOD Press Briefing with General John Nicholson, commander, U.S. Forces-Afghanistan," 11/21/2017, http://www.rs.nato.int/news-center/transcripts/dod-press-briefing-with-nicholson.aspx, accessed 11/21/2017; *RS NATO* website, "Transcript of DOD Press Briefing by Brigadier General Bunch via teleconference from Kabul, Afghanistan," 12/13/2017, http://www.rs.nato.int/news-center/transcripts/dod-press-briefing-by-brigadier-general-bunch.aspx, accessed 12/13/2017.
763. SIGAR, *Quarterly Report to the United States Congress*, 7/30/2017, pp. 190–191.
764. *Pajhwok Afghan News*, Khwaja Basir Fitri, "3 ministers brief MPs on budget under-spending," 12/19/2017, https://www.pajhwok.com/en/2017/12/18/3-ministers-brief-mps-budget-under-spending, accessed 12/19/2017; *The New York Times*, Mujib Mashal, "Afghanistan Fires 7 From Cabinet in Intensifying Political Crisis," 11/15/2016, https://www.nytimes.com/2016/11/16/world/asia/afghanistan-ashraf-ghani-cabinet.html, accessed 12/20/2017; *Afghanistan Holding Group website*, Calendar Converter, https://www.ahg.af/what-we-do/financial-services/calendar-converter/; *AAN*, Thomas Ruttig, "Parliament Kicks Out Ministers Again: A multi-dimensional power struggle," 11/19/2017, https://www.afghanistan-analysts.org/parliament-kicks-out-ministers-again-a-multi-dimensional-power-struggle/, accessed 12/22/2017.
765. Office of the President, "Joint Afghan – U.S. Press Release on the Bilateral Compact Executive Committee Meeting," 8/23/2017; State/SCA, response to SIGAR data call, 9/29/2017 and 12/29/2017.
766. OSD(CN), response to SIGAR data call, 9/26/2017; INL, response to SIGAR vetting, 10/12/2017; OSD(CN), response to SIGAR vetting, 1/17/2018.

767. INL, response to SIGAR vetting, 10/12/2017; INL, *International Narcotics Control Strategy Report, Volume I: Drug and Chemical Control*, 3/2017, p. 90.
768. *International Society of Substance Use Professionals Website*, Brian Morales, "Afghanistan National Drug Use Survey 2015," 10/20/2016; UNODC, *World Drug Report 2017*, *Booklet 1*, 5/2016, p. 32.
769. *RadioFreeEurope RadioLiberty*, "Afghan Drug Addicts Die in Freezing Weather," 12/16/2017, https://www.rferl.org/a/afghanistan-homeless-drug-addicts-die-kabul-freezing-weather/28922186.html, accessed 12/18/2017.
770. *Pajhwok Afghan News*, S. Mudassir Ali Shah, "Trilateral meeting in New Delhi to discuss Afghanistan," 12/11/2017, https://www.pajhwok.com/en/2017/12/11/trilateral-meeting-new-delhi-discuss-afghanistan, accessed 12/11/2017.
771. UN, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 12/15/2017, p. 7.
772. See Appendix B of this report.
773. DOD, response to SIGAR vetting, 7/16/2016.
774. White House, *FY 2017 Budget and Performance Summary, Companion to the National Drug Control Strategy*, 11/2015, pp. 9, 18–19; DEA, response to SIGAR vetting, 10/15/2016.
775. SIGAR, *Quarterly Report to the United States Congress*, 7/30/2017, pp. 190–191.
776. State Department Website, "Bureau of South and Central Asian Affairs," https://www.state.gov/p/sca/, accessed 12/29/2017; SIGAR, *Quarterly Report to the United States Congress*, 7/30/2017, pp. 190–191.
777. INL, response to SIGAR data call, 6/22/2017; *VOA News*, Aman Azhar "US Shutters Special Representative for Afghanistan-Pakistan Office," 10/20/22017, https://www.voanews.com/a/us-shutters-special-representative-for-afghanistan-pakistan-office/4079919.html, accessed 12/29/2017.
778. INL, response to SIGAR data call, 12/21/2017.
779. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, pp. 5–6, 8.
780. *Merriam-Webster Dictionary* website, hectare definition, https://www.merriam-webster.com/dictionary/hectare, accessed 12/19/2017; *United States Census Bureau* website, "State Area Measurements and Internal Point Coordinates," https://www.census.gov/geo/reference/state-area.html, accessed 12/19/2017.
781. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, p. 5.
782. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, p. 5.
783. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, p. 5.
784. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, p. 6.
785. UNODC, *Afghanistan Opium Survey Report 2017: Cultivation and Production*, 11/2017, pp. 6–7.
786. INL, response to SIGAR data call, 12/21/2017.
787. State, INL, "Eradication and Interdiction," https://www.state.gov/j/inl/focus/counternarcotics/eradication/, accessed 4/4/2017.
788. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 18.
789. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 95.
790. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 92, 94.
791. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 96.
792. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 95.
793. INL, response to SIGAR data call, 9/28/2017.
794. INL, response to SIGAR data call, 9/28/2017.
795. INL, response to SIGAR data call, 9/28/2017.
796. INL, response to SIGAR vetting, 10/12/2017.
797. DEA, response to SIGAR data call, 12/27/2017.
798. State, INL, "Eradication and Interdiction," https://www.state.gov/j/inl/focus/counternarcotics/eradication/, accessed 4/4/2017.
799. OSD(CN) response to SIGAR data call, 12/26/2017.
800. OSD(CN) response to SIGAR data call, 12/26/2017.
801. DEA, response to SIGAR data call, 12/27/2017.
802. UN, *The situation in Afghanistan and its implications for international peace and security*, report of the Secretary-General, 12/15/2017, p. 13.
803. OSD(CN), response to SIGAR data call, 12/26/2017; OSD(CN), response to SIGAR vetting, 1/17/2018.
804. OSD(CN), response to SIGAR data call, 12/26/2017.
805. OSD(CN), response to SIGAR data call, 12/26/2017 and 9/26/2017; INL, response to SIGAR vetting, 10/12/2017; OSD(CN), response to SIGAR vetting, 1/17/2018.
806. UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, p. 6; OSD(CN), response to SIGAR data call, 12/27/2017.
807. OSD(CN), response to SIGAR data call, 12/26/2017.
808. OSD(CN), response to SIGAR data call, 12/26/2017.
809. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 74–75.
810. DOD, *Enhancing Security and Stability in Afghanistan*, 6/2016, pp. 33, 65.
811. DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, pp. 74–75.
812. State, *Governor Led Eradication Amended Implementing Instructions for the Letter of Agreement on Police, Criminal Justice, and Counternarcotics Support Programs of March 9, 2006 between the Government of the United States of America and the Islamic Republic of Afghanistan*, 4/23/2014; INL, vetting response, 1/12/2018.
813. INL, response to SIGAR data call, 12/27/2017.
814. UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, p. 15.
815. INL, response to SIGAR data call, 12/27/2017.
816. INL, response to SIGAR data call, 12/27/2017.
817. INL, *Financial Management Risk Assessment of the Ministry of Counter Narcotics of the Government of the Islamic Republic of Afghanistan*, 4/2015, p. 8; INL, response to SIGAR data call, 3/24/2017 and 6/22/2017.
818. INL, response to SIGAR data call, 12/27/2017.
819. INL, response to SIGAR data call, 3/24/2017 and 6/22/2017.
820. INL, response to SIGAR data call, 3/24/2017 and 6/22/2017.
821. INL, response to SIGAR data call, 12/27/2017.
822. INL, response to SIGAR data call, 6/25/2015.

823. SIGAR, *Quarterly Report to the United States Congress*, 10/30/2016, pp. 135–136.
824. INL, response to SIGAR data call, 9/28/2017.
825. *TOLOnews*, "Hiring, Reforms Remain Fragile In 37 Govt Departments: Report," 10/3/2017.
826. INL, response to SIGAR vetting, 1/12/2018; GIROA, *Afghan National Drug Action Plan 2015–2019*, 10/14/2015, p. 22.
827. INL, response to SIGAR vetting, 10/14/2016; INL, response to SIGAR data call, 3/24/3017; White House, *FY2017 Budget and Performance Summary: Companion to the National Drug Control Strategy*, 12/2016, pp. 18, 234–235, 250.
828. OAG, response to SIGAR data call, 3/22/3017.
829. INL, response to SIGAR data call, 12/20/2016.
830. USAID, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, pp. 18–19.
831. USAID, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 18.
832. USAID, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, pp. 24–26.
833. USAID, Press Release "USAID Supports Value Chains in Western Region of Afghanistan," 1/16/2018.
834. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, p. 4.
835. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, p. 10.
836. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, pp. 12–13.
837. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, p. 11; USAID, response to SIGAR vetting, 1/9/2018.
838. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, pp. 12–13.
839. USAID, response to SIGAR vetting, 1/9/2018.
840. USAID, response to SIGAR vetting, 1/9/2018.
841. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, pp. 15–16.
842. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, pp. 21–22; USAID, response to SIGAR vetting, 1/9/2018.
843. USAID, *Kandahar Food Zone Program (KFZ) Year 5 Work Plan, August 31, 2014 to August 31, 2018*, 9/21/2017, p. 32.
844. USAID, *Kandahar Food Zone Program (KFZ) Year 4 KFZ Quarterly Progress Report, Q2 FY2017 January 1-March 31, 2017*, 4/30/2017, p. 10.
845. USAID, response to SIGAR data call, 1/6/2018.
846. USAID, response to SIGAR vetting, 10/11/2016 and 4/11/2017.
847. USAID, *Regional Agricultural Development Program – East (RADP-E) Year Two Implementation Work Plan, October 1, 2017-September 30, 2018*, 8/2017, pp. 1–3; USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
848. USAID, *Regional Agricultural Development Program – East (RADP-E) Year Two Implementation Work Plan, October 1, 2017–September 30, 2018*, 8/2017, p. 14.
849. USAID, response to SIGAR data call, 12/21/2017.
850. USAID, response to SIGAR data call, 1/6/2018; USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
851. USAID, *Regional Agricultural Development Program – North (RADP-N) Factsheet*, 11/2016; USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
852. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, p. 14.
853. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, p. 8.
854. USAID, response to SIGAR vetting, 1/9/2018 and 1/10/2018.
855. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, p. 10.
856. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, p. 10.
857. USAID, response to SIGAR vetting, 1/9/2018.
858. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, p. 11; USAID, response to SIGAR vetting, 1/9/2018.
859. USAID, *Regional Agricultural Development Program – North (RADP-N) FY2018, Year 4 Work Plan, 8/2017*, pp. 11–12.
860. USAID, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, p. 31.
861. USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
862. USAID, *Regional Agricultural Development Program – South (RADP-S) AID-306-C-13-00018, FY 2017, Quarter 2: January-March 2017*, 4/30/2017, p. 2; USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
863. USAID, *Regional Agricultural Development Program – South (RADP-S) AID-306-C-13-00018, FY 2017, Contract Modification*, 10/18/2017.
864. USAID, response to SIGAR vetting, 4/11/2017.
865. USAID, response to SIGAR vetting, 1/9/2018.
866. USAID, *SOL-306-17-000085 Afghanistan Value Chains–Crops, Attachment J.1*, p. 1, 11/26/2017; USAID, *SOL-306-17-000069 Afghanistan Value Chains–Livestock, Attachment J.1*, 11/26/2017, p. 1; USAID, *USAID/Afghanistan Plan for Transition Strategy (2015–2018) Mid-Course Stocktaking Exercise*, 8/2017, pp. 17–18.
867. USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
868. USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP) Quarterly Report: January-March 2017*, 5/9/2017, pp. 1, 3.
869. USAID, *Cooperative Agreement No. AID-306-A-00-10-0512-22*, pp. 1, 4.
870. USAID, response to SIGAR data call, 12/21/2017; USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP Annual Work Plan, January 1 , 2017–December 31, 2017*, n.d., p. 14.
871. USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP) Annual Work Plan, January 1 , 2017–December 31, 2017*, n.d., p. 4; *Commercial Horticulture and Agricultural Marketing Program (CHAMP) October 2017 Monthly Report*, n.d., p. 5.
872. *Commercial Horticulture and Agricultural Marketing Program (CHAMP) October 2017 Monthly Report*, n.d., pp. 5-6; *Commercial Horticulture and Agricultural Marketing Program (CHAMP) November 2017 Monthly Report*, n.d., p. 5.

873. USAID, *Quarterly Pipeline Analysis Report, Report as of 12/31/2017*, 1/17/2018.
874. UNODC, *Quarterly Report, INL Funded Alternative Development Programme, Boost Alternative Development Intervention through Licit Livelihoods (BADILL), Period covered: July–September 2017*, 2017, p. 1.
875. INL, response to SIGAR vetting, 1/13/2017; INL, response to SIGAR data call, 6/22/2017.
876. UNODC, *Quarterly Report, INL Funded Alternative Development Programme, Boost Alternative Development Intervention through Licit Livelihoods (BADILL), Period covered: July-September 2017*, 2017, p. 1; UNODC, *ListenFirst on the World Drug Day 2017*; UNODC Afghanistan, *National Mobilization Week against Drugs and Illicit Trafficking in Afghanistan 9–14th July, 2017*.
877. UNODC, *Quarterly Report, INL Funded Alternative Development Programme, Boost Alternative Development Intervention through Licit Livelihoods (BADILL), Period covered: July–September 2017*, 2017, pp. 6–7; INL, response to SIGAR vetting, 1/12/2018.
878. UNODC, *Quarterly Report, INL Funded Alternative Development Programme, Boost Alternative Development Intervention through Licit Livelihoods (BADILL), Period covered: July-September 2017*, pp. 4–5.
879. INL, response to SIGAR vetting, 7/14/2017.
880. State, INL, Letters of Agreement between INL and UNDP dated 9/15/2017 and 11/09/2017.
881. INL, response to SIGAR vetting, 1/12/2018.
882. UNDP, *Quarterly Reporting Template for US/INL Funded Projects, Period covered by the report: Fourth Quarter (Jul-Sep 2017)*, p. 10.
883. UNDP, *Quarterly Reporting Template for US/INL Funded Projects, Period covered by the report: Fourth Quarter (Jul-Sep 2017)*, pp. 1–2.
884. INL, *International Narcotics Control Strategy Report, Volume I*, 3/2017, p. 90.
885. UNODC, *World Drug Report 2017, Booklet 1*, 6/22/2017, p. 9.
886. *RadioFreeEurope RadioLiberty*, "Afghan Drug Addicts Die in Freezing Weather," 12/16/2017, https://www.rferl.org/a/afghanistan-homeless-drug-addicts-die-kabul-freezing-weather/28922186.html, accessed 12/18/2017.
887. INL, *International Narcotics Control Strategy Report, Volume I*, 3/2017, p. 92.
888. INL, response to SIGAR vetting, 7/12/2017.
889. INL, response to SIGAR data call, 12/27/2017; INL, response to SIGAR vetting, 1/12/2018 and 1/16/2018.
890. INL, response to SIGAR data call, 3/24/2017 and 12/27/2017; INL, response to SIGAR vetting, 1/12/2018.
891. INL, *International Narcotics Control Strategy Report, Volume I*, 3/2017, p. 92; INL, response to SIGAR data call, 12/20/2016.
892. INL, response to SIGAR data call, 12/27/2017.
893. INL, response to SIGAR data call, 4/4/2016, 6/24/2016, and 12/20/2016.
894. INL, response to SIGAR vetting, 1/16/2018.
895. The Colombo Plan, Drug Advisory Programme, *Project No.: 2016-AF003, Quarterly Report FY2017 Q1*, 4/12/2017, p. 4.
896. The Colombo Plan, Drug Advisory Programme, *Project No.: 2016-AF003, Quarterly Report FY2017 Q1*, 4/12/2017, p. 14.
897. The Colombo Plan, Drug Advisory Programme, *Project No.: 2016-AF003, Quarterly Report FY2017 Q1*, 4/12/2017, p. 21.
898. INL, response to SIGAR data call, 12/27/2017; INL, response to SIGAR vetting, 1/12/2018.
899. INL, response to SIGAR data call, 12/27/2017.
900. INL, *International Narcotics Control Strategy Report, Volume I*, 3/2017, p. 92.
901. INL, response to SIGAR vetting, 1/12/2018.
902. Sayara Strategies, *Counter Narcotics Community Engagement III, Quarterly Report, July-September 2017*, 2017, p. 4; INL, response to SIGAR data call, 12/27/2017.
903. Sayara Strategies, *Counter Narcotics Community Engagement III, Quarterly Report, July-September 2017*, 2017, p. 4; INL, response to SIGAR vetting, 7/10/2015.



An Afghan girl looks out from a window of the Hazrat-e-Ali shrine in Mazar-e Sharif at Nowruz festivities that mark the Afghan new year. Nowruz, one of the biggest festivals of the war-scarred nation, marks the first day of spring and the beginning of the year in the Persian calendar. Nowruz is calculated according to a solar calendar. (AFP photo)

Quarterly Report Staff

Michael Bindell, Deputy Director of Research and Analysis Directorate
Daniel Fisher, Economic and Social Development Subject Matter Expert
Clark Irwin, Lead Writer/Editor
Vong Lim, Visual Information Specialist
James Misencik, Project Coordinator
Cameron Moubray, Student Trainee
Olivia Paek, Senior Visual Information Specialist
Heather Robinson, Security Subject Matter Expert
Emmett Schneider, Funding Subject Matter Expert
Deborah Scroggins, Director of Research and Analysis Directorate
Hannaka Spillman, Student Trainee
Solange Toura Gaba, Counternarcotics Subject Matter Expert
Daniel Weggeland, Governance Subject Matter Expert

SIGAR
SPECIAL INSPECTOR GENERAL
FOR AFGHANISTAN RECONSTRUCTION

2530 Crystal Drive
Arlington, VA 22202

www.sigar.mil

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

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

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

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

SIGAR
Report Fraud, Waste or Abuse