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SIGAR

Special Inspector General for Afghanistan Reconstruction

JULY 30 2023

QUARTERLY REPORT TO THE UNITED STATES CONGRESS

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

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

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

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

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

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

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

Cover photo:
A Taliban fighter walks past a beauty salon with images of women defaced in Kabul on August 18, 2021. (Wakil KOHSAR/AFP)

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

To Congress, the Secretaries of State and Defense, and the American people, I am pleased to submit SIGAR's 60th quarterly report on the status of reconstruction in Afghanistan.

This month the United Kingdom's Independent Commission for Aid Impact (ICAI) invited SIGAR to participate in briefing a select group of UK parliamentarians on lessons learned from Afghanistan reconstruction that could be applied to other conflict environments, including Ukraine. The briefing was particularly focused on ICAI's latest lessons-learned report on the UK's development efforts in Afghanistan and SIGAR's lessons learned reports on Afghanistan reconstruction.

ICAI is similar to SIGAR, as it is empowered to oversee UK development assistance and provide recommendations for improvement. We at SIGAR have worked closely with ICAI since my appointment in 2012. A summary of ICAI's lessons learned findings are found at Appendix H of this quarterly report. Their conclusions are very similar to those found in SIGAR's 12 lessons-learned reports, and especially SIGAR's observations described in a June 15, 2023, letter to Senator Charles Grassley (R-IA) and a July 7, 2023, letter to Senators John Kennedy (R-LA), Kyrsten Sinema (I-AZ), Kevin Cramer (R-ND), and Mike Braun (R-IN) responding to their request to SIGAR to identify lessons learned from Afghanistan applicable to other contexts, including Ukraine. Those letters are reprinted in Appendices F and G.

In addition, I was invited to deliver the keynote address at a conference hosted by King's College London and the Afghan Institute for Strategic Studies to discuss the current situation in Afghanistan and possible ways forward for the international community to engage with Afghanistan under Taliban rule. While in London, the SIGAR team and I had the opportunity to brief and interview numerous UK policymakers and parliamentarians, as well as multiple former Afghan government officials and human rights advocates. The purpose of these meetings was to better understand the current situation in Afghanistan, and especially the extent of Taliban interference with the U.S.-funded multibillion-dollar assistance program to the Afghan people. These meetings produced valuable information for SIGAR's ongoing and planned oversight work, including the March 2023 request from Representative Michael McCaul (R-TX), Chairman of the House Foreign Affairs Committee, to ensure U.S. taxpayer dollars support the Afghan people and do not benefit the Taliban, among other requests.

My overall conclusion from this outreach effort was that the U.S. experience in Afghanistan continues to offer many important lessons for other conflicts in the world today, as well as future conflicts. But, more importantly to SIGAR's mission and Congressional concerns, it is no longer a question of *whether* the Taliban are diverting assistance from our programs to help the Afghan people, but rather *how much* they are diverting.

This quarterly report discusses this issue in more detail. It was an issue I raised in my April testimony before the House Oversight and Accountability Committee when I warned that SIGAR could not guarantee that the U.S. assistance intended for impoverished Afghans was not falling into the hands of the Taliban. With no U.S. presence on the ground in Afghanistan, most current donor assistance is flowing through the United Nations and its agencies and implementers. (UN Secretary-General António Guterres announced in May that the UN would maintain its operations in Afghanistan despite the Taliban's ban on women working for the UN and nongovernmental organizations.)

When I testified in April, my staff and I had already received numerous allegations of Taliban diversion and inadequate protection of the assistance programs by both U.S. and international organizations. Unfortunately, these concerns were dramatically confirmed by almost every person we interviewed in London who had access to information from people working or living in Afghanistan. Moreover, as we describe in Section Two, a report prepared by the U.S. Institute of Peace for the United States Agency for International Development (USAID) in May, which we just received, found that *"the Taliban have effectively infiltrated and influenced most UN-managed assistance programming"* and that *"the Taliban appear to view the UN system as yet another revenue stream, one which their movement will seek to monopolize and centralize control over"* [emphasis added].

Although this conclusion is not surprising given the extent to which SIGAR, journalists, and members of the Afghan diaspora have previously reported allegations of interference, my staff and I find the degree of interference and the apparent inability of the UN to protect its programs deeply troubling. The findings of the report are summarized on pages 82–83.

As I reported at the April House Oversight hearing and in our January 30, 2023, quarterly report, USAID's lack of cooperation and more importantly, the Department of State's obfuscation and delay in responding to SIGAR's requests for information seriously hindered our ability to fully report to Congress and the American taxpayer in a timely manner on important issues, such as the Taliban's diversion of assistance. However, I am happy to report that Congress has strongly supported SIGAR's insistence that the Department of State and USAID respond to our requests for information on how well these agencies and international organizations safeguard our assistance. Because of that strong support, I am especially pleased to report that USAID has resumed cooperating with our requests for information and the State Department has begun to respond to some long-standing requests while also entering into discussions with SIGAR on how best to resolve outstanding issues.

SIGAR issued eight products this quarter, including this quarterly report. SIGAR has identified approximately $3.97 billion in savings for the U.S. taxpayer.

Among these products was a performance audit report that found that despite more than 20 years and over $1 billion spent to develop Afghanistan's public health sector, USAID's two largest public health activities, totaling $221 million, could not overcome several challenges, including (1) inconsistent USAID oversight of healthcare programs and (2) incomplete, inconsistent, and poorly developed performance indicators.

SIGAR also completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified $773,827 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits identified a range of deficiencies by U.S. government contractors including Sierra Nevada Corporation, University of Chicago, International Centre for Integrated Mountain Development, Chemonics International Inc., and Turquoise Mountain Trust.

During the reporting period, SIGAR's criminal investigations resulted in one sentencing. SIGAR initiated three cases and closed three, bringing the total number of ongoing investigations to 26.

My colleagues and I look forward to working together with Congress, the Administration, and other stakeholders to protect taxpayer funds in Afghanistan and learn the lessons to be drawn from the long U.S. reconstruction effort in that country. Based upon the information we obtained in London, as well as here in the United States and from many sources in the Afghan diaspora, we are hopeful that we will be able to give a more fulsome description of how our monies are spent and protected from waste, fraud, and abuse in Afghanistan to help those who continue to live under the terror of the Taliban.

Sincerely,

John F. Sopko

This report summarizes SIGAR's oversight work and updates developments in U.S. assistance and reconstruction efforts in Afghanistan from April 1–June 30, 2023.*

During this reporting period, SIGAR issued eight audits and other products assessing U.S. reconstruction efforts in Afghanistan. Criminal investigations resulted in one sentencing.

SIGAR OVERVIEW

SIGAR RESPONDS TO CONGRESS

On June 15, 2023, SIGAR responded to a request from Senator Charles Grassley of Iowa, Ranking Member of the Senate Budget Committee to help policymakers "better understand the lessons learned from conducting Afghanistan reconstruction oversight that Congress can apply to other reconstruction efforts to ensure taxpayer money is used more efficiently in future efforts." This is the first time SIGAR has been asked to apply the lessons from its 12 lessons-learned reports to a U.S. assistance effort in another country with an ongoing conflict. Senator Grassley specifically mentioned U.S. efforts in Ukraine as an area that could benefit from SIGAR's Lessons Learned Program.

Then, on July 7, 2023, SIGAR responded to a request from Senators John Kennedy, Kyrsten Sinema, Kevin Cramer, and Mike Braun to learn more about how lessons from the 20-year U.S. effort to rebuild Afghanistan can be applicable to "the current situation in Ukraine."

SIGAR provided seven lessons spanning the entire U.S. reconstruction effort in Afghanistan, offered a brief discussion of how each challenge from Afghanistan appears to be manifesting in Ukraine as well, and put forward ideas for how Congress and U.S. agencies might address those similar challenges in Ukraine.

AUDITS AND INSPECTIONS

This quarter, SIGAR issued one performance audit and six financial audit reports.

The **performance audit** found that despite more than 20 years and over $1 billion spent to develop Afghanistan's public health sector, the U.S. Agency for International Development's (USAID) two largest ongoing public health activities, totaling $221 million, could not overcome several challenges, including (1) inconsistent USAID oversight of healthcare programs and (2) incomplete, inconsistent, and poorly developed performance indicators.

SIGAR has seven ongoing performance audits and evaluations, including a congressionally requested examination of the mechanisms in place to prevent the diversion of taxpayer dollars to the Taliban. SIGAR is also assessing UN cash transfers to Afghanistan for implementing partners; State and USAID's oversight of their public international organization partners in Afghanistan; U.S. contractor vetting; and gender-based violence, among others issues.

The six **financial audit reports** identified $773,827 in questioned costs as a result of internal control deficiencies and noncompliance issues.

KEY EVENTS
MAY 2023–JULY 2023

INVESTIGATIONS

During the reporting period, SIGAR's criminal investigations resulted in one sentencing. SIGAR initiated three cases and closed three, bringing the total number of ongoing investigations to 26.

Investigations highlights include the sentencing of Orlando Clark, a former analyst at a U.S. company, to three years and 10 months in prison for his role in two bribery conspiracies. Clark and his co-conspirator oversaw construction contracts in Afghanistan in 2011 and 2012 and received $400,000 in bribe payments. Additionally, between 2015 and 2020, Clark signed false letters of recommendation to Special Immigrant Visa applications for Afghan nationals in exchange for bribe payments.

LESSONS LEARNED PROGRAM

SIGAR's **Lessons Learned Program** (LLP) was created to identify lessons and make recommendations to Congress and executive branch agencies on ways to improve current and future reconstruction efforts. LPP has produced 12 lessons-learned reports and three evaluations to date.

This quarter, LLP produced two responses to Congressional requests for information about the lessons from Afghanistan that are applicable to other conflicts, such as Ukraine. LLP continues to examine issues related to ongoing efforts in Afghanistan and is closely following developments related to the $3.5 billion Afghan Fund. LLP is also looking at best practices from around the world to help the U.S. government provide needed aid to the people of Afghanistan without benefiting the Taliban.

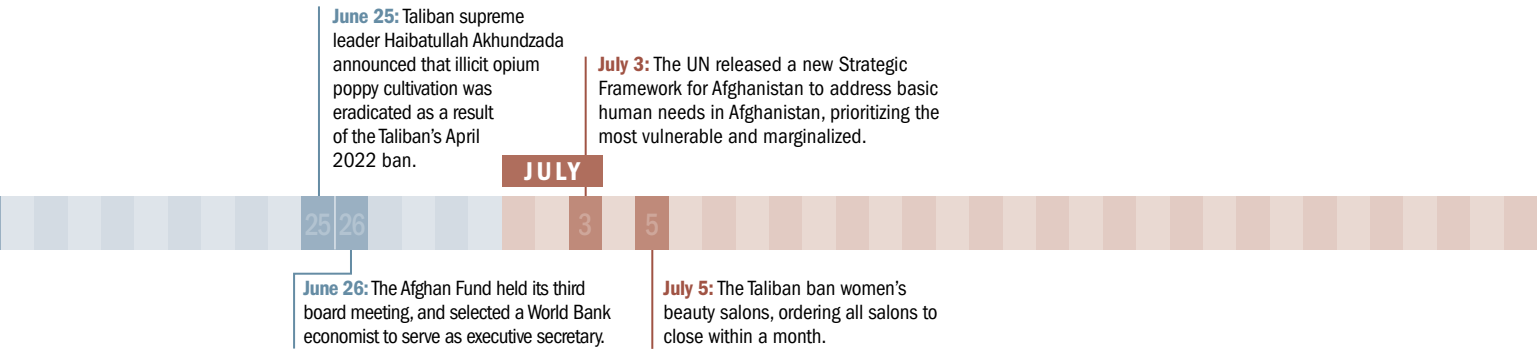
RESEARCH AND ANALYSIS

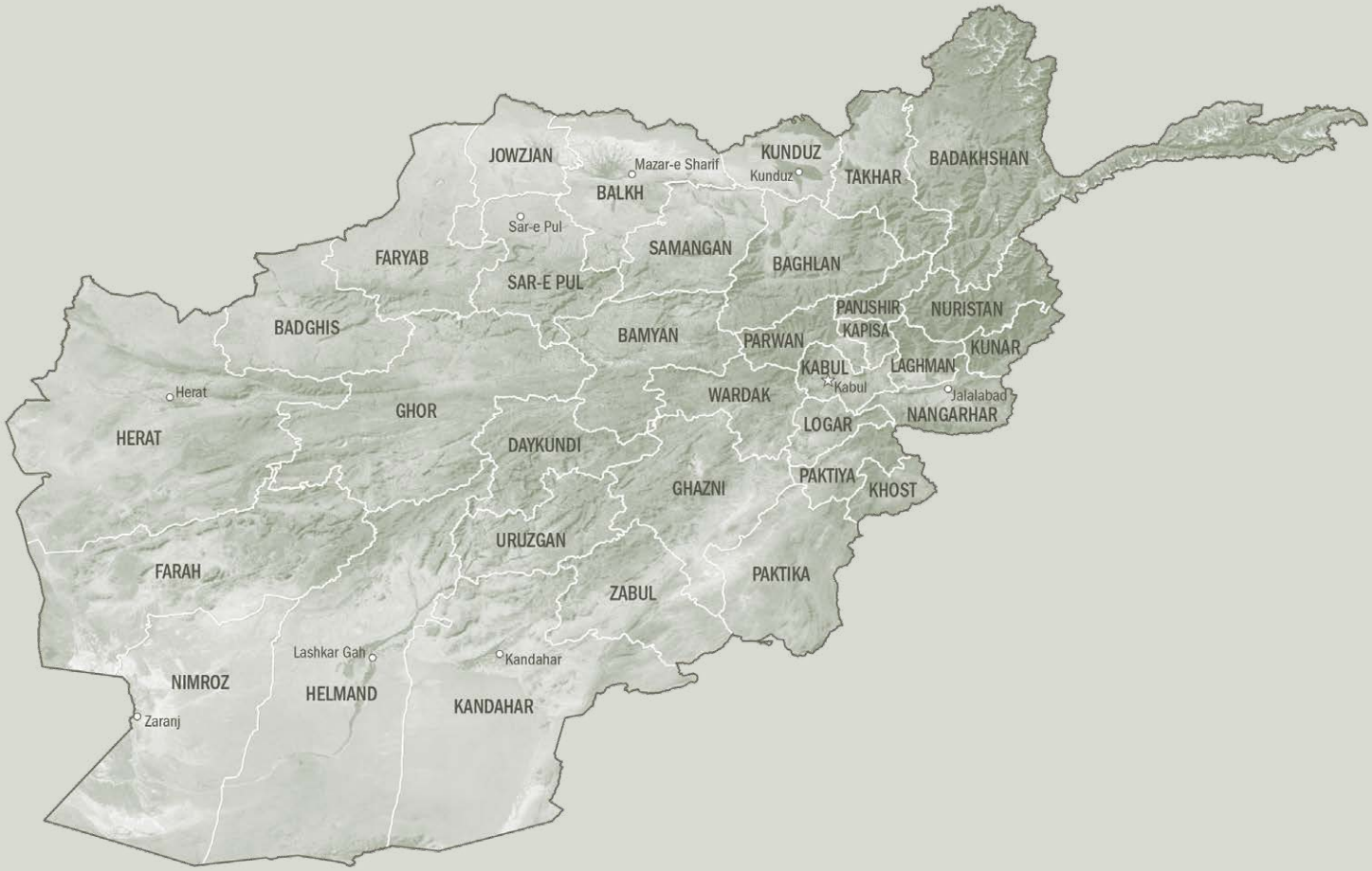
SIGAR issued its 60th *Quarterly Report to the United States Congress*.

* As provided in its authorizing statute, SIGAR may also report on products issued or events occurring after June 30, 2023, up to the publication date of this report.

Note: To date, the U.S. government has not taken a position on whether to recognize a government of Afghanistan. Accordingly, references in this report to a "Taliban-controlled government," "interim government," Taliban "governance," "Taliban regime," a "former Afghan government," or similar phrases are not intended to prejudge or convey any U.S. government view or decision on recognition of the Taliban or any other entity as the government of Afghanistan.

Source: State, SCA response to SIGAR data call, 3/16/2023; State, SCA, response to SIGAR data call, 12/13/2022; State, response to SIGAR vetting, 2/10/2022.




JOWZJAN
Mazar-e Sharif
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TAKHAR
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Sar-e Pul
FARYAB
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SAR-E PUL
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GHAZNI
KHOST
URUZGAN
FARAH
PAKTIKA
ZABUL
Lashkar Gah
Kandahar
NIMROZ
HELMAND
KANDAHAR
Zaranj

TABLE OF CONTENTS

"Many would like to forget our Afghanistan experience and never discuss it again. However, if we do not learn the truths from that failure, we will repeat them."

—*Inspector General John F. Sopko*

Source: John F. Sopko, "Learning From Aid Spending in Afghanistan for other Fragile/Conflict States," Transcript of opening remarks delivered at Royal United Services Institute, 7/10/2023.

1 SIGAR OVERSIGHT

SIGAR OVERSIGHT CONTENTS

Photo on previous page
Inspector General Sopko speaks at an event co-hosted by the Royal United Services Institute and Independent Commission for Aid Impact with ICAI Commissioner Sir Hugh Bayley (left) in London, 7/10/2023. (SIGAR Photo by Shelby Cusick)

SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued eight products, including this quarterly report. SIGAR work to date has identified approximately $3.97 billion in savings for the U.S. taxpayer.

SIGAR issued one performance audit report this quarter. The performance audit report found that despite more than 20 years and over $1 billion spent to develop Afghanistan's public health sector, the U.S. Agency for International Development's (USAID) two largest ongoing public health activities, totaling $221 million, could not overcome several challenges, including (1) inconsistent USAID oversight of healthcare programs and (2) incomplete, inconsistent, and poorly developed performance indicators.

SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified $773,827 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits identified a range of deficiencies by U.S. government contractors including Sierra Nevada Corporation, University of Chicago, International Centre for Integrated Mountain Development, Chemonics International Inc., and Turquoise Mountain Trust.

During the reporting period, SIGAR's criminal investigations resulted in one sentencing. SIGAR initiated three cases and closed three, bringing the total number of ongoing investigations to 26.

IG SOPKO INVITED TO BRIEF UK POLICYMAKERS ON LESSONS FROM AFGHANISTAN RECONSTRUCTION

At the invitation of the United Kingdom's Independent Commission for Aid Impact (ICAI), Inspector General John Sopko participated in two July events in London to discuss SIGAR's reporting on critical lessons from the reconstruction of Afghanistan that could be applied to other conflicts, including Ukraine.

ICAI is a UK government agency similar to SIGAR, empowered to oversee UK development assistance and provide recommendations for improvement. SIGAR has worked closely with ICAI since IG Sopko was appointed in 2012. A summary of ICAI's lessons learned findings are found at Appendix H of this quarterly report. Their conclusions are very similar to those found in SIGAR's 12 lessons learned reports, and especially SIGAR's observations described in a June 15, 2023, letter to Senator Charles Grassley (R-IA) and a July 7, 2023, letter to Senators John Kennedy (R-LA), Kyrsten Sinema (I-AZ), Kevin Cramer (R-ND), and Mike Braun (R-IN) responding to their request to SIGAR to identify lessons learned from Afghanistan applicable to other contexts, including Ukraine. The letters are reprinted in Appendices F and G.

On July 10, IG Sopko and ICAI Commissioner Sir Hugh Bayley spoke at a Royal United Services Institute event titled, "Learning from Aid Spending in Afghanistan for Other Fragile/Conflict States." This public event was widely attended by UK policymakers, journalists, academics, and the public. Later that day, IG Sopko and Commissioner Bayley briefed members of Parliament at a closed session hosted by John Speller, the Deputy Chair of the House of Commons Defense Committee, and the UK Delegation to the NATO Parliamentary Assembly. The briefing focused on ICAI's latest lessons learned report on the UK's development efforts in Afghanistan and SIGAR's lessons learned reports on Afghanistan reconstruction. During both events, IG Sopko discussed lessons from Afghanistan applicable to other conflicts, including Ukraine,

Inspector General John Sopko speaks, alongside John Speller, Member of Parliament (far left), Sir Hugh Bayley, Commissioner of Independent Commission for Aid Impact (left), and Lord Mark Lancaster (far right), at an Independent Commission for Aid Impact event in London, 7/10/2023. (SIGAR Photo by Shelby Cusick)

Inspector General John Sopko alongside David Loyn, Senior Visiting Research Fellow at King's College and retired BBC foreign correspondent (right), at King's College London, 7/20/2023. (SIGAR Photo by Zafar Hashemi)

such as addressing endemic corruption, improving international donor coordination, and setting realistic timelines for achieving progress with assistance efforts.

Over the course of several days, IG Sopko held meetings with numerous individual UK policymakers and parliamentarians, including representatives from the Office for Conflict, Stabilisation, and Mediation of the UK Foreign, Commonwealth, and Development Office. He also met with multiple former Afghan government officials and Afghan human rights advocates. During these meetings, IG Sopko discussed the current situation in Afghanistan and SIGAR's continued oversight for Congress of U.S. assistance to the Afghan people. In addition to learning more about the reality on the ground in Afghanistan and the Taliban's activities, SIGAR obtained important information for ongoing and planned oversight projects focused on protecting current U.S.-funded assistance efforts in Afghanistan. This included allegations of numerous problems within UN programs in Afghanistan, which confirmed and supplemented information previously obtained by SIGAR.

Finally, at the invitation of King's College London and the Afghan Institute for Strategic Studies, IG Sopko delivered the keynote address at a conference titled, "Reimagining Afghanistan: Ways Forward." This public event was widely attended by UK policymakers, academics, international journalists, and members of the Afghan diaspora. IG Sopko spoke about the many oversight challenges the United States, the United Kingdom, and other international donors face while providing humanitarian aid to the Afghan people, as well as SIGAR's ongoing oversight work for Congress to help ensure that this assistance is protected from diversion by the Taliban.

SIGAR Supervisory Research Analyst David Young speaks at the Independent Commission for Aid Impact and Royal United Services Institute event in London, 7/10/2023. (SIGAR Photo by Shelby Cusick)

SIGAR RESPONDS TO CONGRESS

SIGAR Responds to Request from Senators John Kennedy, Kyrsten Sinema, Kevin Cramer, and Mike Braun Regarding Applying Lessons Learned from Afghanistan to U.S. Efforts in Ukraine

On July 7, 2023, SIGAR responded to a request from Senators John Kennedy, Kyrsten Sinema, Kevin Cramer, and Mike Braun to learn more about how lessons from the 20-year U.S. effort to rebuild Afghanistan can be applicable to "the current situation in Ukraine."

SIGAR provided seven lessons spanning the entire U.S. reconstruction effort in Afghanistan, offered a brief discussion of how each challenge from Afghanistan appears to be manifesting in Ukraine as well, and put forward ideas for how Congress and U.S. agencies might address those similar challenges in Ukraine.

Those seven lessons are: (1) The U.S. government struggled to develop a coherent strategy for what it hoped to achieve in Afghanistan and imposed unrealistic timelines that led to wasteful and counterproductive programs; (2) Lack of effective coordination—both within the U.S. government and across the international coalition—was a major obstacle to success in Afghanistan and resulted in a disjointed patchwork of ineffective efforts, rather than a united and coherent approach; (3) Though viewed as our greatest strength, the level of financial assistance in Afghanistan was often our greatest weakness; (4) Corruption was an existential threat to the reconstruction mission in Afghanistan; (5) Building and reforming the Afghan security forces was hindered by their corruption, predation, and chronic dependency on the United States; (6) Tracking equipment provided to Afghan security forces proved challenging well before the government collapsed; and (7) Monitoring and evaluation efforts in Afghanistan were weak and often measured simple inputs and outputs rather than actual program effectiveness.

SIGAR's full response to the request from the four senators is attached in Appendix G and available at www.sigar.mil.

SIGAR Responds to Request from Senator Charles Grassley Regarding Lessons Learned from Afghanistan

On June 15, 2023, SIGAR responded to a request from Senator Charles Grassley of Iowa, Ranking Member of the Senate Budget Committee to help policymakers "better understand the lessons learned from conducting Afghanistan reconstruction oversight that Congress can apply to other reconstruction efforts to ensure taxpayer money is used more efficiently in future efforts." This is the first time SIGAR has been asked to apply the lessons from its 12 lessons-learned reports to a U.S. assistance effort in another country with an ongoing conflict. Senator Grassley specifically mentioned U.S. efforts in Ukraine as an area that could benefit from SIGAR's Lessons Learned Program.

SIGAR answered several questions from Senator Grassley, including the Senator's request to identify "key challenges and obstacles to successful reconstruction in a war zone." SIGAR's response highlighted that (1) corruption is a key obstacle to success and in Afghanistan undermined the U.S. mission by enabling predatory behavior, exacerbating local conflict, and channeling support directly to the insurgency; (2) lack of effective coordination, both within the U.S. government and across the international coalition, was a major obstacle to success and resulted in a disjointed patchwork of ineffective efforts, rather than a united and coherent approach; (3) pervasive insecurity continuously undermined every effort to rebuild government and security institutions, and efforts to improve security often resulted in new or worse problems; (4) poor U.S. personnel policies, both civilian and military, meant that U.S. efforts were rarely overseen by trained and qualified staff; (5) the U.S. needs to understand the host country's social, economic, and political systems to successfully tailor its reconstruction efforts; and (6) U.S. government agencies rarely conducted sufficient monitoring and evaluation to understand the impact of their efforts.

SIGAR's full response to Senator Grassley's five questions is attached in Appendix F and available at www.sigar.mil.

PERFORMANCE AUDITS AND EVALUATIONS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. SIGAR has nine ongoing performance audits and evaluations, and 43 ongoing financial audits, as shown in Appendix C of this report.

In the wake of the U.S. withdrawal and the collapse of the former Afghan government, SIGAR's independent and objective oversight of ongoing U.S. government funding and activities to support the people of Afghanistan is more vital than ever. In response to Afghanistan's changing environment, SIGAR's Audits and Inspections Directorate has adapted and re-prioritized its oversight work to meet emergent programming priorities and address areas of interest and concern to Congress and to the American taxpayer. These include U.S.-funded programs in Afghanistan, across multiple key sectors through the end of (at least) FY 2024 that support girls' and women's rights, counternarcotics, food assistance, education, and internally displaced persons.

Additionally, SIGAR has long emphasized the need for verification of reports by third-party monitors, which remains relevant as U.S. implementing agencies continue to rely on third-party monitoring and evaluation for their in-country programming. Moreover, SIGAR has identified donor coordination as an area needing improvement, a particularly applicable concern given ongoing U.S. funding to international organizations. The Audits and Inspections Directorate will maintain vigorous oversight in both these areas

to improve accountability and transparency, suggest process improvements, and generate lessons learned for other current and future overseas reconstruction and development efforts.

Performance Audit Report Issued

This quarter, SIGAR issued one performance audit report. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

Performance Audit 23-24-AR: Healthcare in Afghanistan

USAID Did Not Perform All Required Monitoring, But Efforts Reportedly Contributed to Progress in Vital Services

This audit's objectives were to determine (1) whether the U.S. Agency for International Development (USAID) has conducted required oversight of its two largest public health activities, the Assistance for Families and Indigent Afghans to Thrive (AFIAT) and Urban Health Initiative (UHI); and (2) whether AFIAT and UHI are achieving their goals since these programs started in July 2020 and October 2020, respectively.

SIGAR found that USAID did not perform required oversight of the AFIAT and UHI programs and that USAID made progress toward, but did not ultimately achieve either program's goals. Afghanistan's healthcare sector remains beset by many challenges, despite over $1.4 billion appropriated for USAID programs since 2002 to support initiatives ranging from nutrition to maternal health. While AFIAT and UHI reported improvements in the availability and quality of healthcare, as well as providers' capabilities, in urban and rural areas in Afghanistan through the programs' activities, SIGAR was unable to determine the extent of these programs' effectiveness due to USAID's inconsistent performance measurements and incomplete documentation. USAID continued to fund AFIAT and UHI, totaling 76% of its current, $300 million healthcare investment in Afghanistan, despite both programs not meeting their goals.

Financial Audits

SIGAR launched its financial-audit program in 2012, after the 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 duplicative efforts.

SIGAR's financial audit program identifies questioned costs resulting from a contract or grant awardee's lack of, or failure to comply with, internal

controls, or a failure to comply with applicable requirements. The results of SIGAR's financial audits, including any recommendations about questioned costs, are provided to the funding agencies to make final determinations on fund recovery. Since 2012, SIGAR's financial audits have identified $534 million in questioned costs and $366,718 in unpaid interest on advanced federal funds or other revenue amounts owed to the government.

This quarter, SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan. An additional 43 ongoing financial audits are reviewing $638 million in auditable costs, as shown in Table 1.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

SIGAR issues each financial-audit report to the funding agency that made the award(s). The funding agency is responsible for making the final determination on questioned amounts identified in the report's audit findings. As of June 30, 2023, funding agencies had disallowed $29.5 million in questioned amounts, which are thereby subject to collection. It takes time for funding agencies to carefully consider audit findings and recommendations. As a result, final disallowed-cost determinations remain to be made for several of SIGAR's issued financial audits. SIGAR's financial audits have also identified and reported 746 compliance findings and 812 internal-control findings to the auditees and funding agencies.

TABLE 1.1

SIGAR'S FINANCIAL AUDIT COVERAGE
($ BILLIONS)

241 completed audits	$9.45
43 ongoing audits	0.64
Total	**$10.09**

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

Source: SIGAR Audits and Inspections Directorate, 6/30/2023.

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

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

Financial Audit Reports Issued

The six financial audits completed this quarter identified $773,827 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

Financial Audit 23-23-FA: USAID's Afghanistan Peace Support Initiative

Audit of Costs Incurred by DAI Global LLC

On February 15, 2019, USAID awarded a two-year, $27,358,173 cost-plus-fixed-fee task order to DAI Global LLC to strengthen democracy and national stability in Malaysia and the surrounding regions, including Afghanistan. The task order consisted of five phases; on July 23, 2020, USAID activated phase four, a seven-month Regional Programming Option (RPO) in support of Afghan peace talks. The RPO's objectives were to, among other things, support the Afghan peace process through analytical work and technical assistance to government institutions tasked with negotiating and implementing peace. USAID modified the contract 14 times; the modifications did not affect the total award amount, but the period of performance was extended to August 23, 2021. USAID then issued an administrative no-cost extension changing the period of performance to September 23, 2021.

SIGAR's financial audit, performed by Davis Farr LLP (Davis Farr), reviewed $4,157,345 in costs charged to the contract from July 23, 2020,

through September 23, 2021. Davis Farr did not find any material weaknesses or significant deficiencies in DAI Global's internal controls or any instances of noncompliance with the terms and conditions of the contract. Accordingly, the auditors did not identify any questioned costs.

Financial Audit 23-25-FA: Department of State's Core Operations in Kabul and the Continuation of Partnerships with Several Historical and Cultural Institutions

Audit of Costs Incurred by the University of Chicago

On January 25, 2017, the U.S. Department of State awarded a $2,000,000 cooperative agreement to the University of Chicago to support core operations in Kabul and the continuation of partnerships with the National Museum of Afghanistan and the Afghan Institute of Archeology, in collaboration with the Afghan Ministry of Information and Culture. The principal goal of the agreement was to promote national unity and discourage violent extremism by building people-to-people connections. State modified the agreement six times; the modifications increased the total funding to $4,525,000 and extended the period of performance from January 31, 2020, through December 31, 2022.

SIGAR's financial audit, performed by Davis Farr, reviewed $3,863,090 in costs charged to the agreement from January 25, 2017, through December 31, 2021. Davis Farr identified one material weakness, one significant deficiency, and two deficiencies in the university's internal controls. The auditors also identified four instances of noncompliance with the terms of the agreement. Because of the deficiencies in internal controls and instances of noncompliance, Davis Farr identified $632,866 in questioned costs.

Financial Audit 23-26-FA: Department of the Air Force's Former A-29 Pilot and Maintenance Training Program in Afghanistan

Audit of Costs Incurred by Sierra Nevada Corporation

In December 2019 and 2020, the U.S. Department of the Air Force awarded Sierra Nevada Corporation two nine-month, cost-plus-firm-fixed-price task orders, valued at a total of $20,481,419, to support the Department's A-29 Pilot and Maintenance Training program in Afghanistan. The program's objective was to provide the Afghan Air Force technical services and materials necessary to prepare and present A-29 pilot and aircraft maintenance training courses, with the goal of making the Afghan Air Force self-sufficient in operations and maintenance tasks. The Department modified the orders 10 times, increasing the value of the task orders to $21,995,279, and extending the periods of performance to December 31, 2020, and January 31, 2023, respectively.

SIGAR's financial audit, performed by Williams, Adley & Company–DC LLP, reviewed $1,387,208 in costs charged to the task orders from January

1, 2020, through June 30, 2022. Williams Adley identified two significant deficiencies in Sierra Nevada Corporation's internal controls and two instances of noncompliance with the terms of the task orders. Because of the deficiencies in internal controls and instances of noncompliance, Williams Adley identified $1,030 in total questioned costs.

Financial Audit 23-27-FA: USAID's SERVIR Program in Hindu Kush-Himalaya

Audit of Costs Incurred by International Centre for Integrated Mountain Development

On September 29, 2015, USAID awarded a $7,000,000 cooperative agreement to the International Centre for Integrated Mountain Development (ICIMOD) to support the SERVIR program in the Hindu Kush-Himalaya region. The purpose of the agreement was to grow the network of government agencies, universities, and institutions in the region that use geospatial information and tools to improve decision-making related to sustainable mountain development. USAID modified the agreement five times, the period of performance was extended from September 30, 2020, through June 30, 2021, and the total funding increased to $6,320,000.

SIGAR's financial audit, performed by Davis Farr, reviewed $3,100,024 in costs charged to the agreement from period October 1, 2015, through June 30, 2021. Davis Farr identified one material weakness and three significant deficiencies in ICIMOD's internal controls and four instances of noncompliance with the terms of the agreement. Because of the deficiencies in internal controls and instances of noncompliance, Davis Farr identified $61,574 in questioned costs.

Financial Audit 23-28-FA: USAID's Capacity Building Activity for the Afghan Ministry of Education

Audit of Costs Incurred by Chemonics International Inc.

On February 1, 2017, USAID awarded a five-year, combination contract to Chemonics International Inc. The purpose of the contract was to implement a capacity building activity for the Afghan Ministry of Education. This combination contract consisted of a cost-plus fixed fee completion type contract and single-award indefinite delivery indefinite quantity type contract. The CPFF contract was valued at $19,960,364 and the IDIQ contract was valued at $3,252,254 for a total of $23,212,618. The program's objectives were to improve the Ministry's systems and procedures for better provision of educational services and to build greater transparency and accountability of national/subnational Ministry of Education systems. USAID modified the agreement 12 times and extended the period of performance through January 10, 2022. The total award amount did not change.

SIGAR's financial audit, performed by Davis Farr, reviewed $1,754,471 of contract costs incurred from February 1, 2021, through January 10, 2022.

Davis Farr identified one deficiency in Chemonics' internal controls and one instance of noncompliance with the terms of the contract. Because of the deficiency in internal controls and the instance of noncompliance, Davis Farr identified $2,132 in questioned costs.

Financial Audit 23-29-FA: USAID's Exports, Jobs, and Market Linkages in Carpet and Jewelry Value Chains Program in Afghanistan

Audit of Costs Incurred by Turquoise Mountain Trust

On January 31, 2019, the USAID Mission to Afghanistan awarded a $9,941,606 cooperative agreement to Turquoise Mountain Trust to support the Exports, Jobs, and Market Linkages in Carpet and Jewelry Value Chains Program in Afghanistan. The program's objectives included creating jobs and exports within the carpet and jewelry sectors and supporting new jobs through the integration of carpet producers, jewelers, and weavers into international value chains. USAID modified the agreement five times; the total award amount and the period of performance, ending April 30, 2023, did not change.

SIGAR's financial audit, performed by Davis Farr, reviewed $2,341,038 in costs charged to the agreement from January 1, 2021, through December 31, 2021. Davis Farr identified two material weaknesses and four significant deficiencies in the Turquoise Mountain Trust's internal controls and six instances of noncompliance with the terms of the agreement. Because of the deficiencies in internal controls and the instances of noncompliance, Davis Farr identified $76,225 in questioned costs.

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 17 recommendations contained in nine performance-audit, inspection, and financial-audit reports.

From 2009 through June 2023, SIGAR issued 465 audits, alert letters, and inspection reports, and made 1,297 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 1,198 of these recommendations, about 92%. Closing a recommendation generally indicates SIGAR's assessment that the audited agency either has implemented the recommendation or has otherwise appropriately addressed the issue. In some cases, where the agency has failed to act, SIGAR will close the recommendation as "Not Implemented;" SIGAR closed a total of 252 recommendations in this manner. In some cases, these recommendations will be the subject of follow-up audit or inspection work.

SIGAR is also required to report on any significant recommendations from prior reports on which corrective action has not been completed. SIGAR works with agencies to obtain the sufficient, relevant information

necessary to resolve recommendations. If documentation is insufficient or does not meet the intent of a recommendation, it remains open. This process continues until SIGAR receives the information necessary to close the recommendation.

This quarter, SIGAR continued to monitor agency actions on 99 open recommendations. Of these recommendations, 58 have been open for more than 12 months because the agency involved has not yet produced a corrective-action plan that SIGAR believes would resolve the identified problem, or has otherwise failed to appropriately respond to the recommendation(s).

For a complete list of open recommendations, see www.sigar.mil.

LESSONS LEARNED

SIGAR's Lessons Learned Program (LLP) was created to identify lessons from the U.S. reconstruction in Afghanistan, and to make recommendations to Congress and executive branch agencies on ways to improve current and future reconstruction efforts. Unlike performance audits, which often look at a specific programs or projects, lessons-learned reports provide in-depth reviews of major issues (such as corruption and gender equality) and large-scale efforts (such as security-sector assistance and counternarcotics) involving multiple U.S. agencies and programs over long periods of time.

To date, LLP has produced 12 lessons-learned reports and three evaluations pertaining to the collapse of the former Afghan government and security forces in response to Congressional requests. SIGAR's lessons-learned reports offer detailed and actionable recommendations to policymakers and respond to the needs of U.S. implementing agencies—both in terms of accurately capturing their past efforts and providing timely and actionable guidance for future efforts. Lessons-learned reports have identified over 216 specific findings and lessons and made over 156 recommendations to Congress, executive branch agencies, and the previous Afghan government.

This quarter, LLP produced two letters in response to Congressional requests for information about the lessons from Afghanistan for other conflicts such as Ukraine. LLP continues to examine timely issues related to ongoing efforts in Afghanistan. LLP is closely following developments related to the $3.5 billion Afghan Fund. As part of that effort, LLP is analyzing the Fund's operations and policies, as well as the makeup and selection of its board of trustees and administrative staff.

In addition, LLP is looking at best practices from around the world for how the U.S. government can help people in need in other countries without benefiting the hostile or predatory regimes that control those countries. The aim of this effort is to determine the best way to provide needed aid to the people of Afghanistan without benefiting the Taliban.

INVESTIGATIONS

Following the U.S. withdrawal and the collapse of the former Afghan government, SIGAR's investigations and criminal inquiries into corruption-related theft of U.S. taxpayer monies spent in and on Afghanistan continue. SIGAR's Investigations Directorate (INV) oversees and investigates the misuse of reconstruction funds provided prior to and post-August 2021, and works with cooperating U.S. government partners to identify weaknesses in financial institutions that contribute to capital flight from Afghanistan and to access intelligence on illicit financial networks. This quarter SIGAR INV met with cooperating law enforcement agencies and the Department of Justice to initiate criminal inquiries and gather evidence as part of SIGAR's Follow the Money and Capital Flight initiatives.

Beginning in 2022, SIGAR's Follow the Money and Capital Flight initiatives include (1) identifying all financial institutions in Afghanistan that U.S. reconstructions funds were deposited into for an 18-month period prior to the collapse of the former Afghan government; (2) working with financial agencies and law enforcement partners to identify monetary outflows from Afghanistan that may be connected to former Afghan government officials, politically connected individuals, and others involved in suspicious transactions, and identifying high value real estate purchased by such individuals in the United States or abroad for potential connection to capital flight and potential seizure; and (3) developing extensive networks and contacts to uncover the identity of individuals, entities, and shell corporations used by former Afghan government officials or politically connected individuals who may have benefited from the theft of reconstruction funds or capital flight from Afghanistan.

Additionally, SIGAR INV personnel have collaborated with the Department of State Diplomatic Security Service, the Defense Criminal Investigative Service, and other U.S. entities in response to an influx of Special Immigrant Visa (SIV) fraud. U.S. criminal investigators continue to identify U.S. citizens, military and civilian, who were assigned to Afghanistan and have authored fraudulent letters of recommendation for non-qualified Afghanistan nationals in exchange for monetary payments, thus circumventing proper application and vetting protocols established by the U.S. government.

Investigations Directorate Results

During the reporting period, SIGAR's criminal investigations resulted in one sentencing. SIGAR initiated three cases and closed three, bringing the total number of ongoing investigations to 26, as shown in Appendix D.

To date, SIGAR investigations have resulted in a cumulative total of 169 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total approximately $1.67 billion.

Former Employees of U.S. Contractors Prosecuted for Steering Military Contracts

On April 12, 2023, in the U.S. District Court, Northern District of Georgia, Orlando Clark was sentenced to three years and 10 months in prison for his role in two bribery conspiracies relating to a U.S. military contracts fraud scheme and a Department of State visa fraud scheme. Clark worked closely with Todd Coleman, an analyst at a U.S. company who was deployed to Afghanistan in 2011 and 2012 to evaluate bids for U.S.-funded reconstruction contracts awarded by the U.S. military. Clark was also deployed to Afghanistan at the time, working as a construction manager at a U.S. company managing the U.S. government's award of contracts. Coleman and Clark manipulated the procurement of government contracts to increase the value of the contracts and facilitate bribes. To conceal bribe payments, they registered fictitious limited liability companies (LLCs) in Georgia, opened bank accounts in the names of the fictitious LLCs, deposited bribe payment proceeds into the accounts, and created false invoices to make it appear they were involved in a car-exporting business in the United Arab Emirates. Coleman and Clark sent approximately 22 wire transfers, totaling close to $255,000 in bribe payments, through the fictitious LLCs and provided intentionally misleading information to banks concerning the wires' purpose. In total, they steered approximately 10–12 U.S. government contracts to Afghan companies and received $400,000 in bribe payments.

Additionally, between 2015 and 2020, Clark signed over 10 letters of recommendation in support of SIV applications for Afghan nationals whom he falsely claimed to have supervised while deployed to Afghanistan. He stated in the letters, without any factual basis, that he had no reason to believe that the individuals posed a threat to U.S. national security; he received $1,500 in bribe payments for each letter of recommendation. On February 9, 2023, in the U.S. District Court, Northern District of Georgia, Todd Coleman was sentenced to 33 months' imprisonment, three years' supervised release, and ordered to forfeit $100,000.

OTHER SIGAR OVERSIGHT ACTIVITIES

Inspector General Sopko Speaks at the University of Toronto's Munk School of Global Affairs and Public Policy

On April 24, 2023, Inspector General Sopko participated in a panel discussion at the University of Toronto's Munk School of Global Affairs and Public Policy. The topic of the panel was "What Went Wrong in Afghanistan." SIGAR Lessons Learned Supervisory Analyst Dan Fisher participated in a second panel titled "Applying Afghanistan's Lessons." IG Sopko's remarks drew from SIGAR's capstone lessons-learned report *What We Need to Learn*—issued two days after the Taliban takeover—and

IG Sopko at a panel discussion with Bilal Sarwary, an Afghan journalist (far left), Parwiz Kawa, Founding Member and Executive Director of 8AM Media (left), and David Michalski, Doctors Without Borders Special Advisor (far right) at the University of Toronto, 4/24/2023. (SIGAR Photo by Dan Fisher)

SIGAR's reports on the collapse of the Afghan government and the demise of its security forces.

IG Sopko commented on U.S. failures to implement adequate oversight, to formulate a coherent strategy for what it hoped to achieve in Afghanistan, to ensure that programs and projects were sustainable, and to implement sufficient monitoring and evaluation, among other topics. In the second panel, Mr. Fisher discussed the applicability of Afghanistan's lessons to other contexts, including to other countries in which the United States aims to address instability, and to U.S. efforts to assist Ukraine.

SIGAR BUDGET

SIGAR is currently funded under H.R. 2617, the Consolidated Appropriations Act, 2023, signed into law on December 29, 2022. This bill provides $35.2 million (fully funding SIGAR's revised budget request) to support SIGAR's oversight activities and products by funding SIGAR's Audit and Inspections, Investigations, Management and Support, Research and Analysis Directorates, and Lessons Learned Program. In addition, the Joint Explanatory Statement (JES) accompanying the bill directs that "the Secretary of State and USAID Administrator shall work with SIGAR to resolve any disputes related to SIGAR's ongoing investigatory and audit work, consistent with prior fiscal years." The JES further directed "the Special Inspector General,

the Secretary of State, and the USAID Administrator [to] brief the Committees on Appropriations on the status of cooperation not later than 60 days after the date of enactment of [the] Act and every 90 days thereafter until September 30, 2023."

SIGAR STAFF

With 124 employees on board at the end of the quarter, SIGAR had seven fewer staff members than reported in the last quarterly report to Congress.

"The United States strongly condemns the Taliban's systemic discrimination against women and girls, including bans and restrictions on access to education and employment. Standing with Afghans in their struggle for dignity and free exercise of their human rights is a matter of principle and a strategic imperative."

— U.S. Special Envoy for Afghan Women, Girls, and Human Rights Rina Amiri

Source: U.S. Special Envoy for Afghan Women, Girls, and Human Rights, Rina Amiri, "Enhanced Interactive Dialogue with Special Rapporteur on Afghanistan and Working Group on Discrimination Against Women and Girls," statement by the delegation of the United States of America before the Human Rights Council - 53rd Session, 6/19/2023.

2 RECONSTRUCTION UPDATE

RECONSTRUCTION UPDATE CONTENTS

Photo on previous page
An Afghan woman poses for a photo for UN Women Afghanistan. (UN Women Afghanistan photo)

RECONSTRUCTION IN BRIEF

Section 2 of this quarterly report summarizes the key events of the reporting period as well as the programs and projects concerning Afghanistan reconstruction.

Taliban Seek to Control UN Assistance

- A U.S. Institute of Peace analysis for USAID found that the Taliban are "pushing for ever-increasing degrees of credit and control over the delivery of aid." Most donor funding is directed through the UN system and "According to multiple UN officials across different agencies, the Taliban have effectively infiltrated and influenced most UN-managed assistance programming."

UN Continues Operations Despite Taliban Policies

- On May 2, 2023, UN Secretary-General António Guterres announced that the UN would continue operating in Afghanistan, despite the Taliban barring Afghan women from working with the UN or NGOs. Over 15 million people rely on the UN's humanitarian partners for life-saving assistance in Afghanistan.
- On June 5, the UN Office for the Coordination of Humanitarian Affairs revised its 2023 Humanitarian Response Plan, reducing the funding request from $4.6 billion to $3.2 billion, due to donor fatigue and Taliban-imposed operating constraints. Nevertheless, the reduced plan remains largely unfunded. As a result, the World Food Programme has cut emergency food assistance to eight million people since April 2023.

Third-Party Assessment Shows Central Bank Deficient

- A third-party assessment of Afghanistan's central bank, Da Afghanistan Bank (DAB), showed that it lacked independence from the Taliban regime and had deficiencies in anti-money laundering and countering the financing of terrorism. Half of DAB's assets that were previously held in the United States are now a part of the Afghan Fund, a Swiss charitable fund to be used to benefit the Afghan people. Treasury has said that DAB must prove its independence and the ability to counter illicit financing before the funds can be returned.

Human Rights Abuses Escalate

- This quarter, the Special Rapporteur on the situation of women and girls in Afghanistan accused the Taliban of instituting gender apartheid, a crime against humanity according to international human rights law. The UN has also claimed the Taliban are responsible for other crimes against humanity including corporal punishments and extrajudicial killings.

Opium Poppy Cultivation Falls

- Opium poppy cultivation fell across southern Afghanistan, leading to the lowest levels of poppy cultivation since the Taliban's 2000–2001 ban. The long-term efficacy of the Taliban's 2022 opium poppy ban may be too early to assess before 2024, as farmers reportedly volunteered to not plant opium poppy in fall 2022 and saved their 2022 harvest to sell in 2023.

Foreign Fighters Compound Security Threats

- Overall security incidents remained lower this quarter, but lethal. The Taliban's close relationship with some terror groups provided safe haven in Afghanistan defy Taliban claims of upholding their counterterrorism commitments.

U.S. Reconstruction Funding

- Cumulative appropriations for reconstruction and related activities in Afghanistan since FY 2002 rose to $147.06 billion in the quarter ending June 30, 2023. The U.S. government has appropriated more than $2.35 billion in FY 2022 and FY 2023 funding for Afghanistan reconstruction programming since the Taliban takeover of Afghanistan in August 2021.
- Of the $112.40 billion (76% of the total) appropriated to the six largest active reconstruction funds, about $1.70 billion remained for possible disbursement. This amount includes $580 million obligated but unspent on 86 active projects, $557 million in funds available for obligation or subobligation on future projects, and $545 million obligated but unspent on inactive, suspended, or terminated contracts.
- The UN's Office for the Coordination of Humanitarian Affairs reported that donors contributed $4.45 billion for Afghanistan humanitarian assistance programs from January 1, 2022, through June 30, 2023. The United States was the largest donor over this period, contributing $1.34 billion to these humanitarian assistance programs.

STATUS OF FUNDS CONTENTS

STATUS OF FUNDS

In accord with SIGAR's legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for Afghanistan reconstruction. As of June 30, 2023, the United States government had appropriated or otherwise made available approximately $147.06 billion in funds for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

- $88.89 billion for security (including $4.60 billion for counternarcotics initiatives)
- $35.59 billion for governance and development (including $4.22 billion for additional counternarcotics initiatives)
- $6.31 billion for humanitarian aid
- $16.27 billion for agency operations

Figure F.1 shows the six largest active U.S. funds that contribute to these efforts. U.S. government agencies have reported FY 2022 activity to SIGAR in 18 accounts affecting current or prior year appropriations, obligations, or disbursements for Afghanistan reconstruction.[1] Appendix B to this report provides a comprehensive accounting of the annual appropriations made for Afghanistan reconstruction from FY 2002 to FY 2023 Q3.

TABLE F.0

CIVILIAN SECTOR RECONSTRUCTION ACCOUNTS, POST-U.S. WITHDRAWAL FROM AFGHANISTAN ($ MILLIONS)

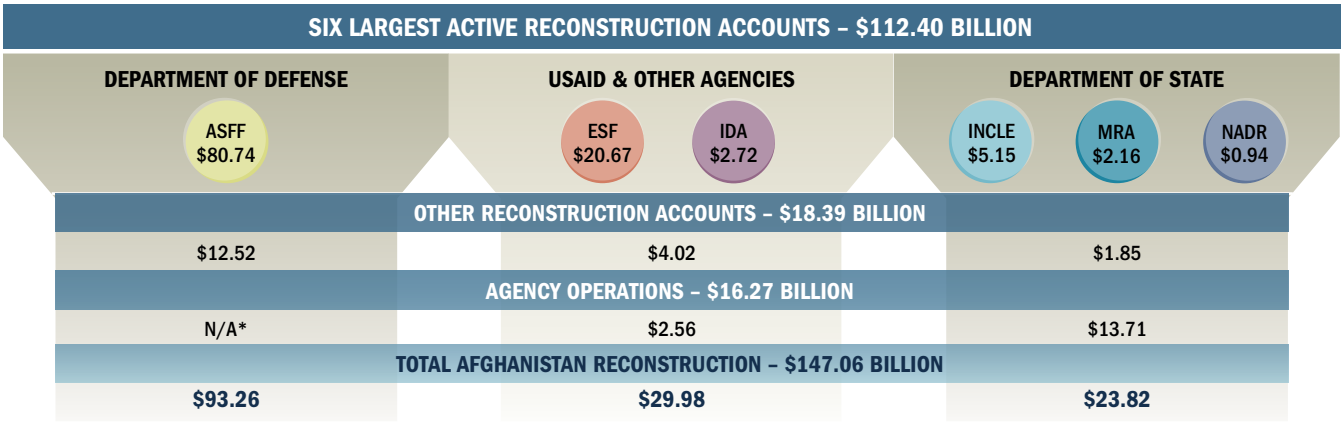
	October 1, 2021 to June 30, 2023 (Post Withdrawal)	April 1 to June 30, 2023 (Past Quarter)
Disbursements	$2,287.81	$357.99
FY 2022 and FY 2023		
Appropriations	1,968.63	229.66

Source: SIGAR analysis of Governance & Development and Humanitarian accounts of the SIGAR Quarterly Report to the U.S. Congress, 7/30/2023, 4/30/2023, and 10/30/2021.

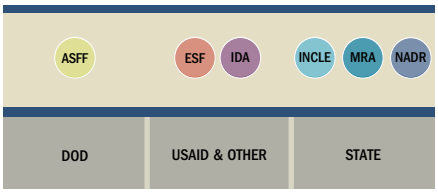
ASFF: Afghanistan Security Forces Fund
ESF: Economic Support Fund
IDA: International Disaster Assistance
INCLE: International Narcotics Control and Law Enforcement
MRA: Migration and Refugee Assistance
NADR: Non-Proliferation, Antiterrorism, Demining, and Related Programs

FIGURE F.1

U.S. APPROPRIATIONS SUPPORTING AFGHANISTAN RECONSTRUCTION, FY 2002 TO FY 2023 Q3 ($ BILLIONS)



*The Department of Defense and its Office of Inspector General have not provided Agency Operations costs as described in the section "DOD Says It Is Unable to Report Reconstruction Costs" in Status of Funds.
Note: Numbers have been rounded.
Source: Details of accounts, including sources of data, are provided in Appendix B to this report.



The amount provided to the six largest active U.S. funds represents more than 76.4% (nearly $112.40 billion) of total reconstruction assistance to Afghanistan since FY 2002. Of this amount, nearly 93.5% (nearly $105.05 billion) has been obligated, and nearly 92.2% (more than $103.62 billion) has been disbursed. An estimated $7.08 billion of the amount appropriated for these funds has expired and will therefore not be disbursed. Notably, a DOD IG audit report found that ASFF cumulative obligations and disbursements are overstated by significant, but yet to be determined amounts, as shown on page 36.

U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

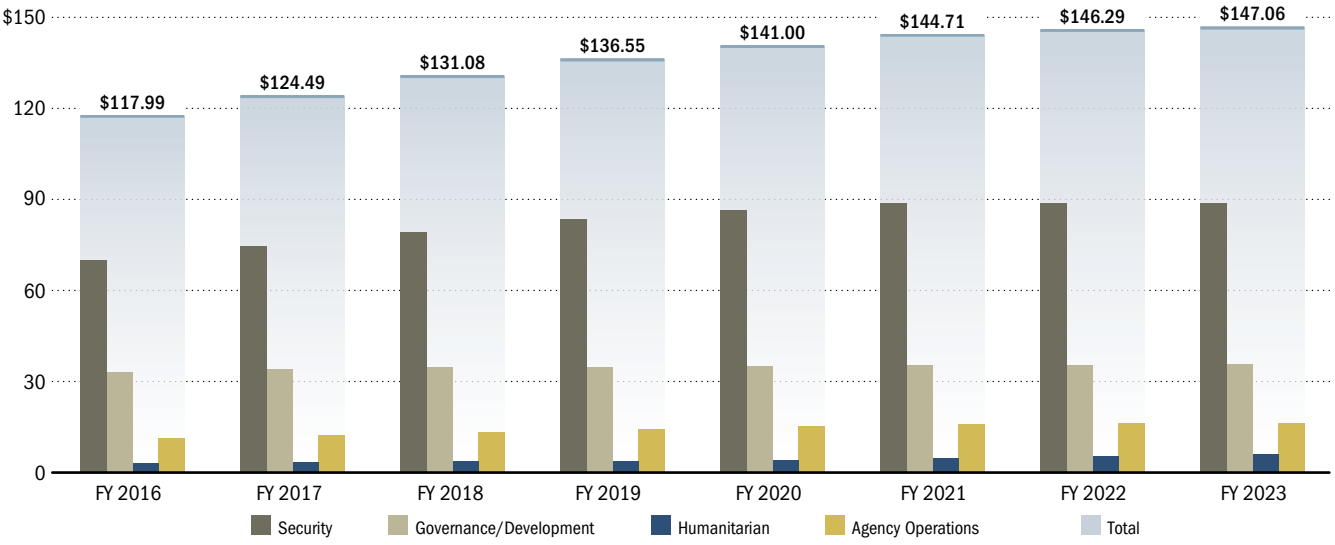
As of June 30, 2023, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately $147.06 billion, as shown in Figure F.2. This total comprises four major categories of reconstruction and related funding: security, governance and development, humanitarian, and agency operations. Approximately $8.82 billion of these funds supported counternarcotics initiatives that crosscut the categories of security ($4.60 billion) and governance and development ($4.22 billion).

Following the Taliban takeover of Afghanistan in August 2021, the U.S. government took several steps in September 2021 to reallocate funds previously made available for Afghanistan reconstruction. These steps included DOD reprogramming nearly $1.46 billion from the Afghanistan Security Forces Fund (ASFF) for other DOD purposes, State de-allotting nearly $93.03 million in International Narcotics Control and Law Enforcement (INCLE) funds, and USAID rescinding more than $73.07 million from the Economic Support Fund (ESF) in the fourth quarter of fiscal year 2021 (FY21Q4).[2]

The Consolidated Appropriations Act, 2022, enacted on March 15, 2022, mandated rescissions of ASFF FY 2021 appropriations of $700.00 million and unspecified ESF and INCLE funds allocated to Afghanistan totaling $855.64 million and $105.00 million, respectively, in FY 2022.[3]

FIGURE F.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF JUNE 30, 2023 ($ BILLIONS)



Note: Numbers have been rounded.

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

These rescissions were all completed by September 30, 2022. State took additional steps by de-allotting nearly $166.38 million in INCLE funds and transferring $25.00 million in ESF funds programmed for Afghanistan from USAID to itself for re-programming during FY 2022.[4] The Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023, enacted September 30, 2022, mandated an additional rescission of $100.00 million in ASFF FY 2021 appropriations and at the same time appropriated $100.00 million to ASFF for obligation in the FY 2022 to FY 2025 period to facilitate ASFF contract close-out activities.[5] Also in the final quarter of FY 2022, State and Congress agreed on the FY 2022 Section 653(a) allocation of ESF, INCLE, Global Health Programs (GHP), and the Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) funds for Afghanistan, totaling $155.88 million.[6]

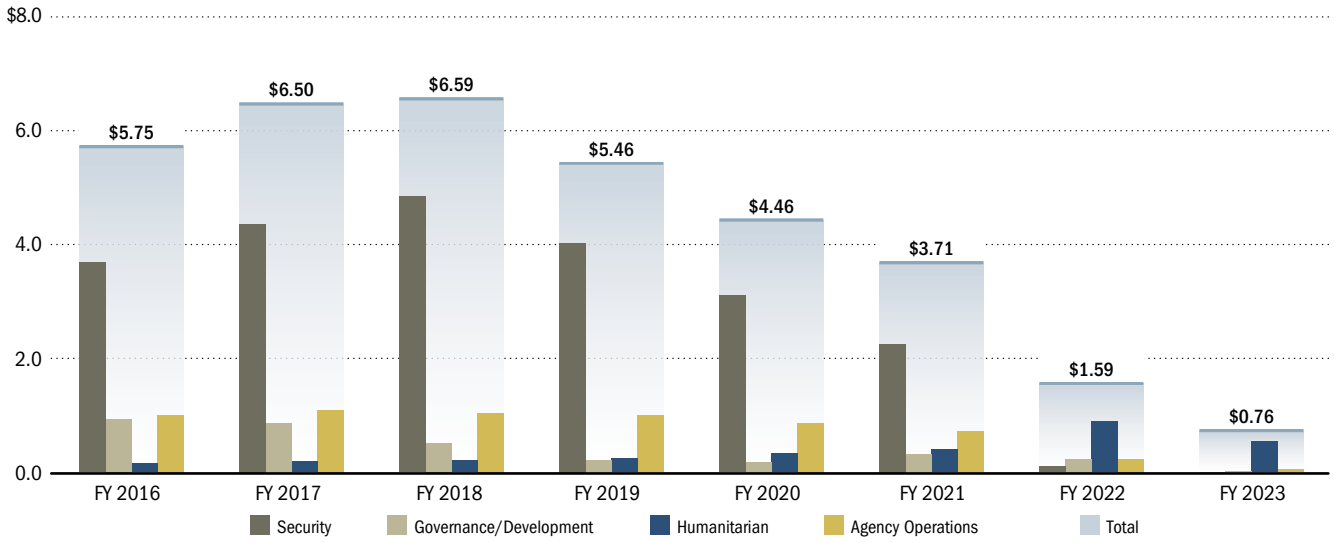
The Consolidated Appropriations Act, 2023, enacted on December 29, 2022, did not mandate funding rescissions nor provide funding for line-item appropriations specifically for Afghanistan reconstruction in FY 2023 other than the appropriation of $35.20 million for SIGAR.[7] The total amount of FY 2023 appropriated funds made available through agency allocation processes for Afghanistan reconstruction totaled approximately $0.76 billion through June 30, 2023, as shown in Figure F.3.

Reprogram: Shifting funds within an appropriation or fund to use them for purposes other than those contemplated at the time of appropriation.
De-allotment: Returning allotted funds to a central budget authority who may then re-allot or use those funds for other purposes (e.g., rescission or reprogramming).
Rescission: Legislation enacted by Congress that cancels the availability of budget authority previously enacted before the authority would otherwise expire.

Source: GAO, Glossary of Terms Used in the Federal Budget Process, 9/2005; State response to SIGAR data call, 7/26/2022.

FIGURE F.3

ANNUAL APPROPRIATIONS BY FUNDING CATEGORY ($ BILLIONS)



Note: Numbers have been rounded.

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

DOD Says It Is Unable to Report Reconstruction Costs

Because DOD has not provided information to SIGAR pursuant to requests made under statutory requirement, SIGAR has been unable to report on some Afghan reconstruction costs, principally those relating to the DOD's Train, Advise, and Assist (TAA) mission under Operation Freedom's Sentinel that are not paid for by the Afghanistan Security Forces Fund (ASFF). ASFF pays only for contractors and not for DOD military and civilian employees who trained, advised, and supported the Afghan National Defense and Security Forces (ANDSF).

Therefore, SIGAR reporting does not include costs of: (1) training and advising programs such as the Train Advise Assist Commands (TAACs), the Security Force Assistance Brigades (SFABs), the Ministry of Defense Advisors (MODA) program, the Afghanistan Hands Program (AHP), and the DOD Expeditionary Civilian (DOD-EC) program; (2) support provided to members of the NATO Resolute Support Mission; and (3) certain advisory and support costs of the Combined Security Transition Command-Afghanistan (CSTC-A) and its successor, the Defense Security Cooperation Management Office-Afghanistan (DSCMO-A).

SIGAR has also been unable to report on the operating expenses of CSTC-A and its successor DSCMO-A, and program offices that supported ASFF procurement.

SIGAR is mandated by federal statute to report on amounts appropriated or otherwise made available for the reconstruction of Afghanistan. Statutory references to reconstruction include funding for efforts "to establish or reestablish a political or societal institution of Afghanistan" such as the ANDSF. The mandate also requires reporting on "operating expenses of agencies or entities receiving amounts appropriated or otherwise made available for the reconstruction of Afghanistan."[8]

SIGAR has made repeated requests to DOD since 2018 for an accounting or estimates of these costs, but none have been provided.[9] DOD representatives have replied that the Department's financial reports do not provide costs for individual commands previously located in Afghanistan. These costs are distributed in multiple, disaggregated line items across the services and component commands.[10] In addition, DOD's existing reports on Afghanistan costs, such as its *Cost of War Report*, do not include the costs of the base pay and certain benefits of military personnel deployed to Afghanistan, since these costs are generally reported by units based outside of Afghanistan. This method of reporting costs is inconsistent with SIGAR's mandate to report on all costs associated with military organizations involved in Afghanistan reconstruction, regardless of whether they are staffed with DOD military personnel, DOD civilian personnel, or DOD-paid contractors.

DOD's Office of Inspector General (OIG) received a data call request from SIGAR in November 2021 seeking information on its costs in providing oversight of Afghanistan reconstruction, referencing the statutory reporting mandates noted above, and including a listing of 55 DOD OIG audit and evaluation reports examining various topics related to DOD support of the ANDSF issued from 2009 to 2020. The DOD OIG replied to SIGAR that it had "no operating expenses to support reconstruction efforts in Afghanistan," nor had it conducted "activities under programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan."[11]

AFGHAN FUND

In addition to the funds appropriated for Afghanistan reconstruction accounted for in the Status of Funds section, a portion of Afghan central bank assets held in the United States prior to the Taliban takeover are set aside in a charitable trust for the benefit of the Afghan people. Announced on September 14, 2022, the Afghan Fund is incorporated as a Swiss foundation that aims to protect, preserve, and make targeted disbursements of more than $3.5 billion in Afghan central bank reserves to help provide greater stability to the Afghan economy and ultimately work to alleviate the worst effects of the humanitarian crisis.[12] According to State, the Fund is "explicitly not intended to make humanitarian disbursements."[13] The $3.5 billion is part of $7 billion in assets that Da Afghanistan Bank (DAB), Afghanistan's central bank, had deposited in the United States prior to the Taliban takeover of Afghanistan in August 2021.

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly $147.06 billion for reconstruction and related activities in Afghanistan, of which nearly $112.40 billion was appropriated to the six largest active reconstruction accounts. As of June 30, 2023, SIGAR calculates that approximately $1.70 billion of the amount appropriated to the six largest active reconstruction accounts remained available for possible disbursement, as shown in Table F.1 and Figure F.5.

FIGURE F.5

STATUS OF APPROPRIATED FUNDS, SIX LARGEST ACTIVE ACCOUNTS, AS OF JUNE 30, 2023 ($ BILLIONS)

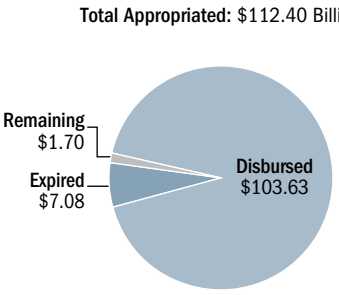


TABLE F.1

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, DISBURSED, AND REMAINING FOR POSSIBLE DISBURSEMENT FY 2002 TO JUNE 30, 2023 ($ BILLIONS)

	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	$80.74	$75.08	$74.67	$0.51
Economic Support Fund (ESF)	20.67	19.48	19.01	0.59
International Narcotics Control and Law Enforcement (INCLE)	5.15	4.85	4.79	0.02
International Disaster Assistance (IDA)	2.72	2.56	2.16	0.49
Migration and Refugee Assistance (MRA)	2.16	2.14	2.07	0.06
Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR)	0.94	0.93	0.92	0.02
Six Largest Active Accounts, Total	**112.40**	**105.05**	**103.62**	**1.70**
Other Reconstruction Funds	18.39			
Agency Operations	16.27			
Total	**$147.06**			

Note: Numbers have been rounded. Funds remaining available for possible disbursement from ASFF consist of $414.84 million in undisbursed obligations on ASFF contracts on dates ranging from January 30, 2023, to July 14, 2023 (the most recent date this data is available), as presented in Table E.7, Summary Status of ASFF Obligated Contracts, on page 75, and $99.85 million appropriated to ASFF and remaining available for obligation during the FY 2022 through FY 2025 period under Pub. L. No. 117-180 enacted September 30, 2022. Since the $414.84 million in undisbursed obligations on ASFF contracts noted above exceeds the $94.37 million in ASFF undisbursed obligations reported by DFAS at June 30, 2023, the $320.47 million excess is subtracted from DFAS-reported ASFF disbursements of $74.99 billion to reflect adjusted ASFF disbursements of $74.67 billion in the analysis above. As noted on page 36, the DOD IG's Audit of the DoD's Financial Management of the Afghanistan Security Forces Fund report found that DFAS-produced ASFF financial statements upon which SIGAR has relied overstated ASFF obligation and disbursement balances, and these balances will be restated and published by SIGAR at a future date. Funds remaining available for possible disbursement for NADR not reflected in the balances presented on page 41 consist of $10.14 million in undisbursed obligations and $11.68 million in funds allocated but not yet obligated.

Source: DFAS, AR(M) 1002 Appropriation Status by FY Program and Subaccounts (Cumulative) June 2023 Certified, accessed at dfas.mil/dodbudgetaccountreports/ on 7/20/2023; SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, USAID, USAGM, and DFC, 7/21/2023.

Funds remaining available for possible disbursement for any given account consist of two broad components, the first being funds that have been appropriated and allocated to the account for Afghanistan programming but have not yet been obligated for these purposes. The second are funds that have been obligated for Afghanistan programming but not yet disbursed under the obligated contract ("Unliquidated Obligations"). Table F.2, Funds Remaining Available for Possible Disbursement, presents these two components for each of the six largest active accounts. Additionally, within the second component "Unliquidated Obligations," Table F.2 separately presents Active Projects and Inactive/Expired Awards, Balances Reserved for Close-Out.

TABLE F.2

FUNDS REMAINING AVAILABLE FOR POSSIBLE DISBURSEMENT (BALANCES OBLIGATED BUT NOT DISBURSED, PLUS BALANCES AVAILABLE FOR OBLIGATION BUT NOT OBLIGATED), JUNE 30, 2023 ($ MILLIONS)

	Sector	Implementing Partners	Funds Available for Disbursement
Afghanistan Security Forces Fund (ASFF)			
Unliquidated Obligations			
Terminated Contracts, Balances Reserved for Close-Out			
Contracts Obligated by CSTC-A and DSCMO-A	ANDSF Support	Various	$81.82
Air Force (A-29, C-130, PC-12 & C-208 Airframes & Munitions)	AAF Support	Various	123.69
Army (UH-60 Airframe, Ammunition, PEO STRI, and Other)	ANA Support	Various	185.48
Navy (Joint Warfare Center and Other)	ANDSF Support	Various	23.86
Total			414.84
Appropriated and Allocated Funds, Not Obligated			
ASFF FY 2022–2025 Appropriation for Contract Close-Out			99.85
Total Funds Available for Possible Disbursement			**$514.69**
Economic Support Fund (ESF)			
Unliquidated Obligations			
Active Projects, Over $2.00 Million and All Others			
Assistance for Families and Indigent Afghans to Thrive (AFIAT)	Health	U.S. Nonprofit	$15.02
Competitiveness of Export-Oriented Businesses (ACEBA)	Economic Growth	U.S. for Profit	13.90
Afghanistan Value Chains - Livestock	Agriculture	U.S. for Profit	11.12
Urban Health Initiative (UHI) Program	Health	U.S. for Profit	9.24
Global Health Supply Chain Management (GHSCM-PSM)	Health	U.S. for Profit	6.91
Supporting Transformation of Afghanistan's Recovery (STAR)	Cross Cutting	U.S. Nonprofit	5.79
Central Contraceptive Procurement (CCP)	Health	U.S. for Profit	4.96
Project Name Withheld at Request of USAID	Civil Society	U.S. Nonprofit	4.66
Supporting Media Freedom and Access to Information	Civil Society	U.S. Nonprofit	4.25
Afghanistan Investment Climate Reform (AICR) Program	Economic Growth	World Bank	3.71
Livelihood Advancement for Marginalized Population (LAMP)	Economic Growth	U.S. Nonprofit	3.69
Afghanistan Monitoring, Evaluation & Learning Activity (AMELA)	Program Support	U.S. for Profit	3.52
Agricultural Marketing Program (AMP)	Agriculture	U.S. Nonprofit	3.51
Supporting Student Success in Afghanistan (SSSA)	Education	Afghan NP	3.44
Afghanistan Demographic and Health Survey (ADHS) Follow-On	Health	U.S. for Profit	3.32
Local Health Systems Sustainability (LHSS)	Health	U.S. for Profit	3.16
Afghanistan Value Chains - High Value Crops	Agriculture	U.S. for Profit	3.03
Carpet and Jewelry Value Chains	Economic Growth	Foreign NP	2.63
Strengthening Education in Afghanistan (SEA II)	Education	U.S. Nonprofit	2.25

Continued on next page

Bilateral Un-Sub Obligated Balances

USAID plans to obligate $231.54 million not yet subobligated, arising from bilateral agreements with the former Afghan government relating to ESF FY 2013–20 funds, into new and existing awards over the next 12 months. Some of these obligations will require State's Office of Foreign Assistance approval or Congressional notification.

Planned Obligations

Sector	($ Millions)
Agriculture	$8.48
Democracy & Governance	4.17
Education	43.30
Economic Growth	62.15
Gender	7.31
Health	5.46
Infrastructure	61.64
Program Support & Other	39.02
Total	**$231.54**

Source: USAID, response to SIGAR data call, 7/23/2023.

FUNDS REMAINING AVAILABLE FOR POSSIBLE DISBURSEMENT (CONTINUED)

	Sector	Implementing Partners	Funds Available
ESF Active Projects, continued			
Technical Capacity Building for American Univ. of Afghanistan	Education	Afghan NP	2.02
New DEWS (Disease Early Warning System) Plus	Health	WHO	2.00
All Other (10 Active Projects and Activities)	Various	10 IPs	4.46
Total Active			116.59
Inactive/Expired Awards, Balances Reserved for Close-Out			
Power Sector (8 Inactive and Expired Projects)	Power	7 IPs	80.03
Other Sectors (39 Inactive and Expired Projects)	Various	21 IPs	21.47
Total Inactive/Expired			101.51
Allocable to Active, Inactive, and Expired Awards			
Program Support	Various	Various	13.82
Other	Various	Various	0.07
Total			13.89
Bilateral Un-Sub Obligated Balances			
Bilateral Obligations of ESF FY 2013–20 Not Yet Subobligated*			231.54
Total Unliquidated Obligations			463.52
Appropriated, Allocated and Distributed Funds, Not Yet Obligated			
ESF FY 2022 Section 653(a) Allocation for Afghanistan			122.88
Total Funds Available for Possible Disbursement			**$586.40**
Migration and Refugee Assistance (MRA)			
Unliquidated Obligations			
Active Projects, Over $2.00 Million and All Others			
UNFPA Afghanistan Humanitarian Appeal 2023	Multisector	UNFPA	$20.20
IOM Afghanistan Appeal 2023	Multisector	IOM	13.50
Afghanistan Situation Regional Refugee-Pakistan 2023	Multisector	IOM	6.50
Afghan Refugee Response Appeal-Pakistan	Multisector	UNFPA	5.00
Afghanistan Third Party Monitoring	Monitoring	U.S. for Profit	2.27
All Other (15 Active Projects and Activities)	Various	3 PIOs, 7 Other	7.24
Total Active			54.71
Suspended Projects			
3 Projects are Suspended	Multisector	2 IPs	2.23
Terminated Projects, Balances Reserved for Close-Out			
35 Projects are Terminated	Various	4 PIOs, 8 Other	6.52
Total Funds Available for Possible Disbursement			**$63.46**

Continued on next page

FUNDS REMAINING AVAILABLE FOR POSSIBLE DISBURSEMENT (CONTINUED)

	Sector	Implementing Partners	Funds Available
International Disaster Assistance (IDA)			
Unliquidated Obligations			
Active Projects, Over $2.00 Million and All Others			
Emergency Food and Nutrition Assistance and Air Services	Food Assistance	WFP	$102.32
Afghanistan CSP IDA	Food Assistance	WFP	48.42
WASH Response and Humanitarian Assistance Program	Non-Food Assistance	IOM	40.87
Project Name Withheld at Request of USAID	Multisector	U.S. Nonprofit	35.24
Integrated Nutrition, Cash, WASH, and Protection Services	Multisector	UNICEF	29.24
Project Name Withheld at Request of USAID	Multisector	U.S. Nonprofit	29.15
Project Name Withheld at Request of USAID	Multisector	Foreign NP	27.26
Project Name Withheld at Request of USAID	Multisector	Foreign NP	20.15
Project Name Withheld at Request of USAID	Multisector	U.S. Nonprofit	14.55
Project Name Withheld at Request of USAID	Multisector	Foreign NP	12.74
Project Name Withheld at Request of USAID	Multisector	U.S. Nonprofit	8.73
Scale Up Plan for Health Cluster Coordination Structure	Multisector	WHO	5.95
Provision of Lifesaving GBV Prevention and Response	Non-Food Assistance	UNFPA	5.36
Strengthen Coordination of Emergency Food Security Response	Multisector	FAO	3.22
Project Name Withheld at Request of USAID	Multisector	U.S. Nonprofit	2.34
All Other (5 Active Projects and Activities)	Various	4 PIOs, 1 FNP	2.95
Total Active			388.49
Inactive/Expired Awards, Balances Reserved for Close-Out, Program Support, and Other			
21 Inactive and Expired Projects and Activities	Various	14 IPs	15.02
Total Unliquidated Obligations			403.51
Appropriated, Allocated, and Distributed Funds, Not Obligated			
IDA FY 2023 Distribution Not Obligated			87.20
Total Funds Available for Possible Disbursement			**$490.71**
International Narcotics Control and Law Enforcement (INCLE)			
Unliquidated Obligations			
Active Projects Over $1.00 Million and All Others			
Delivering Family Support Services in Afghanistan	Gender Justice	UN Women	$6.69
Flexible Implementation and Assessment Team (FIAT) II	Monitoring & Evaluation	U.S. for Profit	2.47
Afghan Women's Shelter Fund (AWSF) IV	Gender	Colombo Plan	1.20
All Other (1 Active Project)	Counternarcotics	USAGM (IAA)	0.62
Total Active			10.98

Continued on next page

FUNDS REMAINING AVAILABLE FOR POSSIBLE DISBURSEMENT (CONTINUED)

	Sector	Implementing Partners	Funds Available
INCLE Unliquidated Obligations (Continued)			
Inactive/Expired Awards, Balances Reserved for Close-Out			
9 Inactive and Expired Projects and Activities	Various	9 IPs	3.24
Administrative Support	Various		0.32
Total Unliquidated Obligations			14.54
Appropriated, Allocated, and Distributed Funds, Not Yet Obligated			
INCLE FY 2022 and FY 2023 Funds			3.57
Total Funds Available for Possible Disbursement			**$18.11**
Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR)			
Conventional Weapons Destruction (CWD) Subaccount			
Unliquidated Obligations			
Active Projects, Over $1.00 Million and All Others			
Humanitarian Mine Action (Kandahar)	Demining	Afghan NP	$2.00
Humanitarian Mine Action/Abandoned Improvised Mines (Helmand)	Demining	Foreign NP	1.30
Conventional Weapons Destruction (Afghanistan)	Weapons	Foreign NP	1.11
Oversight (Afghanistan)	Demining	Foreign NP	1.11
All Others (8 Active Projects and Activities)	Demining and Weapons	6 IPs	3.41
Total Active			8.93
Terminated Projects, Balances Reserved for Close-Out			
3 Projects are Terminated	Demining	3 IPs	0.92
Total Unliquidated Obligations			9.85
Appropriated, Allocated, and Distributed Funds, Not Obligated			
NADR CWD FY 2022 Section 653(a) Allocation for Afghanistan			11.68
Total Funds Available for Possible Disbursement			**$21.52**
Antiterrorism Assistance (ATA) Subaccount			**$0.29**
Grand Total Funds Available for Possible Disbursement			**$1,695.18**

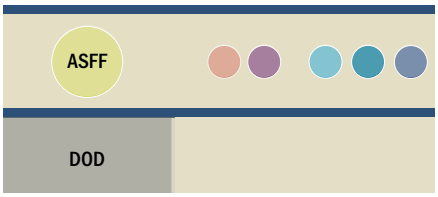
Note: Numbers have been rounded. Bilateral Obligations of ESF FY 2013–20 Not Yet Subobligated* are described in the highlight box that accompanies the table. NP = nonprofit, IP = implementing partner, and PIO = public international organization.

Source: DOD/OUSD-P, response to SIGAR data call, 6/23/2023 and 7/14/2023; DOD/DFAS, AR(M) 1002 Appropriation Status by FY Program and Subaccounts (Cumulative) June 2023 Certified, accessed at www.dfas.mil/dodbudgetaccountreports/ on 7/20/2023; State/DS/CT, response to SIGAR data call, 7/19/2023; State/INL, response to SIGAR data call, 7/20/2023; State/PM/WRA, response to SIGAR data call, 7/18/2023; State/PRM, response to SIGAR data call, 7/18/2023; USAID/Mission, response to SIGAR data call, 7/18/2023; USAID/BHA, response to SIGAR data call, 7/14/2023.

Key Findings of Table F.2, Funds Remaining Available for Possible Disbursement

Funds remaining available for possible disbursement of $1.70 billion on June 30, 2023, consisted of $325.18 million in FY 2022 and FY 2023 appropriations that had not yet been obligated for five of the six largest active accounts, and $1.37 billion in funds that have been obligated but not yet disbursed for the six largest active accounts. These unliquidated obligations consist of three broad components, as follows:

- State and USAID reported that the ESF, IDA, INCLE, MRA, and NADR accounts together had $579.70 million in unliquidated obligations spanning 86 active projects. Approximately one-half of this amount, or $294.82 million, was obligated to 10 UN agencies through 22 projects. All of DOD's ASFF contracts are being closed out.
- USAID reported that it had obligated $231.54 million in FY 2013 through FY 2020 ESF funds through bilateral agreements with the former Afghan government, and these funds remain available for subobligation. USAID plans to subobligate these funds over the next 12 months.
- DOD, State, and USAID reported that the ASFF, ESF, IDA, INCLE, MRA, and NADR accounts together held $544.57 million in unliquidated obligations for inactive, suspended, expired, or terminated contracts. DOD has not provided an ASFF contract count, but State and USAID reported that 127 of their projects met one of these four inactive project definitions.



ASFF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

AFGHANISTAN SECURITY FORCES FUND

Congress created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding for salaries, as well as facility and infrastructure repair, renovation, and construction.

Following the Taliban takeover of Afghanistan, Congress and DOD have taken a series of steps to rescind and reallocate ASFF funds no longer required to support the ANDSF. DOD reprogrammed nearly $1.46 billion from its ASFF FY 2020 and FY 2021 accounts in FY21Q4, and rescinded $700.00 million from its ASFF FY 2021 account in FY22Q3 as mandated under the Consolidated Appropriations Act, 2022.[14] The Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023, enacted September 30, 2022, mandated an additional rescission of ASFF FY 2021 appropriations of $100.00 million and at the same time appropriated $100.00 million to ASFF for obligation in the FY 2022 to FY 2025 period to facilitate ASFF contract close-out activities.[15] There was no ASFF FY 2023 appropriation in the Consolidated Appropriations Act, 2023, enacted December 29, 2022, and cumulative ASFF appropriations have remained unchanged at more than $80.74 billion from June 30, 2022, through June 30, 2023, as shown in Figure F.6 and Figure F.7.[16]

Audit of the DOD's Financial Management of the Afghanistan Security Forces Fund

The DOD IG released its *Audit of the DoD's Financial Management of the Afghanistan Security Forces Fund* on June 13, 2023. The report found, among its many findings, that DOD improperly recorded $4.1 billion appropriated to the ASFF account as spent when ASFF funds were transferred to the FMS Trust Fund. DOD IG recommended that DSCA and OUSD/Comptroller assist SIGAR in reporting restated ASFF obligated and disbursed balances. SIGAR expects to publish these restated balances in its January 2024 Quarterly Report to the U.S. Congress.

DOD IG, Audit of the DOD's Financial Management of the Afghanistan Security Forces Fund (DODIG-2023-082), 6/9/2023, accessed 6/13/2023 at https://www.dodig.mil/reports.

FIGURE F.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR
($ BILLIONS)

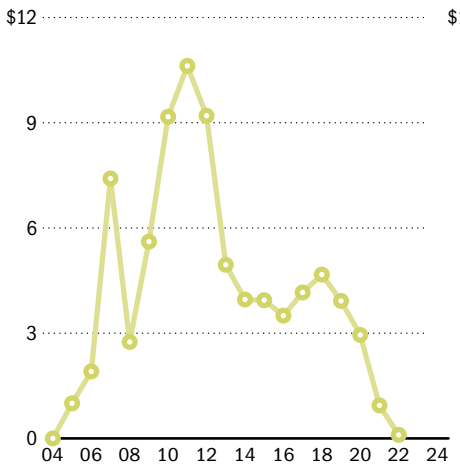
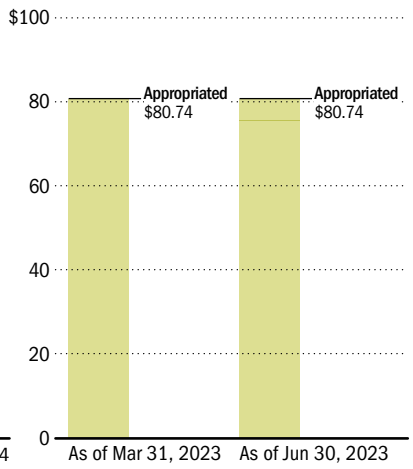


FIGURE F.7

ASFF FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



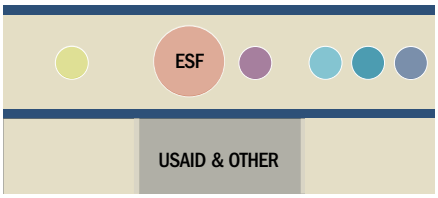
Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed $290 million from FY 2005 ASFF, $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, $178 million from FY 2013 ASFF, $604 million from FY 2019 ASFF, $146 million from ASFF FY 2020, and $1.31 billion from ASFF FY 2021 to fund other DOD requirements, and DOD reprogrammed $230 million into FY 2015 ASFF from another source of funds. ASFF data reflect the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, $150 million from FY 2016 in Pub. L. No. 115-31, $100 million from FY 2017 in Pub. L. No. 115-141, $396 million from FY 2019 in Pub. L. No. 116-93, $1.10 billion from FY 2020 in Pub. L. No. 116-260, $700 million from FY 2021 in Pub. L. No. 117-103, and $100 million from FY 2021 in Pub. L. No. 117-180.

Source: DOD, response to SIGAR data call, 10/20/2022; DFAS, AR(M) 1002 Appropriation Status by FY Program and Subaccounts (Cumulative) June 2023 Certified and AR(M) 1002 Appropriation Status by FY Program and Subaccounts (Cumulative) March 2023 Certified, accessed at dfas.mil/dodbudgetaccountreports/ on 7/20/2023 and 4/24/2023, respectively.

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, and independent legal systems for a more transparent and accountable government.[17]

The ESF was allocated more than $122.88 million for Afghanistan for FY 2022 through the Section 653(a) consultation process concluded between State and the U.S. Congress in FY22Q4.[18] An additional allocation of $99.50 million of ESF FY 2021 funds was received in FY 2022.[19] USAID implemented recissions of more than $855.64 million ESF mandated in the Consolidated Appropriations Act, 2022, by rescinding FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 ESF balances in FY22Q4. USAID also transferred $25.00 million in FY 2020 and FY 2021 ESF balances to State in FY22Q4.[20] The rescissions and transfer of ESF funds in FY 2022 reduced annual ESF appropriations as shown in Figure F.8. Cumulative ESF appropriations remained unchanged at more than $20.67 billion between March 31, 2023, and June 30, 2023, as shown in Figure F.9 below.[21]



ESF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE F.8

ESF APPROPRIATIONS BY FISCAL YEAR
($ BILLIONS)

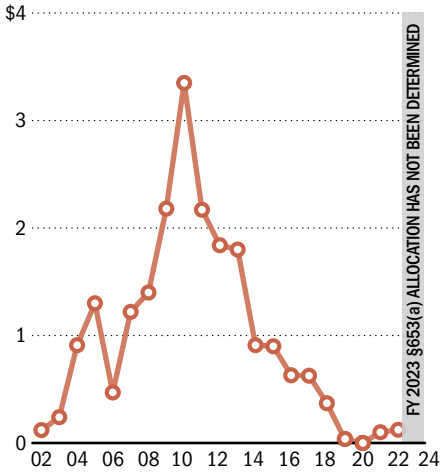
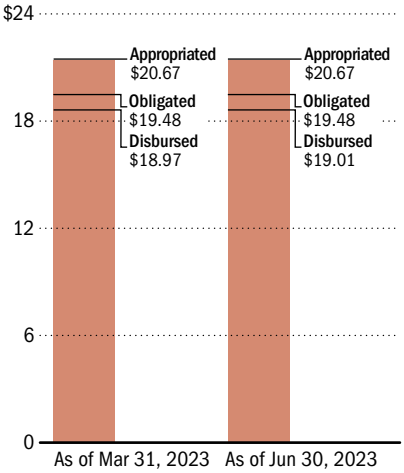


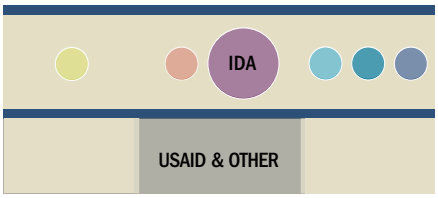
FIGURE F.9

ESF FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data reflects transfers from AIF to the ESF of $101.00 million in FY 2011 balances, $179.50 million in FY 2013 balances, and $55.00 million in FY 2014 balances; and transfers from ESF to the Green Climate Fund of $179.00 million in FY 2016 balances and to the Department of State of $55.00 million in FY 2020 and FY 2021 balances, the latter transaction recorded in FY22Q4. Data also reflect the rescission of FY 2020 ESF balances of $73.07 million in FY21Q4 as part of a larger rescission mandated by Pub. L. No. 116-260 and the rescission of FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 ESF balances of $855.64 million in FY22Q4 as mandated by Pub. L. No. 117-103.

Source: USAID, response to SIGAR data call, 7/18/2023 and 4/21/2023; State, response to SIGAR data call, 7/6/2023.



IDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

INTERNATIONAL DISASTER ASSISTANCE

USAID's Bureau of Humanitarian Assistance (BHA), created through the combination of its Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP) in June 2020, administers International Disaster Assistance (IDA) funds. BHA is responsible for leading and coordinating the U.S. government response to disasters overseas and obligates funding for emergency food-assistance projects when there is an identified need and local authorities lack the capacity to respond. BHA works closely with international partners such as the United Nations Children's Fund (UNICEF), the UN's World Food Programme (WFP), and the UN's World Health Organization (WHO) to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.[22]

The IDA account has been the largest recipient of U.S. government funding for Afghanistan assistance since the Taliban takeover in August 2021. USAID reported to SIGAR that it has allocated $671.34 million in FY 2022 IDA funds to Afghanistan programs, which are reported as appropriations by SIGAR in Figure F.10, and an additional $642.61 million in FY 2023 funds from October 1, 2021, through June 30, 2023. Cumulative appropriations, obligations, and disbursements for the IDA account have totaled $2.72 billion, $2.56 billion, and $2.16 billion, respectively, from FY 2002 through June 30, 2023, as shown in Figure F.11.[23]

FIGURE F.10

IDA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

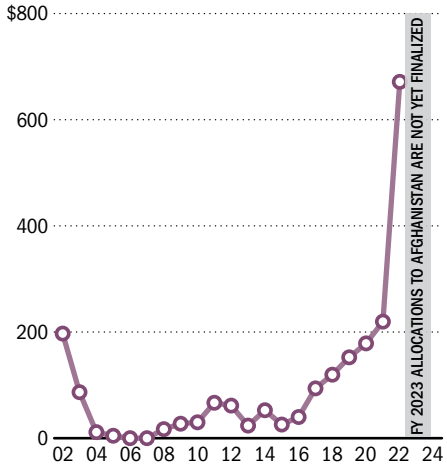
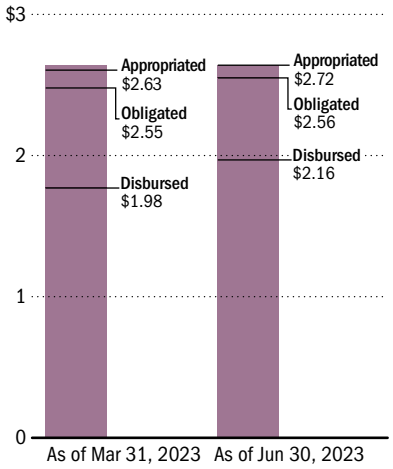


FIGURE F.11

IDA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



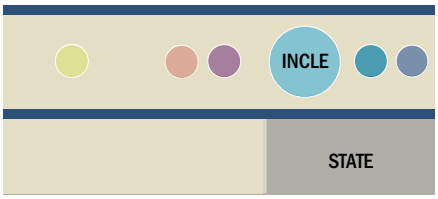
Note: Numbers have been rounded. Data may include interagency transfers.

Source: USAID, response to SIGAR data call, 7/18/2023 and 4/21/2023.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account, which funds projects and programs for advancing the rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counternarcotics, and rule of law and justice.[24]

Following the collapse of the former Afghan government in August 2021, State de-allotted nearly $93.03 million in INCLE FY 2016 and FY 2020 balances in FY21Q4, de-allotted nearly $84.95 million in INCLE FY 2017, FY 2018, and FY 2021 balances in FY22Q2, and de-allotted more than $186.43 million in INCLE FY 2017, FY 2018, FY 2019, and FY 2021 balances in FY22Q3. A portion of these de-allotments were applied to the $105.00 million rescission of INCLE funds mandated in Pub. L. No. 117-103 that was executed in FY22Q4. The FY 2022 Section 653(a) process also concluded in FY22Q4, with $6.00 million in INCLE funds allocated to Afghanistan, as shown in Figure F.12, exactly equal to the FY 2022 allotment previously recorded. There were no changes in cumulative INCLE appropriations between March 31, 2023, and June 30, 2023, as shown in Figure F.13, and only a deobligation of ($0.18) and disbursements of $2.68 million were recorded in the quarter ending June 30, 2023.[25]



INCLE FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE F.12

INCLE APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

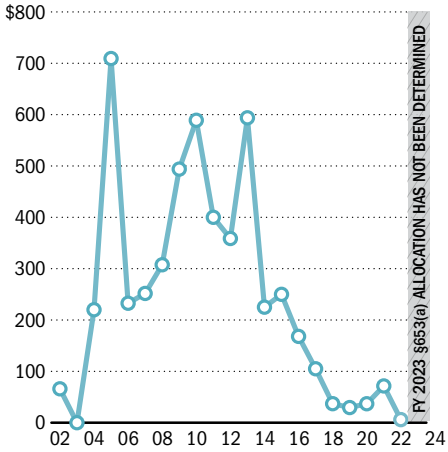
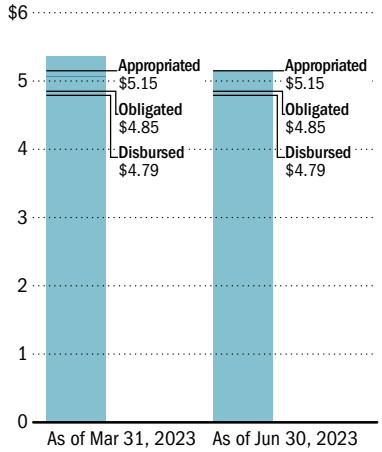


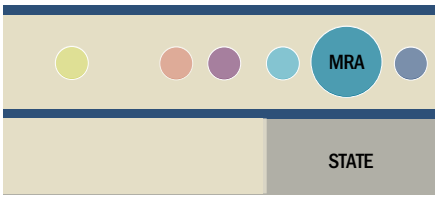
FIGURE F.13

INCLE FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



Note: Numbers have been rounded. Data reflect de-allotments of $93.03 million of prior-year funding in FY 2021 and $271.38 million of prior-year funding in FY 2022; the rescission of $105.00 million of these funds in FY22Q4, and the Section 653(a) allocation of $6.00 million in INCLE funds to Afghanistan in FY22Q4. Data may reflect interagency transfers.

Source: State, response to SIGAR data calls, 7/7/2023, 4/11/2023, and 10/12/2022.



MRA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

MIGRATION AND REFUGEE ASSISTANCE

The Department of State's Bureau of Population, Refugees and Migration (PRM) administers the Migration and Refugee Assistance (MRA) account that funds programs to protect and assist refugees, conflict victims, internally displaced persons, stateless persons, and vulnerable migrants. Through MRA, PRM supports the work of the UN High Commissioner for Refugees (UNHCR), other international organizations, and various nongovernmental organizations (NGOs) in Afghanistan to assist Afghan refugees throughout the region and upon their return to Afghanistan.[26]

The MRA allocation for Afghan refugees, internally displaced persons, and returnees has been at historically high levels for the past three fiscal years, at $150.41 million in FY 2020, $176.63 million in FY 2021, and $372.94 million for FY 2022, as shown in Figure F.14. The FY 2021 allocation includes $25.69 million in funds obligated from the American Rescue Plan Act, 2021, appropriated to supplement MRA funds. PRM reported that it has also obligated MRA funds made available through the Emergency Security Supplemental Appropriation Act, 2021, for use in Afghanistan and neighboring countries, but that it did not obligate funds from the Emergency Refugee and Migration Assistance Fund (ERMA) made available through the Act for these purposes.[27] Cumulative appropriations since FY 2002 have totaled more than $2.16 billion through June 30, 2023, with cumulative obligations and disbursements reaching more than $2.14 billion and more than $2.07 billion, respectively, on that date, as shown in Figure F.15.[28]

FIGURE F.14

MRA APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

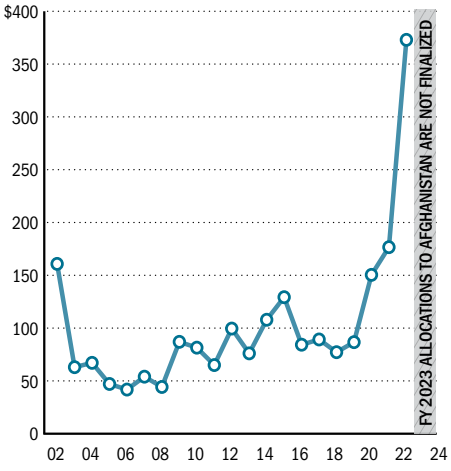
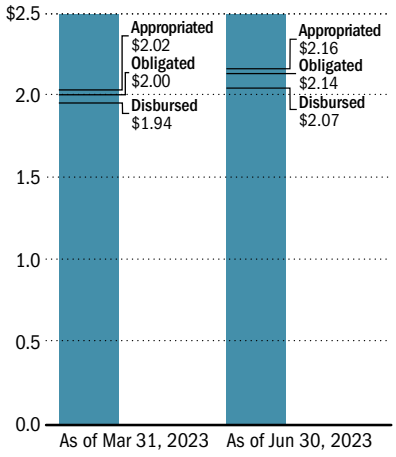


FIGURE F.15

MRA FUNDS, CUMULATIVE COMPARISON
($ BILLIONS)



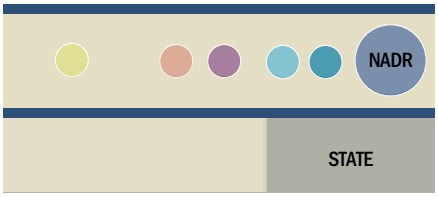
Note: Numbers have been rounded. Data may include interagency transfers. MRA balances include funds provided from the Emergency Refugee and Migration Assistance Fund (ERMA) of $25.00 million in FY 2002 and $0.20 million in FY 2009 (obligated and disbursed), and funds from the American Rescue Plan Act, 2021, appropriated to supplement MRA funds, of $25.69 million obligated and $25.61 million disbursed through June 30, 2023. All other MRA balances shown have been allocated from the annual Migration and Refugee Assistance appropriation.

Source: State, response to SIGAR data call, 7/7/2023 and 4/11/2023.

NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account played a critical role in improving the Afghan government's capacity to address terrorist threats, protect its borders, and remove dangerous explosive remnants of war.[29] The majority of NADR funding for Afghanistan was funneled through two subaccounts—Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD)—with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF). The Office of Foreign Assistance Resources made allocated funding available to relevant bureaus and offices that obligate and disburse these funds.[30]

The NADR account was allocated $45.80 million for Afghanistan for FY 2021 through the Section 653(a) consultation process concluded between State and the U.S. Congress in the quarter ending June 30, 2021. The FY 2022 Section 653(a) process concluded in the quarter ending September 30, 2022, and the NADR account was allocated $15.00 million for Afghanistan for FY 2022, as shown in Figure F.16. Cumulative appropriations of NADR funds remained unchanged from March 31, 2023, to June 30, 2023, at more than $942.14 million, as shown in Figure F.17.[31]



NADR FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE F.16

NADR APPROPRIATIONS BY FISCAL YEAR
($ MILLIONS)

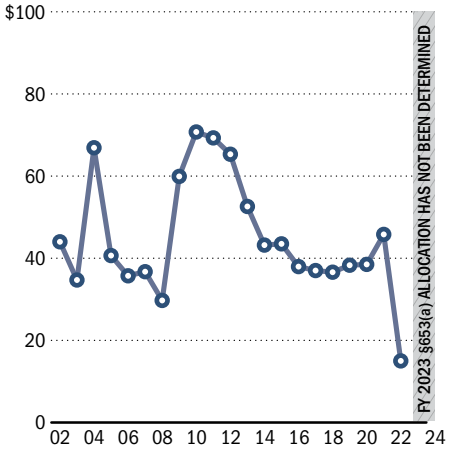
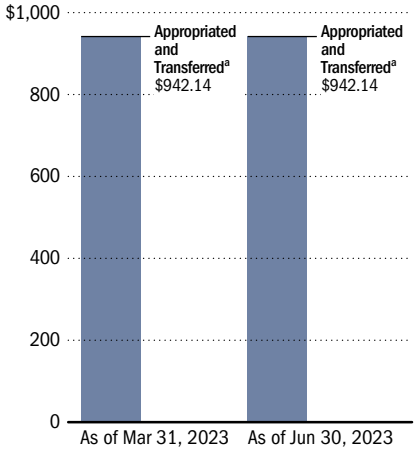


FIGURE F.17

NADR FUNDS, CUMULATIVE COMPARISON
($ MILLIONS)



Note: Numbers have been rounded.

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

Source: State, response to SIGAR data call, 7/6/2023 and 10/12/2022.

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

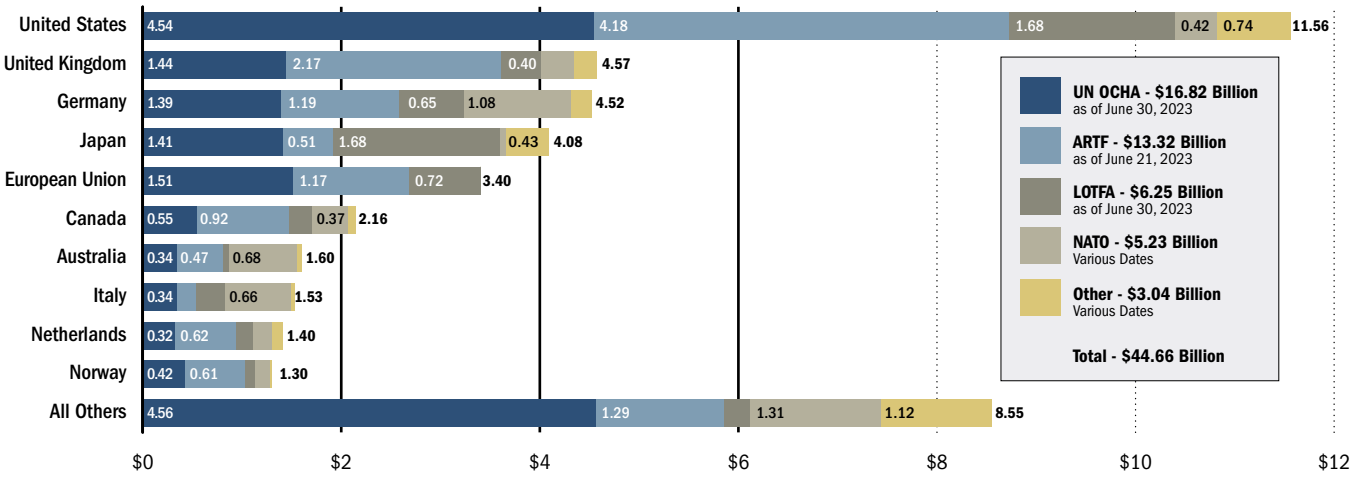
The international community has provided significant funding to support Afghanistan relief and reconstruction efforts through multilateral institutions. These institutions include multilateral trust funds; United Nations and nongovernmental humanitarian assistance organizations; two multilateral development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

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

These four multilateral trust funds, as well as the humanitarian-assistance organizations reported by the UN's Office for the Coordination of Humanitarian Affairs (UN OCHA), the NATO Resolute Support Mission, and UNAMA all report donor or member contributions for their Afghanistan programs, as shown in Figure F.18.

FIGURE F.18

CUMULATIVE CONTRIBUTIONS BY 10 LARGEST DONORS AND OTHERS TO MULTILATERAL INSTITUTIONS IN AFGHANISTAN (UN OCHA-REPORTED PROGRAMS, ARTF, LOTFA, NATO ANATF, NATO RSM, UNAMA, AND AITF) SINCE 2002 ($ BILLIONS)



Note: Amounts under $350 million are not labeled. Numbers may not add due to rounding. "NATO" consists of NATO ANA Trust Fund (NATF) contributions of $3.45 billion through January 11, 2022, and NATO member assessments for Resolute Support Mission costs of $1.78 billlion for 2015–2021. "Other" consists of UN member assessments for UNAMA costs of $2.65 billion for 2007–2022, and AITF contributions net of refunds of $0.39 billion (excluding those by NATF of $0.22 billion) at 3/31/2023.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of June 21, 2023 (end of period 6 in FY 1402), response to SIGAR information request, 7/21/2023; UN OCHA, Financial Tracking Service at https://fts.unocha.org, accessed 6/30/2023; UNDP, LOTFA Receipts and Refunds 2002–2022, 6/30/2022, and UNDP updates on refunds, in response to SIGAR information requests, 7/20/2022, 10/12/2022, 4/10/2023 and 7/15/2023; NATO, Afghan National Army (ANA) Trust Fund, Status of Contributions Made as of May 31, 2021, at www.nato.int, accessed 10/10/2021, and confirmation that these gross receipt amounts remained unchanged, 1/11/2022; NATO, IBAN Audits of Allied Command Operations and Cost Share Arrangements for Military Budgets, at www.nato.int, accessed 2/28/2023 and 4/22/2023; ADB, response to SIGAR information request, 7/18/2023; State, UNAMA approved budgets and notified funding plans, in response to SIGAR data calls, 7/13/2020, 2/19/2021, 7/13/2022, and 4/19/2023; UN, Country Assessments, at www.un.org/en/ga/contributions/scale, accessed 4/19/2023.

Cumulative contributions to these seven organizations since 2002 total $44.66 billion, with the United States contributing $11.56 billion of this amount, through recent reporting dates. The World Bank Group and the ADB are funded through general member assessments that cannot be readily identified as allocated to Afghanistan. These two institutions have collectively made financial commitments of $12.66 billion to Afghanistan since 2002, as discussed in the sections on the World Bank Group and the ADB that follow.

Contributions to UN OCHA-Coordinated Humanitarian Assistance Programs

The UN's Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multiyear humanitarian-response plans for Afghanistan, and provides timely reporting of humanitarian assistance provided by donors to facilitate funding of targeted needs. Donors have contributed more than $16.82 billion to humanitarian-assistance organizations from 2002 through June 30, 2023, as reported by OCHA. OCHA-led annual humanitarian-response plans and emergency appeals for Afghanistan accounted for nearly $12.45 billion, or 74.0% of these contributions.

The United States, the European Union, and the United Kingdom have been the largest contributors to humanitarian assistance organizations in Afghanistan since 2002, as shown in Figure F.18. Contributions to UN OCHA-reported organizations of more than $4.45 billion from January 1, 2022, through June 30, 2023, are at levels that were not seen prior to the Taliban takeover in August 2021, and were led by the United States, United Kingdom, and Germany, as shown in Figure F.19. The UN World Food Programme (WFP), the UN High Commissioner for Refugees (UNHCR), the UN Children's Fund (UNICEF), the International Committee of the Red Cross, and the International Organization for Migration (IOM) have been the largest recipients of humanitarian assistance in Afghanistan, as shown in Table F.4.[32]

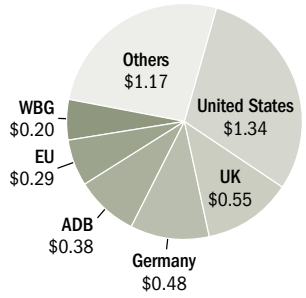
Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the former Afghan government's operational and development budgets came through the ARTF, and the ARTF has continued to attract donor funds following the Taliban takeover with new forms of programming for Afghanistan. From 2002 to June 21, 2023, the World Bank reported that 34 donors had paid in more than $13.32 billion. Figure F.18 shows the three largest donors over this period as the United States, the United Kingdom, and the European Union. The World Bank reported to SIGAR that contributions to the ARTF had ceased after the Taliban takeover of Afghanistan in August 2021, but they resumed in September 2022 when the U.S. contributed nearly $53.72 million. Since then, Germany, Canada, Japan, the Netherlands, and Norway have made contributions bringing total ARTF funding to $196.19 million through June 21, 2023, as shown in Figure F.20.[33]

FIGURE F.19

UN OCHA-COORDINATED CONTRIBUTIONS BY DONOR, JAN. 1, 2022–JUN. 30, 2023 ($ BILLIONS)

Total Paid In: $4.45 Billion



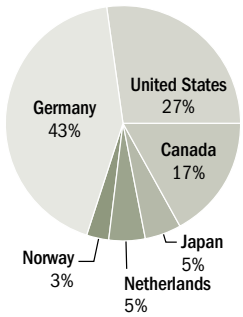
Note: Amounts may not add due to rounding. "Others" includes 39 national governments, 25 United Nations Children's Fund (UNICEF) national organizations, and 21 other entities. ADB refers to the Asian Development Bank and WBG refers to the World Bank Group. UN OCHA revised reported 2022 contributions from $3.77 billion at 3/31/2023 to $3.82 billion at 6/30/2023, and also reported $0.63 billion for 2023 contributions at 6/30/2023.

Source: UN OCHA, Financial Tracking Service at https://fts.unocha.org, accessed 6/30/2023.

FIGURE F.20

ARTF CONTRIBUTIONS BY DONOR, SEP. 23, 2022–JUN. 21, 2023 (PERCENT)

Total Paid In:
$196.19 Million



Note: Percentages may not add to 100% due to rounding.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of September 22, 2022 (end of period 9 in FY 1401) at www.wb-artf.org, accessed 1/20/2023; ARTF: Administrator's Report on Financial Status as of June 21, 2023 (end of period 6 in FY 1402), response to SIGAR data request, 7/21/2023.

TABLE F.4

LARGEST RECIPIENTS OF HUMANITARIAN ASSISTANCE FOR AFGHANISTAN UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA) CUMULATIVE RECEIPTS, 2002 TO JUNE 30, 2023 ($ MILLIONS)

	Receipts by Period		
Largest Recipients	**2002–2021**	**2022–23Q2**	**Combined**
United Nations Organizations			
World Food Programme (WFP)	$3,716.36	$1,819.55	$5,535.92
United Nations Children's Fund (UNICEF)	685.80	930.95	1,616.75
United Nations High Commissioner for Refugees (UNHCR)	1,389.92	226.71	1,616.63
International Organization for Migration (IOM)	322.51	134.25	456.76
Food and Agricultural Organization (FAO)	287.10	161.73	448.83
Afghanistan Humanitarian Fund (sponsored by OCHA)	259.18	161.22	420.40
World Health Organization (WHO)	237.03	137.79	374.82
United Nations Mine Action Service (UNMAS)	340.15	14.34	354.49
Office for the Coordination of Humanitarian Affairs (OCHA)	162.87	15.76	178.63
United Nations Population Fund (UNFPA)	67.50	93.19	160.69
United Nations Development Programme (UNDP)	86.54	64.62	151.16
Nongovernmental Organizations			
International Committee of the Red Cross	824.37	138.39	962.76
Norwegian Refugee Council	209.99	23.41	233.40
Save the Children	125.07	31.52	156.58
HALO Trust	125.93	12.89	138.82
International Rescue Committee	99.41	25.32	124.73
ACTED (Agency for Technical Cooperation and Development)	104.61	7.93	112.54
Danish Refugee Council	108.40	3.66	112.06
International Federation of Red Cross and Red Crescent Societies	84.40	20.90	105.29
Action Contre la Faim	95.57	9.12	104.69
All Other and Unallocated	3,035.61	419.93	3,455.54
Total Humanitarian Assistance Reported by OCHA	**$12,368.30**	**$4,453.19**	**$16,821.49**

Note: Numbers may not add due to rounding.

Source: UN OCHA, Financial Tracking Service at https://fts.unocha.org, accessed 6/30/2023.

Contributions to the ARTF had been divided into two funding channels, the Recurrent Cost Window (RCW) and the Investment Window, to fund recurrent Afghan government costs such as civil servants' salaries and government-sponsored development programs. The ARTF's Investment Window projects were cancelled in April 2022 and undisbursed grants in the project portfolio of nearly $1.22 billion were made available to UN agencies, and potentially to nongovernmental agencies (NGOs) in the future, to support operations focused on basic services delivery. Donor contributions to the ARTF from 2022 and 2023 are also being made available for these purposes. Four basic services projects, addressing health,

food security, livelihoods, and education, and one cross-sector local NGO capacity assistance project, have been approved with a total value of $914.00 million. Grant agreements for First Tranche commitments totaling $685.00 million have been signed, and disbursements totaling of $457.70 million have been made for the five projects through June 21, 2023.[34]

Contributions to the NATO Resolute Support Mission

NATO members are assessed annual contributions for the NATO Civil Budget, Military Budget, and Security Investment Program based on audited program costs and agreed annual cost-sharing formulas. The NATO Military Budget includes Allied Command Operations (ACO) whose largest cost component was the NATO Resolute Support Mission (RSM) in Afghanistan. NATO had assessed member contributions of nearly $1.78 billion for costs of the Resolute Support Mission from 2015, the first year of the mission, through 2021, when the mission ended. The United States' share of commonly funded budgets ranged from 22.20% to 16.34% over the 2015–2021 period, resulting in contributions of $380.98 million. The United States, Germany, and the United Kingdom were the largest contributors to the costs of the NATO Resolute Support Mission; their contributions are reflected in Figure F.18.[35] The Resolute Support Mission was terminated in September 2021.[36]

World Bank Group in Afghanistan

The World Bank's International Development Association (IDA) committed over $5.42 billion for development, emergency reconstruction projects, and nine budget support operations in Afghanistan between 2002 and August 15, 2021. This support consisted of $4.98 billion in grants and $0.44 billion in no-interest loans known as "credits." In line with its policies, the World Bank paused all disbursements in its Afghanistan portfolio following the collapse of the Afghan government on August 15, 2021. As of January 17, 2022, the paused portfolio consists of 23 IDA projects (eight IDA-only projects and 15 projects with joint financing from IDA, ARTF, and other World Bank-administered trust funds) of which two are guarantees, one budget support operation, and 20 investment projects.[37]

In addition, the International Finance Corporation (IFC) invested more than $300 million in Afghanistan between 2002 and August 15, 2021, mainly in the telecom and financial sectors; its committed portfolio stood at $46 million. Multilateral Investment Guarantee Agency (MIGA) has a modest exposure on a single project in Afghanistan.[38]

The United States is the World Bank Group's largest shareholder, with ownership stakes of 10–25% of shares in the IDA, IBRD, MIGA, and IFC.[39]

Asian Development Bank in Afghanistan

The Asian Development Bank (ADB) committed over $6.41 billion for 168 development projects and technical-assistance programs in Afghanistan from 2002 through June 2021. This support consisted of $5.43 billion in grants (of which the Asian Development Fund (ADF) provided $4.33 billion, and the ADB provided $1.10 billion in co-financing), $0.87 billion in concessional loans, and $0.11 billion in technical assistance. ADB provided $2.67 billion for 20 key road projects, $2.12 billion to support energy infrastructure, and $1.08 billion for irrigation and agricultural infrastructure projects, and $190 million for the health sector and public sector management. The United States and Japan are the largest shareholders of the ADB, with each country holding 15.57% of total shares.[40]

In 2022, ADB approved $405 million in grants to support food security and help sustain the delivery of essential health and education services to the Afghan people. Under its Sustaining Essential Services Delivery Project (Support for Afghan People), ADB provides direct financing to UNICEF, WFP, FAO, and UNDP. The support is implemented without any engagement with, or payments to, the Taliban regime and in line with ADB's Fragile and Conflict Affected Situations and Small Island Developing States Approach.[41]

The ADB manages the Afghanistan Infrastructure Trust Fund (AITF), a multi-donor platform that provides on-budget financing for technical assistance and investment, principally in the transport, energy, and water management sectors. The AITF had received contributions of $637.0 million from the NATO ANA Trust Fund, Canada, Germany, Japan, the United Kingdom, and the United States, through September 30, 2022; but following a refund of $24.7 million its contributions net of refunds fell to $612.4 million on March 31, 2023.[42]

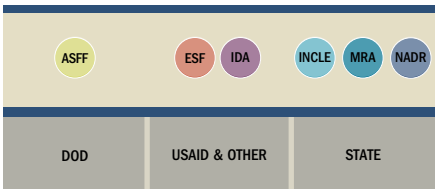
United Nations Assistance Mission in Afghanistan

The United Nations Assistance Mission in Afghanistan (UNAMA) is a UN political mission that was established at the request of the previous government of Afghanistan. The UN Security Council voted on March 16, 2023, to extend UNAMA's mandate through March 17, 2024.[43] UNAMA maintains its headquarters in Kabul with an extensive field presence across Afghanistan, and is organized around development and political affairs pillars. The State Department has notified the U.S. Congress of its annual plan to fund UNAMA along with other UN political missions based on mission budgets since FY 2008. The U.S. contribution to UNAMA, based on its fixed 22.0% share of UN budgets and funded through the Contribution to International Organizations (CIO) account, has totaled $582.46 million for calendar year 2007 through 2022 budgets paid with FY 2008 through FY 2023 funds. Other UN member governments have funded the remainder of UNAMA's budget of nearly $2.65 billion over this period.[44]

TABLE F.5

SOURCES OF U.S. FUNDING FOR MULTILATERAL ASSISTANCE PROGRAMS AND ORGANIZATIONS IN AFGHANISTAN

Multilateral Assistance Programs and Organizations	Sources of U.S. Funding
Afghanistan Reconstruction Trust Fund (ARTF)	ESF
Law and Order Trust Fund for Afghanistan (LOTFA)	ASFF and INCLE
Afghan National Army (ANA) Trust Fund (NATF)	ASFF
Afghanistan Infrastructure Trust Fund (AITF)	ESF
UN OCHA Coordinated Programs	
UN World Food Programme (WFP)	IDA and Title II
UN High Commissioner for Refugees (UNHCR)	MRA
UN Children's Fund (UNICEF)	GHP, IDA, MRA, and Title II
UN Mine Action Service (UNMAS)	ESF and NADR
International Organization for Migration (IOM)	ESF, IDA, and MRA
UN Food and Agriculture Organization (FAO)	ESF and IDA
UN World Health Organization (WHO)	GHP, ESF, and IDA
UN OCHA and its Afghanistan Humanitarian Fund	IDA
UN Development Programme (UNDP)	ESF and INCLE
Nongovernmental Organizations (NGOs)[a]	ESF, IDA, MRA, and NADR
NATO Resolute Support Mission (RSM)	Army O&M[b]
The Asia Foundation (TAF)	SFOPS TAF[b], ESF, and INCLE
UN Assistance Mission in Afghanistan (UNAMA)	CIO[b]
World Bank Group (IBRD, IDA, IFC, and MIGA)	Treasury IP[b]
Asian Development Bank (ADB and ADF)	Treasury IP[b]



[a] State and USAID have requested that SIGAR not disclose the names of NGOs with whom they contract in Afghanistan, and have cited various authorities that underlie their requests. State has cited OMB Bulletin 12-01, Collection of U.S. Foreign Assistance Data (2012), which provides an exemption to federal agency foreign assistance reporting requirements "when public disclosure is likely to jeopardize the personal safety of U.S. personnel or recipients of U.S. resources." USAID has cited the Federal Funding Accountability and Transparency Act (FFATA) of 2006, (Pub. L. No. 109-282), which provides a waiver to federal agency contractor and grantee reporting requirements when necessary "to avoid jeopardizing the personal safety of the applicant or recipient's staff or clients." The so-called FFATA "masking waiver" is not available for Public International Organizations (PIOs). Both State and USAID provide "branding waivers" to NGOs with whom they contract in Afghanistan.

[b] The Army O&M, SFOPS TAF, CIO, and Treasury IP accounts provide funding to organizations that are active in Afghanistan. All other accounts provide programmatic funding to organizations that are active in Afghanistan.

Note: Army O&M refers to the Support of Other Nations subaccount in the Operation & Maintenance, Army account in the Department of Defense appropriation; SFOPS TAF refers to The Asia Foundation account in the Department of State, Foreign Operations, and Related Programs (SFOPS) appropriation; and Treasury IP refers to the International Programs account in the Department of the Treasury appropriation.

Source: DOD, response to SIGAR data call, 1/18/2019; State, response to SIGAR data call, 7/14/2021, 1/13/2021, 4/17/2020, 4/9/2020, and 8/21/2019; Department of Defense, FY 2022 President's Budget, Exhibit O-1, at https://comptroller.defense.gov, accessed 7/17/2021; SFOPS Congressional Budget Justification, FY 2021, at www.state.gov/cj, accessed 1/15/2021; Treasury, response to SIGAR data call, 4/20/2020; UNDP, response to SIGAR data call, 4/5/2020; USAID, response to SIGAR data call, 1/10/2021, 4/3/2020, and 1/13/2020; USAID, Afghanistan-Complex Emergency Fact Sheet #4 FY 2017 at www.usaid.gov, accessed 4/9/2020.

STATUS OF FUNDS ENDNOTES

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سر مفتش ویژه برای بازسازی افغانستان
د افغانستان د بیا رغاونې لپاره د ځانګړي سټر مفتش اداره

U.S. ASSISTANCE CONTENTS

U.S. ASSISTANCE TO AFGHANISTAN

KEY ISSUES & EVENTS

On May 2, 2023, UN Secretary-General António Guterres announced UN operations will continue in Afghanistan despite Taliban bans on women working for the UN and NGOs.

On June 5, 2023, the UN Office for the Coordination of Humanitarian Affairs announced a 30% reduction in the funding request for the 2023 Humanitarian Response Plan.

The Taliban issued an oral directive on June 6, 2023, demanding international NGOs turn education-related operations over to local organizations and submit transfer plans to the ministry of education within 40 days.

On June 26, 2023, the Afghan Fund's Board of Trustees held its third meeting, and announced new co-chairs and an executive secretary.

The United States remains the largest donor to the Afghan people, having appropriated more than $2.35 billion since the Taliban takeover in August 2021.[1]

After the collapse of the former Afghan government, the U.S. government reviewed all non-humanitarian assistance programs in Afghanistan. State and USAID paused the majority of development-assistance programs to assess the situation, including the safety and ability of implementing partners to continue operations. Beginning in September 2021, Treasury's Office of Foreign Assets Control (OFAC) issued a series of licenses authorizing the delivery of assistance to Afghanistan. Concurrently, State and USAID restarted several programs addressing critical needs of the Afghan people in key sectors—health, education, agriculture, food security, and livelihoods—as well as supporting civil society, with a focus on women, girls, and human rights protections more broadly, alongside ongoing humanitarian activities.

These efforts are implemented through nongovernmental organizations (NGOs), international organizations, or other third parties, which State said minimizes any benefit to the Taliban to the extent possible.[2]

USAID/Afghanistan Policy on MOUs with the Taliban

The Taliban have pressured NGOs to sign memoranda of understanding (MOUs) as part of their efforts to oversee and control NGO activities. This poses a key challenge for U.S. implementing partners because USAID/Afghanistan's policy prohibits its implementing partners from signing MOUs with the Taliban unless they are (1) approved by USAID/Afghanistan (per the mission order); and (2) justified as necessary for implementation or the safety of partner staff or beneficiaries. Previously, USAID/Afghanistan advised its implementing partners against entering into MOUs with the Taliban because the United States does not recognize the Taliban as the government of Afghanistan.

In January 2023, USAID/Afghanistan informed SIGAR that MOU approvals may be given on a case-by-case basis and must be justified based on the criteria above. According to USAID/Afghanistan, MOUs should facilitate necessary communication and coordination by the implementing partner with local authorities to carry out activities; facilitate the safety of staff and beneficiaries; or if it is required for project registration, obtain permits, license plate transfers, and other necessary authorizations, provided that communication and coordination occur at the lowest level possible and the MOU does not call for interaction with individuals listed on Treasury's OFAC Specially Designated Nationals and Blocked Persons List.

USAID/Afghanistan's criteria for approval include:

- the MOU must be a non-obligating agreement—no funds and no direct or technical assistance may be provided by the implementing partner to the Taliban
- the MOU may not call for Taliban approval of project interventions, activities, modalities, or budgets, may not provide for discussion of policy or budget information with the Taliban, and may not permit Taliban participation in design meetings, assessments, or field implementation
- the MOU may not permit Taliban involvement in partner staffing or volunteering, selection of vendors or the geographic focus for assistance
- USAID is not asked to sign or witness the MOU and the MOU does not appear to confer legitimacy to, or recognition of, the Taliban as the government of Afghanistan.

USAID/Afghanistan policies on MOU requirements do not apply to USAID's Bureau for Humanitarian Assistance (BHA) and the State Department's Bureau of Population, Refugees, and Migration (PRM). BHA and PRM policy includes requirements that an MOU may not: restrict the geographic scope of work; call for Taliban involvement in management of assistance activities, such as sharing or providing access to beneficiary lists or Taliban involvement in beneficiary selection, staff recruitment, and vendor selection; require the payment of various taxes or fees beyond those present under the Ghani administration; or contain any language that might indicate the MOU is binding or enforceable.

Sources: USAID, BHA, correspondence with SIGAR, 2/8/2023; USAID/Afghanistan, response to SIGAR vetting, 1/11/2023; Catholic Relief Services, Supporting Transformation for Afghanistan's Recovery (STAR) Quarterly Report FY22 Q3, April 1 to June 30, 2022, 8/1/2022, pp. 5–6; USAID/Afghanistan, response to SIGAR vetting, 7/12/2023.

In addition to direct U.S. assistance to the people of Afghanistan, the United States is also the single largest donor to the United Nations' humanitarian response in Afghanistan.[3] Through the Humanitarian Response Plan (HRP), the UN leads international efforts to deliver humanitarian assistance directly to Afghans, including food, shelter, cash, and household supplies. USAID's Bureau for Humanitarian Assistance (BHA) currently supports several humanitarian programs in Afghanistan as part of the UN's HRP. According to BHA, USAID is prioritizing direct food assistance and other sectors that help reduce food insecurity, including promoting health, nutrition, water, sanitation, and hygiene.[4] Table E.1 provides an overview of these ongoing programs in Afghanistan and the total cost of each.

TABLE E.1

USAID BHA ACTIVE PROGRAMS IN AFGHANISTAN

Program Supported	Start Date	End Date	Award Amount
Afghanistan CSP IDA	3/4/2021	7/31/2023	$310,621,579
Emergency food and nutrition assistance and the provision of humanitarian air services	12/7/2022	12/6/2023	267,134,491
Emergency food assistance to the people of Afghanistan (Ukraine Wheat)	1/1/2022	6/30/2023	76,465,509
WASH response in Afghanistan (Daykundi, Badghis, Farah, Herat, Khost, and Paktika) and humanitarian assistance program across all 34 provinces in Afghanistan	7/1/2022	6/30/2024	54,800,000
Integrated lifesaving support for the most at-risk men, women, boys, and girls	12/19/2022	11/18/2024	40,000,000
Humanitarian response to support crisis-affected households to meet their multisectoral basic needs	12/19/2022	11/18/2024	36,000,000
Provision of humanitarian nutrition, cash, WASH, and protection assistance to children, women, and families	12/15/2022	12/14/2023	35,000,000
Strengthen coordination of emergency food security response planning, implementation, and monitoring	1/1/2022	6/30/2023	30,500,000
Lifesaving assistance of integrated health, nutrition, WASH, and protection services for crisis-affected populations in eastern, southeastern, south, and central Afghanistan	1/1/2023	11/30/2024	28,000,000
Lifesaving integrated emergency response to vulnerable crisis-affected populations	1/1/2023	11/30/2024	20,500,000
Humanitarian response to support crisis-affected households to meet their multisectoral basic needs	5/1/2023	3/31/2025	14,900,000
Holistic and multisectoral emergency response, using settlements approach, for the population living in and around informal settlements in northern, western, and eastern Afghanistan	12/1/2022	10/31/2024	13,000,000
Fostering Resilience in Afghanistan through Multi-Sector Emergency Support II (FRAMES II)	12/1/2022	10/31/2024	10,500,000
Provision of GBV prevention and response for at-risk and vulnerable women and girls	6/10/2022	12/31/2023	6,500,000
Scale-up plan for health cluster coordination structure	12/26/2022	12/25/2023	6,000,000
Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R)	3/1/2022	12/31/2023	4,756,243
Humanitarian response to support crisis-affected households to meet their multisectoral basic needs	5/1/2022	8/31/2023	4,500,000
UN OCHA Program	1/1/2023	12/31/2023	1,200,000
UN WHO Program	1/1/2022	6/30/2023	1,000,000
UN FAO Program	1/1/2023	12/31/2023	500,000
Scale-up GBV in emergencies coordination country-wide	1/1/2022	6/30/2023	361,800
Total			**$962,239,622**

Source: USAID, BHA, response to SIGAR data call, 7/10/2023.

As part of the 2023 Humanitarian Response Plan issued in March of this year, the UN Office for the Coordination of Humanitarian Affairs (UN OCHA) originally sought $4.6 billion to assist 23.7 million Afghans with lifesaving and protection assistance in 2023.[5] On June 5, 2023, the UN revised downward its HRP request to $3.2 billion due to donor fatigue and constraints in providing aid after the Taliban banned Afghan women from working for the UN. In a statement on the funding decrease, the UN said, "[t]he recent bans on Afghan women working for… NGOs and the UN have added yet another layer of complexity to what is already an incredibly challenging protection environment, and further constrained the operational capacity of partners."[6] As of June 2023, the 2023 HRP was only 14% funded. The United States remains the single largest contributor, having donated $74.4 million thus far.[7]

USAID PROGRAMS IN AFGHANISTAN

ECONOMIC GROWTH PROGRAMS

USAID's Office of Livelihoods (OLH) continued supporting economic growth activities in Afghanistan with total estimated costs of more than $152 million.[8] USAID's four active economic growth programs are shown in Table E.2.

Two of these programs conducted activities in Afghanistan this quarter: the Afghanistan Competitiveness of Export-Oriented Businesses Activity (ACEBA) and the Turquoise Mountain Trust (TMT) - Exports, Jobs, and Market Linkages in Carpet and Jewelry Value Chains activity. The Livelihood Advancement for Marginalized Populations (LAMP) program remained suspended this quarter due to the Taliban ban on women's employment with NGOs.[9]

Another program, the Extractives Technical Assistance by the U.S. Geological Survey, has conducted no physical work in Afghanistan since the Taliban takeover and is being closed out.[10]

TABLE E.2

USAID ACTIVE ECONOMIC GROWTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/10/2023
Afghanistan Competitiveness of Export-Oriented Businesses Activity (ACEBA)	1/27/2020	1/26/2025	$105,722,822	$59,014,005
Livelihood Advancement for Marginalized Populations (LAMP)	8/1/2018	8/1/2023	18,481,505	10,805,291
Extractive Technical Assistance by USGS	1/1/2018	6/30/2023	18,226,206	14,538,850
Carpet and Jewelry (TMT)	1/31/2019	4/30/2023	9,941,606	9,808,371
Total			**$152,372,139**	**$94,166,519**

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 7/18/2023.

Afghanistan Competitiveness of Export-Oriented Businesses Activity

USAID's five-year, $105.7 million Afghanistan Competitiveness of Export-Oriented Business Activity (ACEBA) was designed to support export-oriented businesses by providing technical assistance and grants to small and medium enterprises. Since the Taliban takeover, ACEBA has shifted priorities to livelihoods support, focusing on domestic production activities and humanitarian goods and services.[11]

From January to March 2023 (the most recent data available), ACEBA helped 12 carpet businesses expand exports to international markets, increasing combined year-end sales from an estimated $5.6 million to $10.1 million. In the same quarter, 1,382 individuals (72% women) received livelihood opportunities, and an additional 8,098 individuals benefited from

Afghan women entrepreneurs showcase their products at a tradeshow in Kabul, July 2023. (Twitter photo from @unwomenafghan)

related work as at-home wool spinners and carpet weavers. In addition to wool and cashmere markets, ACEBA supported five saffron companies and continued its apprenticeship program, with 9,677 apprentices (77% women) having gained employment as of March 31, 2023. Implementing partners reported some program constraints, including increased U.S.-required security screening measures for all vendors, payees, project beneficiaries, and recruitment candidates which are necessary to comply with Treasury OFAC licenses (to ensure the activity is not directly benefiting the Taliban), as well as Afghanistan's partially functioning banking systems. [12]

Data from ACEBA's most recent quarterly report indicate that in its initial two years, ACEBA generated 25,210 new full-time equivalent jobs within targeted export-oriented value chains, 72 firms received technical assistance for exports, and 83 firms received technical assistance for improving business performance. In the next three years, ACEBA expects to support 1,100 small and medium-sized enterprises, assist 82,000 individuals through livelihood restoration, provide 27,900 telemedicine consultations, and supply 940 firms with working capital. Livelihood restoration and support includes facilitating access to credit, supporting private sector efforts to increase liquidity, helping the jobless to secure apprenticeships, and aiding private sector suppliers of humanitarian goods to start or sustain production. Telemedicine efforts support 90 physicians to access patients remotely, helping alleviate physician unemployment or underemployment.[13]

SIGAR Audit of Afghanistan Competitiveness of Export-Oriented Business Activity (ACEBA)

SIGAR's ongoing audit of ACEBA is reviewing USAID's oversight and management of ACEBA from its start in January 2020 through January 2023. Specifically, this audit will assess the extent to which USAID and its partners (1) conducted the required oversight of ACEBA, and (2) achieved stated program goals and objectives, including those related to sustainability.

Turquoise Mountain Trust - Exports, Jobs, and Market Linkages in Carpet and Jewelry Value Chains

Beginning in 2019, this four-year, $9.9 million project, aimed to create jobs within the carpet weaving and jewelry sectors by providing development assistance to micro, small, and medium-size enterprises in Kabul, Jowzjan,

and Bamyan Provinces. Slated to end April 30, 2023, USAID extended this program until 2025 and provided it an additional $5 million. The most recently available data from March 31, 2023, recorded that TMT created a total of 24,028 jobs in the Afghan carpet and jewelry sectors, exceeding the activity's target.[14]

Last quarter, the Taliban's restrictions on women working with NGOs affected six women staff workers, who were forced to work from home. USAID further reported over 19,000 weavers working with the project were already home-based and were unaffected by the ban. USAID reported that Taliban officials have voiced support for women's home-based enterprises, especially in manufacturing carpets.[15]

While in-home monitoring of beneficiaries was difficult with the restrictions in place, USAID reported in January that 70% of activity beneficiaries were women. As of January 2023, the activity was supporting 12 carpet producer companies and 16 jewelry businesses.[16]

Livelihood Advancement for Marginalized Populations (LAMP) in Close Out

The five-year, $18.5 million Livelihood Advancement for Marginalized Populations (LAMP) program was initiated in 2018 to create sustainable jobs and livelihoods for especially vulnerable individuals in Kabul, Khost, Ghazni, and Balkh Provinces. USAID extended LAMP from August 1, 2022, to July 31, 2023, but the Taliban ban on women's employment with NGOs, caused the implementing partner to suspend all project activities in Q1 and Q2 of FY 2023. The implementing partner wrote in a January 2023 letter to USAID, "[g]iven the restrictions imposed by the current de facto government and the impact on [our] mission and values, we have suspended our project activities as women are an essential part of our operations."[17] Due to the project timeline, LAMP is in the process of permanently closing down its operations, although it has been functionally inoperable since January.[18]

LAMP was designed to assist vulnerable individuals to secure work and build essential skills. Implementing partners typically worked with local councils in target districts to identify eligible beneficiaries according to the following criteria: low income, internally displaced people, those affected by natural disasters, widows, heads of family, and/or the disabled.[19] In 2022, LAMP added a humanitarian plan to its portfolio, providing winterization kits and cash assistance for both current beneficiaries and families in locations with LAMP programming. USAID reports that the activity reached approximately 6,000 households by July 2022.[20]

Extractives Technical Assistance by the U.S. Geological Survey Ends

The $18.2 million interagency agreement (IAA) between USAID and the U.S. Geological Survey (USGS) was initiated in January 2018, and closed

out this quarter. Before the Taliban takeover, USGS trained and mentored Afghan Ministry of Mines and Afghanistan Geological Survey staff and developed comprehensive country-wide geologic data. The IAA was suspended in September 2021 immediately after the Taliban takeover, and restarted in February 2022 after a second review by the U.S. Interagency Policy Committee chaired by the National Security Council.[21]

In January 2023, USAID said "the final deliverables that USGS will provide are important to understanding the economic potential of the extractives sector and describing the critical mineral potential in Afghanistan. These reports document the types of gemstones, commercial and industrial, and critical minerals in Afghanistan including their extent, estimated value, and accessibility to regional and world markets. This information was deemed valuable by the National Security Council, and other federal agencies, and was a significant factor in the resumption of the USGS extractives program in 2022."[22]

USAID implemented this program despite a history of challenges in helping build Afghanistan's extractives sector. In January 2023, SIGAR found that the USGS did not perform the required oversight of its Extractives Technical Assistance program and while it did lead to significant information and data collection on Afghanistan's mineral deposits, it resulted in marginal and unsustainable outcomes.[23]

SIGAR's Critical Oversight of U.S. Efforts to Build Afghanistan's Extractives Sector

Since at least 2004, the United States has spent nearly $1 billion to develop Afghanistan's extractives industry, but could not overcome numerous challenges. In 2015, 2016, and 2018, SIGAR reported on the efficacy of DOD Task Force for Business and Stability Operations (TFBSO) and USAID efforts to develop Afghanistan's extractives industry, and found that tangible progress was negligible and not sustained.

In 2015, SIGAR found that TFBSO and USAID pursued divergent approaches in implementing their respective projects, with the U.S. Embassy in Kabul doing little to coordinate interagency activities. In 2016, SIGAR found that Afghanistan's Ministry of Mines and Petroleum never demonstrated the capacity to manage its funding or responsibly address transparency and corruption concerns. In 2018, SIGAR found that TFBSO and USAID's extractives projects produced mixed results and wasted funding due to interagency conflict, a lack of a clear mission and strategy, and poor coordination, planning, contracting, and oversight; those programs consistently underestimated their time and cost projections, while simultaneously overestimating revenue projections; and TFBSO and USAID extractives programs did not achieve their goals of developing mineral tenders or generating mining royalty revenue.

Nevertheless, in 2018, USAID initiated two new programs intended to continue building Afghanistan's extractives industry, the $18.2 million Extractives Technical Assistance (ETA) program conducted by the U.S. Geological Survey (USGS), and the $19.9 million Multi-Dimensional Economic and Legal Reform Assistance (MELRA) program implemented by the Department of Commerce's Commercial Law Development Program (CLDP).

SIGAR reviewed these programs and issued a report in January 2023 that found U.S. agencies did not perform required oversight of these programs and that USAID, USGS, and CLDP made progress toward but did not ultimately achieve program goals, due in part to the same challenges that plagued previous U.S. efforts in the sector. While U.S. efforts led to significant information and data collected on Afghanistan's mineral deposits, the collapse of the former Afghan government negated all other progress made. USAID continued to support the development of Afghanistan's extractives industry, despite the failure of prior USAID and DOD programs to achieve their intended outcomes or address obstacles to success. The ETA and MELRA programs resulted in similarly marginal and unsustainable outcomes in building capacity in Afghanistan's extractives industry and reforming Afghanistan's extractives laws to better attract foreign investment.

Source: SIGAR, Afghanistan's Extractives Industry: U.S. Programs Did Not Achieve Their Goals and Afghanistan Did Not Realize Widespread Economic Benefits from Its Mineral Resources, SIGAR 23-10-AR, 1/2023, p. 2, pp. 1, 6; SIGAR, Quarterly Report to the United States Congress, 1/30/2023, p. 19.

AGRICULTURE PROGRAMS

This quarter, USAID's Office of Livelihoods (OLH) continued to support agriculture activities in Afghanistan with total estimated costs of over $240 million.[24] USAID's active agriculture programs are shown in Table E.3.

USAID's agriculture programs and activities aim to mitigate the immediate hardships of farm households and agribusinesses due to drought, political instability, and financial liquidity challenges, and assist with long term economic recovery to improve food security and the sustainability of key agricultural value chains. Activities include (1) training, technical assistance, and agriculture extension services (education, marketing, health, business assistance) to smaller-scale farmers; (2) supplying seeds, fertilizer, and other items to farmers to help increase production; (3) providing veterinary services and other support to the livestock and dairy industries to improve animal health, maintain productive assets, and increase production and incomes; and (4) improving domestic market linkages and creating additional value.[25]

TABLE E.3

USAID ACTIVE AGRICULTURE PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/10/2023
Strengthening Rural Livelihoods and Food Security (SRL-FS)	7/25/2022	7/24/2026	$80,000,000	$40,000,000
Afghanistan Value Chains - Livestock	6/9/2018	6/8/2023	75,672,170	47,664,087
Afghanistan Value Chains - Crops	8/2/2018	8/1/2023	54,958,860	51,924,298
Agricultural Marketing Program (AMP)	1/28/2020	9/30/2023	30,000,000	26,493,472
Total			**$240,631,030**	**$166,081,859**

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 7/18/2023.

Strengthening Rural Livelihoods and Food Security Activity

USAID's four-year, $80 million, Strengthening Rural Livelihoods and Food Security Activity launched in July 2022, intends to minimize the impacts of recent shocks on vulnerable and at-risk agricultural communities in targeted Afghan provinces and districts. The UN's Food and Agriculture Organization (FAO) operates the program in eight provinces (Badakhshan, Daykundi, Ghor, Jowzjan, Nimroz, Nuristan, Paktika, and Parwan). As of June 15, 2023, OLH reported that the Taliban have not interfered with implementing partner activities this quarter.[26]

According to USAID, the program's goal is to improve food security, nutrition, and resilience for vulnerable small households in environmentally sustainable ways. The eight targeted provinces are all classified at the Phase 4 (Emergency) level of the Integrated Food Security Phase Classification (IPC), meaning that households have very high acute malnutrition and excess mortality.[27] Activities include increasing the efficient production of food and staple crops such as wheat, beans and legumes, and fresh fruits and vegetables; increasing access to nutritious food at the household level;

maintaining and enhancing livestock; increasing production of fodder crops (for livestock grazing); strengthening capacities of farmers, farmer groups, women vegetable growers, and livestock holders on climate smart cultivation/production practices; and linking them to domestic markets to provide a short-term income boost.[28]

Afghanistan Value Chains Programs Merge and Two Programs to Address Food Insecurity Extended

This quarter, USAID merged two agriculture activities—AVC-Livestock and AVC-Crops—into the Afghanistan Value Chains Program (AVCP). AVCP will run for two years, working with anchor firms in livestock and crop value chains. The activity will focus on maximizing the productivity of these value chains, in order to support food security and women in agriculture. AVCP is a market-driven, private sector program, aiming to increase income, employment, commercial viability, and productivity.[29]

The former AVC-Livestock (AVC-L) program supported vulnerable households through livelihoods strengthening activities to stabilize the rural and farming families' economic conditions. According to USAID, this was done by linking private sector firms operating in the livestock value chain with primary producers, "creating a symbiotic relationship that supports the growth of the private sector while improving the ability of farm families to durably adapt to external shocks."[30]

AVC-L implementing partners previously reported that female staff worked from home due to the Taliban's December 2022 ban on female employment with NGOs. Some women-focused activities have been paused, while others in the northern provinces were able to continue operations. According to USAID, the situation remains dynamic and variable by province.[31]

The former AVC-Crops (AVC-C) program supported emergency and lifesaving responses described in the UN 2023 HRP and Transitional Engagement Framework for Afghanistan through nutrition gardening, winter wheat production, the provision of food baskets, and seed distribution. AVC-C aimed to increase the resilience of vulnerable households to economic shocks by improving access to livelihood opportunities and protecting rural food sources.[32]

In its most recently published FY 2023 Q1 quarterly report, AVC-C partners reported that the activity benefited over 45,000 households, and over 35,000 farmers had increased access to quality inputs and production techniques. Further, "the project's partnership with over 80 Afghan firms that quarter contributed to the success of activities and further reinforced [the U.S. government's] presence and continued support in the country." AVC-C efforts were particularly targeted to the winter months of December through February when daily wage employment is extremely limited. The activity provided 10,000 vulnerable individuals with weekly

An Afghan potter displays a clay pot inside his shop in Kabul in July 2023. (AFP photo by Wakil Kohsar)

food baskets in exchange for agriculture infrastructure rehabilitation work. Food baskets include 10kg (22 lbs.) of wheat flour, 3kg (6.6 lbs.) of red kidney beans, 5kg (11 lbs.) of white rice, 2 liters of cooking oil, and 5kg (11 lbs.) of white sugar.[33]

Agriculture Marketing Program, Focused on Female Economic Empowerment, Closing Down

The $30 million Agriculture Marketing Program (AMP) was a follow-on award to USAID's Commercial Horticulture and Agricultural Marketing Program. USAID reported that AMP primarily focused on women, with grants and incentives aimed at supporting female economic empowerment. As of July 2023, AMP is closing down operations per its program lifecycle.[34]

This quarter, USAID reported that the program was active in all 34 provinces this quarter, and focused on increasing farm production and domestic sales through interventions aimed at farmers and agribusinesses. AMP's Grant and Incentive Program is the primary mechanism for providing agricultural assistance to women-owned businesses and women-focused NGOs. Since March 2023, AMP has issued 51 grants (total cost $310,000), between $907 and $10,000 each, to support 5,000 women with kitchen gardening, domestic and small-scale food processing, supermarket promotion, processing facility renovations, and solar power adoption.[35]

USAID reports that Taliban policies have had a limited impact on AMP grant activities. There has been little Taliban interference this quarter, although there were four-to-five instances where female trainers were

unable to train female farmer grantees. USAID said AMP's female personnel are still employed and work from home, as they did during the COVID-19 pandemic. When required to travel to meet beneficiaries, female personnel are accompanied by male employees' wives and sisters.[36]

EDUCATION PROGRAMS

USAID's Office of Social Services (OSS) supports education development activities in Afghanistan, with total estimated costs of over 146 million as shown in Table E.4.[37] USAID continues to support education for girls in primary school and women's higher education, but reported that OSS activities related to higher education have been directly impacted by the Taliban ban on girls' secondary and higher education. As a result, OSS is now focused on sustaining higher education opportunities in fields granted special exemptions by the Taliban ministry of health, such as midwifery degree programs, and through virtual, online, and distance learning modalities, while prioritizing the safety and privacy of female students and educators.[38]

According to USAID, primary schools remained operational this quarter and girls were able to attend. However, on June 6, 2023, the Taliban issued a verbal directive for international NGOs to transfer education-focused programs to local organizations. USAID reported to SIGAR that International NGOs (INGOs) had 40 days from the directive's issuance to submit transition proposals to the ministry of education, which will be reviewed on a case-by-case basis. USAID anticipates that the verbal directive will have a limited impact on its education programs, but if all community-based education programs managed by INGOs are disrupted due to the directive, it would negatively impact 510,000 children and 17,000 teachers.[39]

USAID also confirmed an earlier report that on April 16, 2023, that the Taliban ministry of education issued a notice to all INGOs to suspend community-based education activities in Kandahar and Helmand. USAID told SIGAR that it is not currently funding any of these programs in Helmand, and that activities in Kandahar had ended prior to the notice. One implementing partner did pause planned supplementary skills training for 227 girls in the region who had previously graduated. OSS programs did not face any direct interference or threats from the Taliban this quarter.[40] For more information on education in Afghanistan under the Taliban, see page 99.

Girls' Education Challenge

The Girls' Education Challenge is a collaborative effort between USAID and the United Kingdom's Foreign Commonwealth and Development Office, and implemented by a large consortium of partners. The project provides

TABLE E.4

USAID ACTIVE EDUCATION PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/10/2023
Strengthening Education in Afghanistan (SEA II)	5/19/2014	12/31/2023	$49,828,942	$47,580,349
Keep Schools Open	7/11/2022	12/31/2023	40,000,000	40,000,000
Girls' Education Challenge Programme (GEC)	6/29/2016	12/31/2023	29,000,000	29,000,000
Supporting Student Success in Afghanistan (SSSA)	1/1/2023	12/31/2026	27,284,620	1,122,940
Total			**$146,113,562**	**$117,703,290**

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 7/18/2023.

SIGAR's Evaluation of Afghanistan's Education Sector

SIGAR is examining the conditions of Afghanistan's education sector since August 2021 and the extent to which the Taliban and other prohibited parties are benefiting from education-related donor assistance. Specifically, SIGAR is assessing (1) the condition of the Afghan education system following the Afghan government's collapse in August 2021, including the challenges affecting the access to and quality of education; and (2) donor funding for teachers' salaries and for school administrative and maintenance costs, and the extent to which those funds have directly benefited the Taliban or other prohibited entities and individuals.

students in 15 rural provinces with critical resources and opportunities to earn an education through community-based classes and accelerated learning programs. It is currently in its last six months of implementation, and students will complete their learning programs by August 2023.[41]

USAID reported that the Taliban ban on women NGO workers continues to affect operations. One implementing partner in Parwan Province shifted to a remote learning and phone-based model that will allow girls to attain the qualifications to complete schooling through the sixth grade. Activity staff monitor the girls' learning and offer teachers support remotely. USAID said student work is graded and assessed with exams administered by teachers. Results are logged by implementing partners, who track each grade level students complete. All classes in other provinces are held in-person.[42]

This quarter, USAID reported that female project staff were able to travel with the accompaniment of a male guardian to conduct in-person mentoring visits in Kabul, Badakhshan, Bamyan, Parwan, and Baghlan Provinces. Last quarter, one implementing partner noted that women in administrative positions were allowed to work from their office in shifts in Bamyan Province. Another partner reported that only male NGO staff monitored school programs in-person in Ghazni, Khost, Paktiya, and Kapisa Provinces.[43]

Strengthening Education in Afghanistan

The Strengthening Education in Afghanistan (SEA II) activity, started in 2014, has the stated objective of improving institutional capacity, operations, management, and programming of educational institutions and civil society organizations in Afghanistan. According to USAID, SEA II currently operates to improve the organizational capacity and assist in diversifying funding streams for 80 female-led affordable private schools, which are seen as a higher quality alternative to public schools. SEA II also supports 150 women with enrollment and study in a two-year midwifery program (midwifery programs are currently exempt from the Taliban ban on higher education for women).[44]

USAID did not report any Taliban interference into SEA II activities this quarter. Highlights from the most recently published SEA II quarterly report included successfully assisting 145 Afghan scholars who earned degrees in India receive attestation from the Taliban ministry of human resources so that the degrees are recognized in Afghanistan; 4,500 downloads of the SEA II STEM app which allows girls access to educational videos on math, physics, chemistry, and biology from their homes; and 150 midwifery scholars, funded by the activity, completing their second semester of training.[45]

Supporting Student Success in Afghanistan

In January 2023, USAID began supporting a new American University of Afghanistan (AUAF) activity entitled Supporting Student Success in Afghanistan (SSSA) after the U.S.-funded technical capacity building program for AUAF ended on December 31, 2022. SSSA aims to sustain access to and improve retention in local higher education opportunities for students living in Afghanistan.[46]

Following the closure of AUAF's Kabul campus after the Taliban takeover, AUAF opened a satellite campus in Doha, Qatar, and implemented an online education model.[47] USAID reported that SSSA aims to support 900 students, including 540 female students, in completing a higher education degree through virtual learning. This quarter, AUAF had 548 students in Afghanistan, 98 in Doha, and 216 in other countries. All 862 students use online learning. On May 26, 2023, 44 women and 96 men graduated from AUAF.[48]

Keep Schools Open

UNICEF's Keep Schools Open project, supported by USAID, operates the "Education Cash Plus" program across several provinces. The Education Cash Plus program aims to keep girls in school, despite Taliban policy, by providing cash assistance to Afghan families with at least one adolescent girl in primary school, especially those at risk of dropping-out due to ongoing humanitarian, economic, and political crises. UNICEF notes girls are still able to attend grades 1–6 in formal schools, madrasas, and

community-based schools under the Taliban regime. According to a May 2023 UNICEF report, within their targeted provinces an estimated 87,105 eligible households should receive $40 a month as an unconditional cash transfer through the program.[49]

In July 2022, USAID contributed $40 million to the Keep Schools Open initiative. The contribution is focused on continuity of education in rural and urban areas, and increasing adolescent girls' enrollment, attendance, and retention in public and community-based schools. In the first quarter of 2023, UNICEF identified benefits-eligible households, and in the second quarter it planned to begin cash disbursements. UNICEF and its partners continue to negotiate the inclusion of female workers with the Taliban ministry of education during the cash distribution and post-payment verification phases of the activity.[50]

PUBLIC HEALTH PROGRAMS

USAID continues to implement public health initiatives in Afghanistan valued at over 295 million as shown in Table E.5.[51] This quarter, the status of these programs' services remained precarious, in part due to the Taliban ban on Afghan women working for the UN. USAID told SIGAR that while some reports indicate the ban does not extend to female health workers, the Taliban have not confirmed this in writing, underscoring the ongoing

TABLE E.5

USAID ACTIVE HEALTH PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/10/2023
Assistance for Families and Indigent Afghans to Thrive (AFIAT)	7/10/2020	7/9/2025	$117,000,000	$37,851,230
Urban Health Initiative (UHI) Program	10/14/2020	10/13/2025	104,000,000	36,965,092
New DEWS Plus	2/2/2022	9/30/2031	50,000,000	7,497,906
Afghanistan Demographic and Health Survey (ADHS) Follow-On	10/9/18	9/9/2023	10,500,000	2,225,690
Consolidated Grant - COVID-19 Response	9/30/2021	9/29/2026	6,000,000	5,234,324
Central Contraceptive Procurement (CCP)	4/20/2015	11/28/2023	3,599,998	3,642,694
Sustaining Technical and Analytic Resources (STAR)	5/01/2018	9/30/2023	2,186,357	1,274,222
Modeling American Healthcare, Standards & Values in Afghanistan	10/01/2020	9/30/2024	1,092,601	816,862
TB Data, Impact Assessment and Communications Hub (TB DIAH)	9/24/2018	9/24/2023	600,000	600,000
Meeting Targets and Maintaining Epidemic Control	4/15/2019	4/14/2024	270,000	1,155,000
Global Health Supply Chain Management (GHSCM-PSM)	4/20/2015	11/28/2023	176,568	4,200,167
Local Health Systems Sustainability (LHSS)	*	*	*	1,988,046
Total			**$295,425,524**	**$103,451,237**

Note: Numbers have been rounded. *Start and end dates, and total estimated costs were not provided for this program.
Source: USAID, response to SIGAR data call, 7/18/2023.

instability of access to women's health services. USAID's Office of Social Services is monitoring the ban closely and working with the World Health Organization (WHO) and UNICEF to understand and adapt to the impacts on project activities. The WHO reported to USAID that activities operated normally this quarter, and said that women are essential to all aspects of WHO's work; if women are forced to leave their positions, the roles will not be backfilled by male employees. WHO said it provides a flexible work modality for female staff. Women who work from home are provided internet access and solar panels to generate electricity, and women who travel to work are provided additional security.[52]

Assistance for Families and Indigent Afghans to Thrive

The Assistance for Families and Indigent Afghans to Thrive (AFIAT) program aims to improve the health outcomes of the Afghan people, particularly women of childbearing age and preschool children, in rural and peri-urban Afghanistan. AFIAT conducted work in 14 provinces this quarter, with the objectives of improving health and nutrition services and access to those services, increasing the adoption of ideal health and nutrition behaviors in communities, and working with partners to plan, finance, and manage the public health system.[53]

AFIAT's most recent report on the first quarter of 2023 noted that the activity conducted competency-based training sessions for targeted support teams to improve clinical skills and counseling. AFIAT also supported the national tuberculosis program to improve access to testing and TB case-finding and sample management. In coordination with the Urban Health Initiative, safe obstetric surgery practices were introduced into four provinces. Implementing partners continued limited engagement with the Taliban, primarily at the provincial level.[54]

SIGAR Audit of Healthcare in Afghanistan

In May 2023, SIGAR issued a performance audit of U.S. Agency for International Development's (USAID) two largest public health activities, the Assistance for Families and Indigent Afghans to Thrive (AFIAT) and the Urban Health Initiative (UHI), totaling $221 million. SIGAR found that the programs could not overcome several challenges, including (1) inconsistent USAID oversight of healthcare programs and (2) incomplete, inconsistent, and poorly developed performance indicators. SIGAR also found that USAID did not perform required oversight of the AFIAT and UHI programs and that USAID made progress toward, but did not ultimately achieve either program's goals. For more information, see p. 10.

Urban Health Initiative

The Urban Health Initiative (UHI) activity aims to improve health outcomes for Afghans in urban areas, with a focus on women, children, and other vulnerable populations. UHI conducted work in five cities this quarter: Mazar-e Sharif, Herat,

Kabul, Kandahar, and Nangarhar. Objectives included strengthening the health service delivery system, improving access to primary, secondary, and referral health care services, improving the quality of primary, secondary, and referral care services, and improving awareness, demand, and care-seeking for services.[55]

UHI reported that following the Taliban ban on women working with international NGOs, the UHI offices in all five cities remained open and functional with male staff attending the office. UHI obtained letters of support from the five relevant public health provincial directorates to enable female clinical staff, midwifery and maternal care staff, and community support teams to restart activities and service provision. Female staff are provided separate transportation services and IT support.[56]

UHI reported one instance of Taliban interference this quarter. In late April, the Taliban-appointed Kandahar provincial health directorate restricted women from participating in COVID mobile vaccination teams. As a result, UHI halted all Kandahar-based COVID vaccination activities. Following discussion with the directorate, UHI female vaccinators were authorized to resume work at the end of May.[57]

Local Health Systems Sustainability

The five-year, $8 million Local Health Systems Sustainability (LHSS) activity, supported by USAID, aims to increase the use of priority health services by expanding private sector approaches in the health care system. Through a partnership with the Afghanistan Social Marketing Organization, LHSS promotes affordable, socially marketed health products focused on women and children. This quarter, LHSS selected six additional grantees to help increase product coverage and improve service provision.[58]

This quarter, LHSS helped their local partner distribute family planning and health commodities in markets across 21 districts. According to LHSS, this supported the private sales of family planning methods generating 19,756 years of couple protection, iron folate and other micronutrients generating 4,092 person years of protection, and 31,330,000 liters of disinfected water through the sale of chlorinated water treatment solution. LHSS reported facing challenges due to the long wait times to import medical products such as oral contraceptives, iron folate tablets, and micronutrient powder, but is working the Global Health Supply Chain Program to reduce adverse impact of delays.[59]

World Health Organization Initiatives

USAID provides support to the World Health Organization for three initiatives—polio eradication, national disease surveillance reporting, and COVID-19 response.[60] WHO reported seven attacks on health care workers in six provinces between January and May 2023. Five of the attacks were violent with individual weapons, which killed three people. The other two attacks involved abduction, arrest, and detention. In its most recent health

cluster update, WHO reported that on May 15, 2023, a vaccinator living at a health facility in Paktika was reportedly killed inside the facility. On May 22, a surgeon in Badakhshan Province was physically assaulted and beaten.[61]

WHO completed one polio vaccine campaign in May 2023 and reported to USAID that the Taliban restrictions have not negatively affected polio campaign activities. According to WHO, this can be attributed to the general understanding that female health care workers are exempt from formal bans. Polio vaccinators are also not WHO frontline staff, but rather volunteers from targeted communities, who undergo a selection and approval process by WHO administration.[62]

There are currently 613 functional surveillance sites operated by WHO, and 228 mobile health workers conducting disease surveillance work.[63]

The second phase of a two-phase COVID vaccination campaign began on April 29, 2023. According to WHO, approximately 196,000 individuals were vaccinated in April. Both UHI and AFIAT support COVID vaccine administration through fixed and mobile health service delivery, technical assistance, and distribution of ancillary vaccination supplies.[64] As of June 3, 2023, WHO estimated that 13,990,264 people were fully inoculated against COVID-19, and 1,754,338 were partially inoculated.[65]

DEMOCRACY, GENDER, AND RIGHTS PROGRAMS

As seen in Table E.6, USAID continues to manage several democracy, gender, and rights programs in Afghanistan focused on providing support to civil society organizations, the media sector, Afghan women and girls, and conflict-affected civilians; USAID is no longer providing support to Afghan governing institutions.[66]

TABLE E.6

USAID ACTIVE DEMOCRACY, GENDER, AND RIGHTS PROGRAMS

Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 7/10/2023
Women's Scholarship Endowment	9/27/2018	9/26/2028	$60,000,000	$50,000,000
Conflict Mitigation Assistance for Civilians (COMAC)	3/12/2018	6/30/2023	49,999,873	48,840,341
Enabling Essential Services for Afghan Women and Girls	7/25/2022	7/24/2025	30,000,000	21,291,247
Supporting Transformation for Afghanistan's Recovery (STAR)	2/18/2021	7/31/2023	19,997,965	14,211,699
Supporting Media Freedom and Access to Information for Afghan Citizens	*	*	6,100,000	*
Afghan Support Project	*	*	*	2,556,206
Total			**$159,997,838**	**$136,899,494**

Note: Numbers have been rounded. *Information on project start and end dates not available from USAID.
Source: USAID, response to SIGAR data call, 7/18/2023.

Conflict Mitigation Assistance for Civilians (COMAC) Program Ends

COMAC was a five-year, $49 million, nationwide program that began in 2018 and was closing operations as of June 2023. The program was established to aid Afghan civilians and their dependent family members who have experienced loss of life, injury, or lack of economic livelihood due to military operations, insurgent attacks, unexploded ordnance such as landmines, improvised explosive devices, or cross-border shelling. COMAC's support activities included tailored assistance (TA), such as physical rehabilitation, counseling, economic reintegration, medical referrals, and immediate assistance (IA) in the format of in-kind goods, including essential food and household sanitary items for up to 60 days.[67]

According to USAID, COMAC completed successful program activities in 33 provinces this quarter despite the ongoing Taliban ban on women working for NGOs and the operating environment's volatility. Staff distributed 2,290 IA packages to 1,222 recipients and 950 TA packages, including 548 income generation kits. Staff also provided medical assistance to 64 individuals, psychosocial referrals to 255 people, and livelihood referrals to 83 people.[68]

As of June 15, all regional offices were closed, equipment was disposed, and the main Kabul office was closing. A final report by the implementing partner is pending.[69]

Supporting Transformation for Afghanistan's Recovery (STAR) to Close Out

USAID's STAR program aimed to build the resilience of Afghan communities in some of the poorest and most conflict-affected areas by strengthening food and livelihood security through a consortium of implementing partners. STAR began in 2021 and will initiate its close out at the end of July 2023. The activity provided cash assistance, agricultural and livestock support, and supported market skills and linkages across 26 districts in Ghazni, Ghor, Herat, Jowzjan, Khost, Kunar, Nangarhar, Paktika, and Sar-e Pul Provinces.[70]

STAR reported that some activities were temporarily paused from one to three months in the most recent reporting period January–March 2023 due to the Taliban ban on female employment. However, during this period STAR implementing partners successfully served 883 new beneficiaries with food and livelihood assistance, employed 578 cash-for-work laborers, provided safe drinking water to 473 new beneficiaries, and completed six water systems in Ghor Province. As of March 2023, STAR partners completed 75% of the program's targeted projects, with additional projects to be completed this quarter.[71]

Afghan women hand-weaving carpets in Bamyan, 3/2023. (Twitter photo from @USAIDAfgMD)

USAID and UN Women Continue the Enabling Essential Services for Afghan Women and Girls Program

On August 12, 2022, USAID announced $30 million in development assistance to support gender equality and women's empowerment in Afghanistan. These new funds, programmed through UN Women, support the Enabling Essential Services for Afghan Women and Girls activity, and aim to increase Afghan women and girls' access to protection services; provide resources and support directly to women-led civil society organizations working to advance women's rights in Afghanistan; and increase women's economic empowerment through skills and business development training and entrepreneurship support.[72]

In a report issued this quarter, UN Women commented, "[w]hile UN Women is committed and continues to work with partners to navigate on the implementation of the project amid the ban on women working in INGOs and NGOs… [the ban] will increasingly have a dramatic impact on UN operations and UN Women specifically as a mandated agency to promote gender equality and empowerment of women."[73]

UN Women is working with implementing partners to adapt programming around the Taliban's December and April edicts banning women from NGO and UN work. In collaboration with USAID, a women's protection center was funded in January 2023, and is still operational, providing safe accommodation to 56 women and 17 children escaping domestic violence. A separate family resource center has supported 271 women through alternate service delivery modalities in 2023.[74] These modalities include online

counseling and training, outreach, home-based services, and partnership with health centers and community development centers.

UN Women also gave a grant to Radio Begum, a Kabul-based broadcast program for women by women, to implement a project titled "Educational Radio and TV Programs for Afghan Women and Girls." The grantee created a new website and produced 104 educational videos. Radio Begum also engaged a team of teachers to produce educational content for girls grades 7–12.[75]

Women's Scholarship Endowment Program Extended for Five More Years

The ban on women's university education in December 2022 has affected all students in Afghanistan supported by the Women's Scholarship Endowment (WSE), USAID's five-year, $50 million program to support Afghan women pursuing higher education in science, technology, engineering, or mathematics (STEM).[76] In July 2023, USAID extended WSE by five years, with an end date of September 26, 2028, and increased the award to $60 million. WSE also incorporated fields of study beyond STEM, and is expanding career readiness and leadership training activities.[77]

This quarter, studies for 221 female WSE scholarship recipients remained paused, while 12 WSE students continued their studies at the American University of Afghanistan's satellite campus in Doha, Qatar. WSE developed an online training course in career readiness this quarter, which 14 scholars completed. USAID reported that WSE gave scholars the opportunity to transfer their scholarships and enroll in AUAF's online degree programs; one enrolled this quarter. An additional scholar enrolled in a midwifery program. No students transferred to other regional universities.[78]

Afghan Support Project

In late 2022, USAID launched the Afghan Support Project (ASP) with a total estimated cost of $20 million to support civil society organizations, civic activists, human rights defenders, and journalists in their efforts to protect basic rights and freedoms, and ensure access to credible media.[79] ASP provides support through rapid response grants, professional development grants, window of opportunity grants, innovation grants, and its legal advisory defense fund.[80]

USAID reported this quarter that ASP issued seven grants to civil society organizations and media outlets and provided technical support to a civil society organization network to reconstitute and resume operations. ASP has received over 100 grant applications, which are under review. ASP also provides technical assistance training, including sessions for journalists on digital media literacy, cybersecurity, and professional safety. There were 209 trainees (including 86 women) as of June 7, 2023.[81]

Information, Dialogue, and Rights in Afghanistan Extended Until 2026

In September 2022, USAID signed an agreement for the $6.1 million Supporting Media Freedom and Access to Information in Afghanistan program.[82] This quarter, USAID modified the reward to include a second component called "Supporting National Dialogue and Rights Advocacy," and changed the program name to Information, Dialogue, and Rights in Afghanistan. The award was increased to $11,798,379 and the performance period was extended to June 30, 2026.[83]

The program's objective is to provide assistance in delivering news and educational content nationally that strengthens Afghanistan's human capital and enables citizens to freely organize and communicate. The activity aims to accomplish this by supporting independent media and reporting on rights and governance issues; developing a strong cadre of female journalists and producers; helping journalists operate safely; and informing Afghan citizens about critical issues of public interest.[84]

The scope of work and budget for the extension are under final review, and templates for activity monitoring have been developed. A local Afghan media partner began implementing the critical reporting component of the project, and produced 366 reports on key political and human rights issues.[85]

STATE DEPARTMENT PROGRAMS IN AFGHANISTAN

DEMOCRACY AND HUMAN RIGHTS

This quarter, the State Department continued to provide assistance to the Afghan people. State's Bureau for Democracy, Human Rights, and Labor (DRL) currently runs two programs supporting civil society organizations in Afghanistan. State does not provide support to the de facto government of Afghanistan.

Emergency Support for Afghan Civil Society

The Emergency Support for Afghan Civil Society Program provides short- to medium-term program provides short- to medium-term emergency financial support for up to 12 months to a broad range of Afghan civil society members (including journalists). This program does not coordinate logistics such as securing housing, booking transportation, initiating visas, but it does provide the financial means to do so; DRL has provided $2,475,201 for this support, as of June 2023.[86] State did not provide any updates on its emergency support programs this quarter.[87]

Reporting Safely in Afghanistan

DRL also supports Afghan journalists with its $1.7 million, Reporting Safely in Afghanistan. This program has four main objectives (1) provide emergency support to journalists at-risk; (2) promote the safety of journalists; (3) support media outlets to safely produce and disseminate public interest content in Afghanistan through offshore entities; and (4) work to counter mis/disinformation and track censorship and shutdown. This program also helps secure platforms and communication channels to enable journalists to continue working in Afghanistan and communicate securely with diaspora journalists, as well as tracking and raising awareness of media violations with the international community.[88]

COUNTERNARCOTIC PROGRAMS

From 2003 until the fall of the Afghan government in August 2021, the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) operated multiple programs in Afghanistan to reform the criminal justice system and limit the production and trafficking of illegal drugs.[89] Since the first quarter of FY 2022, following the Taliban takeover, INL has obligated $11 million from the International Narcotics Control and Law Enforcement (INCLE) account for counternarcotics programs in Afghanistan.[90]

As of June 2023, INL programming supports counternarcotic oversight and messaging efforts, including funding the Afghanistan Opium Surveys and the Afghan Opiate Trade Project (AOTP) through the UN Office on Drugs and Crime (UNODC). INL disbursed $24.2 million for the Afghanistan Opium Surveys from 2006 to June 2023, and $10.3 million for AOTP between December 2011 and June 2023.[91] The AOTP monitors and analyzes trends in the Afghan opiate industry to support the international response to the illicit drug economy.[92] The Afghanistan Opium Surveys utilize data collected by UNODC through remote sensing, surveys, and global data collections on drugs to predict medium- and long-term trends in the narcotics industry.[93] INL also funds an inter-agency agreement with the U.S. Agency for Global Media to implement public information and counternarcotics messaging programs, with a total disbursement of $3.9 million from February 2017 to June 2023.[94]

INL's treatment and prevention services and alternative livelihood programs continue to be active in Afghanistan. To date, INL has disbursed approximately $86 million to implement these programs.[95] For more information on Afghanistan's narcotics production, see page 110.

REMOVING EXPLOSIVE REMNANTS OF WAR

Since 1989, more than 56,900 Afghan civilians have been killed or injured by landmines and explosive remnants of war (ERW). From May 2023 to June 2023, explosive remnants of war attributed to 45 civilian casualties, with

children being the majority of victims (16 killed and 23 wounded), according to UNAMA. UN humanitarian mine action partners have cleared over 19 million items of unexploded ordnance from Afghanistan, but the threat remains high, especially for children.[96] Due to the ongoing risk to civilians, the State Department continues to fund on-the-ground mine and ERW clearance activities through implementing partners. Direct assistance to the former Afghan Directorate for Mine Action Coordination, an Afghan government entity, was canceled on September 9, 2021, in compliance with international sanctions against Specially Designated Terrorist Groups.[97]

State's Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan.[98] PM/WRA currently supports six Afghan NGOs, one public international organization (United Nations Mine Action Service), and four international NGOs to help clear areas in Afghanistan contaminated by ERW and conventional weapons (e.g., unexploded mortar rounds).[99] As of June 12, 2023, no U.S.-funded CWD projects were impeded, disrupted, or being interfered with by the Taliban.[100]

From March 2023 to June 2023, PM/WRA implementing partners cleared 8,534,956 square meters of minefields, and destroyed 349 anti-tank mines and anti-personnel weapons, 130 items of unexploded ordinance, and 3,481 small arm ammunitions.[101] PM/WRA expects to have obligated all $15 million in FY 2022 allocated funds before they expire on September 30, 2023.[102]

From 1997 through June 12, 2023, State allocated over $473 million in weapons-destruction and mine-action assistance to Afghanistan. During this period, PM/WRA implementing partners have cleared a total of 362,184,966 square meters of land and destroyed 8,506,804 landmines and other ERW.[103] However, the exact amount of land mines and ERW yet to be destroyed is unknown. After the third quarter of FY 2023, PM/WRA estimated there are 1,080 square kilometers of contaminated minefields and battlefields remaining, but this estimate fluctuates with additional surveys and clearance activities' completion.[104]

SUPPORT FOR REFUGEES AND INTERNALLY DISPLACED PEOPLE

This quarter, USAID and the State Department's Bureau of Population, Refugees, and Migration (PRM) continued to implement assistance provided in FY 2022 and 2023 to support Afghan refugees and internally displaced people (IDPs).[105] This assistance included:[106]

- More than $80 million from State PRM to the UN High Commissioner for Refugees (UNHCR) in Afghanistan under the 2022 Humanitarian Response Plan (HRP), as well as over $39 million to UNHCR under the 2023 HRP
- Roughly $2.3 million from USAID and more than $20.2 million from State PRM to the United Nations Population Fund to support health and protection programs in Afghanistan and Pakistan

- Roughly $63 million from USAID and $13.5 million from State PRM to the International Organization for Migration (IOM) to support health, shelter and settlement, and water, sanitation, and hygiene (WASH) programs in Afghanistan and Pakistan

For more information on Afghan refugees and internally displaced people, see page 90.

DEPARTMENT OF DEFENSE PROGRAMS

U.S. SECURITY CONTRACT CLOSE-OUTS

Following the Taliban takeover, the Afghan National Defense and Security Forces (ANDSF) dissolved and U.S. funding obligations for them ceased, but disbursements to contractors continue, as necessary, until all Afghan Security Forces Fund (ASFF) obligations are liquidated, the Department of Defense (DOD) told SIGAR.

According to DOD, resolving ASFF-funded contracts is an ongoing contract-by-contract matter between contractors and the contracting office in the military departments (Army, Air Force, and Navy). Whether the contracts were awarded using ASFF funds, for which the Combined Security Transition Command-Afghanistan (CSTC-A) received obligation authority from the DOD Comptroller, or using ASFF funds for which the Defense Security Cooperation Agency received obligation authority and then passed it through to the military departments to implement using pseudo-Foreign Military Sales (FMS) cases, all contracts being closed out were awarded by a contracting entity within one of the military departments.[107]

Contract vendors must submit claims to begin the close-out process. Vendors typically have a five-year window before expired funds are cancelled by DOD, and DOD cannot force vendors to submit invoices for payment. For these reasons, DOD cannot at this time provide complete information on contract closing dates, the amount of funds available to be recouped, or the approximate costs of terminating each contract.[108]

As seen in Table E.7, ASFF funds that were obligated by CSTC-A, or its successor DSMO-A (which was disbanded on June 1, 2022), for new contracts awarded locally by Army Contract Command-Afghanistan or as military interdepartmental purchase requests to leverage already-awarded contracts, have total remaining unliquidated ASFF obligations of $81.8 million. The Departments of the Army, Air Force, and Navy manage $343 million in unliquidated ASFF obligations to support pseudo-FMS case contracts.[109]

Foreign Military Sales: The portion of U.S. security assistance that require agreements or contracts between the United States and an authorized recipient government or international organization for defense articles and services for current stocks or new procurements under DOD-managed contracts, regardless of the source of financing.

While pseudo-FMS cases are administered through the FMS infrastructure, they diverge from regular FMS cases whereby a "pseudo-Letter of Offer and Acceptance" (LOA) is generated to document the transfer of defense articles or services, but the partner nation receiving the articles or services does not sign the pseudo-LOA and does not enter into an agreement or contract to receive the materials or services.

Source: DOD, "DOD Dictionary of Military and Associated Terms," 11/2021, p. 87; DSCA, "Security Assistance Management Manual, Chapter 15," available at https://samm.dsca.mil/chapter/chapter-15.

Between FY 2002 and FY 2021, Congress appropriated $88.9 billion to the Department of Defense to provide assistance to the ANDSF. This accounts for more than 60% of all U.S. reconstruction funding for Afghanistan since FY 2002.[110] The U.S. government ceased providing funds for Afghan security forces following the Taliban takeover in August 2021.

TABLE E.7

SUMMARY STATUS OF ASFF OBLIGATED CONTRACTS

	Cumulative Obligations	Cumulative Expenditures	Unliquidated Obligations (ULO)[a]	ULO as of:
Defense Security Cooperation Management Office-Afghanistan Obligations				
Contracts	$251,711,334	$169,893,581	$81,817,752	6/5/2023
Department of the Air Force Obligated Contracts				
A-29s	$1,031,492,000	$992,831,000	$38,661,000	5/25/2023
C-130	153,090,000	110,930,000	42,160,000	5/31/2023
PC-12	40,671,848	19,387,272	21,284,573	1/30/2023*
C-208	120,903,024	115,620,239	5,273,857	3/1/2023*
Munitions	25,363,000	9,054,000	16,306,000	6/5/2023
Department of the Army Obligated Contracts				
ASFF	$443,466,007	$356,492,136	$76,973,870	6/13/2023
UH-60	399,693,336	379,086,893	20,604,783	7/14/2023
ASFF Ammunition	61,180,123	39,829,682	21,351,863	6/8/2023
PEO STRI (simulation, training, and instrumentation)	500,591,346	434,040,650	66,552,697	6/13/2023
Department of the Navy Obligated Contracts				
Contracts	$34,604,760	$10,724,117	$23,855,137	6/23/2023
Total	**$3,062,766,780**	**$2,637,889,571**	**$414,841,534**	

[a]Unliquidated Obligations (ULOs) are equal to undisbursed obligations minus open expenses.
*DOD did not report any updates this quarter.
Source: DOD, response to SIGAR data call, 6/23/2023, 7/14/2023; DOD, "DOD Dictionary of Military and Associated Terms," 11/2021, p. 295.

DOD IG Audit of the DOD's Financial Management of the Afghanistan Security Forces Fund

On June 13, 2023, the Department of Defense Office of Inspector General (DOD IG) released its *Audit of the DoD's Financial Management of the Afghanistan Security Forces Fund*. The audit report found that the DOD did not manage appropriated Afghanistan Security Forces Fund (ASFF) funds in accordance with applicable laws and regulations, resulting in violations of these and other laws and regulations; DOD inefficiencies in managing ASFF funds; and improper DOD accounting and reporting of ASFF obligations and disbursements.

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RECENT DEVELOPMENTS CONTENTS

RECENT DEVELOPMENTS IN AFGHANISTAN

KEY ISSUES & EVENTS

On May 2, 2023, UN Secretary-General António Guterres announced that the UN would continue operating in Afghanistan despite the Taliban barring women from working with the UN or NGOs. Over 15 million people rely on the UN's humanitarian partners for life-saving assistance in Afghanistan.

The Taliban's April 2022 ban on cultivating opium poppy largely reduced the amount of opium harvested in April 2023, according to a June 7 Alcis report. Helmand Province's area for poppy cultivation decreased by almost 100% in April 2023, compared to April 2022, a trend seen widely across southern and southeastern Afghanistan.

An Islamic State-Khorasan car bomb attack on June 6, 2023, in Faizabad killed the Badakhshan Province deputy governor and one other, and wounded 10 civilians. This was followed by a June 8 suicide bomb at the deputy governor's funeral that killed at least 19 people and wounded 39 others.

HUMANITARIAN CRISIS UPDATE

This quarter, the number of people in need of life-saving assistance in Afghanistan increased by an estimated 500,000, according to the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA). Although Afghanistan is experiencing the world's largest humanitarian crisis, with a total of 28.8 million people in need, Taliban policy has made aid provision in Afghanistan more difficult than ever.[1] The Taliban continue to bar Afghan women from working with nongovernmental organizations (NGOs) and the UN, which UN Secretary-General António Guterres said is putting the lives of women in jeopardy and undermining Afghanistan's socioeconomic development.[2]

Although the UN has said the Taliban's directives conflict with its founding principle of nondiscrimination, on May 2, 2023, Secretary-General Guterres announced the UN's decision to stay in Afghanistan to continue aiding the Afghan people. "Humanitarian aid is a fragile lifeline for millions of

Afghans," he said. However, the UN humanitarian effort is shifting in response to difficult operating conditions and waning donor support.[3] In June 2023, the UN reduced the funding goal for their 2023 Humanitarian Response Plan by over $1.3 billion, a nearly 30% cut.[4] According to the United Nations Development Programme (UNDP), the economy and the level of poverty in Afghanistan are very sensitive to humanitarian assistance. In a recent report, UNDP predicted that even a 30% cut in aid this year would ensure the economy continues to decline. Moreover, with a rising population outpacing economic growth, Afghanistan will be locked into a poverty trap "for the foreseeable future" unless the Taliban change their policies and prioritize sustainable growth.[5] Yet, despite the critical socioeconomic status of the Afghan people, the Taliban have expanded their interference into NGO activities and continue to further alienate the international community.

Taliban Escalate Interference with NGO Work

This quarter, Taliban interference with NGO work escalated, leading to a steady decline in humanitarian access in 2023, with a 32% increase in incidents between January and May 2023 as compared to the same period in 2022. According to USAID BHA, Taliban interference in humanitarian assistance is the main barrier to beneficiaries accessing aid in 2023. BHA reported to SIGAR that specific instances of Taliban interference, including attempted aid diversion and bureaucratic roadblocks, disrupted UN aid provision in Daykundi, Ghor, and Uruzgan Provinces this quarter. The most recent publicly available data from BHA show there were a total of 110 access incidents related to Taliban interference in April 2023 alone.[6] According to analysis from USIP, the Taliban are comfortable accepting foreign support insofar as they can closely monitor the organizations, including restricting and controlling them, and claim some credit for the provision of the benefits.[7]

Since December 2021, the UN has tracked 173 Taliban directives concerning humanitarian assistance, including 37 related to restrictions on female participation in aid provision. Directives are enforced haphazardly, and humanitarian actors rely on fragile verbal exemptions at the local level, but Taliban interference persists. The UN tracked 299 incidences with the Taliban between February and May 2023 alone.[8] For example, UNAMA reported that on May 1, 2023, two Afghan female INGO staff were arrested by Taliban police for traveling without a *mahram* (male guardian), and on June 3, Taliban intelligence detained a midwife on her way to work and questioned her about her INGO employer; she was reportedly threatened with death and resigned from her position as a result.[9] BHA told SIGAR that as of June 2023, four UN partners continue to partially suspend operations due to the Taliban directive barring women from humanitarian work.[10]

This quarter, the Gender in Humanitarian Action (GiHA) working group within the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) conducted a fifth round of surveys to capture operational trends following the December 2022 Taliban decree barring women from NGO work. Of

An internally displaced woman in Jalalabad works as a seamstress. (Photo by UNHCR/Oxygen Film Studio/AFG)

175 survey respondents, 56% reported their organizations are partially operating, 36% are fully operating, and 8% are not operating. Of the organizations operating, 42% noted that women staff are working entirely from home. Respondents also reported an array of specific impacts due to the Taliban ban on women working with the UN and NGOs, with the three most commonly cited as (1) women cannot access information and provide feedback on humanitarian assistance; (2) women cannot access protection services; and (3) women cannot access distribution/services.[11]

According to BHA, the Taliban's enforcement of their ban on women in NGOs varies geographically, with authorities in provinces including Kandahar and Helmand more likely to halt programs or harass humanitarian staff who are deemed noncompliant. BHA reports that many implementing partners have secured provincial and local-level exemptions to the ban, but these exemptions remain fragile and limited in scope, and are often conditional on stipulations such as the requirement that a male guardian accompany female field staff. BHA said that it is closely engaging with all implementing partners to ensure that they safely include women staff in all aspects of their programming, and that they reach women beneficiaries. BHA told SIGAR, "This quarter, BHA has been heartened that most partners have found creative ways to continue engaging female aid workers in the delivery of humanitarian assistance, which increases the likelihood that the most vulnerable populations—including women and children—will receive benefits."[12]

State's Bureau of Population, Refugees, and Migration did not report any significant Taliban interference into its humanitarian assistance activities this quarter. According to State, UN agency field operations have been able to partially resume operations with female staff under verbal exemptions.

USIP Report Says Taliban View UN Assistance as "Revenue Stream"

This quarter, an analysis prepared by the United States Institute of Peace (USIP) for USAID found that the Taliban are "pushing for ever-increasing degrees of credit and control over the delivery of aid," particularly aid from the UN, since most donor funding is routed through the UN system. USIP reported, "According to multiple UN officials across different agencies, the Taliban have effectively infiltrated and influenced most UN-managed assistance programming." The Taliban move to control foreign assistance is one facet of an intensive strategy to consolidate power under their supreme leader Haibatullah Akhundzada, suppress external criticism and dissent, and co-opt internal stakeholders and constituencies. USIP characterizes the Taliban's approach as a pursuit of "an exclusive monopoly over state power and many other avenues of authority, including economic activity and social engineering."

USIP said the UN has navigated a complex, and increasingly restrictive, dynamic with the Taliban since the group took power. Humanitarian organizations have faced an ethical dilemma in Afghanistan under Taliban rule, recognizing that withdrawal of aid due to the Taliban's restrictive governance would leave millions of Afghans without life-saving resources. At the same time, Taliban intentions have often been opaque. Since 2019, the Taliban had "broadcast a range of public statements, diplomacy, and informal activity designed to suggest they were open to measures of political inclusivity."

According to the report, the UN's sentiment following the takeover was that the Taliban just needed to "find their footing." A senior UN official for Afghanistan, Markus Potzel, told the UN Security Council in September 2022 that Afghanistan's future depended on engagement with the Taliban. At the time, Potzel called the international community's relationship with the Taliban "pragmatic," but in the months since, the Taliban have "increasingly suppressed" Afghanistan's pluralistic civil society and "undertaken a sweeping range of initiatives" to transition from an insurgency to an authoritarian state. These measures include broad restrictions on women's rights, which fundamentally conflict with the UN's founding principles. As the Taliban cement their authoritarian rule, foreign aid organizations are faced with "a steadily increasing trend of interference." Yet, donors continue to fund UN operations given the level of need in the country.

According to USIP, the Taliban are "moving toward sweeping suppression of external criticism and dissent," achieved through intimidation and violence. The Taliban operate under the assumption that "the threat of force and raw power can compel any desirable outcome." This is exemplified by the Taliban approach to foreign NGOs in Afghanistan. The Taliban will "accept foreign funded and provided goods and services as long as they are delivered in a suitably low-profile, apolitical fashion, and with immediate tangible benefit." Any sign of political dissent is met with the threat of force. USIP argues that "This trend has been accompanied by the Taliban's growing tendency to attempt to increasingly control delivery," through monitoring, restricting access, and controlling organization operations. The Taliban have also sought to consolidate control over the former government ministry offices that oversee foreign aid, development, and international funding. The UN reported that many civil servants in these offices were dismissed and replaced by Taliban loyalists 8–10 months after the Taliban seized power. With this turnover came a "wave of increasing encroachment by certain offices into the practices of aid organizations—perhaps most notably in the emerging requirement for NGOs and agencies to sign restrictive/invasive MOUs."

The Taliban encroachment into NGO activity is primarily experienced at the local level between the Taliban and humanitarian implementing partners, wherein district and provincial officials agree to operating conditions in exchange for control, credit, and material benefits. The lack of official guidance on civil governance at the district and provincial levels "has sustained a great degree of regional variation in Taliban 'policies' or community relations." This dynamic of continuing operations under limiting conditions primarily applies to NGOs, whereas civil society organizations (CSOs), such as local women's non-profits, face much greater scrutiny. USIP reports that "one key factor in [this] dynamic may be the intangibility of the benefits of CSO programming; the more concrete an organization's deliverables are, the more appealing."

The Taliban's interference into NGO activities leaves humanitarian workers incredibly vulnerable. "Any form of humanitarian or development assistance is prone to manipulation by the Taliban. Aid/development delivery largely relies on national staff in field locations, which exposes them to Taliban coercion with little leverage or recourse to resist," USIP reported. This exposure is heightened by the lack of legal recourse for NGOs and their employees in Afghanistan. The Taliban have not adopted a formal constitution, nor is there "any real form of written legal code." Law is instead understood through the individual religious

jurisprudence of the judiciary, which may or may not be independent from other power structures, according to USIP. As a result, the law is inaccessible to anyone outside the Taliban.

In addition to controlling NGO activities on the ground, the Taliban are attempting to control the narrative in Afghanistan by seeking to win credit for the aid delivered, possibly due to their understanding that the economy is "growing very slowly" and "future revenue growth may be weak," limiting funds for Taliban-driven civil society spending. USIP describes the Taliban's stance as one of "pragmatic opportunism," accepting NGOs that provide the most "perceived utility." However, this does not dispel the concurrent "sense of suspicion, even hostility" felt by the Taliban; instead, animosity toward foreign-funded aid is increasingly encouraged by Taliban leadership. USIP notes that historically, "the more comfortable [the Taliban] grew in any given area, the less tentative they proved to be when it came to asserting their authority over NGO operations and most other aspects of society."

The UN's continuing deference to the Taliban, the intimidation and coercion of local UN staff, the lack of singular UN policy/collective bargaining power, and a limited understanding of the security environment has made the UN vulnerable to Taliban influence, USIP reported. Furthermore, the failure to create a national-level donor strategy for engagement with the Taliban has allowed the regime to shape restrictive boundaries of such engagement, such as crafting a "Code of Conduct" for NGOs and foreign organizations, and forcing humanitarian assistance partners to sign MOUs with Taliban line ministries and Taliban intelligence services. According to USIP, the Taliban-UN relationship "may be summarized through the understanding that the Taliban appear to view the UN system as yet another revenue stream, one which their movement will seek to monopolize and centralize control over." USIP suggests this UN "revenue stream" is especially attractive due to the widespread "means of profiting from engagement with the UN," none of which (outside of taxation) are official sources of government revenue owed to Taliban leadership.

Inspector General John Sopko raised the issue of Taliban access to foreign aid in testimony to the House Oversight and Accountability Committee on April 19, 2023, warning that SIGAR could not guarantee that U.S. funding intended for impoverished Afghans was not falling into the hands of the Taliban. SIGAR also warned in its 2023 High-Risk List about increasing Taliban interference with UN and NGO activities, and the Taliban's access to international funds through various direct and indirect customs charges, taxes, and fees.

Moreover, at the time of IG Sopko's April testimony, SIGAR had already received numerous allegations of Taliban diversion and inadequate protection of humanitarian assistance programs. Unfortunately, these concerns were dramatically confirmed by almost every person SIGAR interviewed in London who had access to information from people working or living in Afghanistan.

As the UN seeks to raise $3.2 billion for humanitarian assistance in 2023, it is necessary to provide vigilant oversight to ensure that the money actually goes towards helping the Afghan people, rather than to empowering the Taliban. SIGAR has a performance audit and a lessons-learned report underway assessing the provision and oversight of humanitarian assistance in Afghanistan and the Taliban's access to these resources.

The assertions in the USIP report are supported by this ongoing work, including work responding to a March 13, 2023, request from the Chair of the U.S. House of Representatives Committee on Foreign Affairs.

SIGAR's Lessons Learned Program is focusing on the challenges faced by donors, the UN, and NGOs in trying to get aid to the most vulnerable populations while bypassing politically estranged regimes, like the Taliban. The report will compare the current challenges to aid delivery in Afghanistan to other especially difficult contexts, like Sudan and Syria. While this research is ongoing, SIGAR has heard allegations from dozens of interviewees that diversion of aid and interference into aid delivery by such regimes is common. The report will make recommendations about how donors, the UN, and NGOs can better mitigate diversion and interference to improve aid effectiveness.

Source: USIP, Political Economy Analysis of Afghanistan, 5/2023, pp. 4–41; UN, "Afghanistan's Future Depends on Taliban's Engagement with World," 9137th Meeting, Meeting Notes, 9/27/2023, https://press.un.org/en/2022/sc15038.doc.htm; SIGAR, High Risk List 2023, 4/19/2023, p. 2; House Committee on Oversight and Accountability, "Comer Demands Biden Administration Cooperate with Special Inspector General for Afghanistan Reconstruction," 5/23/2023, https://oversight.house.gov/release/comer-demands-biden-administration-cooperate-with-special-inspector-general-for-afghanistan-reconstruction%EF%BF%BC/#:~:text=At%20an%20Oversight%20Committee%20hearing,obstructing%20SIGAR's%20congressionally%20mandated%20reports

Exemptions are not formalized, and are conditioned on gender segregated transport and male guardians. State told SIGAR, "Our partners continue to provide aid in places where women are involved throughout the aid delivery cycle, and where the participation of women has not been meaningfully impacted by the December 24 and April 4 decrees."[13]

In contrast, local women-led civil society organizations (CSOs) have been especially targeted by the Taliban.[14] On April 7, the Taliban ministry of economy informed Voice of Women Organization, a local CSO, that the Taliban supreme leader decided to shut down operations for allegedly conducting activities outside of the organization's approved mandate. The organization denied this accusation, but ministry personnel seized their assets in all 14 provinces it operated in.[15] UNAMA also reports that the Taliban suspended the licenses of two other local NGOs in May and June because women employees were working from their offices.[16] According to USIP, the Taliban's "suppressive efforts" towards CSOs has led to self-censorship and self-restriction. As a result, "The dynamic that has emerged has fueled suspicion among the Taliban and fear among many involved in civil society, creating gaps in Taliban-civilian engagement that will be difficult to bridge as long as it persists."[17]

UN Maintains Operations Despite Taliban Ban on Women

In May 2023, the United Nations resumed humanitarian operations in Afghanistan following a brief suspension in response to an April 4 Taliban directive barring Afghan women from working for the UN. On April 11, the UN had ordered its 3,300 employees to stay home while it conducted an operational review. Special Representatives for Afghanistan from UN member states then met May 1–2 in Doha, Qatar to discuss the humanitarian, human rights, and political situation; Taliban representatives were not included. According to UN OCHA, the meeting "aimed to invigorate international engagement around key issues, such as human rights, in particular women's and girls' rights, inclusive governance, countering terrorism, and drug trafficking."[18]

On May 2, following the closed-door meetings, UN Secretary-General Guterres told the press, "[t]o achieve our objectives, we cannot disengage… the UN will continue to use its convening power to advance a forward leaning approach, which puts the Afghan people first, and in a manner that is complementary to existing regional platforms and initiatives." Guterres cited the over 28 million Afghans in need of assistance, and the six million facing famine, as reasons for a continued UN presence, while also acknowledging that "millions of women and girls are being silenced and erased from sight," noting that "this is a grave violation of human rights."[19]

In the most recent Afghanistan situation report, released in July 2023, the Secretary-General elaborated that Japan and the United Arab Emirates had hosted consultations with Afghan women and member state representatives in New York prior to the May Doha meeting, where the group underscored the need for women's participation in decision-making related to Afghanistan. The United

Nations Assistance Mission to Afghanistan (UNAMA) hosted further meetings on this topic. The report acknowledges, "the violations of rights of women and girls, in their totality, are increasing their risk of exposure to violence and abuse… in addition to having a negative impact on the economy and the delivery of vital humanitarian services." While aid provision continues under these circumstances, UNAMA said it continues "to seek a reversal of the severe restrictions" in all interactions with the Taliban.[20]

According to Human Rights Watch Director Patricia Grossman, "the ongoing crisis has thrust upon the United Nations two vital but seemingly incompatible responsibilities in Afghanistan: keeping aid flowing to those most in need while also keeping pressure on the Taliban to end its appalling human rights violations."[21] This dilemma has sparked debate, and on April 26, 2023, before the UN had publicly issued a statement on its operations in Afghanistan, 12 major NGOs sent a letter to Secretary-General Guterres urging him to include Afghan women in the decision-making process and for the UN to continue insisting on the reversal of all restrictions against women.[22]

The State Department told SIGAR, "The U.S. government supports the UN's continuing and robust presence in Afghanistan… In response to the Taliban's edicts banning Afghan women's employment with the UN and NGOs, the United States supports a flexible and principled approach that prioritizes non-discrimination and the meaningful inclusion of women."[23] State said UN agency field operations teams have been able to partially resume their work under individualized agency operational plans, and that some female staff are able to work under highly qualified verbal Taliban exemptions.[24]

UNAMA continues to navigate such exemptions through meetings with the Taliban and relevant stakeholders. This quarter, UNAMA reported facilitating 25 outreach meetings in 16 provinces with local Taliban authorities, civil society organizations, and other community members on governance-related issues, including on principles of governance, service delivery, and girls' access to education.[25]

UN Humanitarian Response Plan Reduces Funding Request

Following the Doha meeting, UN OCHA released a revised Humanitarian Response Plan (HRP) on June 5, 2023, to reflect a realistic assessment of partner capacities to deliver aid given Taliban restrictions. The original plan, issued in March 2023, requested $4.6 billion from donors to provide lifesaving support to the 28.3 million Afghans in need. The revised plan lowers the funding appeal to $3.23 billion, with a planned reach of 20 million people. According to the UN, "the recent bans on Afghan women working for I/NGOs [international NGOs] and the UN have added yet another layer of complexity to what is already an incredibly challenging protection environment, and further constrained the operational capacity of partners."[26]

UN OCHA said in its latest Afghanistan situation report, "Despite mounting challenges, aid agencies in Afghanistan are focused on staying and delivering."[27]

State echoed this sentiment to SIGAR, saying, "Donors have expressed frustration at the Taliban's restrictive actions, especially actions affecting women and girls, but continue to find pragmatic, principled ways to contribute to UN programs and provide humanitarian support to the Afghan people."[28] The changes in the 2023 HRP reflect the complex operating environment, not a decrease in need. Instead, OCHA said conditions for Afghans are worsening across humanitarian sectors. Lifesaving assistance such as food and nutrition comprise more than 70% of the funding request.[29]

Women are particularly hard-hit by food insecurity, and they face increasing levels of abuse at home. The UN estimates that the restrictions on women's participation in society have led to a 25% increase in the number of people who need gender-based violence assistance, to 13.1 million, although it is unclear whether such assistance can be delivered. In addition to Taliban restrictions, even the revised HRP faces funding shortfalls. As of June 2023, only 14% of the plan has been funded with the United States leading all donors at $74.3 million.[30] USAID's Bureau for Humanitarian Assistance (BHA) told SIGAR that they will continue encouraging other donors to support the HRP.[31]

The economy under Taliban rule does not appear equipped to absorb the shock of such a decrease in humanitarian assistance. According to the UNDP, the funding needed to cover the poverty gap is about $5 billion. The Taliban reported revenue of $2.2 billion in 2022, but because they don't release budget expenditure information, it is unclear what percentage, if any, of those funds went toward public assistance.[32]

Regarding the grave economic and humanitarian situation in Afghanistan under Taliban rule, UN Secretary-General Guterres issued the following statement in the most recent Afghanistan situation report:

> As I have previously stated, the present situation is not sustainable. The Taliban leadership have further exacerbated the situation through their increased restrictions, abuses, and violations of human rights, particularly those of women and girls. Donors are faced with a moral and ethical dilemma against a backdrop of competing demands… The United Nations has been challenged by the fact that contrary to the fundamental principles of the Organization and the Charter of the United Nations, the Taliban are largely excluding women from public life and service. Afghan society can only be the poorer for it, and these actions by the Taliban will invariably hold the nation back from reaching its full potential.[33]

New UN Strategic Framework for Afghanistan

In addition to revising the Humanitarian Response Plan to reflect the challenging reality in Afghanistan, on July 3, 2023, the UN released a new Strategic Framework for Afghanistan 2023–2025. According to the Framework, Afghanistan is "in the midst of a crisis on an unprecedented scale," and due to the vast needs of the Afghan people, and the deterioration of human rights,

gender equality, and women's empowerment, the UN will continue to provide aid based on its principle of "leaving no one behind," despite the Taliban's actions.[34]

It further states that in order to address long-term human suffering, humanitarian interventions must build resilience to shocks; sustain livelihoods; protect human rights and fundamental freedoms; strengthen social cohesion and build social capital; and preserve the development gains of the past two decades. The United Nations Country Team, in consultation with relevant stakeholders, developed three guiding priorities to support the needs of the Afghan people over a "longer-term planning horizon." These priorities include:[35]

- Priority One: Sustained Essential Services
- Priority Two: Economic Opportunities and Resilient Livelihoods
- Priority Three: Social Cohesion, Inclusion, Gender Equality, Human Rights, and Rule of Law.

These priorities supplement the framework's desired near-term outcomes of reducing food insecurity and reducing maternal and child mortality rates. According to the UN, this approach is supported by its various partners, who will use the Framework to design, coordinate, and implement UN activities. The Humanitarian Response Plan acts as the humanitarian response complement to the strategic vision set forth in the Framework. The Framework is "an offer of assistance to the people of Afghanistan," the UN's ability to implement this assistance "depends in part on external factors, most notably on actions by the de facto authorities and donor support."[36]

Food Insecurity Continues While Funding Lags

The UN World Food Programme (WFP) estimates that 15.3 million people will face acute food insecurity between May and October 2023, including 2.8 million people in Integrated Food Security Phase Classification (IPC) Phase 4 (emergency), as shown in Table E.1.[37] The number of predicted food insecure people decreased from a high of 20 million over the winter due to sustained humanitarian assistance. Even with this improvement, Afghanistan remains one of the hungriest nations in the world, requiring substantive emergency food, nutrition, and livelihood support. Despite the high level of need, WFP has cut emergency food assistance to eight million people since April due to severe funding shortfalls. To sustain operations through winter 2023, WFP says it must raise $1.2 billion in funding through the Humanitarian Response Plan.[38]

Despite funding gaps, WFP has provided 15.4 million people in Afghanistan with food assistance as of June 25, 2023. In June, 240,000 pregnant and breastfeeding women and children under five received specialized nutritious food to prevent malnutrition. Looking toward the remaining summer months before the 2023 harvest, WFP is working to meet the needs of

Food insecurity: The disruption of food intake or eating patterns due to unavailability of food and/or lack of resources to obtain food.

Integrated Food Security Phase Classification: The integrated Food Security Phase Classification (IPC) measures levels of food insecurity on a scale from 1 to 5, with 1 being None/Minimal and 5 being Catastrophe/Famine conditions. For a full description of the IPC, see page 89.

Source: FAO, "Hunger and food insecurity," accessed 6/28/2022, https://www.fao.org/hunger/en/; Office of Disease Prevention and Health Promotion, "Food Insecurity," accessed 6/28/2022, https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/food-insecurity; IPC, Acute Food Insecurity Classification, accessed 7/10/2023.

A widespread locust outbreak in northwest Afghanistan threatens crops. (Photo by UN/ Hashim Azizi)

Acute malnutrition: The insufficient intake of essential nutrients resulting from sudden reductions in food intake or diet quality; also known as "wasting." Acute malnutrition has serious physiological consequences and increases the risk of death.

Source: Lenters L., Wazny K., Bhutta Z.A. "Management of Severe and Moderate Acute Malnutrition in Children," in Black RE, Laxminarayan R, Temmerman M, et al., editors. Reproductive, Maternal, Newborn, and Child Health: Disease Control Priorities, Third Edition, vol. 2, Washington DC, 2016: The International Bank for Reconstruction and Development/ The World Bank; 2016 Apr 5, chapter 11.

Afghanistan's most vulnerable populations.[39] As of June, an ongoing locust outbreak is posing a large threat to the already precarious food insecurity situation. WFP estimates the locusts could destroy 25% of this year's wheat harvest, worth $480 million.[40]

The Taliban restrictions on women working for the UN further challenge WFP operations. WFP suspended humanitarian activities in Ghor Province temporarily while discussing with the Taliban exemptions and conditions for women's employment.[41] Taliban interference with WFP's operations poses a direct risk to the Afghan people. According to UN OCHA, "With levels of moderate acute malnutrition already at a record high, a reduction in food assistance would lead to another significant spike in malnutrition among children and pregnant and nursing women."[42] According to USAID BHA, WFP is "actively working with its cooperating partners to find creative workarounds to the Taliban's edict to ensure female aid workers can meaningfully participate in all stages of the program cycle." WFP has provided guidance and training to cooperating partners on how to engage and negotiate with the Taliban to ensure female staff can be involved in critical stages of programming, such as assessments, beneficiary enrollment, distributions, and monitoring. WFP also conducts security assessments and suspends activities when local authorities pose a threat to operations. BHA has provided over $422 million to WFP in FY 2023 to help ensure equal food security in Afghanistan.[43]

In addition to food insecurity, Afghans suffer dangerously high rates of malnutrition. According to the Acute Malnutrition IPC, the major contributing factors to acute malnutrition in Afghanistan are acute food insecurity and high prevalence of communicable diseases, compounded by poor hygiene and sanitation, low socio-economic status, and natural disasters.[44]

TABLE E.1

INTEGRATED FOOD SECURITY PHASE CLASSIFICATION (IPC) PHASE DESCRIPTION AND RESPONSE OBJECTIVES

Food Insecurity Phase	Technical Description	Priority Response Objective
1 – None/Minimal	Households are able to meet essential food and non-food needs without engaging in atypical and unsustainable strategies to access food and income.	Resilience building and disaster risk reduction
2 – Stressed	Households have minimally adequate food consumption but are unable to afford some essential non-food expenditures without engaging in stress-coping strategies.	Disaster risk reduction and protection of livelihoods
3 – Crisis	Households either: · Have food consumption gaps that are reflected by high or above-usual acute malnutrition; OR · Are marginally able to meet minimum food needs, but only by depleting essential livelihood assets or through crisis-coping strategies.	**URGENT ACTION REQUIRED** to protect livelihoods and reduce food consumption gaps
4 – Emergency	Some households either: · Have large food consumption gaps which are reflected in very high acute malnutrition and excess mortality; OR · Are able to mitigate large food consumption gaps, but only by employing emergency livelihood strategies and asset liquidation.	**URGENT ACTION REQUIRED** to save lives and livelihoods
5 – Catastrophe/ Famine*	Households have an extreme lack of food and/or other basic needs even after full employment of coping strategies. Starvation, death, destitution, and extremely critical acute malnutrition levels are evident. (For Famine classification, area needs to have extreme critical levels of acute malnutrition and mortality.)	**URGENT ACTION REQUIRED** to avert/prevent widespread death and total collapse of livelihoods

* Some households can be in Catastrophe (IPC Phase 5) even if areas are not classified as Famine (IPC Phase 5). In order for an area to be classified Famine, at least 20% of households should be in IPC Phase 5.

Source: FAO and WFP, Hunger Hotspots FAO-WFP early warnings on acute food insecurity – June to September 2022 Outlook, 6/6/2022, p. 7.

As of June 2023, WFP estimates there are 3.2 million children suffering from acute malnutrition in Afghanistan.[45]

As SIGAR previously reported, in January 2023, the IPC released its Afghanistan Acute Malnutrition Analysis for September 2022–April 2023. During the September–October 2022 period, two provinces were classified in Phase 4 (Critical), 23 in Phase 3 (Serious), and 10 in Phase 2 (Alert). For November 2022–April 2023, the situation was expected to deteriorate, with 24 of 34 provinces moving to a worse phase, and 33 of 34 at either the Critical or Serious level. An estimated four million people will suffer from acute malnutrition in 2023, including 875,227 children with Severe Acute Malnutrition and 2,347,802 with Moderate Acute Malnutrition.[46]

Public Health Situation Remains Tenuous

According to the most recently available data from the World Health Organization (WHO), there are 17.6 million people in need of health assistance in Afghanistan. The most recently available data cited the planned reach for 15.6 million people in May, requiring $450 million in donor funds. The leading causes of morbidity among all are groups are Acute Respiratory Infections (ARI) and Acute Watery Diarrhea (AWD).[47]

The spring season in Afghanistan brings multiple environmental risks including flash flooding and landslides, and a related rise in communicable diseases. As of June 8, 2023, the UN has recorded 7,300 people affected by flooding, and noted a rise in AWD cases and an increased risk of cholera.[48]

According to UN OCHA, as of June 2023 there have been 4,451 AWD deaths this year; in order to step up the response and provide AWD/cholera kits and medical supplies, an estimated $32 million in donor funds is required.[49] Through May 2023, WHO and 50 Health Cluster partners reached 1,448,054 people with humanitarian health services through 985 health facilities in 329 districts across all 34 provinces.[50]

BHA reported that the verbal exemptions for women working in the health care sector are still in place. However, according to WHO, emergency reproductive, maternal, and child health services are not readily accessible to a significant part of the population due to providers' limited capacity. Without access to these services, WHO said it is typical to see an increase in maternal deaths, unintended pregnancies, sexually transmitted infections, unsafe abortion, and gender-based violence.[51] UN OCHA also warned in the revised 2023 Humanitarian Response Plan that the Taliban ministry of health ordered mobile health teams to remain at a static location, further limiting the ability of health care workers to reach women who cannot easily travel.[52]

Refugees and Internally Displaced People

While widespread conflict and insecurity have decreased in Afghanistan following the Taliban takeover, natural disasters, weather events, and the economic crisis continue to drive displacement. The UN predicts 691,000 new internally displaced people (IDPs) and vulnerable internal migrants in Afghanistan in 2023, including 233,145 people newly displaced due to disasters and 79,067 displaced due to conflict. In December 2022, there were an estimated 3.2 million displaced people already in Afghanistan.[53] According to State, Taliban interference with humanitarian operations could disrupt assistance to IDPs and refugee returnees, especially as women continue to be barred from participating in aid delivery with NGOs.[54]

From January 1, 2023, to June 1, 2023, the UN accounted for 3,748 Afghan refugees returning to Afghanistan—93% from Pakistan—seven times higher than the number of returnees over a similar time span in 2022. In the same period, 1,200 IDPs also returned to their homes.[55] Returning Afghans primarily cited high living costs, lack of employment opportunities in host countries, a desire to reunite with family, and an improved security situation in Afghanistan as reasons for their return. The UN High Commissioner for Refugees (UNHCR) estimated that 300,000 IDPs and 60,000 refugees could return to their homes in Afghanistan in 2023.[56]

According to State, the Taliban continue to explore policies and regional engagements to support refugees and returns. The Taliban ministry of refugees and repatriation is reaching out to related ministries in Pakistan and Iran on these issues, and has publicly encouraged returns.[57]

Iran and Pakistan host 2.3 million officially registered Afghan refugees, as well as an unknown number of undocumented Afghans.[58] Afghan

refugees continue to face legal and logistical challenges to successful resettlement in other countries. In June 2023, Amnesty International reported that Pakistan has continuously arrested and harassed Afghan refugees and asylum seekers arbitrarily.[59]

There are also approximately 52,000 refugees living in Afghanistan, primarily displaced from Pakistan since 2014. Refugees are one of the most vulnerable populations in Afghanistan, according to the UN with 96% needing food, 59% needing shelter, and 49% needing health care. Due to the high level of need among refugees, the UN's revised 2023 Humanitarian Response Plan is scaling up a response to provide in-kind food assistance to over 36,000 Pakistani refugees in Afghanistan and cash transfers for food to an additional 15,000.[60]

TALIBAN GOVERNANCE

Taliban Leader Tightens Control

This quarter, the Taliban continued to promote an uncompromising, ultra-conservative platform, further underscoring supreme leader Haibatullah Akhundzada's total control of the group, and distancing the Taliban from the international community and the terms established in the 2020 Doha Agreement. Despite Taliban promises made since gaining power in August 2021 to be more inclusive, counter terrorism, respect human rights, and not pose a security threat to the region, the UN says that the Taliban "shows no signs of bending to pressure for reform or compromise… They are unchecked by any meaningful political opposition." Afghanistan is instead governed on the Taliban's amorphous concept of "Islamic law and Afghan values," with no constitution in place.[61]

The Taliban leadership's unilateral power is visible in recent policies: banning women from working for the UN, a return to draconian corporal punishment measures, and links to terrorist organizations. The UN Analytical Support and Sanctions Monitoring Team (established pursuant to resolution 1988) recently issued a report that, in part, blames the "absence of any internationally agreed multilateral strategy on how to deal with the Taliban, and to what common ends" for the acceleration of the regime's consolidated power and reneging on governance promises.[62]

Power is centered in Kandahar, under the supreme leader, who promotes conservative Pashtun ideologies, "remarkably similar to the political theology and behaviors of the Taliban in the late 1990s."[63] Akhundzada surrounds himself with a small group of ultraconservative clerics on the Taliban ulema council, and edicts are passed down from Kandahar without input from government ministries located in Kabul. According to the UN Analytical Support and Sanctions Monitoring team, former military leaders from the insurgency now appointed as various cabinet members, and the satellite

political office in Doha, are increasingly excluded from the decision-making process. UNAMA concurred in its most recent situation report issued in July that Akhundzada was exerting "growing influence over governance decisions at national and subnational levels." This is evidenced by the decision to ban Afghan women from working for the UN, which was passed down directly from Akhundzada without the knowledge of the acting prime minister Mohammad Hassan Akhund. Decrees from Akhundzada are considered final, and cannot be amended or reversed.[64] According to UNAMA, Akhundzada also asserted a greater direct influence over the Taliban security apparatus this quarter, as he directed the reshuffling of six provincial and seven district chiefs of police, five army corps commanders, one provincial intelligence director, and the move of some special forces commands to Kandahar.[65] For more information on Afghanistan's security situation, see page 112.

In May, the Taliban announced Maulvi Abdul Kabir had replaced Akhund as the acting prime minister. Akhund was appointed to the position when the Taliban gained power in 2021, and is considered a member of the clerical elite, and a close confidant of Taliban-founder Mullah Omar.[66] The Taliban political office told the press that Akhund's replacement was due to his poor health, but analysis by the USIP points out that Akhundzada is willing to suppress any indicators of internal disobedience or challenges to organizational cohesion. The Taliban deny an internal rift precipitated Kabir's appointment.[67]

Although the Taliban call for unity and cohesion, internal disagreements are becoming increasingly more public.[68] The primary division within the Taliban reportedly exists between Akhundzada's base in Kandahar and the Kabul-based Haqqanis, led by the interior minister Sirajuddin Haqqani. The Kabul faction, including acting defense minister Mullah Mohammad Yaqub and much of the Taliban cabinet, presents itself as slightly more open to international engagement in return for economic assistance, such as on the issue of girls' education. In March 2022, Akhundzada overruled the cabinet's decision to permit girls to resume secondary education, igniting tensions over the group's policy agenda. Akhundzada has only further isolated Afghanistan from the international community and economic assistance since 2022 with his policies excluding women from society.[69]

There are varying opinions on the direction Taliban governance might take in the coming months and years. The UN Analytical Support and Sanctions Monitoring report predicts that the divisions within the Taliban will weaken the regime, and that power struggles between factional leaders could break out into armed conflict. Member States judged that unity is likely to last 12–24 months, but noted there is imminent risk for civil war if the current policies continue.[70] U.S. government assessments and some international observers, however, have not found adequate

evidence to support this conclusion. According to State, "the USG does not agree with the finding that divisions within the Taliban are significant enough—within themselves—to lead to unrest/conflict in the next two years. However, there are a series of indirect factors that tend to place destabilizing pressure on the Taliban." These factors include the regime's repressive measures and the exclusion of women from the economy, which "weaken Afghanistan economically and the Taliban politically," and "also stave off international development assistance."[71]

A USIP analysis of Afghanistan's political economy underscores, "Noteworthy internal competition takes place between Taliban factions, but in relative terms the movement remains the most cohesive Afghan political force in the past half-century (or more)."[72] Andrew Watkins, a Senior Expert on Afghanistan at USIP, also points out that "the Taliban is made up of many different interests and factions, not easily labeled but very easily oversimplified… newer binaries like 'Kabul versus Kandahar' obscure the fact that the emir has loyalists based in Kabul and discontents next door." Watkins claims there is dissent against Akhundzada's perceived overreach, but that the supreme leader's consistency, the lack of a cohesive countermovement, and the organizational principle of obedience mean he is unlikely to be seriously challenged by the Taliban faction in Kabul.[73]

In addition to international concerns about the future of Taliban governance and Afghanistan's stability, the proliferation of terrorism remains a threat under the Taliban. The de facto authorities maintain close ties with terrorist entities, including al Qaeda, the Islamic Movement of Uzbekistan, the Eastern Turkistan Islamic Movement, who are fighting to set up an independent "East Turkistan" within China, and Jamaat Ansarullah, a Tajikistan Taliban splinter group. The Taliban also harbor and actively support Tehreek-e-Taliban Pakistan, who conduct routine attacks in Pakistan.[74] For more information on terrorist groups in Afghanistan, see pages 112–114.

Taliban Accelerate Human Rights Abuses

According to State, the Taliban are steadily accelerating implementation of their interpretation of Sharia. This quarter, Taliban governance resulted in various human rights abuses, including limiting the ability of girls and women to attend school and work, limiting women's access to humanitarian assistance, instituting corporal punishment, and failing to protect members of religious minority groups.[75] UNAMA also documented 63 arbitrary arrests and 12 instances of torture against former government officials and members of the Afghan National Defense Forces, and 127 arbitrary arrests of individuals accused of affiliation with armed resistance groups.[76]

Status of Women's Rights

This quarter, the Taliban continue to exclude women and girls from society. The commitment to gender-based restrictive measures was highlighted by the Taliban refusal to renege on the edict barring Afghan women from working for the UN, as discussed on page 84. Barring women from humanitarian assistance provision is just the latest move in the group's systematic erasure of women's rights since gaining power in 2021.[77] Some of the restrictions placed on women over the past two years are:[78]

- Education is barred for girls beyond grade six (9/18/2021)
- Women are not permitted to travel more than 72km (45 mi.) without a male guardian (12/23/2021)
- Women and girls' access to parks is limited, domestic and international plane travel without a male guardian is banned (3/27/2022)
- Women are required to wear "proper hijab," by being completely covered in a *chadari* (long garment with face covering) or preferably not leaving the home (5/7/2022)
- Female television presenters are required to cover their faces (5/21/2022)
- All girls in grades 4–6 are required to cover their faces while commuting to school (6/1/2022)
- Women government workers are asked to stay home from work (8/23/2022)
- Women are prohibited from using gyms (11/10/2022)
- Women are prohibited from entering parks in Kabul; women are prohibited from entering public baths, sports clubs, and amusement parks in Faryab (11/11/2022)
- Women's right to attend university is suspended (12/20/2022)
- Women's right to work for national and international NGOs is suspended (12/24/2022)
- Afghan women are banned from working for the UN (4/4/2023)
- Women's beauty salons are banned (7/5/2023)

On June 15, 2023, in response to these abuses, the UN Special Rapporteur on the situation of human rights in Afghanistan and the Working Group on discrimination against women and girls published a report on the Taliban's discrimination of women and girls. The report concluded the Taliban have instituted gender apartheid, and are committing gender persecution; a crime against humanity under the Rome Statute, the International Criminal Court's legal code.[79]

The Special Rapporteur and Working Group interviewed 67 Afghan women for the report and conducted an additional survey of 2,112 Afghan women across 18 provinces. According to the findings:

> Every aspect of their lives is being restricted under the guise of morality and through the instrumentalization of religion. The discriminatory and restrictive environment, the climate of fear and the lack of accountability for the wide range of violations documented by the experts in the present report make it impossible for women and girls to exercise their rights, restrains all persons and organizations from defending them, and emboldens further abuses. The pattern of large-scale systematic violations of women's and girls' fundamental rights in Afghanistan, abetted by the Taliban's discriminatory and misogynistic policies and harsh enforcement methods, constitute gender persecution and an institutionalized framework of gender apartheid.[80]

The Special Rapporteur and Working Group called for the abolition of all persecutory statutes against women and girls, and called on UN member states to continue to prioritize the rights of women and girls in policy decisions, support women-led organizations inside Afghanistan, and grant support and protection to all Afghan women and girls outside of Afghanistan, including granting them refugee, protective, or regular status.[81]

On June 25, 2023, the Taliban's supreme leader Haibatullah Akhundzada issued a rare public statement, marking the occasion of *Eid al-Adha* (Feast of Sacrifice, a major holiday celebrated in Islam). In his remarks, Akhundzada called for unity in the Muslim world, and disputed claims that women are discriminated under Taliban rule:

> Under the Islamic Emirate, concrete measures have been taken to save women from many traditional forms of oppression… Moreover, necessary steps have been taken for the betterment of women as half of the society in order to provide them with a comfortable and prosperous life according to Islamic shari'a… the status of women as free and dignified human beings has been restored and all institutions have been obliged to help women in securing marriage, inheritance, and other rights… In addition, the great duty of vice and virtue is being carried out. Necessary measures have been taken according to the Islamic principles, due to which the society is improving day by day and the evildoers are about to disappear.[82]

Akhundzada was likely referring in part to a December 2021 Taliban edict mandating that girls consent to marriage, prohibiting marriage to pay a blood price, and stipulating the rights of a widow to choose to remarry. The UN said these rules "may have a positive intent," but they do not ensure equality in marriage, as required by the International Convention on the Elimination of All Forms of Discrimination Against Women. While the UN acknowledges "regional particularities, and various historical, cultural, and religious backgrounds" across the international community, according to the UN it is still the duty of states to protect human rights and fundamental freedoms. The UN reports that as of 2021, 35% of girls married before 18 and 17% before the age of 15, and that forced marriage is increasing. Between December 2022

and February 2023, there were 578 reports of forced marriage, including 361 child marriages, in Afghanistan.[83]

Akhundzada's statements also ignore internal and external critiques that current Taliban policies contradict the principles of Islam. According to the UN, "fallacious interpretations of religion are often invoked by the Taliban to justify discrimination and violent practices against women and girls." Afghanistan is the only country in the world to deny girls a secondary education, and two well-known religious scholars in Afghanistan recently urged Akhundzada to reconsider the ban. Abdul Rahman Ibid told the Associated Press that, "my daughter asks why girls are not allowed to learn in the Islamic system. I have no answer for her." A second scholar, Toryali Himat added, "Islam has allowed both men and women to learn, but hijab and curriculum should be considered… my personal opinion is that girls should get education up to the university level."[84] Akhundzada does not appear to be swayed by pressure for moderation. On July 5, 2023, the Taliban spokesperson for the ministry of virtue and prevention of vice confirmed the validity of an oral edict from Akhundzada that women's beauty salons are required to close within a month. According to UNAMA, "this new restriction on women's rights will impact negatively on the economy and contradicts stated support for women's entrepreneurship."[85]

Corporal Punishment, Collective Punishment, and the Death Penalty

Since gaining power in August 2021, the Taliban have instituted corporal punishment and the death penalty as forms of criminal punishment following judicial decisions and on an ad hoc basis. According to a May 2023 report from UNAMA, the implementation of judicial corporal punishment has increased since Taliban spokesperson Zabihullah Mujahid tweeted on November 13, 2022, that the supreme leader met with judges and emphasized their obligations to apply *Hudud* and *Qisas* (corporal and capital) punishments for offenses that contradicted the Taliban's interpretation of Sharia law.[86]

The prohibition of torture and cruel, inhumane, or degrading treatment or punishment is a fundamental principle of international law. Human rights treaty bodies and UN special procedures have previously rejected religious law as a justification for corporal punishment. The death penalty is not prohibited under international law, but the International Covenant on Civil and Political Rights limits its imposition for only the most serious crimes, e.g., crimes involving intentional killing, but all persons accused of such a crime must receive a fair trial.[87]

UNAMA has recorded numerous corporal punishments including lashings/floggings, stoning, beatings, and forced head shaving by the Taliban since 2021. Between November 2022 and April 2023, UNAMA documented 43 instances of judicial corporal punishment for offenses

The Taliban publicly lashed nine men accused of adultery and petty theft in Kandahar. (Photo by Observers/Ali Askar Lahi)

including adultery, sexual relations outside of marriage, theft, homosexuality, consuming alcohol, fraud, and drug trafficking. UNAMA also recorded instances of corporal punishment being imposed by non-judicial authorities, such as district governors or officials from the ministry for the propagation of virtue and prevention of vice.[88] UNAMA recorded one instance of judicially sanctioned execution, and one instance of an execution ordered by a district governor.[89] Additionally, a UN monitoring task force verified 315 grave violations against children, including killing and maiming, between January 1 and March 31, 2023.[90]

Taliban authorities responded to the May 2023 UNAMA report on corporal punishment and the death penalty, arguing for their right to their system of law:

> In Islam, the punishment determined for the criminal derived from the type of crime committed is a principle itself which plays an extremely important role in the elimination and reduction of crimes and helps create a stable society including fulfilling the five necessities: their faith (deen), their life (nafs), their posterity (nasl), their wealth (mal), and their intellect (a'qal), and following the complete rule of the Islamic Emirate over the country, we have witnessed the realization of all these.[91]

Since the May UNAMA report, the Taliban's use of corporal punishment has continued seemingly unabated. On July 17, 2023, UNAMA published an updated accounting of these abuses, including:

- On May 21, a woman convicted of adultery by the Parwan Province court of appeals was lashed 39 times
- On May 24, six men were convicted of sodomy and publicly lashed 39 times each in front of a crowd of 2,000 in Kandahar City
- On June 20, the Taliban supreme court announced a man was executed publicly for his alleged crime of murder.[92]

The accusations of violations of international law go beyond those UNAMA has reported. On June 7, 2023, Amnesty International published a report documenting instances of collective punishment deployed by the Taliban against citizens in Panjshir Province. Amnesty claims that the Taliban have targeted and punished the civilian population in an effort to combat the National Resistance Front, an opposition group originally formed in Panjshir. Through interviews and geospatial imaging, Amnesty confirmed dozens of instances of extrajudicial killings, torture, and arbitrary detention. UNAMA confirmed additional extrajudicial killings of former ANDSF officials and accused-ISIL members in their July humanitarian update. Due to the high likelihood that evidence of extrajudicial killings of civilians will be destroyed, Amnesty recommended the UN Human Rights Council establish an international accountability mechanism for Afghanistan, with a mandate to collect and preserve evidence for future international justice efforts. [93]

Status of Minorities Remains Fragile

According to reports from a UN member state, the Taliban have committed campaigns of ethnic cleansing by forcefully evicting thousands of ethnic Tajiks, Hazaras, Uzbeks, and Turkmen from their homes, beating or killing them, and burning their homes.[94] UN Special Rapporteur Richard Bennett expressed concern for the largely Pashtun Taliban's continued marginalization of minorities, especially in decision-making processes, and lack of representation in public positions.[95]

While no Hazara Shi'a were initially included in Taliban governing structures, the Taliban have now appointed three Hazara Shi'a representatives as deputy ministers, but none to a cabinet-level posting. In addition to calls for meaningful political representation, Hazara Shi'a leaders continue to seek from senior Taliban leadership legal protections for their rights and their land and property, and more decisive action by Taliban authorities to protect their mosques, educational centers, and neighborhoods from persistent attacks by extremist groups such as Islamic State-Khorasan (IS-K).[96]

State told SIGAR that they are not aware of any new measures or significant actions taken by the Taliban to protect religious minority groups this quarter. State also noted that the Taliban previously said in August 2022 that they could not guarantee the safety of the Hazara community.[97]

Community-Based Education Threatened

On June 8, 2023, UNICEF told the press that its staff in Afghanistan had learned that provincial authorities had been directed to stop INGO-run education activities. The Associated Press reported that a WhatsApp voice note, purportedly from a senior Taliban official, said that all international organizations have a one-month deadline to transfer their activities to local groups.[98] The Taliban have not confirmed these reports. UNICEF's spokesperson for Afghanistan Samantha Mort told Reuters, "UNICEF is deeply concerned by reports that over 500,000 children, including 300,000 girls, could lose out on quality learning through community-based education within a month if international non-governmental organizations… are no longer able to operate."[99]

UN OCHA reported on June 15 that "relevant education partners are engaging to understand the scope and nature of the recent instruction [from the Taliban]... all in all, the impact of this recent instruction on community education activities delivered by INGOs cannot be measured at this time."[100] Mort also confirmed to Reuters that UNICEF is discussing "timelines and practicalities" with the Taliban if INGOs will be required to turn over education activities to local organizations. As of July 1, 2023, UNICEF has not been made to pause education activities while these discussions take place.[101] USAID confirmed to SIGAR that education stakeholders have been meeting with Taliban ministry of education officials to understand the verbal directive and its implications for education programs. USAID "is optimistic that the Taliban led [ministry of economy] will demonstrate some degree of flexibility on the enforcement of this directive."[102]

According to UN OCHA, due to the Taliban's existing restrictions, the education cluster of the humanitarian response has "already adapted and devised creative approaches to ensure female participation," and that "the education cluster partners will persist in innovating and implementing effective strategies and localized solutions to support alternative education modalities."[103] While 'alternative education modalities' such as virtual learning are possible solutions to Taliban policy, UN OCHA reports an overarching concern for education funding. In the education cluster, 2,800 community-based education schools (small, UN-supported schools with community-vetted teachers) may be forced to close if funding is not raised, affecting an estimated 83,000 children.[104]

AFGHANISTAN'S ECONOMY

Economy Stabilizes at "Famine Equilibrium"

Following two years of economic contraction under the Taliban, the World Bank reports that Afghanistan has some improving economic indicators. Inflation has been trending downward since July 2022, the liquidity

crisis has calmed, and employment is increasing. The Taliban report rising revenue, and a number of economic development deals with China are progressing. Despite these improvements, the number of people in need of life-saving assistance in Afghanistan continues to grow. The leveling economy is at "famine equilibrium," meaning that it is no longer declining rapidly, but the new norm includes over 15 million experiencing food insecurity. The United Nations Development Programme (UNDP) predicts the long-term economic outlook remains bleak if the Taliban continue to exclude women from economic participation.[105]

According to the UNDP, real GDP growth is projected to be 1.3% in 2023 and 0.4% in 2024. GDP per capita is expected to decline from $359 in 2022 to $345 in 2024. In its most recent socioeconomic outlook report for Afghanistan, UNDP said, "overall, Afghanistan's economic outlook remains very difficult. This will be particularly so if the recent restrictions on women's employment in NGOs lead to a significant drop in international aid, exacerbating pressures on the exchange rate and inflation."[106] At present, the economy remains largely bolstered by continued cash shipments from the UN to support humanitarian aid.[107]

UN Cash Shipments into Afghanistan Continue

Due to the disruption to international banking transfers and liquidity challenges since August 2021, the UN transports cash to Afghanistan for use by UN agencies. According to UNAMA, all cash is placed in designated UN accounts in a private bank; none of the cash brought into Afghanistan is deposited in the central bank or provided to the Taliban. UNAMA further states that the cash brought into Afghanistan for use by the UN and its approved partners is carefully monitored, audited, inspected, and vetted in accordance with UN financial rules and processes.[108]

According to the World Bank, continued UN cash shipments have helped stabilize the local currency. During January–May 2023, approximately $760 million was flown into Afghanistan, while in 2022, a cumulative $1.8 billion in cash was delivered.[109] The UN reports that since December 2021, 19 UN entities, the World Bank, the Asian Development Bank, and 48 approved NGOs have accessed the UN cash transfer facility. Since June 2022, participating organizations can choose to receive their bank notes at any bank in Afghanistan.[110] However, UN Special Representative to Afghanistan Roza Otunbayeva, in a briefing to the UN Security Council on June 21, 2023, said that UN cash shipments are expected to decrease as donor funding declines. She noted, "this could begin having a negative effect on monetary stability."[111] In June 2023, the UN decreased the funding request for the 2023 Humanitarian Response Plan in light of Taliban decrees barring women from working for the UN or NGOs.[112]

This quarter, U.S. government agencies did not report any instances of the Taliban siphoning cash from UN shipments or collecting royalties

or charging fees on cash shipments. The UN, NGOs, and other entities involved in aid efforts have paid administrative fees to various Taliban ministries, and these fees are captured by the Taliban in inland revenue accounting.[113] On March 30, 2023, the Taliban ministry of finance announced that tax exemptions had been extended to 520 foreign institutions and organizations offering humanitarian assistance in Afghanistan. The ministry claimed it had foregone $34 million as a result of the exemption.[114]

UN OCHA previously reported paying taxes and other fees to the Taliban in December 2022. Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Martin Griffiths said in a statement at the time that these payments are essential to ongoing humanitarian activities, and that UN agencies and NGO partners are required by law to pay taxes, administrative fees, and public utilities. Griffiths added, "Let me be clear: Failure to make some of these payments can have severe consequences for NGO partners, including the freezing of bank accounts, the shutting of offices, and even deregistration."[115]

Certain transactions for the purpose of enabling humanitarian assistance in Afghanistan are permissible under exemptions to the international sanctions regime enacted in the wake of the Taliban's takeover, including the December 2021 UN Resolution 2615. General licenses issued by the Treasury Department's Office of Foreign Assets Control (OFAC) authorize payments to the Taliban under certain, narrow circumstances. Such payments include the payment of withholding taxes on income provided to Afghan staff, sales taxes, property taxes, fees for visas and work permits, vehicle registration duties, electricity and water bills, and customs payments to import goods, provided that such payments do not relate to luxury items or services. UN OCHA reported that funds have been transferred to Taliban-controlled line ministries for these purposes.[116]

Afghan Fund Takes Steps Forward

On June 26, 2023, the board of trustees of the Fund for the Afghan People (Afghan Fund) held its third meeting.[117] The Afghan Fund, created through the collaborative efforts of Treasury, State, the Swiss government, and two Afghan economic experts, is incorporated in Switzerland as a charitable foundation. Announced on September 14, 2022, the Fund aims to protect, preserve, and make targeted disbursements of $3.5 billion in assets, previously held by Da Afghanistan Bank (DAB), Afghanistan's central bank, in U.S.-based accounts, to help provide greater stability to the Afghan economy and benefit the people of Afghanistan.[118] State previously announced that the Fund is "explicitly not intended to make humanitarian disbursements."[119] The Taliban are not involved in the Afghan Fund or the management of its assets and have protested its creation.[120]

At the June 26 meeting, the board approved Dr. Anwar al-Haq Ahady and Dr. Shah Mohammed Mehrabi as its new co-chairs, and introduced a new

Afghan Fund Board of Trustees

The Afghan Fund's board of trustees comprises four individuals appointed for a term of two years:

Treasury Department official **Jay Shambaugh**, the Under Secretary of the Treasury for International Affairs, is the U.S. representative on the board. He assumed his position in February 2023, replacing **Andy Baukol**, who was serving as acting Under Secretary at the time.

Dr. Anwar-ul-Haq Ahady, a U.S.-based Afghan economic expert served as Afghanistan's Minister of Finance 2005–2009 and as governor of Da Afghanistan Bank (DAB) 2002–2004. Dr. Ahady has also served as Afghanistan's Minister of Commerce and Industry and Minister of Agriculture, Irrigation and Livestock.

Dr. Shah Mohammad Mehrabi, a U.S.-based Afghan economic expert and professor of economics at Montgomery College, Maryland, has served on DAB's governing board since 2003 and was an economic advisor to multiple Afghan ministers of finance.

Ambassador Alexandra Elena Baumann, the Swiss representative to the Afghan Fund, is a foreign ministry official who serves as the head of the Prosperity and Sustainability Division at the State Secretariat. Prior to September 2022, she was a diplomatic advisor in the Swiss Federal Department of Finance.

Andrea Dall'Olio, a Lead Economist in the Private and Financial Sector Development Department at the World Bank, was announced as the new Executive Secretary in June 2023.

Source: Treasury, response to SIGAR data call, 12/13/2022; TSite officiel de la République et canton de Genève, "Fund for the Afghan People – Fondation," 9/5/2022; Fund for the Afghan People, Statutes of September 2, 2022, Art. 12, English translation, 9/2/2022; SWI (Swiss Broadcasting Corporation), "U.S. to move $3.5 billion in Afghan central bank assets to Swiss based trust," 9/14/2022; Polar Journal, "New ambassador represents Swiss Arctic policy," 9/1/2022; Montgomery College Maryland website, "Faculty and Staff – Business and Economics Department – Rockville Campus," accessed 10/13/2022; Afghan Ministry of Agriculture, Irrigation and Livestock website, "Minister's Biography - Brief Biography of Dr. Anwar-ul Haq Ahady," accessed 10/13/2022; SIGAR, interview with Dr. Shah Mehrabi, 10/4/2022; Afghan Fund, Board Members, accessed 3/22/2023; Moneyhouse, Management Fund for the Afghan People, accessed 3/22/2023; Treasury, About: Jay Shambaugh, accessed 3/22/2023; Reforming.it, Andrea Dall'Olio, accessed 7/11/2023.

executive secretary, Andrea Dall'Olio.[121] Both Ahady and Mehrabi served as officials at DAB under the previous Afghan government, and Mehrabi is a current member of DAB's supreme council and chair of the audit committee.[122] Dall'Olio is a World Bank economist.[123]

The board agreed to form a single international advisory committee made up of "Afghan citizens, other government representatives, and international experts," as opposed to having a separate Afghan Advisory Committee in conjunction with the board as previously planned.[124]

The board has not yet determined the nature of future disbursements. A readout from the third board meeting notes the board agreed that "the Fund's assets could be valuable in supporting multilateral development banks as they enhance their efforts to stabilize the financial situation and sustain macroeconomic stability in Afghanistan."[125] According to Treasury, any potential future disbursement of monies from the Afghan Fund would require support of the U.S. representative on the Afghan Fund Board of Trustees and all other representatives, or at least their decision to abstain from such a determination. According to the Fund's statutes, decisions must be made on a

unanimous basis or if a unanimous vote is achieved when one or more board member abstains.[126] SIGAR has requested a meeting with the U.S. representative to the Afghan Fund to discuss these recent developments.

Treasury also told SIGAR that Afghan Fund assets have been accruing interest, increasing the value of the Fund from its original $3.5 billion. Treasury said it is not aware of any transfer of U.S. government funds to the Afghan Fund.[127]

The $3.5 billion in the Afghan Fund was part of $7 billion in DAB assets deposited in the United States prior to the Taliban takeover of Afghanistan in August 2021. On February 11, 2022, President Joseph R. Biden blocked the DAB assets based on the determination that Afghanistan faced widespread humanitarian and economic crises, which constituted "an unusual and extraordinary threat" to the national security and foreign policy of the United States, with the preservation of the DAB assets important for addressing this national emergency.[128] The other half—another $3.5 billion—of DAB reserves held in the United States would remain subject to litigation by U.S. plaintiffs, including victims of the 9/11 attacks who had earlier won a judgment against the Taliban for more than $7 billion. The effect of Executive Order (E.O.) 14064 was to preserve the DAB assets until several complex legal issues could be resolved in court.[129] On February 3, 2023, President Biden extended E.O. 14064 for an additional year.[130]

In a Statement of Interest filed in court on the same day the President signed E.O. 14064, the United States announced that it intended to reserve $3.5 billion of the $7 billion "for the benefit of the Afghan people" and would leave it to the court to decide whether the other $3.5 billion could be used to compensate 9/11 victims' families.[131] On February 21, 2023, a federal judge in the Southern District Court of New York rejected the families' compensation claims ruling that the federal court system did not have the legal jurisdiction to seize Afghan central bank funds, as an institution of a foreign state, and in this case "the Taliban—not the former Islamic Republic of Afghanistan or the Afghan people—must pay for the Taliban's liability in the 9/11 attacks."[132] Several plaintiffs groups have appealed this ruling.[133]

Assessment Finds Central Bank Improved but Deficient

As discussed in the previous section, $3.5 billion in DAB assets are currently held in the Afghan Fund in Switzerland, but according to Treasury and State, the long-term goal is for the funds to be returned to DAB.[134] State and Treasury have indicated that they will not support a return of funds until, at minimum, certain criteria are met. Specifically, DAB must demonstrate that it is independent from political influence and interference, and that it has adequate controls in place to prevent money laundering or terrorism funding. It must also undergo a third-party needs assessment and retain a "reputable" third-party monitor.[135]

This quarter, USAID provided SIGAR with a third-party assessment of DAB that was completed in March 2023.[136] Treasury told SIGAR the assessment was limited in scope and methodology, and that the contractor completing the assessment engaged with a limited number of financial institutions.[137] According to USAID, the assessment's conclusions do not necessarily reflect the views of the agency or the U.S. government.[138] SIGAR has not independently verified the statements and claims made in the assessment, and the findings reported here also do not necessarily represent SIGAR's judgment. Treasury told SIGAR it is currently reviewing the assessment, and that it "would need to consider all relevant factors to determine whether actions taken by DAB meet those conditions [described above] and more broadly build confidence in its activities." Treasury also said that more comprehensive third-party assessment efforts may be required.[139]

Money Service Providers (Hawaladars): Individual brokers within an informal money transmission network (hawala system) that arrange for the transfer and receipt of funds or equivalent value and settle their accounts through trade and cash.

Source: Treasury, "Hawala: The Hawala Alternative Remittance System and its Role in Money Laundering," 2003, p. 5.

The third-party assessment of DAB aimed to analyze the effectiveness of the anti-money laundering and countering the financing of terrorism (AML/CFT) measures in place as of February 2023, as well as DAB's overall independence, organizational structure, resource allocation, and progress on regulating money service providers (*hawaladars* or MSPs). Over several rounds of interviews, the assessment team spoke with various DAB departments, banks, and money service providers.[140] The assessment found DAB to be functional as a central bank: DAB has retained the majority of employees from the previous administration, and departments appear to be following the DAB regulations, policies, and procedures of the previous government.[141] However, the assessment noted serious issues with DAB's ability to operate independently, and weaknesses in DAB's enforcement of AML/CFT measures, among other findings.[142]

DAB Is Not Politically Independent

DAB's Executive Board consists of an Acting Governor, Hidayatullah Badri, and two Deputy Governors, Noor Ahmad Agha and Haji Abdul Qadeer Ahmad, all three of whom are senior Taliban leaders sanctioned by the UN.[143] DAB governors are constrained by government-wide decrees issued by the Taliban supreme leader Haibatullah Akhundzada, the assessment stated, including a decree that bans the issuance of fines on non-compliant financial institutions.[144] Despite Taliban decrees, DAB has reportedly successfully maintained some autonomy due to its authority to allocate funds for its annual expenses, allowing it to control expenditures such as salaries, IT, infrastructure, training, and overseas trips.[145]

According to the assessment, DAB's Executive Board appointed the head of FinTRACA, Afghanistan's financial intelligence unit in charge of AML/CFT enforcement. This practice is a departure from that of the prior government, under which the head of FinTRACA was elected by DAB's Supreme Council, the assessment said.[146] Due to this change, sanctioned

senior Taliban leaders now appoint the head of a financial intelligence unit charged with preventing funds from flowing to sanctioned individuals. The assessment noted that, in 2021 and 2022, FinTRACA had received "17 reports [from banks] that matched the UN 1988 sanctions list."[147] The members of DAB's Executive Board are on this list, as are 38 other members of the Taliban government.[148]

Weaknesses Identified in DAB's Enforcement of AML/CFT Measures

The assessment characterized DAB as lacking a risk-based approach to banking, and noted deficiencies in adapting strategies to reflect a "dramatic market shift from banks to MSPs."[149] However, the assessment did identify some improvements in oversight of MSPs.[150] For example, the assessment described a new licensing regime requiring MSPs to have "several layers of corporate governance," including a compliance officer.[151] The assessment stated that, in 2022, every previously issued MSP license was canceled, and that new licenses were granted subject to compliance with the updated requirements. As a result, the number of issued MSP licenses declined from 2,700 in 2021 to 753, as of February 2023.[152]

Despite the new compliance regime, DAB's supervision of MSPs remains limited. The assessment noted "weak reporting by MSPs," citing a low number of large currency transaction reports as well as "non-existent" reporting of suspicious transactions.[153] The assessment concluded that the number of examinations of MSPs conducted by DAB in 2021 and 2022 appeared to be "exceedingly high," suggesting that "diligence is rather brief through a vague checklist exercise that does not fully address AML/CFT risks."[154] The assessment reported that DAB has taken enforcement actions against banks and MSPs for AML/CFT-related violations during 2021 and 2022, but that these measures did not appear to be "effective, proportionate, or dissuasive."[155] The assessment concluded that DAB would need long-term technical assistance to improve its capacity to effectively enforce AML/CFT measures.[156]

According to State, the assessment did not adequately capture DAB's deficiencies. SIGAR will report on additional information regarding DAB's independence and AML/CFT capacity as it becomes available.[157]

Economic Indicators

Inflation Continues to Fall

Headline year-on-year inflation on basic household goods has contributed significantly to food insecurity since the Taliban seized power. Since 2021, the cost of goods increased as household income declined across all population groups, but after reaching a high of 18.3% in July 2022, it has trended downward. The latest World Bank data indicate inflation fell to -0.95% in April 2023. The World Bank attributed the decline in inflation to (1) the

stabilized exchange rate and reduced inflation pass-through into the economy; (2) a significant reduction in international food and fuel prices; (3) a compression of aggregate demand in the winter months; and (4) improved food production in Afghanistan.[158]

As of May 22, 2023, the afghani (AFN) currency traded at a stable exchange rate of 87.5 AFN to $1 USD. This represented a depreciation of only 1.6% since the former Afghan government fell on August 15, 2021. In comparison, one year prior in May 2022, the AFN had depreciated 4% against its pre-August 15, 2021, value. The World Bank attributed this improvement to tight controls on foreign currency exports, constrained domestic money supply, and the availability of U.S. dollars available in the market due to continued UN cash shipments. [159]

Price inflation on basic household goods indicates a year-on-year (y-o-y) -16.8% deflation. The y-o-y inflation rate in May 2022, in contrast, stood at 41.6%. The prices of fuel (diesel), oil (cooking), wheat, and wheat flour have decreased by the largest margin between May 2022 and May 2023, while rice, salt, sugar, and bread have stayed within a relatively more stable price margin. Third party monitoring services report essential food and non-food commodities are widely available in markets across Afghanistan.[160] The World Food Programme reported in a May 2023 brief that in-kind food basket prices declined by 3% for the 10th consecutive month. [161]

Employment and Income Improve Slightly

Skilled and unskilled employment increased in May 2023, following a decline throughout the winter. Demand reached a nadir in February 2023 at 1.5 and 1.75 hours per week for unskilled and skilled labor, respectively. As of April 2023, demand is at approximately 2.75 hours per week for both groups. The World Bank attributed the slight improvement to the spring harvest season, but notes that overall employment levels remain lower than October 2022. Nominal wages per month increased slightly to approximately 650 AFN ($7.47) for skilled laborers and 300 AFN ($3.45) for unskilled.[162]

Surveys indicated nearly all civil servants received regular salary payments. Most salaries were deposited in banks, where withdrawals could be impeded by crowding and the low availability of funds. Survey respondents also noted an issue with the deteriorating quality of bank notes.[163]

Banking Sector Remains Fragile

Despite modest improvements in other sectors of the Afghan economy, the commercial banking sector has not improved, according to State. Da Afghanistan Bank (DAB) continued this quarter to waive required examinations, stress tests, and fees as the central bank recognized that several Afghan banks would not survive the actions required to recapitalize to cover losses incurred from banks' reduced lending, loss of access to foreign reserves, and non-performing assets.[164]

A farmer works a field in Bamyan Province near the remnants of a Buddha statue destroyed by the Taliban in 2001. (AP Photo/Ebrahim Noroozi)

As SIGAR has previously reported, Afghanistan has faced a liquidity crisis since the Taliban's takeover caused the revocation of DAB's credentials to interacts with the international banking system, halting banking transactions.[165] Additional sanctions and a loss of confidence in the domestic banking sector have limited the country's cash flow. Unable to conduct international financial transactions, access cash deposited in bank accounts, or seek lending opportunities, the Afghan private sector collapsed, with surviving businesses forced to rely on informal *hawala* networks. As of June 2023, traditional banks accounted for less than 10% of the money services sector in Afghanistan.[166]

Individuals and firms using traditional banks still face restrictions due to the liquidity challenges. No withdrawal limits exist on bank deposits made after August 15, 2021, but cash withdrawals for pre-August deposits remain regulated for individuals and firms. The World Bank reported that firms' access to deposits remains especially constricted. Firms are permitted to withdraw AFN 4 million monthly ($46,404), but reported access to approximately AFN 1 million ($11,460) due to ongoing liquidity issues after as of June 2023. This was a slight deterioration from May, when firms could access 1.25 million AFN. Since May 2023, the cash withdrawal limit for individuals is AFN 50,000 ($580) per week, raised from AFN 30,000 ($348). Individuals reported being able to consistently withdraw the full amount within the limit.[167]

Liquidity: The efficiency or ease with which an asset or security can be converted into ready cash without affecting its market price. The most liquid asset of all is cash itself.

Liquidity crisis: A financial situation characterized by a lack of cash or easily convertible-to-cash assets on hand across many businesses or financial institutions simultaneously. In a liquidity crisis, liquidity problems at individual institutions lead to an acute increase in demand and decrease in supply of liquidity, and the resulting lack of available liquidity can lead to widespread defaults and even bankruptcies. The economies of entire countries can become engulfed in this situation. For the economy as a whole, a liquidity crisis means that the two main sources of liquidity in the economy—banks loans and the commercial paper market—become suddenly scarce. Banks reduce the number of loans they make or stop making loans altogether.

Hawala: Informal money transmission networks that arrange for the transfer and receipt of funds or assets of equivalent value, and settle their accounts through trade and cash.

Source: Investopedia, "Liquidity," 8/29/2021; Investopedia, "Liquidity Crisis," 12/6/2020; Treasury, "Hawala: The Hawala Alternative Remittance System and its Role in Money Laundering," 2003, p. 5.

Economic Development

Taliban Budget and Revenue Increases

As reported last quarter, the Taliban's revenue continues to rise. The fiscal year 2022 (March 2022–March 2023) revenue was AFN 193.9 billion ($2.25 billion), 98% of the revised targeted budget. The World Bank reported that the trend has continued with the collection of AFN 45 billion ($52,204,176) in the first three months of FY 2023, an 8% increase over the same period last year.[168] The Taliban have reportedly drafted a budget for fiscal year 2023, but have not published any budget data since February 2022. There are no available data that breaks down Taliban allocations by sector. According to State, anecdotal evidence suggests the budget is primarily used to pay salaries across all ministries, as well as for development projects and contingency accounts. The most recently available data from February 2022 listed security spending as the Taliban's largest expense.[169]

According to the UN, the Taliban have expanded the system of taxation used during their insurgency to a national system of revenue collection, staving off economic collapse.[170] From 2006 through 2021, the Taliban utilized a state-like revenue collection system throughout territory they controlled, collecting taxes on harvests (opium and legal crops), goods transportation, and aid interventions.[171] Taxes collected at the border have increased 35% from the same period in 2022. Customs accounted for 55% of revenue for the Taliban, with inland revenue comprising the remaining 45%. Customs revenue is primarily collected from Pakistan (46%), Iran (14%), Iran-Turkmenistan (22%), and Uzbekistan (11%), with the remaining 7% coming from others. The majority (51%) of inland revenue is collected by the ministries.[172]

The UN also reported that mining is a revenue source for the Taliban, primarily gold and lapus lazuli in Badakhshan Province. In the most recent UN Analytical Support and Sanctions Monitoring Team report, one member state reported mining had generated $464 million for the Taliban in 2020. The UN believes that number has increased since the Taliban gained power.[173]

International Trade Expands

Data from January–May 2023 counted $0.73 billion in exports from Afghanistan, an 8% increase from the same period in 2022. According to the World Bank, the increase can be attributed to a 16.5% increase in coal exports and a 38.5% increase in textile exports. Coal exports to Pakistan, Afghanistan's largest trading partner, amounted to $173.5 million during this period. Vegetable exports increased by only 1% due to reduced demand from Pakistan. Exports to Pakistan contribute 59% of total exports, followed by India at 23%.[174]

During January–May, imports were $3.1 billion, a 36% increase from 2022. The greatest growth in imports were minerals, which increased 26%. Iran is the largest exporter to Afghanistan, comprising 21% of Afghanistan's imports, followed by Pakistan at 18%, China 18%, and the United Arab Emirates at 13%. The World Bank noted that the trade deficit has grown to $2.4 billion, from $1.5 in January–May 2022.[175]

Bilateral trade engagements this quarter included Kazakhstan Deputy Prime Minister Serik Zhumangarin's April 15 visit to Kabul to discuss trade, investments, and attend a joint chamber of commerce. On May 12, the Prime Minister and Minister for Foreign Affairs of Qatar, Sheikh Mohammed bin Abdulrahman bin Jassim Al-Thani held talks with Taliban prime minister Mohammad Akhund in Kandahar to discuss the economic and humanitarian situation in Afghanistan. On May 13, officials from Uzbekistan, Afghanistan, and Pakistan opened a coordination office in Tashkent, Uzbekistan for the Trans-Afghan railway line.[176]

New Development Projects Center Around China

According to UNDP, "Afghanistan needs massive infrastructure development…This will depend on growing the private sector, attracting foreign investors through deep institutional reforms that improve governance, and encouraging the international community to remain engaged."[177] This quarter, the Taliban sought to pursue new developments by engaging with foreign investors, most notably China. On May 7, 2023, Chinese Foreign Minister Qin Gang and his counterpart from Pakistan, Bilawal Bhutto Zandari, met in Islamabad, where they pledged to work together on reconstruction in Afghanistan and extend the $60 billion China-Pakistan Economic Corridor into Afghanistan. Taliban representative Amir Khan Muttaqi met with Gang and Zandari in Islamabad, resulting in a mutual economic agreement between the three countries.[178]

China is one of the few countries with an ambassador in Afghanistan, and reports indicate Ambassador Wang Yu frequently meets with senior Taliban officials.[179] The ties between the two countries have resulted in several promising development opportunities for Afghanistan. In January, a Chinese state-owned oil company signed a deal to develop oil reserves, and in April the Taliban announced they were in discussions with a Chinese firm to develop Afghanistan's lithium reserves.[180] In May 2023, flights between Kabul and the northwestern Chinese city of Urumqi, operated by Ariana Afghan Airlines, resumed following a three-year hiatus.[181]

However, State said of the discussions between China and Afghanistan, "To date and to our knowledge, no agreements have been signed, no infrastructure has been built, and no jobs have been created."[182] Security threats remain an impediment to foreign investment, as well as the Taliban's potential instability.[183]

COUNTERNARCOTICS

Afghanistan has long been the world's largest supplier of opiates, though the Taliban have taken measures recently to suppress the narcotics industry. In 2022, the United Nations Office on Drugs and Crime (UNODC) estimated that Afghanistan supplied 80% of global opiate demand, including opium processed into heroin; it also provided large quantities of other drugs, such as methamphetamines and marijuana.[184] Afghanistan's economy has relied on the opiate industry. In 2021, the UN estimated that Afghanistan's opiate economy accounted for 9–14% of the country's GDP, and in 2022, opium farmers earned at least $1.4 billion from opium sales, about one third of the country's agricultural revenue.[185]

Taliban's Opium Poppy Ban Reduces Cultivation

On June 25, 2023, Taliban supreme leader Haibatullah Akhundzada announced that illicit opium poppy cultivation had been eradicated in Afghanistan as a result of the Taliban's April 2022 opium poppy cultivation ban.[186] Afghan opiate industry expert David Mansfield said there was a preliminary, but noticeable cultivation reduction across southern Afghanistan, leading to the lowest levels of poppy cultivation since the Taliban's 2000–2001 ban.[187] Helmand's area for poppy cultivation decreased by almost 100% from April 2022 to April 2023. Similarly, Nangahar, a major poppy-producing province, saw an 84% reduction in poppy cultivation in the same period.[188] However, Mansfield reported that it was too early to assess the Taliban's narcotics ban's efficacy across all points in the production chain and the cultivation decrease reflected farmers voluntarily not planting poppy crops in the 2022 planting season (October and November), following Taliban warnings; he also noted that the 2024 season will better show the 2022 ban's effects, as farmers still have their 2022 opium crop to sell this year.[189]

UNAMA reported that opium continues to be traded across the country.[190] As shown in Figure C.1, opium prices stabilized this quarter, as farmers sell their remaining 2022 opium poppy stockpiles, following a significant price increase from July 2022 to November 2022, when farmers anticipated an effective opium poppy ban and low opium poppy supply for the 2023 harvest.[191] In May 2023, opium prices in Kandahar were $263 per kilogram, compared to around $160 in May 2022; in Nangarhar, opium prices were $362 per kilogram, compared to around $220 in May 2022.[192]

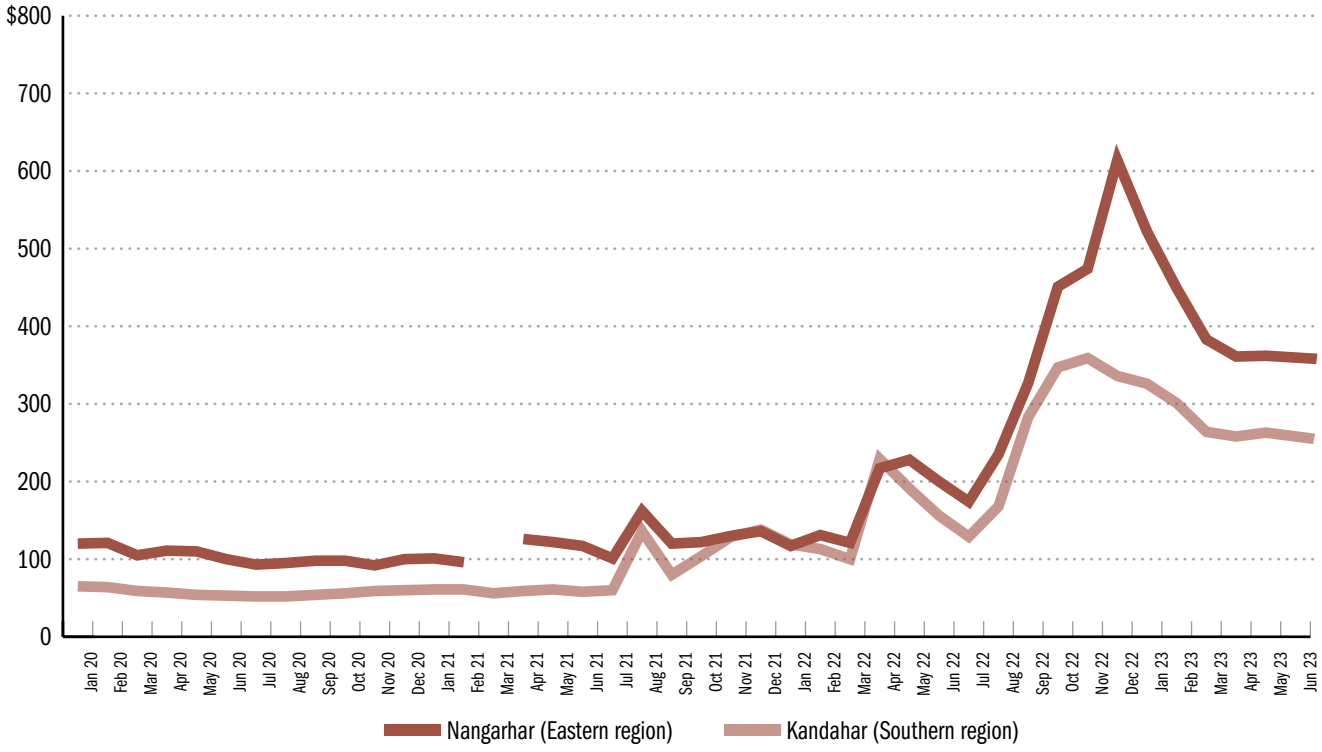
State noted that the Taliban's poppy eradication efforts were reportedly both performative and substantive.[193] The Taliban's eradication campaign included outreach for support from their rural constituents and administration officials, in addition to the use of police and social media, according to Mansfield and reports received by State.[194] However, Mansfield reported that the Taliban's ability to enforce its narcotics ban long-term will depend partially on the amount of 2022 opium stockpiles remaining, farmers' economic standings, and the national economy. If they deplete their opium stockpiles,

farmers may be less amenable to the continued ban, according to experts. Additionally, Taliban members associated with the narcotics industry may intervene locally to subvert the ban.[195]

On April 10, 2023, Nangahar farmers and a Taliban poppy eradication team clashed, killing one farmer and wounding three others. Nangahar residents had complained that the Taliban were eradicating poppy crops without providing alternative livelihood resources.[196] State has heard reports that the Taliban may provide limited drug treatment and prevention programs, as well as alternative livelihood services. Alternative livelihoods programs could help to reduce food insecurity among farmers and day laborers who depend on opium poppy revenue for their income.[197] United Nations Special Representative of the Secretary-General Roza Otunbayeva encouraged donors to support alternative livelihood programs to address farmers affected by the opium ban.[198] However, experts reported that wheat, a common replacement, is not a sustainable alternative because it has lower monetary value and requires more land to support a household. It has not been determined whether the Taliban have funded alternative livelihood programs.[199]

FIGURE C.1

DRY OPIUM PRICES JANUARY 2020–JUNE 2023
($ USD)



Source: Alcis' geospacial data documenting pricing before and after the Taliban's supposed crackdown on opium farming in Afghanistan, June 2023.

Other Narcotics in Afghanistan Continue to be Cultivated, Produced, and Traded

The impact of the Taliban's March 2023 marijuana ban has been inconclusive, according to State, but the Taliban have destroyed some ephedra plant labs and stockpiles, used in the manufacturing of methamphetamines.[200] Ephedra prices remained stable this quarter, but were four to five times higher than in October 2022, when the Taliban closed a number of ephedrine and methamphetamine labs.[201] While its prices remain competitive, methamphetamine is not a scalable income replacement for opium poppy, due to the required labor, storage, and accessibility, State said.[202] Though, the UN noted that drug traffickers are increasing methamphetamine production and trade, which were already on the rise prior to the Taliban's takeover and 2022 opium ban.[203] The UNODC reported that the Afghanistan-manufactured methamphetamine market is expanding in Southwest Asia.[204]

TALIBAN FACE COMPOUNDING SECURITY THREATS

The Taliban continue to face increasing challenges to their authority from the Islamic State-Khorasan (IS-K) and anti-Taliban resistance groups, though experts maintain that no group poses an existential threat to Taliban rule. IS-K attacks have become more lethal and sophisticated since the Taliban takeover, according to the UN Security Council's June 2023 report and the United Nations Assistance Mission in Afghanistan (UNAMA), further threatening the Taliban's ability to provide security.[205] The UN Security Council also reported close, strong Taliban ties with al Qaeda and Tehreek-e-Taliban Pakistan, who both benefit from increased freedom of movement and protection under the Taliban. The presence of foreign terrorist fighters in Afghanistan has heightened regional security concerns and further challenged the Taliban's credibility in upholding their counterterrorism commitments.[206]

Islamic State-Khorasan Attacks Increasingly Lethal

IS-K continued its campaign against the Taliban and religious minorities in Afghanistan, with the UN reporting that IS-K's capabilities are more lethal and sophisticated. IS-K remains the most serious terrorist threat to Taliban rule and regional stability, with a UN-reported estimated strength of between 4,000 and 6,000 fighters, including family members.[207]

This quarter, IS-K carried out two high-profile attacks. On June 6, a car bomb blast killed Badakhshan Province deputy governor, Molvi Nisar Ahmad Ahmadi, and one other, and wounded 10 civilians in Faizabad. Later, at Ahmadi's funeral on June 8, a suicide bomber killed at least another 19 people and wounded 39 others at a mosque in Faizabad.[208]

Apart from high-profile attacks, IS-K conducts regular, low-level attacks to cause fear in local communities, undermine Taliban authority, and challenge the regime's security agencies.[209] IS-K primarily attacks soft targets, such as

schools, mosques (both Sunni and Shi'a), and health clinics, and has shown what State called "cruelty and barbarity" in its attempts to gain notoriety and followers.[210] UNAMA reported that IS-K's use of improvised explosive devices continue to threaten civilians, particularly in places of worship.[211]

The Taliban target IS-K positions across Afghanistan in order to neutralize the IS-K threat, according to State.[212] The UN Security Council reported that the Taliban leverage the presence of foreign terrorist organizations in Afghanistan to help it attack IS-K, and although they exert some control over these groups, they do not have a consistent and effective approach toward them.[213]

Taliban Collaborate with Tehreek-e-Taliban Pakistan

The Taliban and Tehreek-e-Taliban Pakistan (TTP) maintain a close relationship, with the UN reporting an estimated 4,000 to 6,000 TTP fighters in Afghanistan.[214] The UN Security Council said that despite regional pressures, the Taliban do not have the capacity or willingness to contain the TTP, and continue to provide them safe haven, materiel, and logistical support.[215]

This quarter, Pakistan continued to press the Taliban to curtail ongoing TTP cross-border operations against Pakistani positions. On July 14, 2023, Pakistan's Chief of Army Staff, Gen. Asim Munir warned that Pakistan would conduct an "effective response" if the Taliban continue to harbor militants in Afghanistan, following two militant operations that killed 12 Pakistani soldiers on July 12. On June 20, the Taliban offered to mediate another ceasefire between TTP and the Pakistan government, following several clashes earlier in the month, but the Pakistani government reiterated that it will not negotiate with terrorist organizations.[216] The Taliban previously denied the TTP's presence in Afghanistan and facilitated a ceasefire agreement between the TTP and the Pakistan government on May 31, 2022. However, in November 2022, the TTP called off the ceasefire and ordered its members to "carry out attacks wherever you can in the entire country."[217]

On June 4, 2023, TTP claimed credit for an attack that killed two Pakistani soldiers and two TTP militants in North Waziristan, bordering Afghanistan.[218] Amid increasing TTP attacks since November 2022, the Pakistani government maintained that TTP members live among Pakistani refugees in Afghanistan and asked the Taliban to address the cross-border violence. In response, Taliban spokesman Zabiullah Mujahid announced plans to move thousands of Pakistani refugees away from the border provinces, in an apparent effort to appease the Pakistani government.[219]

Al Qaeda Continues to Benefit from Taliban Protection

This quarter, State continued to monitor al Qaeda's presence in Afghanistan and press the Taliban to uphold their Doha Agreement counterterrorism commitments.[220] The UN reported that al Qaeda has an estimated 30 to 60 core senior members and 400 fighters—reaching 2,000 fighters with family members and supporters—and operates five training camps and a number of

Taliban flags outside Governor's compound in Jalalabad. (Photo by UN News/Ezzat El-Ferri)

safe houses in Afghanistan. The Taliban provide ongoing support to al Qaeda, including giving them advisory roles and appointments in the Taliban's security and administrative offices.[221]

According to the U.S. Office of the Director of National Intelligence (ODNI), al Qaeda is unlikely to revive its capabilities to conduct external operations from Afghanistan through 2024 as it prioritizes maintaining its safe haven in Afghanistan. Yet, al Qaeda's threat depends on the Taliban's policies, the appeal of using Afghanistan as an operating base relative to other geographic regions, and al Qaeda's leadership's focus. ODNI assessed that al Qaeda's global strength will depend on its affiliates and leaders' capacity to follow a unified strategy, regardless of if the group reemerges in Afghanistan.[222]

The UN Security Council similarly reported that al Qaeda maintains a low profile in Afghanistan, while protecting senior Taliban officials and strengthening its position in the country. However, the UN Security Council noted that increased instability in Afghanistan could embolden al Qaeda in the long term, despite its current minimized, and decentralized structure.[223]

Anti-Taliban Resistance Groups

This quarter, the Taliban's security forces continued to clash with various anti-Taliban resistance groups, conducting eight targeted operations against them this quarter.[224] According to the Armed Conflict Location and Event Data (ACLED) project—a nonprofit organization previously funded in part by the State Department's Bureau of Conflict and Stabilization—the National Resistance Front (NRF) and the Afghanistan Freedom Front (AFF) claimed responsibility for 11 attacks against Taliban security forces in Baghlan, Panjshir, Takhar, Kapisa, and Kabul Provinces.[225]

NRF forces led six armed attacks, including the use of a remote explosive, against the Taliban between April 1 and June 8, 2023. The Taliban attacked four NRF positions in Baghlan, Panjshir, and Takhar Provinces in the same time frame.[226]

The AFF conducted five attacks against Taliban positions in response to the Taliban's killing of an AFF senior commander, Akmal Ameer, in an April clash in Parwan Province. The AFF reported killing two Taliban officials in Baghlan Province on June 4, 2023.[227]

Taliban Target Former ANDSF and Government Officials

This quarter, Taliban members continued to target former Afghan National Defense and Security Forces (ANDSF) and former administration officials despite the general amnesty Taliban leaders offered days after their takeover in August 2021. Between April 1 and June 8, 2023, members of the Taliban reportedly attacked or disappeared at least 32 former ANDSF or government officials, according to ACLED.[228] The amnesty's enforcement varied and went unheeded by some among the group's rank and file, with lower-level Taliban members reportedly responsible for the reprisal attacks. State informed SIGAR that there is little evidence that Taliban senior leaders directed such reprisals, though given their frequency, the senior leaders may be turning a blind eye to the practice.[229] Former ANDSF members and officials reported living in constant fear that Taliban members will detain, torture, or kill them. Some remain in hiding and many fled the country.[230]

Lessons Learned Report on Police

SIGAR's 2022 Lessons Learned report, Police in Conflict: Lessons from the U.S. Experience, examined the U.S. and international police assistance activities' role in Afghanistan since 2001 with Afghan policing practices dating back to the late 1800s. The report can be found at www.sigar.mil.

Taliban Publicize Recruitment and Training Programs

The Taliban ministry of defense claimed nearly 1,300 individuals joined the army this quarter, with about half joining in June 2023, bringing their total reported, unverified strength to 153,353.[231] In January 2023, Taliban chief of army staff Fasihuddin Fetrat stated that the Taliban planned to extend the army to 200,000 personnel in the following six to 12 months, according to their needs.[232]Additionally, the Taliban ministry of interior's Twitter account reported 3,983 individuals completed police training across the country this quarter, bringing the total Taliban-reported police strength to 203,983.[233]

The Taliban claim to have a combined military and police force of over 350,000 personnel as of June 28, 2023.[234] This is larger than the last, in itself questionable, ANDSF strength of 300,699 reported in the Afghan Personnel and Pay System (182,071 MOD and 118,628 MOI) by the former Afghan government before it collapsed.[235] State and SIGAR are unable to independently verify the Taliban's reported army and police data. SIGAR has repeatedly warned over the years about the issue of "ghost" soldiers in Afghanistan's former security forces.[236]

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اداره سر مفتش ویژه برای بازسازی افغانستان
د افغانستان د بیا رغونې لپاره د ځانګړي ستر مفتش ادارې

3 OTHER AGENCY OVERSIGHT

OTHER AGENCY OVERSIGHT CONTENTS

Photo on previous page
Department of Defense Inspector General Robert Storch (left), State Department Acting Inspector General Diana Shaw, USAID Acting Deputy Inspector General Nicole Angarella, and Special Inspector General for Afghanistan Reconstruction (SIGAR) John Sopko (right), are sworn in during a hearing of the House Oversight and Accountability Committee concerning the U.S. withdrawal from Afghanistan, on April 19, 2023. (AP Photo/Alex Brandon)

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 the Congress on SIGAR's oversight work and on the status of the U.S. reconstruction effort no later than 30 days after the end of each fiscal quarter. The statute also instructs SIGAR to include, to the extent possible, relevant matters from the end of the quarter up to the submission date of its report.

Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section compiles these updates. Copies of completed reports are posted on the agencies' respective public websites.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full organizational names; standardized capitalization, punctuation, and preferred spellings; and third-person instead of first-person voice. These agencies perform oversight activities related to 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. Agency for International Development Office of Inspector General (USAID OIG)

COMPLETED OVERSIGHT ACTIVITIES

As of June 30, 2023, participating agencies reported five recently issued oversight activities related to Afghanistan reconstruction. This activity is listed in Table 3.1 and described in the following section by the agency.

TABLE 3.1

RECENTLY ISSUED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF JUNE 30, 2023

Agency	Report Number	Date Issued	Report Title
DOD OIG	DODIG-2023-082	6/9/2023	Audit of the DOD's Financial Management of the Afghanistan Security Forces Fund
State OIG	AUD-MERO-23-15	5/8/2023	Review of Emergency Action Planning Guiding the Evacuation and Suspension of Operations at U.S. Embassy Kabul, Afghanistan
State OIG	AUD-MERO-23-21	6/6/2023	Relocation and Resettlement Outcomes of Afghan Special Immigrant Visa Holders
USAID OIG	5-306-23-004-N	4/17/2023	Audit of the Schedule of Expenditures of USAID Awards Under Contract AID-OAA-TO-15-00010; Managed by Chemonics International Inc., Global Health Supply Chain Management - PRH Program in Afghanistan, January 1, 2019, to December 31, 2020 (REVISED)
USAID OIG	5-306-23-005-N	5/9/2023	Audit of the Schedule of Expenditures of USAID Awards Managed by Da Afghanistan Breshna Sherkat (DABS) Under Program The Claims Related to Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant (Kajaki), Implementation Letter No. 306-IL-15-56-09 for the period April 1, 2013, to December 31, 2016, (Closeout) and Program Power Transmission Expansion and Connectivity (PTEC), Implementation Letter No. 306-IL-13-22-7 for the period January 1, 2019, to December 31, 2020 (Financial)

Source: DOD OIG, response to SIGAR data call, 6/21/2023; State OIG, response to SIGAR data call, 6/24/2023; USAID OIG, response to SIGAR data call, 6/22/2023.

U.S. Department of Defense Office of Inspector General

This quarter, DOD OIG issued one report related to Afghanistan reconstruction.

Audit of the DOD's Financial Management of the Afghanistan Security Forces Fund

This audit reviewed the DOD's use of the Foreign Military Sales Trust Fund to manage appropriated funds under the Afghanistan Security Forces Fund and the 17 other Building Partner Capacity programs that use similar processes. The DOD OIG identified that the DOD did not comply with the Arms Export Control Act, the Economy Act, and the National Defense Authorization Acts that established the Afghanistan Security Forces Fund by transferring $47.5 billion to the Foreign Military Sales Trust Fund, which was not designed to manage Afghanistan Security Forces Fund-appropriated funds. The DOD OIG also found that the DOD failed to return the $2.3 billion in canceled funds to the U.S. Treasury in a timely manner and $25.7 million in expired funds to the Afghanistan Security Forces Fund account, increasing the risks of violations of the Antideficiency Act and other appropriations laws.

U.S. Department of State Office of Inspector General–Middle East Regional Operations

State OIG issued two Afghanistan-related reports this quarter.

Relocation and Resettlement Outcomes of Afghan Special Immigrant Visa Holders

In 2021, State implemented the Afghan Placement and Assistance (APA) program to facilitate the resettlement of Afghan nationals in communities around the United States in conjunction with nine resettlement agencies. State OIG initiated this review to examine the challenges faced by the nine agencies in implementing the APA program and to identify any lessons learned for future resettlement efforts.

During an ongoing review of several aspects of the Afghan SIV program, State OIG published an information brief about relocation and resettlement outcomes of the Afghan SIV holders. In this information brief, State OIG reported on (1) State's contingency plans for the safe relocation of Afghan SIV holders from Afghanistan, (2) Afghan SIV holders remaining in Afghanistan, (3) resettlement outcomes, including housing, school enrollment, and employment within the United States for Afghan SIV holders, and (4) the number of Afghan SIV holders becoming naturalized U.S. citizens. Because the APA program was a limited-term program that ended in 2022 and was created to deal with unique circumstances, this report contained no recommendations for corrective action. Nonetheless, State OIG reported that lessons learned from the APA program could be applied to future situations involving a surge of refugees or evacuees into the United States.

Review of Emergency Action Planning Guiding the Evacuation and Suspension of Operations at U.S. Embassy Kabul, Afghanistan

State OIG published a classified report on the review of emergency action planning guiding the evacuation and suspension of operations at U.S. Embassy Kabul.

Government Accountability Office

This quarter, GAO did not issue any reports related to Afghanistan reconstruction.

U.S. Agency for International Development Office of Inspector General

This quarter, USAID OIG issued two financial audit reports related to Afghanistan reconstruction. Financial audits of USAID/Afghanistan programs are performed by public accounting firms. USAID/OIG performs desk reviews and random quality control reviews of the audits and transmits the reports to USAID/Afghanistan for action. Summaries of financial audits can be found on the agency's website.

ONGOING OVERSIGHT ACTIVITIES

As of June 30, 2023, the participating agencies reported five ongoing oversight activities related to reconstruction in Afghanistan. These activities are listed in Table 3.2 and described in the following sections by agency.

TABLE 3.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF JUNE 30, 2023

Agency	Report Number	Date Initiated	Report Title
DOD OIG	D2022-D000AX-0138.000	5/5/2022	Audit of DOD Afghanistan Contingency Contracts Closeout
State OIG	22AUD012	12/2/2021	Review of the Department of State Afghan Special Immigrant Visa Program
State OIG	22AUD065	5/19/2022	Audit of the Department of State's Efforts to Identify and Terminate Unneeded Contracts Related to Afghanistan
State OIG	23AUD001	12/13/2022	Audit of the Disposition of Defensive Equipment and Armored Vehicles in Advance of Evacuations of Embassies Kabul and Kyiv
USAID OIG	551F0123	4/21/2023	Audit of USAID's efforts to Safeguard Implementers and Activities in Afghanistan

Source: DOD OIG, response to SIGAR data call, 6/21/2023; State OIG, response to SIGAR data call, 6/24/2023; USAID OIG, response to SIGAR data call, 6/22/2023.

U.S. Department of Defense Office of Inspector General

DOD OIG has one ongoing project this quarter related to reconstruction or security operations in Afghanistan.

Audit of DOD Afghanistan Contingency Contracts Closeout

The objective of this audit is to determine whether DOD contracting officials closed out contingency contracts supporting Afghanistan operations in accordance with applicable federal laws and DOD regulations.

State Office of Inspector General–Middle East Regional Operations

State OIG had three ongoing projects this quarter related to Afghanistan reconstruction.

Review of the Department of State Afghan Special Immigrant Visa Program

This review will be issued as a series of reports in response to requests from multiple congressional committees to review a range of topics regarding the Afghan SIV program.

Audit of the Department of State's Efforts to Identify and Terminate Unneeded Contracts Related to Afghanistan

The primary objective of the audit is to determine whether the State Department identified and terminated contracts impacted by the withdrawal of U.S. operations in Afghanistan in accordance with federal and Department requirements.

Audit of the Disposition of Defensive Equipment and Armored Vehicles in Advance Operations of Evacuations of Embassies Kabul and Kyiv

This audit will determine whether U.S. Embassies Kabul and Kyiv managed, safeguarded, and disposed of sensitive security assets in advance of the evacuation and suspension of operations at each post in accordance with Department of State guidance.

Government Accountability Office

GAO did not have any ongoing projects this quarter related to Afghanistan reconstruction.

U.S. Agency for International Development Office of Inspector General

USAID OIG had one ongoing performance audit this quarter related to reconstruction in Afghanistan.

Audit of USAID's Efforts to Safeguard Implementers and Activities in Afghanistan

This audit will look at USAID's efforts to safeguard implementers and activities in Afghanistan. USAID OIG has not finalized the audit's objectives.

APPENDICES CONTENTS

The Official Seal of SIGAR

SIGAR's official seal reflects the coordinated efforts of the United States and the former internationally recognized government of 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


اداره سر مفتش ویژه برای بازسازی افغانستان
د افغانستان د بیارغاونې لپاره د ځانګړي سټر مفتش اداره
SPECIAL INSPECTOR GENERAL
RECONSTRUCTION

APPENDIX A

CROSS-REFERENCE OF REPORT TO STATUTORY REQUIREMENTS

This appendix cross-references the sections of this report to the quarterly reporting and related requirements under SIGAR's enabling legislation, the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 1229 (Table A.1), and to the semiannual reporting requirements prescribed for inspectors general more generally under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3) (Table A.2) and the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, §1521. (Table A.3)

TABLE A.1

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
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
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

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)(F)	The monitoring and review of the effectiveness of United States coordination with the Governments of Afghanistan and other donor countries in the implementation of the Afghanistan Compact and the Afghanistan National Development Strategy	Monitoring and review as described	Audits
Section 1229(f)(1)(G)	The investigation of overpayments such as duplicate payments or duplicate billing and any potential unethical or illegal actions of Federal employees, contractors, or affiliated entities, and the referral of such reports, as necessary, to the Department of Justice to ensure further investigations, prosecutions, recovery of further funds, or other remedies	Conduct and reporting of investigations as described	Investigations
Section 1229(f)(2)	OTHER DUTIES RELATED TO OVERSIGHT — The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duties under paragraph (1)	Establish, maintain, and oversee systems, procedures, and controls	Full report
Section 1229(f)(3)	DUTIES AND RESPONSIBILITIES UNDER INSPECTOR GENERAL ACT OF 1978 — In addition, ... the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978	Duties as specified in Inspector General Act	Full report
Section 1229(f)(4)	COORDINATION OF EFFORTS — The Inspector General shall coordinate with, and receive the cooperation of, each of the following: (A) the Inspector General of the Department of Defense, (B) the Inspector General of the Department of State, and (C) the Inspector General of the United States Agency for International Development	Coordination with the inspectors general of DOD, State, and USAID	Other Agency Oversight
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	Monitor cooperation Letter to Congressional committees, State, and USAID, 6/22/2022; IG testimony before House Committee on Oversight and Accountability, 4/19/2023	Posted in full at www.sigar.mil
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

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)(1)(A)	Obligations and expenditures of appropriated/donated funds	Obligations and expenditures of appropriated/donated funds	Funding Appendix B
Section 1229(i)(1)(B)	A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Afghanistan, together with the estimate of the Department of Defense, the Department of State, and the United States Agency for International Development, as applicable, of the costs to complete each project and each program	Project-by-project and program-by-program accounting of costs. List unexpended funds for each project or program	Funding Note
Section 1229(i)(1)(C)	Revenues attributable to or consisting of funds provided by foreign nations or international organizations to programs and projects funded by any department or agency of the United States Government, and any obligations or expenditures of such revenues	Revenues, obligations, and expenditures of donor funds	Funding
Section 1229(i)(1)(D)	Revenues attributable to or consisting of foreign assets seized or frozen that contribute to programs and projects funded by any U.S. government department or agency, and any obligations or expenditures of such revenues	Revenues, obligations, and expenditures of funds from seized or frozen assets	Funding
Section 1229(i)(1)(E)	Operating expenses of agencies or entities receiving amounts appropriated or otherwise made available for the reconstruction of Afghanistan	Operating expenses of agencies or any organization receiving appropriated funds	Funding Appendix B
Section 1229(i)(1)(F)	In the case of any contract, grant, agreement, or other funding mechanism described in paragraph (2)*— (i) The amount of the contract or other funding mechanism; (ii) A brief discussion of the scope of the contract or other funding mechanism; (iii) A discussion of how the department or agency of the United States Government involved in the contract, grant, agreement, or other funding mechanism identified and solicited offers from potential contractors to perform the contract, grant, agreement, or other funding mechanism, together with a list of the potential individuals or entities that were issued solicitations for the offers; and (iv) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition	Describe contract details	Note
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: 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 SIGAR 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 SIGAR 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	Posted in full at www.sigar.mil
Section 5(a)(4)	A summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted	Extract pertinent information from SWA/JPG member reports List SIGAR Investigations that have been referred	Other Agency Oversight SIGAR Oversight
Section 5(a)(5)	A summary of each report made to the [Secretary of Defense] under section 6(b)(2) (instances where information requested was refused or not provided)	Extract pertinent information from SWA/JPG member reports List instances in which information was refused SIGAR auditors, investigators, or inspectors	Other Agency Oversight SIGAR Oversight
Section 5(a)(6)	A listing, subdivided according to subject matter, of each audit report, inspection report and evaluation report issued ... showing dollar value of questioned costs and recommendations that funds be put to better use	Extract pertinent information from SWA/JPG member reports List SIGAR reports	Other Agency Oversight SIGAR Oversight
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 Posted in full at www.sigar.mil

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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)(11)	A description and explanation of the reasons for any significant revised management decision	Extract pertinent information from SWA/JPG member reports	See reports of SWA/JPG members
		Explain SIGAR audit reports in which significant revisions have been made to management decisions	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	See reports of SWA/JPG members
		Explain SIGAR audit reports in which SIGAR disagreed with management decision	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	See reports of SWA/JPG members
		Provide information where management has not met targets from a remediation plan	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 peer review of its inspections and evaluations program by HHS OIG for the period ending 3/20/2023.	Results posted in full in Appendix A and at www.sigar.mil
		SIGAR received a rating of pass	Letter of Comment 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	SIGAR has posted in full the results of, and reports from, SIGAR's peer review by NRC OIG for the period ending 9/30/2021	Posted in full at www.sigar.mil
		SIGAR received a rating of pass	
Section 5(a)(15)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	All peer review recommendations have been implemented	Recommendations and related materials posted in full at 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	SIGAR conducted an external peer review in January 2023 of USAID OIG's systems of internal safeguards and management procedures of the Investigations Division. SIGAR issued its final report on 2/15/2023. USAID OIG received a rating of pass. SIGAR did not make any recommendations during the course of its review	None

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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	Reconstruction Update Appendix B
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

Continued on the next page

APPENDIX B

U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION

Table B.1 lists funds appropriated for Afghanistan reconstruction* by agency and fund per year, and Table B.2 lists funds appropriated for counternarcotics initiatives, as of June 30, 2023.

TABLE B.2

COUNTERNARCOTICS ($ MILLIONS)

Fund	Cumulative Appropriations Since FY 2002
ASFF	$1,311.92
DICDA	3,284.94
ESF	1,455.16
DA	77.72
INCLE	2,188.53
DEA [a]	500.21
Total	**$8,818.48**

Table B.2 Numbers have been rounded. Counternarcotics funds crosscut 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 received funding from State's Diplomatic & Consular Programs account in addition to DEA's direct line appropriation listed in Table B.1.

Table B.2 Source: SIGAR analysis of counternarcotics funding, 7/22/2023; State, response to SIGAR data call, 7/7/2023; DOD, response to SIGAR data call, 10/7/2021; USAID, response to SIGAR data call, 7/18/2023; DEA, response to SIGAR data call, 1/10/2022.

Note: Numbers have been rounded. DOD reprogrammed $1 billion from FY 2011 ASFF, $1 billion from FY 2012 ASFF, $178 million from FY 2013 ASFF, $604 million from FY 2019 ASFF, $146 million from FY 2020 ASFF, and $1.31 billion from FY 2021 ASFF to fund other DOD requirements. DOD reprogrammed $230 million into FY 2015 ASFF. ASFF data reflects the following rescissions: $1 billion from FY 2012 in Pub. L. No. 113-6, $764.38 million from FY 2014 in Pub. L. No. 113-235, $400 million from FY 2015 in Pub. L. No. 114-113, $150 million from FY 2016 in Pub. L. No. 115-31, $100 million from FY 2017 in Pub. L. No. 115-141, $396 million from FY 2019 in Pub. L. No. 116-93, $1.10 billion in FY 2020 in Pub. L. No. 116-260, $700 million in FY 2021 in Pub. L. No. 117-103, and $100 million from FY 2021 in Pub. L. No. 117-180. 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. USAID transfered $179 million from FY 2016 ESF to the Green Climate Fund and $25 million from FY 2020 and FY 2021 ESF to State, and rescinded $73.07 million from FY 2020 ESF under Pub. L. No. 116-260, and rescinded $855.64 million from FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 ESF under Pub. L. No. 117-103. State de-allotted $364.41 million in FY 2021 and FY 2022 from FY 2016, FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 INCLE, and rescinded $105.00 million of these funds under Pub. L. No. 117-103.

Source: DOD, responses to SIGAR data calls, 7/20/2023, 10/20/2022, 7/20/2022, 10/19/2021, 10/7/2021, and 9/14/2021; State, responses to SIGAR data calls, 7/21/2023, 7/17/2023, 7/7/2023, 7/7/2023, 4/4/2023, 1/3/2023, 10/12/2022, 10/5/2022, 9/16/2022, 7/20/2022, and 7/13/2022; OMB, responses to SIGAR data calls, 4/16/2015 and 4/17/2012; USAID, responses to SIGAR data calls, 7/18/2023 and 1/4/2023; DOJ, response to SIGAR data call, 1/10/2022; DFC, response to SIGAR data call, 7/21/2023; USAGM, response to SIGAR data call, 6/14/2023; USDA, response to SIGAR data call, 4/7/2009. NATO RSM data accessed at www.nato.int at 4/22/2023.

TABLE B.1

U.S. FUNDS FOR AFGHANISTAN RECONSTRUCTION ($ MILLIONS)

U.S. Funding Sources	Agency	Total	FY 2002–11
Security			
Afghanistan Security Forces Fund (ASFF)	DOD	$80,744.25	38,452.52
Train and Equip (T&E)	DOD	440.00	440.00
Foreign Military Financing (FMF)	State	1,059.13	1,059.13
International Military Education and Training (IMET)	State	20.37	10.72
Voluntary Peacekeeping (PKO)	State	69.33	69.33
Afghanistan Freedom Support Act (AFSA)	DOD	550.00	550.00
Drug Interdiction and Counter-Drug Activities (DICDA)	DOD	3,284.94	1,890.33
NATO Resolute Support Mission (RSM)	DOD	380.98	0.00
Military Base and Equipment Transfers (FERP, FEPP, and EDA)	DOD	2,339.14	43.65
Total – Security		**88,888.14**	**42,515.69**
Governance & Development			
Commanders' Emergency Response Program (CERP)	DOD	3,711.00	3,039.00
Afghanistan Infrastructure Fund (AIF)	DOD	988.50	299.00
Task Force for Business and Stability Operations (TFBSO)	DOD	822.85	312.94
Economic Support Fund (ESF)	USAID	20,673.36	13,371.39
Development Assistance (DA)	USAID	900.93	898.53
Global Health Programs (GHP)	USAID	600.17	560.20
Commodity Credit Corp (CCC)	USAID	37.93	33.91
USAID-Other (Other)	USAID	60.44	41.43
Non-Proliferation, Antiterrorism, Demining & Related Programs (NADR)	State	942.14	488.37
International Narcotics Control and Law Enforcement (INCLE)	State	5,153.79	3,270.14
Human Rights and Democracy Fund (HRDF)	State	14.48	4.18
Educational and Cultural Exchange Programs (ECE)	State	107.64	48.81
Contributions to International Organizations (CIO)	State	582.46	116.32
U.S. International Development Finance Corporation (DFC)	DFC	342.46	310.02
U.S. Agency for Global Media (USAGM)	USAGM	364.92	67.30
Drug Enforcement Administration (DEA)	DOJ	290.80	165.34
Total – Governance & Development		**35,593.88**	**23,026.86**
Humanitarian			
Pub. L. No. 480 Title II	USAID	1,095.38	835.07
International Disaster Assistance (IDA)	USAID	2,722.21	440.80
Transition Initiatives (TI)	USAID	40.20	36.97
Migration and Refugee Assistance (MRA)	State	2,161.68	711.52
USDA Programs (Title I, §416(b), FFP, FFE, ET, and PRTA)	USDA	287.46	287.46
Total – Humanitarian		**6,306.92**	**2,311.82**
Agency Operations			
Diplomatic Programs, including Worldwide Security Protection (DP)	State	12,020.75	3,070.72
Embassy Security, Construction, & Maintenance (ESCM) - Capital Costs	State	1,479.71	975.61
Embassy Security, Construction, & Maintenance (ESCM) - Operations	State	159.63	8.24
USAID Operating Expenses (OE)	USAID	1,829.41	697.45
Oversight (SIGAR, State OIG, and USAID OIG)	Multiple	778.73	113.52
Total – Agency Operations		**16,268.23**	**4,865.53**
Total Funding		**$147,057.18**	**72,719.91**

* Table B.1 is not a full accounting of Afghanistan reconstruction. DOD has not provided certain costs associated with its Train, Advise, and Assist mission, and DOD and DOD OIG have not provided their Agency Operations costs for Afghanistan. See pages 28–29 for details.

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
9,200.00	4,946.19	3,962.34	3,939.33	3,502.26	4,162.72	4,666.82	3,920.00	2,953.79	938.28	100.00	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
1.18	1.42	1.50	1.05	0.86	0.80	0.80	0.43	0.80	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	0.00
472.99	255.81	238.96	0.00	138.76	135.61	118.01	10.18	24.30	0.00	0.00	0.00
0.00	0.00	0.00	63.82	43.05	57.19	58.78	59.02	60.79	38.33	0.00	0.00
43.49	85.03	172.05	584.02	3.89	0.53	0.00	34.78	73.13	1,298.58	0.00	0.00
9,717.65	**5,288.46**	**4,374.84**	**4,588.22**	**3,688.82**	**4,356.84**	**4,844.40**	**4,024.41**	**3,112.81**	**2,275.99**	**100.00**	**0.00**
400.00	200.00	30.00	10.00	5.00	5.00	5.00	10.00	5.00	2.00	0.00	0.00
400.00	145.50	144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
245.76	138.20	122.24	3.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,836.76	1,802.65	907.00	900.00	633.27	626.25	336.97	36.67	0.00	99.50	122.88	0.00
0.00	0.35	0.00	0.95	0.00	0.00	0.00	1.09	0.00	0.00	0.00	0.00
0.00	0.25	0.01	0.06	0.45	0.02	0.01	0.00	9.56	17.60	12.00	0.00
0.55	0.00	0.00	0.00	0.00	1.95	1.52	0.00	0.00	0.00	0.00	0.00
9.22	3.93	1.52	0.82	2.91	0.29	0.00	0.00	0.34	0.00	0.00	0.00
65.32	52.60	43.20	43.50	37.96	37.00	36.60	38.30	38.50	45.80	15.00	0.00
358.75	593.81	225.00	250.00	168.06	105.03	37.01	29.50	36.92	71.58	6.00	2.00
1.98	1.63	0.00	0.99	0.76	0.25	0.99	0.74	0.99	1.97	0.00	0.00
8.17	2.46	7.28	3.95	2.65	2.39	2.33	7.87	7.44	7.60	6.70	0.00
58.73	53.03	43.17	41.79	41.35	40.31	36.12	32.72	30.28	29.64	30.11	28.90
5.57	0.00	11.20	0.00	0.00	3.60	11.60	0.00	0.00	0.48	0.00	0.00
21.54	21.54	22.11	22.68	23.86	25.91	25.74	25.89	24.60	25.60	25.00	33.15
18.70	17.00	18.70	9.05	3.31	11.03	11.11	13.01	12.92	10.63	0.00	0.00
3,431.05	**3,032.94**	**1,575.43**	**1,287.50**	**919.57**	**859.05**	**505.00**	**195.80**	**166.54**	**312.40**	**217.69**	**64.05**
59.20	46.15	65.97	53.73	26.65	4.38	4.22	0.00	0.00	0.00	0.00	0.00
61.41	23.73	52.68	25.71	39.89	93.84	119.64	152.35	178.61	219.60	671.34	642.61
0.73	0.42	1.37	0.60	0.05	0.00	0.00	0.00	0.00	0.04	0.00	0.00
99.56	76.07	107.89	129.27	84.27	89.24	77.19	86.69	150.41	176.63	372.94	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
220.90	**146.38**	**227.92**	**209.31**	**150.87**	**187.46**	**201.05**	**239.04**	**329.02**	**396.27**	**1,044.28**	**642.61**
1,126.56	1,500.79	752.07	822.19	743.58	843.20	858.27	824.94	677.76	619.22	171.87	9.60
62.99	79.87	69.76	74.26	64.13	73.57	26.12	23.19	21.83	7.27	1.11	0.00
4.21	3.84	8.33	11.68	21.67	15.28	22.66	24.13	20.41	19.18	0.00	0.00
224.37	210.15	100.86	137.00	95.55	102.49	77.52	72.34	69.33	18.11	12.56	11.67
53.15	56.63	59.39	67.37	64.25	58.08	58.01	58.15	57.55	56.92	40.53	35.20
1,471.28	**1,851.28**	**990.41**	**1,112.50**	**989.17**	**1,092.62**	**1,042.57**	**1,002.75**	**846.89**	**720.70**	**226.07**	**56.47**
14,840.88	**10,319.05**	**7,168.61**	**7,197.52**	**5,748.42**	**6,495.96**	**6,593.03**	**5,462.00**	**4,455.26**	**3,705.36**	**1,588.04**	**763.13**

APPENDIX C

SIGAR WRITTEN PRODUCTS*

SIGAR AUDITS

Performance Audit Issued

SIGAR issued one performance audit report during this reporting period.

SIGAR PERFORMANCE AUDIT AND EVALUATION REPORTS ISSUED

Report Identifier	Report Title	Date Issued
SIGAR 23-24-AR	Healthcare in Afghanistan: USAID Did Not Perform All Required Monitoring, but Efforts Reportedly Contributed to Progress in Vital Services	5/2023

Ongoing Performance Audits

SIGAR had seven ongoing performance audits during this reporting period.

SIGAR PERFORMANCE AUDITS ONGOING

Project Identifier	Project Title	Date Initiated
SIGAR 159A	Audit of U.S. Agencies' Oversight of Funds Provided to Public International Organizations for Activities in Afghanistan	4/2023
SIGAR 158A	Audit of U.S. Funds Directly Benefitting the Taliban	4/2023
SIGAR 157A	Water, Sanitation, and Hygiene (WASH)	11/2022
SIGAR 156A	GBV	9/2022
SIGAR 155A	ACEBA	7/2022
SIGAR 153A	EFA II	2/2022
SIGAR 152A	Contractor Vetting	1/2022

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after June 30, 2023, up to the publication date of this report.

Ongoing Evaluations

SIGAR had two ongoing evaluations during this reporting period.

SIGAR EVALUATIONS ONGOING

Project Identifier	Project Title	Date Initiated
SIGAR-E-020	Evaluation of the Purchase, Transfer, Conversion, and Use of U.S. Currency in Afghanistan	4/2022
SIGAR-E-018	Education Sector Status	8/2022

Financial Audit Reports Issued

SIGAR issued six financial audit reports during this reporting period.

SIGAR FINANCIAL AUDIT REPORTS ISSUED

Report Identifier	Report Title	Date Issued
SIGAR 23-29-FA	Audit of Costs Incurred by Turqouise Mountain Trust	7/2023
SIGAR 23-28-FA	Audit of Costs Incurred by Chemonics International Inc.	6/2023
SIGAR 23-27-FA	Audit of Costs Incurred by International Centre for Integrated Mountain Development	6/2023
SIGAR 23-26-FA	Audit of Costs Incurred by Sierra Nevada Corporation	6/2023
SIGAR 23-25-FA	Audit of Costs Incurred by the University of Chicago	5/2023
SIGAR-23-23-FA	Audit of Costs Incurred by DAI Global LLC	5/2023

Ongoing Financial Audits

SIGAR had 43 financial audits in progress during this reporting period. Due to the current security situation in Afghanistan, including threats from terrorist groups and criminal elements, the names and other identifying information of some implementing partners administering humanitarian assistance in Afghanistan have been withheld at the request of the State Department and/or USAID, and the award recipient.

SIGAR FINANCIAL AUDITS ONGOING

Project Identifier	Project Title	Date Initiated
SIGAR-F-295	[Redacted]	4/2023
SIGAR-F-294	[Redacted]	4/2023
SIGAR-F-293	[Redacted]	4/2023
SIGAR-F-292	Tetra Tech	3/2023
SIGAR-F-291	MSH	3/2023
SIGAR-F-290	Jhpiego Corporation	3/2023
SIGAR-F-289	Catholic Relief Services	3/2023
SIGAR-F-288	Texas A&M AgriLife Research	3/2023

Continued on the following page

SIGAR FINANCIAL AUDITS ONGOING (CONTINUED)

Project Identifier	Project Title	Date Initiated
SIGAR-F-287	ICF Macro Inc.	3/2023
SIGAR-F-286	ATC	3/2023
SIGAR-F-285	AUAF	3/2023
SIGAR-F-284	HALO Trust – Weapons Removal and Mine Clearing	3/2023
SIGAR-F-283	MCPA	3/2023
SIGAR-F-282	DAI	3/2022
SIGAR-F-281	The Asia Foundation	3/2022
SIGAR-F-280	DAI	3/2022
SIGAR-F-279	DAI	3/2022
SIGAR-F-278	Blumont Global Development Inc.	3/2022
SIGAR-F-277	Roots of Peace	3/2022
SIGAR-F-275	Michigan State University	3/2022
SIGAR-F-274	[Redacted]	3/2022
SIGAR-F-273	Women for Afghan Women	3/2022
SIGAR-F-272	DAFA	3/2022
SIGAR-F-271	Miracle Systems LLC	3/2022
SIGAR-F-270	American University of Central Asia	3/2022
SIGAR-F-269	DAI	3/2022
SIGAR-F-268	[Redacted]	3/2022
SIGAR-F-267	[Redacted]	3/2022
SIGAR-F-266	CARE International	3/2022
SIGAR-F-265	[Redacted]	3/2022
SIGAR-F-264	MSI Inc.	3/2022
SIGAR-F-263	[Redacted]	3/2022
SIGAR-F-261	MSI Inc.	3/2022
SIGAR-F-260	[Redacted]	3/2022
SIGAR-F-259	Science and Engineering Services	3/2022
SIGAR-F-258	Amentum Services Inc.	4/2022
SIGAR-F-257	TigerSwan LLC	4/2022
SIGAR-F-256	Alutiiq	3/2022
SIGAR-F-255	[Redacted]	3/2022
SIGAR-F-254	[Redacted]	3/2022
SIGAR-F-253	[Redacted]	3/2022
SIGAR-F-250	FHI 360	3/2022
SIGAR-F-247	CAII	3/2022

SIGAR LESSONS LEARNED PROGRAM

Ongoing Lessons Learned Projects

SIGAR had two ongoing lessons learned projects this reporting period.

SIGAR LESSONS LEARNED PROJECTS ONGOING

Project Identifier	Project Title	Date Initiated
SIGAR LL-21	Taliban Bypass	11/2022
SIGAR LL-17	Personnel	1/2022

SIGAR RESEARCH AND ANALYSIS DIRECTORATE

Quarterly Report Issued

SIGAR issued one quarterly report during this reporting period.

SIGAR QUARTERLY REPORT ISSUED

Report Identifier	Report Title	Date Issued
SIGAR 2023-QR-3	Quarterly Report to the United States Congress	7/2023

APPENDIX D

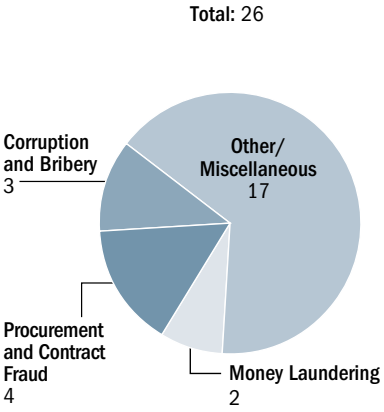
SIGAR INVESTIGATIONS AND HOTLINE

SIGAR Investigations

This quarter, SIGAR's criminal investigations resulted in one sentencing. SIGAR initiated three cases and closed three, bringing the total number of ongoing investigations to 26. SIGAR's ongoing investigations include four procurement and contract fraud cases, three bribery and corruption cases, two money laundering cases, and 17 miscellaneous and other cases, as shown in Figure D.1

FIGURE D.1

SIGAR INVESTIGATIONS: NUMBER OF OPEN INVESTIGATIONS
April 1–June 30, 2023



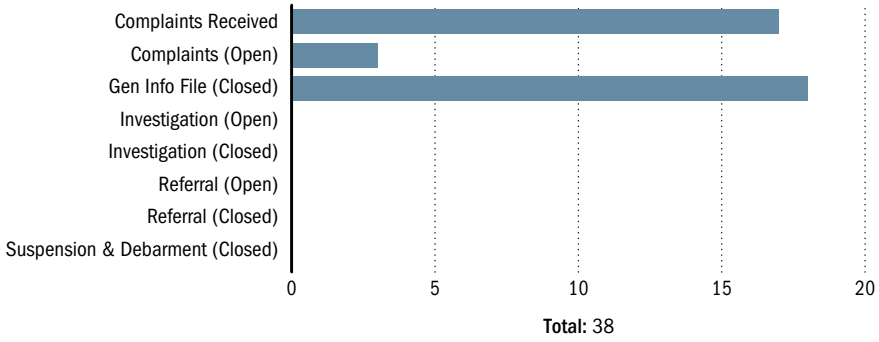
Source: SIGAR Investigations Directorate, 6/30/2023.

SIGAR Hotline

The SIGAR Hotline (by e-mail: sigar.hotline@mail.mil; web submission: www.sigar.mil/investigations/hotline/report-fraud.aspx; phone: 866-329-8893 in the United States) received 17 complaints this quarter. In addition to working on new complaints, the Investigations Directorate continued work on complaints received prior to April 1, 2023. The directorate processed 38 complaints this quarter; most are under review or were closed, as shown in Figure D.2.

FIGURE D.2

STATUS OF SIGAR HOTLINE COMPLAINTS: APRIL 1–JUNE 30, 2023



Source: SIGAR Investigations Directorate, 6/30/2023.

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 June 30, 2023.

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 federal System for Award Management, www.sam.gov/SAM/.

Entries appearing in both the suspension and debarment sections are based upon their placement in suspended status following criminal indictment or determination of non-responsibility by an agency suspension and debarment official. Final debarment was imposed following criminal conviction in U.S. Federal District Court and/or final determination by an agency suspension and debarment official regarding term of debarment.

TABLE D.1

SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2023

Special Entity Designations

Arvin Kam Construction Company	Noh-E Safi Mining Company	Saadat, Vakil
Arvin Kam Group LLC, d.b.a. "Arvin Kam Group Security," d.b.a. "Arvin Kam Group Foundation," d.b.a. "Arvin Global Logistics Services Company"	Noor Rahman Company	Triangle Technologies
	Noor Rahman Construction Company	Wasim, Abdul Wakil
	Nur Rahman Group, d.b.a. "NUCCL Construction Company," d.b.a. "RUCCL Rahman Umar Construction Company," d.b.a. "Rahman Trading and General Logistics Company LLC	Zaland, Yousef
Ayub, Mohammad		Zurmat Construction Company
Fruzi, Haji Khalil		Zurmat Foundation
Muhammad, Haji Amir		Zurmat General Trading
Haji Dhost Mohammad Zurmat Construction Company	Rahman, Nur, a.k.a. "Noor Rahman, a.k.a. "Noor Rahman Safa"	Zurmat Group of Companies, d.b.a. "Zurmat LLC"
Jan, Nurullah		Zurmat Material Testing Laboratory
Khan, Haji Mohammad Almas	Rhaman, Mohammad	

Suspensions

Al-Watan Construction Company	Autry, Cleo Brian	Farouki, Abul Huda*
Basirat Construction Firm	Chamberlain, William Todd	Farouki, Mazen*
Naqibullah, Nadeem	Cook, Jeffrey Arthur	Maarouf, Salah*
Rahman, Obaidur	Harper, Deric Tyron	ANHAM FZCO
Robinson, Franz Martin	Walls, Barry Lee, Jr.	ANHAM USA
Aaria Middle East	International Contracting and Development	Green, George E.
Aaria Middle East Company LLC	Sobh, Adeeb Nagib, a.k.a. "Ali Sobh"	Tran, Anthony Don
Aftech International	Stallion Construction and Engineering Group	Vergez, Norbert Eugene
Aftech International Pvt. Ltd.	Wazne Group Inc., d.b.a. "Wazne Wholesale"	Bunch, Donald P.
Albahar Logistics	Wazne, Ayman, a.k.a. "Ayman Ibrahim Wazne"	Kline, David A.
American Aaria Company LLC	Green, George E.	Farouki, Abul Huda*
American Aaria LLC	Tran, Anthony Don	Farouki, Mazen*
Sharpway Logistics	Vergez, Norbert Eugene	Maarouf, Salah*
United States California Logistics Company	Bunch, Donald P.	ANHAM FZCO
Brothers, Richard S.	Kline, David A.	ANHAM USA
Rivera-Medina, Franklin Delano		

Debarments

Farooqi, Hashmatullah	Khalid, Mohammad	Mahmodi, Padres
Hamid Lais Construction Company	Khan, Daro	Mahmodi, Shikab
Hamid Lais Group	Mariano, April Anne Perez	Saber, Mohammed
Lodin, Rohullah Farooqi	McCabe, Elton Maurice	Watson, Brian Erik
Bennett & Fouch Associates LLC	Mihalczo, John	Abbasi, Shahpoor
Brandon, Gary	Qasimi, Mohammed Indress	Amiri, Waheedullah
K5 Global	Radhi, Mohammad Khalid	Atal, Waheed
Ahmad, Noor	Safi, Fazal Ahmed	Daud, Abdulilah
Noor Ahmad Yousufzai Construction Company	Shin Gul Shaheen, a.k.a. "Sheen Gul Shaheen"	Dehati, Abdul Majid
Ayeni, Sheryl Adenike	Espinoza-Loor, Pedro Alfredo	Fazli, Qais
Cannon, Justin	Campbell, Neil Patrick*	Hamdard, Mohammad Yousuf
Constantino, April Anne	Navarro, Wesley	Kunari, Haji Pir Mohammad
Constantino, Dee	Hazrati, Arash	Mushfiq, Muhammad Jaffar
Constantino, Ramil Palmes	Midfield International	Mutallib, Abdul
Crilly, Braam	Moore, Robert G.	Nasrat, Sami
Drotleff, Christopher	Noori, Noor Alam, a.k.a. "Noor Alam"	National General Construction Company
Fil-Tech Engineering and Construction Company	Northern Reconstruction Organization	Passerly, Ahmaad Saleem
Handa, Sdiharth	Shamal Pamir Building and Road Construction Company	Rabi, Fazal
Jabak, Imad	Wade, Desi D.	Rahman, Atta
Jamally, Rohullah	Blue Planet Logistics Services	Rahman, Fazal

Continued on the following page

* Indicates that the individual or entity was subject to two final agency actions by an agency suspension and debarment official, resulting in a suspension followed by final debarment following the resolution of a criminal indictment or determination of non-responsibility by agency suspension and debarment official. Entries without an asterisk indicate that the individual was subject to a suspension or debarment, but not both.

TABLE D.1 (CONTINUED)

SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2023 (CONTINUED)

Debarments (continued)

Roshandil, Mohammad Ajmal	Noori, Sherin Agha	Kieffer, Jerry
Saber, Mohammed	Long, Tonya*	Johnson, Angela
Safi, Azizur Rahman	Isranuddin, Burhanuddin	CNH Development Company LLC
Safi, Matiullah	Matun, Navidullah, a.k.a. "Javid Ahmad"	Johnson, Keith
Sahak, Sher Khan	Matun, Wahidullah	Military Logistic Support LLC
Shaheed, Murad	Navid Basir Construction Company	Eisner, John
Shirzad, Daulet Khan	Navid Basir JV Gagar Baba Construction Company	Taurus Holdings LLC
Uddin, Mehrab	NBCC & GBCC JV	Brophy, Kenneth Michael*
Watson, Brian Erik	Noori, Navid	Abdul Haq Foundation
Wooten, Philip Steven*	Asmatullah, Mahmood, a.k.a. "Mahmood"	Adajar, Adonis
Espinoza, Mauricio*	Khan, Gul	Calhoun, Josh W.
Alam, Ahmed Farzad*	Khan, Solomon Sherdad, a.k.a. "Solomon"	Clark Logistic Services Company, d.b.a. "Clark Construction Company"
Greenlight General Trading*	Mursalin, Ikramullah, a.k.a. "Ikramullah"	Farkas, Janos
Aaria Middle East Company LLC*	Musafer, Naseem, a.k.a. "Naseem"	Flordeliz, Alex F.
Aaria Middle East Company Ltd. – Herat*	Ali, Esrar	Knight, Michael T., II
Aaria M.E. General Trading LLC*	Gul, Ghanzi	Lozado, Gary
Aaria Middle East*	Luqman Engineering Construction Company, d.b.a. "Luqman Engineering"	Mijares, Armando N., Jr.
Barakzai, Nangialai*	Safiullah, a.k.a. "Mr. Safiullah"	Mullakhiel, Wadir Abdullahmatin
Formid Supply and Services*	Sarfarez, a.k.a. "Mr. Sarfarez"	Rainbow Construction Company
Aaria Supply Services and Consultancy*	Wazir, Khan	Sardar, Hassan, a.k.a. "Hassan Sardar Inqilab"
Kabul Hackle Logistics Company*	Akbar, Ali	Shah, Mohammad Nadir, a.k.a. "Nader Shah"
Yousef, Najeebullah*	Crystal Construction Company, d.b.a. "Samitullah Road Construction Company"	Tito, Regor
Aaria Group*	Samitullah (Individual uses only one name)	Brown, Charles Phillip
Aaria Group Construction Company*	Ashna, Mohammad Ibrahim, a.k.a. "Ibrahim"	Sheren, Fasela, a.k.a. "Sheren Fasela"
Aaria Supplies Company LTD*	Gurvinder, Singh	Anderson, Jesse Montel
Rahimi, Mohammad Edris*	Jahan, Shah	Charboneau, Stephanie, a.k.a. "Stephanie Shankel"
All Points International Distributors Inc.*	Shahim, Zakirullah a.k.a. "Zakrullah Shahim", a.k.a. "Zikrullah Shahim"	Hightower, Jonathan
Hercules Global Logistics*	Alyas, Maiwand Ansunullah a.k.a. "Engineer Maiwand Alyas"	Khan, Noor Zali, a.k.a. "Wali Kahn Noor"
Schroeder, Robert*	BMCSC	Saheed, a.k.a. "Mr. Saheed;" a.k.a. "Sahil;" a.k.a. "Ghazi-Rahman"
Helmand Twinkle Construction Company	Maiwand Haqmal Construction and Supply Company	Weaver, Christopher
Waziri, Heward Omar	New Riders Construction Company, d.b.a. "Riders Construction Company," d.b.a. "New Riders Construction and Services Company"	Al Kaheel Oasis Services
Zadran, Mohammad	Riders Constructions, Services, Logistics and Transportation Company	Al Kaheel Technical Service
Afghan Mercury Construction Company, d.b.a. "Afghan Mercury Construction & Logistics Co."	Riders Group of Companies	CLC Construction Company
Mirzali Naseeb Construction Company	Domineck, Lavette Kaye*	CLC Consulting LLC
Montes, Diyana	Markwith, James*	Complete Manpower Solutions
Naseeb, Mirzali	Martinez, Rene	Mohammed, Masiuddin, a.k.a. "Masi Mohammed"
Martino, Roberto F.	Maroof, Abdul	Rhoden, Bradley L., a.k.a. "Brad L. Rhoden"
Logiotatos, Peter R.	Qara, Yousef	Rhoden, Lorraine Serena
Glass, Calvin	Royal Palace Construction Company	Royal Super Jet General Trading LLC
Singleton, Jacy P.	Bradshaw, Christopher Chase	Super Jet Construction Company
Robinson, Franz Martin	Zuhra Productions	Super Jet Fuel Services
Smith, Nancy	Zuhra, Niazai	Super Jet Group
Sultani, Abdul Anas a.k.a. "Abdul Anas"	Boulware, Candice a.k.a. "Candice Joy Dawkins"	Super Jet Tours LLC, d.b.a. "Super Jet Travel and Holidays LLC"
Faqiri, Shir	Dawkins, John	Super Solutions LLC
Hosmat, Haji	Mesopotamia Group LLC	Abdullah, Bilal
Jim Black Construction Company	Nordloh, Geoffrey	Farmer, Robert Scott
Arya Ariana Aryayee Logistics, d.b.a. "AAA Logistics," d.b.a. "Somo Logistics"		Mudiyanselage, Oliver
Garst, Donald		Kelly, Albert, III
Mukhtar, Abdul a.k.a. "Abdul Kubar"		Ethridge, James
Noori Mahgir Construction Company		Fernridge Strategic Partners

Continued on the following page

TABLE D.1 (CONTINUED)

SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2023 (CONTINUED)

Debarments (continued)

AISC LLC*
American International Security Corporation*
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*
Welventure LLC*
World Wide Trainers LLC*
Young, David Andrew*
Woodruff and Company
Borcata, Raul A.*
Close, Jarred Lee*
Logistical Operations Worldwide*
Taylor, Zachery Dustin*
Travis, James Edward*
Khairfullah, Gul Agha
Khalil Rahimi Construction Company
Momand, Jahanzeb, a.k.a. "Engineer Jahanzeb Momand"
Yar-Mohammad, Hazrat Nabi
Walizada, Abdul Masoud, a.k.a. "Masood Walizada"
Alizai, Zarghona
Aman, Abdul
Anwari, Laila
Anwari, Mezhgan
Anwari, Rafi
Arghandiwal, Zahra, a.k.a. "Sarah Arghandiwal"
Azizi, Farwad, a.k.a. "Farwad Mohammad Azizi"
Bashizada, Razia
Coates, Kenneth
Gibani, Marika
Haidari, Mahboob
Latifi, Abdul
McCammon, Christina
Mohibzada, Ahmadullah, a.k.a. "Ahmadullah Mohebzada"
Neghat, Mustafa
Qurashi, Abdul
Raouf, Ashmatullah
Shah, David
Touba, Kajim
Zahir, Khalid
Aryubi, Mohammad Raza Samim
Atlas Sahil Construction Company
Bab Al Jazeera LLC
Emar-E-Sarey Construction Company
Muhammad, Pianda
Sambros International, d.b.a. "Sambros International LTD," d.b.a. "Sambros-UK JV"
Sambros JV Emar-E-Sarey Construction Company, d.b.a. "Sambros JV ESCC"
Antes, Bradley A.
Lakeshore Engineering & Construction Afghanistan Inc., d.b.a. "Lakeshore General Contractors Inc."
Lakeshore Engineering Services Inc.
Lakeshore Engineering Services/Toltest JV LLC
Lakeshore Toltest – Rentenbach JV 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"
Lakeshore Toltest Guam LLC
Lakeshore Toltest JV LLC
Lakeshore Toltest RRCC JV LLC
Lakeshore/Walsh JV LLC
LakeshoreToltest METAG JV LLC
LTC & Metawater JV LLC
LTC Holdings Inc.
LTC Italia SRL
LTC Tower General Contractors LLC
LTCCORP Commercial LLC
LTCCORP E&C Inc.
LTCCORP Government Services-OH Inc.
LTCCORP Government Services Inc.
LTCCORP Government Services-MI Inc.
LTCCORP O&G LLC
LTCCORP Renewables LLC
LTCCORP Inc.
LTCCORP/Kaya Dijbouti LLC
LTCCORP/Kaya East Africa LLC
LTCCORP/Kaya Romania LLC
LTCCORP/Kaya Rwanda LLC
LTCORP Technology LLC
Toltest Inc., d.b.a. "Wolverine Testing and Engineering," d.b.a. "Toledo Testing Laboratory," d.b.a. "LTC," d.b.a. "LTC Corp," d.b.a. "LTC Corp Ohio," d.b.a. "LTC Ohio"
Toltest/Desbuild Germany JV LLC
Veterans Construction/Lakeshore JV LLC
Afghan Royal First Logistics, d.b.a. "Afghan Royal"
American Barriers
Arakozia Afghan Advertising
Dubai Armored Cars
Enayatullah, son of Hafizullah
Farhas, Ahmad
Inland Holdings Inc.
Intermaax, FZE
Intermaax Inc.
Karkar, Shah Wali
Sandman Security Services
Siddiqi, Atta
Specialty Bunkering
Spidle, Chris Calvin
Vulcan Amps Inc.
Worldwide Cargomasters
Aziz, Haji Abdul, a.k.a. "Abdul Aziz Shah Jan," a.k.a. "Aziz"
Castillo, Alfredo, Jr.
Abbasi, Asim
Muturi, Samuel
Mwakio, Shannel
Ahmad, Jaweed
Ahmad, Masood
A & J Total Landscapes
Aryana Green Light Support Services
Mohammad, Sardar, a.k.a. "Sardar Mohammad Barakzai"
Pittman, James C., a.k.a. "Carl Pittman"
Poaipuni, Clayton
Wiley, Patrick
Crystal Island Construction Company
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*
Swim, Alexander*
Norris, James Edward
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"
Sherzai, Akbar Ahmed*
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
Edmondson, Jeffrey B.*
Montague, Geoffrey K.*
Ciampa, Christopher*
Lugo, Emanuel*
Bailly, Louis Matthew*

Continued on the following page

TABLE D.1 (CONTINUED)

SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2023 (CONTINUED)

Debarments (continued)

Kumar, Krishan
Marshal Afghan American Construction Company
Marshal, Sayed Abbas Shah
Masraq Engineering and Construction Company
Miakhil, Azizullah
Raj, Janak
Singh, Roop
Stratton, William G
Umeer Star Construction Company
Zahir, Mohammad Ayub
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
Qadery, Abdul Khalil
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
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, Regionald
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 Bamdad 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 Logisitcs - 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
Nasrat, Zaulhaq, a.k.a. "Zia Nasrat"
Blevins, Kenneth Preston*
Banks, Michael*
Afghan Armor Vehicle Rental Company
Hamdard, Javid
McAlpine, Nebraska
Meli Afghanistan Group
Badgett, Michael J.*
Miller, Mark E.
Anderson, William Paul
Kazemi, Sayed Mustafa, a.k.a. "Said Mustafa Kazemi"
Al Mostahan Construction Company
Nazary, Nasir Ahmad
Nazanin, a.k.a. "Ms. Nazanin"

Continued on the following page

TABLE D.1 (CONTINUED)

SPECIAL-ENTITY DESIGNATIONS, SUSPENSIONS, AND DEBARMENTS AS OF JUNE 30, 2023 (CONTINUED)

Debarments (continued)
Ahmadzai, Sajid
Sajid, Amin Gul
Elham, Yaser, a.k.a. "Najibullah Saadullah"*
Everest Faizy Logistics Services*
Faizy Elham Brothers Ltd.*
Faizy, Rohullah*
Hekmat Shadman General Trading LLC*
Hekmat Shadman Ltd., d.b.a. "Hikmat Shadman Ltd."*
Hikmat Shadman Construction and Supply Company*
Hikmat Himmat Logistics Services Company*
Hikmat Shadman Logistics Services Company, d.b.a. "Hikmat Shadman Commerce Construction and Supply Company," d.b.a. "Hikmat Shadman Commerce Construction Services"*
Saif Hikmat Construction Logistic Services and Supply Co.*
Shadman, Hikmatullah, a.k.a. "Hikmat Shadman," a.k.a. "Haji Hikmatullah Shadman," a.k.a. "Hikmatullah Saadulah"*
Omonobi-Newton, Henry
Hele, Paul
Highland Al Hujaz Co. Ltd.
Supreme Ideas – Highland Al Hujaz Ltd. Joint Venture, d.b.a. SI-HLH-JV
BYA International Inc. d.b.a. BYA Inc.
Harper, Deric Tyrone*
Walls, Barry Lee, Jr.*
Cook, Jeffrey Arthur*
McCray, Christopher
Jones, Antonio
Autry, Cleo Brian*
Chamberlain, William Todd*
JS International Inc.
Perry, Jack
Pugh, James
Hall, Alan
Paton, Lynda Anne
Farouki, Abul Huda*
Farouki, Mazen*
Maarouf, Salah*
Unitrans International Inc.
Financial Instrument and Investment Corp., d.b.a. "FIIC"
AIS-Unitrans (OBO) Facilities Inc., d.b.a. "American International Services"


سر مفتش ویژه برای بازسازی افغانستان
د افغانستان د بیا رغاونې لپاره د ځانګړي ستر مفتش اداره

APPENDIX E

ABBREVIATIONS AND ACRONYMS

ACRONYM OR ABBREVIATION	DEFINITION
AAU	Afghanistan Affairs Unit (State)
ACEBA	Afghanistan Competitiveness of Export-Oriented Business Activity
ACLED	Armed Conflict Location and Event Data Project
ADB	Asian Development Bank
ADHS	Afghanistan Demographic Health Survey
AFF	Afghanistan Freedom Front
Afghan Fund	The Fund for the Afghan People
AFIAT	Assistance for Families and Indigent Afghans to Thrive
AFN	afghani (currency)
AHP	Afghanistan Hands Program
AICR	Afghanistan Investment Climate Reform Program
AITF	Afghanistan Infrastructure Trust Fund
AMELA	Afghanistan Monitoring, Evaluation, and Learning Activity
AML/CFT	Anti-money laundering/countering the financing of terrorism
AMP	Afghanistan Marketing Program
ANDSF	Afghan National Defense and Security Forces
AOTP	Afghan Opiate Trade Project
APA	Afghan Placement and Assistance Program
ARTF	Afghanistan Reconstruction Trust Fund
ASFF	Afghanistan Security Forces Fund
ASP	Afghan Support Project
AUAF	American University of Afghanistan
AVCP	Afghanistan Value Chains Program
AWD	Acute Watery Diarrhea
AWSF	Afghan Women's Shelter Fund
BHA	Bureau for Humanitarian Assistance (USAID)
CIO	Contribution to International Organizations
CCP	Central Contraceptive Procurement
CLDP	Commercial Law Development Program (U.S. Dept. of Commerce)
CNPC	China National Petroleum Corporation

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
COMAC	Conflict Mitigation Assistance for Civilians
CSO	Civil Society Organization
CSTC-A	Combined Security Transition Command-Afghanistan
CTF	Counterterrorism Financing
CWD	Conventional Weapons Destruction
DAB	Da Afghanistan Bank
DABS	Da Afghanistan Breshna Sherkat
DEWS	Disaster Early Warning System
DGR	Office of Democracy, Gender, and Civil Rights (USAID)
DMAC	Directorate for Mine Action Coordination
DOD	Department of Defense (U.S.)
DOD OIG	Department of Defense Office of Inspector General
DOJ	Department of Justice (U.S.)
DSCA	Defense Security Cooperation Agency
DRL	Bureau for Democracy, Human Rights, and Labor (State)
DSCMO-A	Defense Security Cooperation Management Office-Afghanistan
E.O.	Executive Order
EFA	Afghanistan Education for All
ERMA	Emergency Refugee and Migration Assistance Fund
ERW	explosive remnants of war
ESF	Economic Support Fund
EXBS	Export Control and Related Border Security
FA	Financial Audit
FAO	Food and Agriculture Organization (UN)
FMS	Foreign Military Sales
FY	fiscal year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office (U.S.)
GBV	gender-based violence
GEC	Girls' Education Challenge Programme
GHP	Global Health Programs
GHSCM-PSM	Global Health Supply Chain Management
GiHA	Gender in Humanitarian Action (UN Women)
GRAIN	Grain Research and Innovation
HFAC	House Foreign Affairs Committee (U.S.)

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
H.R.	House of Representatives (U.S.)
HRP	Humanitarian Response Plan
IAA	Interagency Agreement
IBRD	International Bank for Reconstruction and Development (World Bank)
ICRC	International Committee of the Red Cross
IDA	International Disaster Assistance (USAID)
IDA	International Development Association (World Bank)
IDP	internally displaced persons
IFC	International Finance Cooperation
IG	inspector general
INCLE	International Narcotics Control and Law Enforcement
INL	Bureau of International Narcotics and Law Enforcement Affairs (State)
INV	Investigations Directorate (SIGAR)
IOM	International Organization for Migrations (UN affiliate)
IP	implementing partner
IPC	Integrated Phase Classification
IS-K	Islamic State-Khorasan Province
ISC	Issue Solutions Channel
JES	Joint Explanatory Statement
LHSS	Local Health Systems Sustainability
LLC	limited liability company
LLP	Lessons Learned Program (SIGAR)
LOA	Letter of Offer and Acceptance
LOTFA	Law and Order Trust Fund for Afghanistan (UN)
MCPA	Mine Clearance Planning Agency (Afghan NGO)
MIPR	Military Interdepartmental Purchase Request
MODA	Ministry of Defense Advisors program (Former Afghan government and DOD)
MOI	ministry of interior (Taliban)
MOD	ministry of defense (Taliban)
MoMDA	ministry of martyrs and disabled affairs (Taliban)
MOMP	ministry of mines and petroleum (Taliban)
MOPH	ministry of public health (Taliban)
MoRR	ministry of refugees and repatriation (Taliban)
MOU	memorandum of understanding
MRA	Migration and Refugee Assistance

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
MSP	money service providers
NADR	Non-Proliferation, Antiterrorism, Demining, and Related Programs
NATO	North Atlantic Treaty Organization
NGO	nongovernmental organization
NP	nonprofit
NRF	National Resistance Front
ODNI	Office of the Director of National Intelligence
OFAC	Office of Foreign Assets Control (U.S. Dept. of the Treasury)
OHCHR	Office of the High Commissioner for Human Rights (UN)
OLH	Office of Livelihoods (USAID)
OIC	Organization of Islamic Cooperation
OIG	Office of Inspector General
OSS	Office of Social Services (USAID)
OUSD-P	Office of the Undersecretary of Defense for Policy (DOD)
PIO	Public International Organization
PM/WRA	Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (State)
PRM	Bureau of Population, Refugees, and Migration (State)
PTEC	Power Transmission Expansion and Connectivity
RCW	Recurrent Cost Window
RSM	Resolute Support Mission
SEA II	Strengthening Education in Afghanistan
SERAP	Supporting Economic Revitalization in Afghanistan Project
SHOPS Plus	Sustaining Health Outcomes for the Private Sector
SIGAR	Special Inspector General for Afghanistan Reconstruction
SIV	Special Immigrant Visa
SRL-FS	Strengthening Rural Livelihoods and Food Security
SSSA	Supporting Student Success in Afghanistan
STAR	Supporting Transformation in Afghanistan's Recovery
State	Department of State (U.S.)
State OIG	Department of State Office of Inspector General
STEM	Science, Technology, Engineering, and Mathematics
TA	tailored assistance
TAAC	Train, Advise, Assist Command (DOD)
TB DIAH	TB Data, Impact Assessment and Communications Hub
TFBSO	Task Force for Business and Stability Operations

Continued on the next page

ACRONYM OR ABBREVIATION	DEFINITION
TMT	Turquoise Mountain Trust
TTP	Tehreek-e-Taliban Pakistan
UAE	United Arab Emirates
UHI	Urban Health Initiative
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMAS	United Nations Mine Action Service
UNODC	United Nations Office on Drugs and Crime
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	U.S. Agency for International Development
USAID OIG	USAID Office of Inspector General
USD	U.S. dollar
USDA PPA	U.S. Department of Agriculture Participating Agency Program Agreement
USGS	U.S. Geological Survey (U.S. Dept. of Interior)
USIP	U.S. Institute of Peace
WASH	Water, Sanitation, and Hygiene
WERP	Water Emergency Relief Project
WHO	World Health Organization (UN)
WSE	Women's Scholarship Endowment
WFP	World Food Program (UN)


سر مفتش ویژه برای بازسازی افغانستان
د ځانګړي سترمفتش اداره
د افغانستان د بیارغونې لپاره

APPENDIX F

SENATOR CHARLES GRASSLEY'S REQUEST FOR LESSONS LEARNED FROM AFGHANISTAN AND SIGAR'S RESPONSE

On June 15, 2023, SIGAR responded to a request from Senator Charles Grassley of Iowa, Ranking Member of the Senate Budget Committee to help policymakers. Senator Grassley's letter and SIGAR's response are below and are also available at www.sigar.mil.

United States Senate
WASHINGTON, DC 20510

May 8, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable John Sopko
Special Inspector General for Afghanistan Reconstruction

Dear Special Inspector General Sopko:

Congress has a constitutional responsibility to conduct oversight of government programs to ensure that the use of taxpayer dollars is not subject to waste, fraud, and abuse. As part of that oversight, government must learn from its mistakes so that they are not repeated. Doing so will help ensure that tax dollars are used wisely in the future. In that light, we owe it to future generations to understand and explain wasteful reconstruction spending in Afghanistan and apply those lessons to future reconstruction efforts.

Your oversight of the U.S.-taxpayer-funded, $146 billion reconstruction effort in Afghanistan has unearthed countless incidents of waste, fraud, and abuse.[1] It is important to learn exactly how the lessons of Afghanistan can be applied to current and future U.S. assistance in conflict-affected environments, particularly Ukraine. Given your oversight role, I am writing to better understand the lessons learned from conducting Afghanistan reconstruction oversight that Congress can apply to other reconstruction efforts to ensure taxpayer money is used more efficiently in future efforts.

Please address the following questions no later than May 22, 2023:

[1] Special Inspector General for Afghanistan Reconstruction, *2023 High-Risk List*, (2023) https://www.sigar.mil/pdf/spotlight/2023-High-Risk-List.pdf; Special Inspector General for Afghanistan Reconstruction, *Why The Afghan Security Forces Collapsed*, (Feb. 2023) https://www.sigar.mil/pdf/evaluations/SIGAR-23-16-IP.pdf; Special Inspector General for Afghanistan Reconstruction, SIGAR 22-35-IP Evaluation Report, *Final Report: Theft of Funds from Afghanistan: An Assessment of Allegations Concerning President Ghani and Former Senior Afghan Officials*, (Aug. 2022) https://www.sigar.mil/pdf/evaluations/SIGAR-22-35-IP.pdf; Special Inspector General for Afghanistan Reconstruction, *Quarterly Report to the United States Congress*, (Apr. 30, 2022) https://www.sigar.mil/pdf/quarterlyreports/2022-04-30qr.pdf at 33; Special Inspector General for Afghanistan Reconstruction, *2021 High-Risk List*, (2021) https://www.sigar mil/pdf/spotlight/2021-High-Risk-List.pdf; Special Inspector General for Afghanistan Reconstruction, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, (Aug. 2021) https://www.sigar.mil/pdf/lessonslearned/SIGAR-21-46-LL.pdf; Special Inspector General for Afghanistan Reconstruction, *Private Sector Development and Economic Growth: Lessons From the U.S. Experience in Afghanistan*, (Apr. 2018) https://www.sigar.mil/pdf/lessonslearned/SIGAR-18-38-LL.pdf; Special Inspector General for Afghanistan Reconstruction, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan*, (Sep. 2016) https://www.sigar mil/pdf/lessonslearned/SIGAR-16-58-LL.pdf.

1. What are the key challenges and obstacles to successful reconstruction in a warzone? How have you addressed these issues in Afghanistan?
2. What best practices have you developed for monitoring and assessing the effectiveness of reconstruction programs? How can these practices be applied elsewhere?
3. What strategies have you found to be most effective in promoting transparency and accountability in the use of reconstruction funds? How can these strategies be adapted for use elsewhere?
4. What lessons have you learned about the importance of working with local communities and stakeholders in reconstruction efforts? How can these lessons be applied elsewhere?
5. What lessons have the U.S. government, allied governments, and non-government observers identified for the reconstruction of Afghanistan that should be adapted for use elsewhere?

I look forward to receiving your response. If you have any questions or concerns, please contact my Committee staff at (202) 224-0642.

Sincerely,

Charles E. Grassley
Ranking Member
Committee on the Budget

SIGAR | Office of the Special Inspector General for Afghanistan Reconstruction

June 15, 2023

The Honorable Charles E. Grassley
United States Senator
Washington, DC

Dear Senator Grassley,

We are writing in response to your letter dated May 8, 2023. First, we want to thank you for your questions as well as for your leadership in ensuring that the lessons from Afghanistan are not quickly forgotten and are instead vigorously applied to current and future U.S. efforts. The questions you submitted are exactly the ones that policymakers should be exploring now. As you said, the "government must learn from its mistakes so that they are not repeated." While SIGAR's oversight efforts focus on Afghanistan, our expansive body of research is relevant to numerous other contexts because it focuses on the way the United States conducts such operations in conflict-affected countries.

SIGAR began its lessons learned program in 2014 at the urging of General John Allen, Ambassador Ryan Crocker, and others who had served in Afghanistan. We sought to capture lessons from the U.S. experience in Afghanistan to help Congress and executive branch agencies improve efforts in current and future operations. To date, this program has produced 12 comprehensive reports conceived with input from ambassadors, generals, and development experts. They cover a range of topics, including security sector assistance, anticorruption, private sector development, stabilization, reintegration, monitoring and evaluation of contracting, police training, and gender equality. In addition, SIGAR's Lessons Learned Program experts led the research efforts on our congressionally mandated reports assessing why the Afghan government and its security forces collapsed so quickly in 2021.

The Lessons Learned Program is designed to complement SIGAR's extensive audit, inspections, and investigations work by providing a macro-level analysis of multiple lines of efforts by many U.S., international, and foreign government agencies covering whole sectors over extended periods of time. In short, lessons learned reports are designed to scrutinize U.S. strategies, how they are coordinated and translate into specific programs, and the result of those efforts. This scrutiny often revealed critical problems in the assumptions driving U.S. efforts and the ways in which U.S. government institutions were poorly suited to rebuild a war-torn country like Afghanistan.

SIGAR's unique whole-of-government approach to oversight—based on its broad authority to oversee multiple lines of effort by many U.S. agencies—is especially critical in any contingency environment when vast sums of money are being spent very quickly in places that are difficult to oversee and are particularly vulnerable to waste, fraud, and abuse.

The United States is currently involved in many unstable, conflict-affected countries and regions around the globe. It is therefore vital that any lessons gleaned in one context are captured and analyzed for use in other contexts. To that end, attached are the answers to your five questions on the applicability of lessons from Afghanistan to current and future U.S. efforts in similar environments.

Sincerely,

John F. Sopko

Special Inspector General for Afghanistan Reconstruction

ENCLOSURE: Responses to Questions from Senator Grassley

Responses to Questions from Senator Grassley

Question 1: What are the key challenges and obstacles to successful reconstruction in a war zone? How have you addressed these issues in Afghanistan?

Each lesson below reflects a critical shortcoming in the U.S. mission to rebuild Afghanistan's civilian and military institutions, contributing to the collapse of the government. Each lesson is also directly applicable to multiple ongoing U.S. interventions in other conflict environments, from Ukraine to coastal west Africa. Specifically, from our work in Afghanistan, we have identified the following challenges and obstacles for the U.S. government to address:

Lesson 1: Corruption is a key obstacle to success and in Afghanistan undermined the U.S. mission by enabling predatory behavior, exacerbating local conflict, and channeling support directly to the insurgency.

Corruption, the misuse of entrusted authority for personal gain, significantly undermined the U.S. mission in Afghanistan. Ranging from petty bribery to large-scale embezzlement and fraud, corruption severely compromised the legitimacy of the Afghan government and bolstered support for the insurgency. The United States was unable to effectively address the problem because doing so required the cooperation of Afghan power brokers and oligarchs who were among the worst offenders. In some cases, U.S. decisions made the problem worse—especially the emphasis on immediate military and reconstruction successes over the gradual and careful process of state building. The U.S. failure to understand complex Afghan political networks and their dynamics also contributed to corruption, as did hasty spending and insufficient oversight.

Yet the United States did not recognize corruption as a critical threat to its core goals until late in its mission in Afghanistan. By then, the Afghan government was deeply enmeshed in corrupt and criminal networks; dismantling them would have meant dismantling major pillars of support for the government itself. Lessons from Afghanistan suggest that anticorruption efforts should be an essential part of security, political, and development goals from the start. Fighting corruption must be "mission critical." Failure to proactively and robustly address corruption from the outset will likely undermine—and could lead to the ultimate failure of—any future U.S. reconstruction, assistance, or development efforts. As Ambassador Ryan Crocker told SIGAR, "The ultimate point of failure for our efforts . . . wasn't an insurgency. It was the weight of endemic corruption."[1]

The U.S. alliance with malign power brokers reinforced patronage networks, intensified conflict, and contributed to pervasive corruption.

In pursuit of short-term military goals, the U.S. partnered with anti-Taliban local militias and strongmen, often referred to as warlords or oligarchs—many of whom had committed war crimes and grave human rights abuses against fellow Afghans. These powerful individuals, many of whom attained high-level government positions, destabilized the state with large-scale acts of embezzlement, fraud, nepotism, and extortion that enriched their own patronage networks. As these groups benefited from the war, the general population became alienated and was driven toward the insurgency.

Afghanistan's inability to absorb financial assistance exacerbated corruption.

The rapid influx of U.S. and foreign money and aid into Afghanistan from 2002 to 2015 overwhelmed the country's institutions and administrative capacities. U.S. reconstruction assistance at one point reached an equivalent of more than 100 percent of Afghanistan's GDP, more than double the estimated absorptive

capacity of the country. This influx of money, combined with the limited spending capacity of the Afghan government and poor oversight and contracting practices by donors, increased opportunities for corruption.

U.S. officials made the problem worse by designing reconstruction programs without regard for the Afghan government's ability to sustain them. Billions of reconstruction dollars were wasted as projects went unused or fell into disrepair when the Afghan government was unable or unwilling to take responsibility. When U.S. reconstruction funding declined, so did Afghanistan's economic growth—demonstrating that this "growth" was merely the result of an overheated wartime economy.

Weak oversight and aggressive timelines for rebuilding Afghanistan and its institutions further fueled corruption.

As security in Afghanistan deteriorated and demands on donors increased, the pressure to demonstrate progress also increased. U.S. officials responded by creating unrealistic timelines for rebuilding infrastructure and developing effective Afghan government systems and institutions capable of sustaining themselves without significant foreign intervention or support. These timelines often ignored conditions on the ground and created perverse incentives to spend quickly and focus on short-term goals. This tactic taxed the oversight capacity of the U.S. military and civilian agencies, who were hampered by insecurity and lack of mobility, staffing shortages, and contract management expertise. The emphasis on positive narratives and quick wins overshadowed the need for rigorous oversight and honest assessment of how well U.S. programs were actually contributing to overall strategic goals.

U.S. agencies attempted to deal with the prevalence of corruption and lack of capacity within the Afghan government by hiring external contractors to implement programming. That simply transferred the problem: The lack of direct oversight allowed contractors ample opportunity to engage in fraud.

Lesson 2: Lack of effective coordination—both within the U.S. government and across the international coalition—was a major obstacle to success and resulted in a disjointed patchwork of ineffective efforts, rather than a united and coherent approach.

Perhaps no other coordination effort suffered as much as the international coalition's attempt to build Afghanistan's security sector. Our research showed that no single person, agency, military service, or country had ultimate responsibility for all U.S. and international activities to develop the Afghan security services or the ministries of defense and interior. Instead, responsibilities for developing the Afghan security forces' capabilities were divided among multiple agencies and services, each of which assigned these tasks to advisors who were usually deployed for a year or less.

Coordination within the international coalition was also constrained by national caveats, restrictions that countries placed on the use of their military forces and civilian personnel. Caveats that were particularly inhibiting included those that banned night operations, restricted the mobility of national forces, and required that tactical decisions get approval from national capitals. These caveats hindered that operational effectiveness and produced resentment and tension within the alliance. Caveats created the perception that some countries were withholding their full support, thus placing a disproportionate burden on others. In some instances, caveats affected how the Afghans perceived their coalition counterparts. One study found that Afghan leaders preferred to partner with U.S. training teams rather than with international liaisons because U.S. trainers were able to join Afghans in combat.

However, shortcomings in coordination and coalition fractures were not limited to security sector assistance but were apparent throughout the reconstruction effort. For instance, opinions on the importance of counternarcotics often varied among U.S. government agencies, coalition partners, and Afghan authorities, and concern waxed and waned as priorities shifted and opium poppy cultivation levels rose. During the early stages of the reconstruction effort, the United Kingdom served as the lead nation for counternarcotics, while the United States played a minimal role in the counterdrug effort. However, U.S. leaders soon became disillusioned

with the UK approach, and by 2003 began to take a more dominant role in counternarcotics—far outspending the UK, which was still the de facto lead nation. As President George W. Bush later recalled, "The multilateral approach to rebuilding, hailed by so many in the international community, was failing."

Fractures and division were apparent not just among international partners, but among U.S. government agencies as well. There was often significant tension between the U.S. Agency for International Development and the Department of Defense over USAID's reluctance or inability to work in the most contested and insecure districts—areas the military believed to be critical in reversing the Taliban's momentum. One USAID official said that "the military expected us to be bags of cash," and that DOD pressed the agency to begin costly and highly visible infrastructure projects in poor security conditions. Few at State or USAID felt they could push back. The dynamic was profoundly unequal; even when a disagreement involved a military officer and a civilian who were theoretically of the same rank, the officer often had the upper hand because of the overwhelming difference in size between the military and civilian contingents.

As a result of these coordination challenges, all types of stabilization programming were often implemented during all stages of the "clear-hold-build" counterinsurgency strategy. This occurred even when USAID knew that the timing was inappropriate and that programs would be ineffective. Under pressure from the military, USAID built schools in places where they could not be monitored, the Afghan government could not maintain and staff them, and students attended only sporadically—if at all—due to insecurity. As one official noted, when USAID tried to stop implementing projects in areas where they could not be monitored or evaluated, the military simply used funds from its Commander's Emergency Response Program to implement those projects anyway—often in less secure areas where projects were unlikely to succeed.

Even within agencies, coordination between field and headquarters was a significant challenge. Civilian personnel in Kabul significantly outnumbered those in the field. Decision-making authority was disproportionately centered in Kabul and Washington. According to one report, experienced staff at State and USAID reported limited opportunities to provide feedback or felt that their feedback fell on deaf ears.[2] This reliance on headquarters-based decision making, with limited influence from knowledgeable field staff, undermined coalition policy objectives. The ostensibly bottom-up stabilization strategy had few voices at the bottom.

Lesson 3: Pervasive insecurity continuously undermined every effort to rebuild government and security institutions, and efforts to improve security often resulted in new or worse problems.

In Afghanistan, the U.S. government and its allies struggled to account for the challenges posed by insecurity. Insecurity undermined political processes, the extension of government services, and innumerable economic and development programs, as well as counternarcotics programs—all of which were, in theory, meant to reduce insecurity by creating a sustainable government. Insecurity hollowed out even the most direct and practical efforts to counter its effects, such as the development of competent Afghan security forces and programs meant to draw reconcilable insurgents back into the fold of Afghan society.

Elections

The U.S government spent many years trying to help Afghanistan hold credible elections in the belief that doing so would produce legitimate government officials. Instead, poor security, among other factors, critically undermined the electoral process and the legitimacy of its elected officials. SIGAR found that insecurity hamstrung both voter registration and the establishment and operation of polling centers throughout Afghanistan. Polling centers that were operational on election day were sometimes inaccessible to election observers, the watchdogs of the democratic process. Even in locations that were accessible to observers, the threat of violence sometimes stymied their efforts to observe and document fraud. In addition to observers, the insecure environment also affected voting behavior: Increased fears for personal safety were clearly linked to lower turnout.

ENCLOSURE: Responses to Questions from Senator Grassley

Private Sector Development

One potential avenue to victory in Afghanistan was supporting and growing the country's stunted private sector. The theory that economic development would bolster security rested on three assumptions: economic growth would legitimize the state, tax revenue would enable the state to deliver services, and reducing the ranks of the unemployed would shrink the pool of potential insurgents. As it turned out, the Afghan economy did experience growth over the course of American involvement there—but that growth did not translate into substantial reductions in unemployment or poverty, as the original theory of change predicted. The projects that aimed to spur economic growth and foster a more secure environment were undermined by the very symptoms of insecurity that they were meant to treat. The constant threat of violence inevitably affected the motivations and confidence of Afghans starting and running businesses, to say nothing of foreign companies considering investment.

Service Delivery

Insecurity also undermined efforts to legitimize the government through service delivery programs. Some districts were so volatile that the coalition was perpetually trying to secure them and could never properly deliver the services that stabilization and counterinsurgency demanded. Local officials recruited and trained to provide services were easy targets for the insurgency, which at the height of the U.S. troop surge reportedly managed to assassinate an average of one Afghan official every day. The high levels of violence against local officials made it difficult to recruit qualified candidates and had a chilling effect on finding qualified people willing to leave the security of provincial capitals. Moreover, projects often attracted violent attacks by insurgents. The government's inability to prevent this from happening resulted in more disillusionment with the government than if there had been no intervention in the first place.

Counternarcotics

Over the last two decades, the problems of insecurity and the narcotics industry exacerbated one another in ways that stymied U.S. efforts to reduce both. The U.S. government spent nearly $9 billion on counternarcotics efforts since 2002, in part due to concerns that narcotics trafficking funded Taliban activities, but the cultivation and trafficking of opium poppy was as much a contributor to insecurity as it is a response to it. Despite the investment, the cultivation of opium poppy in Afghanistan trended upward for two decades, and insecurity made it difficult to reverse the growth. Poppy cultivation was often concentrated in areas under the control of insurgents, so physically accessing areas to eradicate the crop or interdict it as it was being moved or processed into heroin proved challenging.

Security Force Assistance

The initial U.S. military operations were conducted in partnership with independent militia forces, many of whom had previously committed abuses against their fellow Afghans. Some of these same militia commanders and their ranks were later brought into the government and security forces, where they continued their predatory behavior and ultimately undermined the development of the Afghan National Army and Afghan National Police. In fact, Afghan militias allied with the United States were sometimes direct sources of insecurity, even after the United States attempted to formalize them by inducting their members into various policing programs. In some cases, insecurity also affected retention among Afghan military personnel, with high instances of Afghan military trainees going absent without leave. Meanwhile, high levels of violence and insecurity compelled policymakers to shorten training timelines to meet demand for security forces—but poorly trained forces found it that much more difficult to impose a monopoly on violence in the country. In some instances, poorly trained security forces actually contributed to insecurity.

Reintegration

A potential fundamental flaw in U.S. efforts to reintegrate former fighters back into Afghan society was the vulnerability of former combatants to retaliatory violence for having abandoned the insurgency. Insecurity was so problematic for reintegration programs that even senior program staff working under tight security faced

credible threats of assassination. In a 2011 reconciliation and reintegration effort, over 200 reintegrated fighters and dozens of reintegration staff were killed, including Burhanuddin Rabbani, a former president of Afghanistan and the leader of the effort. Insecurity complicated the delivery of benefits and services promised to those ex-combatants who did join reintegration programs, while fears of retribution from former enemies led other would-be participants to return to the battlefield.

Lesson 4: Poor U.S. personnel policies—both civilian and military—meant that U.S. efforts were rarely overseen by trained and qualified staff.

SIGAR determined that the U.S. government's inability to get the right people into the right jobs at the right times was one of the most significant failures of the mission in Afghanistan. It is also one of the hardest to repair. With any large-scale reconstruction effort, large numbers of people are needed to implement, monitor, and guide the various projects that make up the overall mission. The United States approached reconstruction in Afghanistan by first creating and funding reconstruction projects—and only then attempting to locate the individuals needed to carry them out. This method works only if the government can continuously draw upon existing talent pools. Once those pools were depleted for Afghanistan, projects were haphazardly staffed with underqualified workers, were allowed to go unmonitored, and, in some cases, were outright abandoned.

In Afghanistan, the U.S. government repeatedly undertook new projects without first guaranteeing enough personnel resources were available to see them through. At times, shortages in qualified personnel became so pronounced in both civilian and military agencies that hiring standards were lowered to keep programs functioning. At one point, a USAID employee noted that the organization was so desperate for additional staff that they were hiring anyone with "a pulse and a master's degree."

For two decades in Afghanistan, the U.S. government continuously struggled to identify the right personnel, train them properly, keep them in the country long enough to become effective, and enable them to spend enough time with their replacement to hand over their work before departing. In particular, State and USAID struggled to staff their programs with qualified personnel and were forced to pull staff from other assignments. Because civilian agencies lack the strategic reserves of qualified employees that the military enjoys, they had to hire many staff quickly to meet demand. But civilian agencies simply could not compete with DOD's resources and planning, especially in remote parts of the country. DOD ended up making critical decisions that should have been made by U.S. civilian officials with expertise in navigating complex political dynamics.

The severe lack of personnel also created budgetary problems: Without enough oversight staff, it was impossible to properly validate data from the field. When neither civilian nor military personnel were available to report on the progress of various reconstruction efforts, the amount of money being spent on various projects became a highly imperfect proxy for measuring progress. The inability of U.S. government agencies to properly oversee their own projects produced poor results in critical project areas, as various staffers were assigned jobs for which they had little to no training or qualifications. For example, some DOD police advisors were helicopter pilots and received little formal training in policing. The training many military advisors did receive was not even Afghanistan-specific. In desperation, some police advisors turned to television shows like "Cops" and "NCIS" to become more familiar with policing.

Compounding these general staffing issues, short tours of duty for both military and civilian personnel undermined institutional memory and programmatic continuity. These tours, typically lasting less than a year for both civilian and military positions, limited the ability of staff to build a nuanced understanding of their role, their environment, and the Afghans they worked with. By the time they found their bearings and built important relationships, they began preparing to depart. With personnel taking critical information with them as they rotated out, the reconstruction effort essentially experienced an annual lobotomy, as newly arriving staff made the same mistakes as their predecessors. The lack of candidates was often addressed by reassigning unqualified staff members to positions as they were vacated, further contributing to the lack of institutional memory in both civilian and military organizations.

To address the constant turnover, the United States employed contractors to work both alongside and independently from U.S., Afghan, and coalition forces. But DOD, State, and USAID lacked enough staff to

oversee those contractors. Because contract work was often performed with little to no oversight, waste and fraud often went unchecked.

Coordination between civilian agencies and the military was critical to the U.S. government's efforts at rebuilding Afghan institutions. But there were frequent clashes over personnel issues. DOD's exponentially larger budget and human resource reserves allowed it to dictate the speed and priorities of the reconstruction process and had the effect of elevating military objectives over civilian ones. Civilian officials had little recourse. They were dependent on the military for food, housing, and transportation, and there might only be one civilian official embedded with an entire battalion or brigade. Arbitrary timelines, either implicit or explicit, often compounded the problem, as the military was less likely to consider civilian objectives if troops were under intense pressure to make fast progress. Rather than working with their civilian counterparts to identify which areas were suitable for interventions, military officials simply prioritized their own goals.

Given the dearth of robust personnel structures that were necessary to successfully scale up a reconstruction effort, it is difficult to imagine how U.S. officials could have performed any better. The problem was not that they were poor at improvising, but that the U.S. government believed it could achieve its goals through improvisation at all. It takes decades to build effective institutions in host countries, and those of the U.S. government are no different. Laying the groundwork for personnel to be trained and bureaucratically positioned for a scaled reconstruction campaign is a particularly difficult institutional challenge, and one that may be best implemented long before a reconstruction campaign begins.

Lesson 5: The U.S. needs to understand the host country's social, economic, and political systems to successfully tailor its reconstruction efforts.

Effectively rebuilding Afghanistan required a nuanced understanding of the country's complex social, economic, and political dynamics. However, U.S. officials were consistently operating in the dark, often because of the difficulty of collecting necessary information. The U.S. government ultimately forced complex local conflicts into a simplistic overarching narrative, tried to impose a formal rule of law on a country that addressed most of its disputes through informal means, and often worsened local conflicts by relying on one-sided information from local allies. Ignorance of the Afghanistan context was a significant contributing factor to failures at the strategic, operational, and tactical levels. It also made it difficult to understand the complexities of corruption and its corrosive impact on Afghan institutions. What follows are three specific examples of such failures.

The United States adhered to a simplistic conflict narrative that failed to appreciate the complexity of Afghanistan's political economy.

U.S. counterinsurgency doctrine conceptualized the conflict as contest between insurgents and counterinsurgents for the support of the people—a framework that labeled Afghanistan's many local political economies as either "good" allies supporting the nascent state or "bad" enemies opposing it. The United States empowered warlords who opposed the Taliban, even if they had no respect for basic human rights. Afghans who resisted abuses committed by the U.S.-backed government were often assumed to be supporters of the Taliban, rather than citizens attempting to raise legitimate grievances.

As the Afghan state solidified, formalized, and expanded into more territory, it became unpredictable and predatory. American advisors, practitioners, and coalition partners inadvertently contributed to the predatory behaviors their local allies committed because, lacking insight into individual local dynamics, they relied on these same allies for information. Rural Afghans, caught in the middle, reacted to the expanding U.S.-supported government with a combination of apathy and resistance.

The United States attempted to impose formal rule of law institutions on a country that resolved most civil disputes through informal means.

Between 2003 and 2015, the U.S. government spent more than $1 billion on rule of law programming in Afghanistan, with approximately 90 percent of that funding going toward the development of a formal legal system. That system was foreign to most Afghans, who favored the traditional, community-level dispute resolution mechanisms which historically handled up to 90 percent of civil disputes. The informal systems operated more efficiently and by rules already familiar to most Afghans. One researcher described a mindset where outsiders and Afghan elites believed rural Afghans needed "to be brought out from the Stone Ages," without realizing that functioning informal systems already existed.

The United States implemented stabilization projects that exacerbated conflict.

Programs meant to stabilize communities were hastily implemented in insecure areas, a practice which prevented U.S. and coalition officials from collecting enough information about local political dynamics to operate effectively. As a result, the coalition often unknowingly implemented projects that supported one local powerbroker, faction, tribe, or ethnic group over another, aggravating local conflict and giving disaffected communities a reason to start or continue supporting the Taliban. This was especially true where coalition officials relied on local powerbrokers for information, which the powerbrokers could easily manipulate to serve their own interests. Under such circumstances, even a "successful" project could exacerbate local conflicts and create opportunities for insurgents to form an alliance with the disaffected party.

Lesson 6: U.S. government agencies rarely conducted sufficient monitoring and evaluation to understand the impact of their efforts.

Monitoring and evaluation (M&E) is the process of determining what works, what does not, and what needs to change as a result. M&E efforts in Afghanistan were largely ineffective. SIGAR's body of work, which has touched every major reconstruction sector—health, education, rule of law, women's rights, infrastructure, security assistance, and others—paints a picture of U.S. agencies struggling to effectively measure outcomes and impacts while sometimes relying on shaky data to make claims of success.

Conducting adequate M&E in Afghanistan was more challenging than in many countries. Nevertheless, U.S. agencies face similar obstacles to implementing effective M&E in other contexts, including such volatile places as Pakistan, Syria, and Yemen. Many of the lessons learned in Afghanistan apply to the U.S. government's work elsewhere.

Measuring outcomes and impacts is critical.

Too often in Afghanistan, DOD, State, and USAID failed to measure programs and projects against the ultimate outcomes and impacts they sought to achieve. Compounding the problem, the speed with which funds were spent in Afghanistan, particularly during the surge period, became a perverse metric of success. This resulted in projects pouring money into a fragile environment with no concept of whether those projects achieved any actual goals, or even necessarily where all the money was going. With M&E relegated to input and output measurement, it was often difficult to understand what was and was not working. Making reasonable attempts to determine outcomes and impacts is crucial.

Pressure to demonstrate progress can undermine the utility of M&E.

External pressure, whether political or interagency, to demonstrate immediate and tangible results can shift the incentive structure surrounding M&E. Such pressure sometimes outweighed the need for planning, resulting in implementation of projects that were unlikely to succeed. Indeed, at least two programmatic categories—stabilization and counternarcotics—appeared to have failed entirely long before the demise of the Afghan government. But even programs that had unachievable or unrealistic goals were often described as successful, or at least making progress. In retrospect, it is clear that the evidence for these rosy assessments

was often lacking. Where real or perceived pressure incentivizes selective or inaccurate reporting, it makes meaningful M&E impossible.

High levels of spending outpaced the number of contract oversight personnel.

An enduring feature of contingency environments is that when spending increases, oversight generally does not keep pace. Numerous reports on reconstruction contracting have pointed out that contract oversight personnel are overworked or overburdened, largely because high spending levels on programs outpaced spending on hiring oversight personnel. At one point, USAID determined that, in order to meet the U.S. government's average ratio of dollars to contracting officers, it would have to send nearly its entire overseas workforce to work only in Afghanistan.

Question 2: What best practices have you developed for monitoring and assessing the effectiveness of reconstruction programs? How can these practices be applied elsewhere?

SIGAR is not aware of any monitoring and evaluation (M&E) practices employed in Afghanistan that consistently provided candid information about whether programs and strategies were achieving real effects. As we stated in our 2021 report on the M&E of contracting, each agency we examined—USAID, State, and DOD—had strong M&E systems in place—"on paper." The problem was putting what existed on paper into practice. We noted there was no clear evidence that, as implemented, M&E reliably, accurately, and objectively answered the question of whether reconstruction funds were having their intended impact. This raises the question of whether, broadly speaking, meaningful M&E is possible at all in reconstruction environments like Afghanistan.

Notwithstanding that important qualification, the partial list of practices outlined below may improve the quality of M&E in other contexts.

Before reinventing the wheel, aggressively implement M&E policies already in place.

A central takeaway of SIGAR's work is that the mere existence of M&E systems does not guarantee that they will be effectively put into practice. For example, USAID's Automated Directives System articulates clear guidance for project evaluations. Yet SIGAR noted instances in which evaluations presented conflicting findings, were phrased in dense bureaucratese, or based findings on bad data—thus failing to provide a clear answer to a very simple question: "Is the project working?" Similarly, DOD has established requirements for end-use monitoring of defense articles transferred to other countries to provide reasonable assurance that recipients are employing those articles as intended. Yet in Afghanistan, DOD consistently failed to meet these requirements. In sum, ensuring sound M&E in any environment or context can involve holding agencies accountable to procedures that already exist.

Determine clear, relevant metrics that measure actual outcomes, not just how many dollars were spent.

Too often in Afghanistan, U.S. agencies failed to measure programs against the ultimate outcomes and impacts those programs sought to achieve. With M&E relegated to input and output measurement, it was often difficult to understand what was and was not working. In too many cases, the amount of money spent became the main metric. As we have reported, excessive input and output measurement, or use of performance indicators irrelevant to program objectives, creates the risk of doing the wrong thing perfectly. Moving forward,

U.S. agencies should establish metrics that are clear, quantitatively or qualitatively measurable, and relevant to project execution and intentions.

Third-party monitors are necessary, but the U.S. government must be diligent in evaluating them and their standards.

Aid providers like the United Nations, the World Bank, and the International Monetary Fund have used third-party monitors to report on programs in aid-recipient countries. Before the Taliban victory in August 2021, SIGAR, too, used local third-party monitors in Afghanistan because they could travel more freely and safely than U.S. citizens there. Similar monitors will likely be employed in Ukraine. However, concerns arise when U.S. oversight officials cannot be reasonably assured of the accuracy and effective use of aid intermediaries' monitoring reports. An imperfect antidote is transparency: If third-party monitors are being used in any context, their periodic monitoring reports should be provided to all stakeholders for review, scrutiny, and actionable use.

Embrace impact evaluation.

The most credible way to assess whether programs are effective is through impact evaluation—developing a credible understanding as to how programs changed the lives of intended beneficiaries. Although M&E in Afghanistan was mostly lacking, some impact assessment did provide useful information. For example, one USAID initiative compared stabilization-related changes in villages where stabilization projects had been undertaken (treatment villages) to control villages selected by the initiative whose key characteristics matched the treatment villages. The study produced a number of critical observations, including the need for flexible programming, and confirmation that stabilization projects may have been destabilizing in some cases. One way to increase the prevalence of impact evaluation in other contexts, including in Ukraine, is for Congress to explicitly require such evaluation and provide funding for it.

Question 3: What strategies have you found to be most effective in promoting transparency and accountability in the use of reconstruction funds? How can these strategies be adapted for use elsewhere?

Based on its years of research and findings from over 700 oversight reports, SIGAR has developed several best practices for donors and implementing agencies that can help the United States accomplish the goals of protecting taxpayer funds. Before these best practices can be adapted for use elsewhere it is important to recognize that very few of them were effectively implemented in Afghanistan. These failures, however, offer an opportunity for the U.S. government to learn from its mistakes and improve current and future programming in other countries. As Special Inspector General John Sopko emphasized in his remarks at the University of Toronto Munk School of Global Affairs & Public Policy, "After spending 20 years and $146 billion trying and mostly failing to rebuild Afghanistan, it would be tragic to learn these lessons the hard way, again." Some of those best practices, boiled down to their essentials, are:

Establish a clear purpose for the aid.

All too often, agencies and international organizations are vague or unrealistic about what they intend to achieve with a program. But taking care to ensure that a goal or purpose is clearly stated, and that program objectives and activities are aligned with the overall purpose, is a key condition for effectiveness. Having clear purposes and goals helps managers and oversight agencies assess what evidence to seek and whether the links between program design, execution, and outcomes make sense.

ENCLOSURE: Responses to Questions from Senator Grassley

Insist that any organization receiving U.S. funding is fully transparent, so we know where our money went and how it was used.

If the United States decides to channel multi-million- or multi-billion-dollar aid contributions through international organizations, trust funds, NGOs, and other intermediaries, it must insist on complete transparency regarding how they use those funds. Without resorting to unduly burdensome reporting requirements, the United States must make it clear that the provision and amount of assistance would depend on access by outside, independent U.S. oversight agencies.

Set a tolerable level of risk and be ready to end an activity if that risk becomes too great.

The work of SIGAR and other oversight agencies has demonstrated that there will be risks in any assistance programs—poor planning, corruption, inadequate work plan, deficient monitoring, natural disasters or pandemics, defective data, unintended consequences, and many more. Assumptions about risk must be determined at the outset and continually stress-tested to determine if risk factors have changed and, if so, how those changes impact the ongoing feasibility of an activity.

Keep track of how money is used and regularly reassess to see if activities are actually helping people.

This may sound like simple common sense, but it requires a great deal of effort and vigilance by development agencies—something that SIGAR's research has shown has been woefully lacking in the past. Monitoring and evaluating is an essential activity to determine whether data are being collected, procedures followed, schedules met, waste avoided, and objectives attained. But simply having monitoring and evaluation schemes in place is no assurance that necessary and accurate information is being captured or evaluated. Factors such as self-interest, training limitations, and reliance on data from contractors or grantees can affect the accuracy of monitoring reports.

Determine clear, relevant metrics that measure actual outcomes, not just how many dollars were spent or how many people participated in some program.

Measuring outputs like money spent, hospitals built, or vaccines delivered is a straightforward counting exercise. What is more difficult is measuring the actual impact of those outputs. For example, education programming may result in schools built and textbooks purchased (or even delivered), but those activities do not answer the question of whether children are getting an education and how, in turn, that is leading to stability or prosperity in a given region. The United States must determine whether U.S.-funded aid entities are attempting to measure outcomes rather than inputs, and whether those aid entities have selected measures that would be reasonably related to actual results.

If an activity is going poorly, make course corrections and be prepared to pull the plug.

When indications surface that something is going wrong, there can be a temptation to defend one's ideas and efforts and explain away bad news. Consistent adherence to a course-correct/modify/abandon principle within the U.S. foreign-aid universe would help prevent programs from surviving despite unacceptable risks, excessive costs, failed outcomes—and would perhaps free up resources for more fruitful alternative uses.

Seek smart opportunities to condition aid.

Though it will prove challenging, the United States and international partners should find effective opportunities to impose conditions on assistance and learn from past efforts. SIGAR has concluded that U.S.

attempts at imposing conditionality in Afghanistan generally failed because they lacked credibility. Nothing was as important to U.S. officials as the survival and stability of the Afghan government, so reforms such as reducing corruption were often secondary. When U.S. officials imposed conditions on aid to incentivize reform, Afghan officials essentially called their bluff, knowing the U.S. government ultimately would not withhold critical assistance that Kabul desperately needed to ensure its survival.

Look for activities that the host country can eventually sustain without outside support.

Humanitarian aid such as food, water, and medicine are temporary emergency measures. Reconstruction and development programs, however, are intended to build institutions of government, civil society, and commerce that will continue to function long after the foreign assistance has ended. In Afghanistan, U.S. government often failed to ensure its projects were sustainable over the long term. Projects and programs that cannot be sustained should not be implemented.

Question 4: What lessons have you learned about the importance of working with local communities and stakeholders in reconstruction efforts? How can these lessons be applied elsewhere?

When the U.S. government empowers local actors, draws upon local capacities and priorities, and is accountable to local communities, the results are more likely to be effective and sustainable. Yet in Afghanistan, agencies frequently bypassed the Afghan government, disregarded the concerns of local communities, and built institutions that mirrored our own.[3] As a result, we frequently exacerbated conflict, hindered the development of good governance, and wasted a great deal of taxpayer funds, as detailed in Lesson 5 above.[4]

Localization is a priority only on paper.

Partially in response to such dynamics, USAID in 2021 recommitted to "localization," in which the agency promises to work through diverse local actors—from government officials to local NGOs to religious leaders—to empower them to set their own development agendas and implement their own solutions.[5]

While USAID's intent was commendable, the U.S. government has been trying, and failing, to "localize" its aid for decades.[6] In fact, an assessment of U.S. assistance to Afghanistan between 1950 and 1979 bemoaned the U.S. failure to achieve "locally based development" and called for "careful involvement" of the people whose lives would be impacted by a project in future programming. Presciently, it also warned that this would require rethinking past aid practices."[7]

Today, USAID only gives six percent of its global assistance to local partners.[8] In Afghanistan between 2001 and 2021, U.S. agencies directed only 12 percent of reconstruction assistance "on-budget," or via the Afghan government.[9] Other donors did better, so it is possible. A review of the Danish role in Afghanistan praised the degree to which that country aligned its aid with Afghan policies and priorities.[10]

This inability to give our host nation partners a lead role in shaping our reconstruction strategy in Afghanistan had strategically fatal effects. The enormous pressure to demonstrate progress led the United States to take shortcuts and bypass the Afghan government and its systems and simply do things ourselves.[11] The United States is at risk of repeating the same mistakes in Ukraine and in other conflict-affected environments because many of the impediments to locally led reconstruction remain unaddressed.[12] Fixing the problem will require structural reforms of the U.S. government's contingency contracting, staffing, and risk management systems.

Going through local government is inherently difficult.

One of the major challenges to locally led reconstruction in Afghanistan was the country's highly centralized government. The country's powerful presidency had its origins in its history of monarchy. In designing the new Afghan constitution, U.S. officials pushed to keep a centralized model, fearing that otherwise the new government would splinter into islands of influence by various warlords.[13] Yet research commissioned by USAID found that fiscal decentralization—delegating authority to local officials on how government funds are spent—is associated with lower levels of conflict.[14] It is easier for the U.S. government to interact with a partner government that has control of the whole country than it is to deal with diffuse local power structures.[15] However, in Afghanistan, centralization did little to prevent the creation of many islands of influence: Corrupt and predatory local warlords, economic tycoons, and powerbrokers found that wealth and power could be derived from pulling the strings of the central government.[16]

Over the course of the 20-year war, the United States and its international partners did push to give more budgetary power to provincial and local governments but were unable to solve through the technical means at their disposal what was, first and foremost, a political problem.[17] Moreover, as one USAID official told us, the Afghan government had no motivation to reform their budgetary processes as long as the aid spigot flowed freely.[18]

On those occasions when the U.S. tried to deal directly with the Afghan government to enact reforms, it quickly abandoned these efforts in favor of creating unsustainable parallel systems.[19] For example, a program to fund the Afghan government to conduct local administrative and financial reforms was closed because progress was deemed too slow, and the Afghan government's financial reporting did not meet U.S. standards. Instead, the U.S. replaced it with a similar program that used contractors.[20] Empowering local Afghan officials was a slow process, and U.S. officials rarely had the necessary patience.[21]

Yet much of the "progress" achieved through bypassing the Afghan government and local organizations later proved ephemeral.[22] Instead of building Afghan capacity, the United States built an Afghan government and military wholly reliant on U.S. trainers, advisors, and enablers, including close air support, medical evacuation, and leadership.[23] Donors also hired technical advisors at salaries much higher than government officials made, creating an expensive "shadow" civil service.[24]

A heavy reliance on U.S.-based partners is a worldwide problem for USAID. In fact, as a former senior official has pointed out, between 2018 and 2022 most of the agency's large U.S. partners saw steady or increased funding—despite USAID's 2021 recommitment to "localization."[25]

Using opaque multilateral institutions like the UN and World Bank does not advance localization.

While some programs are ideally run through the budgets of a foreign government, other programs must be implemented by local partners. Yet the U.S. government struggles with this as well, making it tempting to direct those funds through a go-between, namely multilateral organizations like the UN and World Bank. These organizations are frequent recipients of donor funds in conflict-affected environments because they can contract with local organizations with greater speed and fewer burdensome regulations than USAID can.[26] It can take a year for USAID to vet a new partner, whereas it is relatively easy to sole source an award to a UN agency, which can start delivering aid quickly.[27] In addition, managing a large number of small grants to local organizations is more cumbersome than a single large grant to an established partner.[28]

For these reasons, U.S. agencies are structurally motivated to direct funds to multilateral organizations even though they cost more, and struggle to build the kind of local institutions necessary to outlast U.S. funding. In addition, this work-around often merely shifts the problem, since these organizations can be quite opaque. SIGAR and USAID's Office of Inspector General have documented concerns about the limited access donors have to information in multilateral organizations.[29]

Failing to give local partners lead roles resulted in inappropriate approaches. It also frequently resulted in building Afghan institutions, such as the courts, in the United States' image.[30] Yet projects that are not thoughtfully conceived with Afghan needs and constraints in mind were either irrelevant to Afghans' needs or unsustainable. For example, in 2021, SIGAR audited a sample of 60 U.S. infrastructure projects in Afghanistan. SIGAR concluded that $723.8 million—91 percent of the total—had been spent on projects that were unused or abandoned, were not used as intended, had deteriorated, were destroyed, or some combination of the above.[31] In some cases, the annual operating and maintenance costs of the new projects constructed by the United States were many times those of the facilities they were intended to replace, and were constructed before the relevant Afghan ministry was even informed, much less consulted. It is not surprising that the Afghan government was uninterested in continuing programs or sustaining infrastructure it had not asked for in the first place.[32]

Structural roots of the problem

A willingness to fund and slowly strengthen partner governments and systems requires a shift in the kinds of risks that U.S. management, oversight, and compliance institutions are focused on.[33] Reconstruction is an inherently risky endeavor, and local partners are relatively bad at complying with arcane U.S. government administrative and financial regulations.[34] But by working with and through them, we may be able to better mitigate the bigger risks of strategic failure. According to a former senior USAID official, Patrick Fine, changing this will require "chang[ing] power dynamics" with partners. A Brookings report assesses that it will take "mov[ing] from policy and symbolic actions such as giving small grants to local organizations to authentic country ownership where priorities, program directions, and financial decisions are determined by local actors."[35] According to Fine, "It is not local organizations that lack the capacity to work with USAID," but USAID that lacks the ability to work with them.[36]

Achieving locally led development will be very labor intensive. The U.S. needs mechanisms to surge oversight and program management staff now if we are to avoid repeating the mistakes we made in Afghanistan.[37] By investing in surge mechanisms for staff, the U.S. government may be able to avoid a situation where it has no choice but to cut corners.[38]

Success in the absence of red tape

The U.S. government *is* capable of locally led development. Through the Millennium Challenge Corporation, the U.S. government already transfers ownership for identifying investment priorities to partner governments, with input required from civil society.[39] Similarly, PEPFAR—the State Department-run President's Emergency Plan for AIDS Relief—gives more than 60 percent of its money to local organizations to combat AIDS. Yet both initiatives are specifically designed to avoid the constraints of the Foreign Assistance Act.[40] In contrast, USAID is simply not capable of avoiding those constraints given the rules, regulations, reporting requirements, and earmarks that it must operate under.[41]

Question 5: What lessons have the U.S. government, allied governments, and nongovernment observers identified for the reconstruction of Afghanistan that should be adapted for use elsewhere?

Just as they did after the Vietnam War, State, USAID, and DOD claim after Afghanistan's collapse that the U.S. is unlikely to engage in another large-scale reconstruction campaign.[42] However, at any given time, the United States is involved in numerous efforts to rebuild fragile and conflict-affected countries—a list that currently includes Burkina Faso, Haiti, Iraq, Mali Somalia, Syria, and Yemen, among others.[43] Meanwhile, Ukraine is receiving an unprecedented level of financial assistance.[44] Between 2009 and 2018 the United States consistently provided more than a third of its foreign assistance to countries with ongoing violent conflicts.[45]

Assessments of what went wrong in Afghanistan conducted by the United States and many of its European partners contain significant agreements and recommendations for addressing this failure. Reports by the UK and the Danish argue that the U.S-driven strategy was predicated on an assumption that the Taliban could be defeated militarily and that no political compromise would be necessary to accommodate them.[46] Similarly, the Stabilization Assistance Review, a 2018 U.S. interagency policy document designed to fix problems with the U.S. approach to stabilization, acknowledged that the United States has a tendency to jump to high-cost reconstruction programs before establishing a foundation of inclusive political systems.[47] Administration after administration has declared that State, the lead on political matters, should be the lead agency for stabilization.[48] However, without structural changes to the way the U.S. government approaches reconstruction, it is unlikely that State will be sufficiently equipped to lead such an effort.[49]

SIGAR has previously reported that DOD filled the void in strategic leadership in Afghanistan that State was unable to fill.[50] The result was strategic incoherence, with the international community pursuing "an unstable hybrid of state building and counter-insurgency" and different U.S. agencies working at cross-purposes.[51]

The U.S. Stabilization Assistance Review specifies that security sector training and assistance should support a broader political strategy.[52] Assessments by European countries of their performance in Afghanistan call for prioritizing the goals of security for the population and establishing the rule of law. Instead, in Afghanistan, the United States prioritized counterterrorism—to the point where attempts by European Union nations to focus on the root causes of terrorism, particularly improving the rule of law, created tensions with the United States.[53]

Various after-action reports generally agree on what should be done differently in the future. The EU, UK, and Danish reports echo SIGAR's call for longer time horizons on stabilization campaigns and emphasize that short-term gains are not always sustainable.[54] All three reports also stress the need to moderate spending levels and keep them within host nation absorption levels.[55] One way to alleviate pressure to spend money quickly would be to provide multi-year funding, but this was rare. The UK assessment credits that country with being one of the few donors to do so.[56]

Global Fragility Act

The U.S. government has attempted to correct these mistakes with the passage of the 2019 Global Fragility Act (GFA) and the rollout of a new approach to stabilization in four priority countries and one priority region. The GFA is "a game-changing law that puts peacebuilding and conflict prevention at the center of U.S. foreign policy, assistance, and security strategy," according to one analysis.[57]

The bill promises a long list of improvements to the U.S. approach to conflict prevention and stabilization. Among other things, it requires the U.S. to develop 10-year interagency strategies, to ensure that they are locally led, improve coordination with other donors and multilateral organizations, and improve monitoring and evaluation.[58] But since the GFA provides relatively few resources, in terms both of funding and staffing, these worthy goals are in essence a series of unfunded mandates.[59]

SIGAR has advised U.S. government teams leading stabilization efforts in GFA and non-GFA countries (including Somalia, Libya, and Mozambique) to learn from the failure of the U.S. strategy in Afghanistan. There, stabilization programming was forced to hopscotch around the map, following the military's shifting frontlines, with poor results.[60] Instead, stabilization programming requires an enduring commitment, not just to a country, but also to specific subnational regions.

Physical security is the bedrock of stability.[61] Stabilization programs must focus on subnational areas where security can be provided to the population, both during the day and at night.[62] In Afghanistan, stabilization was counterproductive when it was implemented in insecure areas.[63] The United States and its allies must also focus on a narrow set of sectoral priorities and should not seek to transform host nation governments, societies, and economies, as it did in Afghanistan.[64] Rebuilding targeted basic services should be the focus, especially the rule of law, including in the informal sector.[65] This should be done with a careful adherence to what is locally sustainable.[66]

Staffing and flexibility

While the GFA is a major step in the right direction, other reforms are still urgently needed. For example, the GFA restricts the degree to which USAID and State can invest in their staff and capabilities by limiting administrative expenses to 5 percent of overall funding.[67] SIGAR agrees with the Stabilization Assistance Review's recommendation that the United States needs a mechanism to rapidly deploy civilian-led teams into conflict-affected areas.[68]

But deploying civilians is not enough. As per the SAR, civilian agencies also need more flexible security and risk management standards to enable them to co-deploy with the military.[69] SIGAR applauds the passage of the 2023 Diplomatic Support and Security Act. According to Senator Chris Murphy, one of the bill's sponsors, it "begin[s] rolling back . . . '[the] bunker mentality' at the State Department that hampers American diplomats' ability to conduct work in foreign conflict zones and politically unstable countries."[70] More work remains to be done on this front.

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[1] SIGAR, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan,* SIGAR-16-58-LL, September 2016, p. 11.
[2] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan,* SIGAR-18-48-LL, May 2018, p. 51.
[3] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 27; SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 158; SIGAR, *Why the Afghan Security Forces Collapsed*, SIGAR-23-16-IP, February 2023, pp. i, 14, 60, 61.
[4] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, pp. 32, 72.
[5] USAID, "Localization at USAID: The Vision and Approach," August 2022, pp. 1–2. In November 2021, USAID Administrator Power announced the agency's new localization strategy. USAID, "Localization," USAID, accessed May 12, 2022.
[6] Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022. So far, the trend line is worrying. Between 2020 and 2022, funding for large international organizations increased nearly fourfold, while most of USAID's largest partners saw stable or increased funding from 2018 to 2022. Former Senior Deputy USAID Administrator Patrick Fine remarked, "This is not what you would expect to see if localization was taking hold."
[7] Maurice Williams, John Kean, Charles Jenkins, Joann Feldman, and Patricia Fisher-Harris, "Retrospective Review of U.S. Assistance to Afghanistan," DEVRES Inc., October 31, 1988, pp. 7, 8 46–47.
[8] Michael Igoe and Adva Salinger, "Congress Grills USAID Chief on Localization, Ukraine, Food Crisis," Devex, May 12, 2022.
[9] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 27.
[10] Nordic Consulting Group, "Review of Danish Evaluation Findings and Lessons Learned in Afghanistan," produced on behalf of Global Affairs Canada, September 2019, p. 18.
[11] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 27; SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 158; SIGAR, *Why the Afghan Security Forces Collapsed*, SIGAR-23-16-IP, February 2023, pp. i, 14, 60–61.
[12] For example, under Administrator Rajiv Shah, USAID set a goal of directing 30 percent of spending to local partners, which proved unrealistic. George Ingram, "Locally Driven Development: Overcoming the Obstacles," Brookings, May 2022, p. 5.
[13] Jennifer Murtazasvhili, "Pathologies of Centralized State-Building – Analysis," *Eurasia Review*, December 15, 2019.
[14] Joseph Siegle and Patrick Mahony, "Assessing the Merits of Decentralization as a Conflict Mitigation Strategy," prepared on behalf of USAID, January 1, 2006. In contrast, in Afghanistan, the central government held all responsibility for financial planning and prioritization. SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 72.
[15] Jennifer Murtazasvhili, "Pathologies of Centralized State-Building – Analysis," *Eurasia Review*, December 15, 2019.

[16] Sayed Madadi, "Dysfunctional Centralization and Growing Fragility Under Taliban Rule," Middle East Institute, September 6, 2022.
[17] Frances Brown, "Aiding Afghan Local Governance: What Went Wrong?," Carnegie Endowment for International Peace, November 2021, pp. 3–4.
[18] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 165.
[19] For example, the United States cancelled two on-budget programs, the Afghanistan Stabilization Program (ASP) and District Delivery Program, after they were unable to demonstrate short-term success. However, the cancellation of the programs left the Afghan government without the strengthened and reformed personnel structure and processes to facilitate legitimate local governance, the lack of which was a central driver of government corruption. ASP was ultimately replaced by an unsustainable off-budget program. SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 86, 158, 219; SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, pp. 32, 44–45.
[20] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 72.
[21] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 27.
[22] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, pp. 32, 41.
[23] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 32.
[24] Nordic Consulting Group, "Review of Danish Evaluation Findings and Lessons Learned in Afghanistan," produced on behalf of Global Affairs Canada, September 2019, p. 25; Integrity Watch Afghanistan, "The Game of Numbers: Analysis of the National Budget 2018," December 2017, p. 3; Senate Committee on Foreign Relations Majority Staff, "Evaluating U.S. Foreign Assistance to Afghanistan," 2011, electronic p. 21.
[25] Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.
[26] USAID OIG, "Insufficient Oversight of Public international Organizations Puts U.S. Foreign Assistance at Risk," Audit Report No. 8-000-18-003-P, September 25, 2018, p. 2.
[27] Michael Igoe and Adva Salinger, "Congress Grills USAID Chief on Localization, Ukraine, Food Crisis," Devex, May 12, 2022; Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.
[28] George Ingram, "Locally Driven Development: Overcoming the Obstacles," Brookings, May 2022, p. 7.
[29] SIGAR, *Afghanistan Reconstruction Trust Fund: The World Bank Needs to Improve How it Monitors Implementation, Shares Information, and Determines the Impact of Donor Contributions*, SIGAR-18-48-AR, April 2018, electronic p. 3; USAID OIG, "Insufficient Oversight of Public international Organizations Puts U.S. Foreign Assistance at Risk," Audit Report No. 8-000-18-003-P, September 25, 2018, p. 2.
[30] A 2017 strategic evaluation of USAID's Afghanistan programming described senior officials expressing the belief that Afghan-led, sustainable programming remained "largely aspirational." SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, pp. 40, 72, 74.
[31] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 32.
[32] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 41.
[33] Former senior USAID official Patrick Fine also argues that USAID needs to stop delegating risk management to contractors and build that capacity internally. Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.
[34] Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.
[35] Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022; George Ingram, "Locally Driven Development: Overcoming the Obstacles," Brookings, May 2022, p. 4.
[36] Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.
[37] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 186–187.
[38] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-48-LL, August 2021, p. 28.
[39] George Ingram, "Locally Driven Development: Overcoming the Obstacles," Brookings, May 2022, p. 5.
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[49] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, August 2021, SIGAR-21-46-LL, pp. 10–11; SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 47–48.
[50] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, August 2021, SIGAR-21-46-LL, pp. 10–11; SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 47–48.
[51] Independent Commission for Aid Impact, "UK Aid to Afghanistan: Country Portfolio Review," November 2022, p. 18.
[52] State, USAID, and DOD, "Stabilization Assistance Review," 2018, p. 14.
[53] Oz Hassan, "Afghanistan Lessons Learnt from 20 Years of Supporting Democracy, Development, and Security," produced for the EU Parliament Directorate-General for External Policies, February 2023, p. 18; Independent Commission for Aid Impact, "UK Aid to Afghanistan: Country Portfolio Review, November 2022, p. 18; SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, August 2021, SIGAR-21-46-LL, p. 30.
[54] Independent Commission for Aid Impact, "UK Aid to Afghanistan: Country Portfolio Review," November 2022, p. 42; Nordic Consulting Group, "Review of Danish Evaluation Findings and Lessons Learned in Afghanistan," produced for Global Affairs Canada, September 2019, p. 27; SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, August 2021, SIGAR-21-46-LL, p. 22, 36–37; SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, p. 196; Dr. Oz Hassan, "Afghanistan Lessons Learnt from 20 Years of Supporting Democracy, Development, and Security," produced for the EU Parliament Directorate-General for External Policies, February 2023, p. 66.
[55] Dr. Oz Hassan, "Afghanistan Lessons Learnt from 20 Years of Supporting Democracy, Development, and Security," produced for the EU Parliament Directorate-General for External Policies, February 2023, p. 38; Nordic Consulting Group, "Review of Danish Evaluation Findings and Lessons Learned in Afghanistan," produced for Global Affairs Canada, September 2019, p. v; Independent Commission for Aid Impact, "UK Aid to Afghanistan: Country Portfolio Review," November 2022, p. 19.
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[58] Global Fragility Act of 2019, as part of the Further Consolidated Appropriations Act, 2020, Pub. L, No. 116-44, § 501 (2019).
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[67] Global Fragility Act of 2019, as part of the Further Consolidated Appropriations Act, 2020, Pub. L, No. 116-44, § 501 (2019).
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APPENDIX G

SENATORS KENNEDY, SINEMA, CRAMER, AND BRAUN REQUEST TO SIGAR ON AFGHANISTAN LESSONS LEARNED FOR UKRAINE AND SIGAR'S RESPONSE

On July 7, 2023, SIGAR responded to a request from Senators John Kennedy, Kyrsten Sinema, Kevin Cramer, and Mike Braun to learn more about how lessons from the 20-year U.S. effort to rebuild Afghanistan can be applicable to "the current situation in Ukraine." The senators' letter and SIGAR's response are below and are also available at www.sigar.mil.

United States Senate
WASHINGTON, DC 20510

June 6, 2023

The Honorable John F. Sopko
Special Inspector General
Office of the Special Inspector General for Afghanistan Reconstruction
Arlington, Virginia

Dear Mr. Sopko,

We write today to request your assistance with identifying lessons that your office has learned from Afghanistan reconstruction that may be applicable to U.S. assistance efforts in Ukraine, as well as any recovery effort that could begin there in the future.

Since 2008, the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) has conducted rigorous oversight of the U.S. reconstruction effort in Afghanistan, which has cost American taxpayers more than $146 billion since 2002. In addition to its hundreds of audits and investigations, SIGAR has issued several informative lessons learned reports on topics such as security assistance, economic development, monitoring and evaluation of aid programs, and anti-corruption efforts, among many others. All of them explain key lessons from Afghanistan that might also be applicable to U.S. assistance efforts in other countries.

Accordingly, we desire to learn more about how those lessons from Afghanistan could be applicable to the current situation in Ukraine, as the U.S. Congress has already appropriated more than $113 billion for Ukraine assistance since last March.[1] Indeed, Afghanistan and Ukraine are very different countries. However, history teaches us that the way in which the United States provides assistance to war-torn countries is often the same—and so are many of the challenges and pitfalls.

We are also mindful that Ukraine may request help from the U.S. and other countries to recover from this ruinous war. While it is currently unclear what role, if any, the U.S. might have in such an effort, it will likely require a significant financial investment over time. In a recent joint statement, the Government of Ukraine, the European Commission, the World Bank Group, and the United Nations estimated that Ukraine's recovery and reconstruction will cost $411 billion over 10 years.[2]

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[1] "U.S. Direct Financial Support for Ukraine." Congressional Research Service. January 25, 2023. Page 1. (https://crsreports.congress.gov/product/pdf/IF/IF12305). Joint Strategic Oversight Plan for Ukraine Response. January 2023. Page 9. (https://www.dodig.mil/Portals/48/FY2023_JSOP_UKRAINE_RESPONSE.pdf).
[2] Joint Press Release: "Updated Ukraine Recovery and Reconstruction Needs Assessment." Government of Ukraine, European Commission, World Bank Group, United Nations. March 23, 2023. (https://www.worldbank.org/en/news/press-release/2023/03/23/updated-ukraine-recovery-and-reconstruction-needs-assessment).

It is our firm belief that robust oversight of current and future U.S. assistance efforts in Ukraine is imperative for their success. A critical part of that oversight is ensuring the U.S. acts on key lessons from previous conflicts, including Afghanistan. Doing so will help us avoid repeating costly mistakes and protect the massive investment in Ukraine by American taxpayers from waste, fraud, abuse, and failure.

Thank you for your assistance. We look forward to receiving your response as soon as possible and to working with you on this important issue.

Sincerely,

John N. Kennedy
United States Senator

Kyrsten Sinema
United States Senator

Kevin Cramer
United States Senator

Mike Braun
United States Senator

SIGAR | Office of the Special Inspector General for Afghanistan Reconstruction

July 7, 2023

John N. Kennedy
United States Senator

Kyrsten Sinema
United States Senator

Kevin Cramer
United States Senator

Mike Braun
United States Senator

Thank you for your request dated June 6, 2023, to learn more about how lessons from the two-decades-long, $146 billion U.S. effort to rebuild Afghanistan can be applicable to "the current situation in Ukraine." In addition to the 1,297 audit recommendations SIGAR has made to recover funds, improve agency oversight, and increase program effectiveness, we have also made 143 sector-specific recommendations to executive agencies as part of the agency's Lessons Learned Program. Many of these recommendations are relevant to any U.S. reconstruction or security sector assistance effort.

Few could have predicted the eventual collapse of the Afghan government and security forces when U.S. troops first arrived in Afghanistan in 2001. Yet since its creation in 2008, SIGAR has raised serious concerns about weaknesses in the U.S. reconstruction effort in Afghanistan that could lead to failure. While Afghanistan and Ukraine are very different countries with a history of facing very different threats, many of the challenges U.S. agencies faced in Afghanistan—coordinating efforts, dealing with corruption, and effectively monitoring and evaluating projects and programs—will be the same as the ones they will face in Ukraine.

To that end, the enclosure includes seven lessons SIGAR identified over the course of the U.S. reconstruction effort in Afghanistan. Each is accompanied by a brief discussion of assistance to Ukraine, followed by recommendations to ensure that lessons from Afghanistan benefit similar efforts in Ukraine. These lessons were learned the hard way as part of a massive U.S. government effort that ultimately ended in failure. The recommendations presented here can help policymakers and program implementers avoid some of the pitfalls of the past and focus on efforts that have the greatest chance of leading to better outcomes.

To produce its lessons learned reports, SIGAR collects large amounts of data from audit and quarterly reports, research studies, and government documents. It also conducts hundreds of interviews with senior U.S. and former Afghan government leaders, program officers, contractors, experts, and civil society participants. SIGAR's Lessons Learned Program has produced 12 comprehensive reports that cover a range of topics. The attached response highlights some of the lessons and recommendations from the following reports: *Corruption in Conflict* (September 2016); *Reconstructing the Afghan National Defense and Security Forces* (September 2017); *Private Sector Development* (April 2018); *Stabilization* (May 2018); *Divided Responsibility* (June 2019); and *Monitoring and Evaluation of Reconstruction Contracting in Afghanistan* (July 2021).

Thank you for providing SIGAR with the opportunity to address your concerns.

Sincerely,

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: Response to letter from Senators Kennedy, Sinema, Cramer, and Braun

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ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

SIGAR Analysis of How Lessons from Rebuilding Afghanistan May Be Applicable to the Current Situation in Ukraine

Lesson 1: The U.S. government struggled to develop a coherent strategy for what it hoped to achieve in Afghanistan and imposed unrealistic timelines that led to wasteful and counterproductive programs.

When U.S. agencies devised and evaluated U.S. strategies in Afghanistan, they continuously asked the most fundamental questions: Who were America's enemies and allies, and exactly what should the U.S. government try to accomplish? U.S. officials came to believe that even the narrow mission of preventing al-Qaeda from returning required rebuilding Afghan government and economic institutions. Yet these efforts were plagued by increasingly interconnected reconstruction problems.

Former National Security Advisor Stephen Hadley, who oversaw the strategy from 2001 to 2008, described it to SIGAR this way: "The goal was to help Afghanistan build a government, provide a prosperous life for the Afghan people, and thus create a resiliency against al-Qaeda's return." Beginning around 2003, however, the regrouped remnants of the Taliban regime launched a campaign of attacks that grew exponentially, leading U.S. officials to worry that al-Qaeda could once again find a safe haven in Afghanistan unless the Taliban itself was not also defeated. Yet adding the Taliban to the United States' list of enemies also required convincing Afghan civilians who supported or tolerated the Taliban to shift their support to the U.S.-backed government. The flood of U.S. aid money which accompanied the shift in strategy overwhelmed the Afghan economy and fueled massive corruption from senior government officials in Kabul to low-level officials around the country. This corruption posed a critical threat to the mission.

Within the U.S. government, the responsibilities for developing different components of the reconstruction strategy were divided in problematic ways. In theory, State and USAID are the agencies responsible for leading reconstruction campaigns, but their resources and staff are dwarfed by those of the Department of Defense—which, in Afghanistan, stepped in to fill the void. With a particular focus on ends and means, U.S. officials paid little attention to the ways—that is, whether the U.S. government was equipped to undertake something this ambitious in such an uncompromising environment, no matter how well funded.

The U.S. government is poor at predicting the resources and length of time necessary to rebuild complex institutions in other countries. The timelines created by U.S. officials ignored conditions on the ground and created perverse incentives to spend quickly and focus on short-term goals. The U.S. government emphasized short-term, tangible projects where money could be spent rapidly and success claimed more immediately over less tangible but potentially more enduring, long-term programming, such as capacity building. Physical security, political stability, and immediate reconstruction needs took priority over the slow, iterative work of building good governance and the rule of law, the foundations for combating corruption.

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By 2010, U.S. reconstruction spending was equivalent to more than 100 percent of Afghanistan's GDP, or more than double the country's estimated maximum absorptive capacity. The rampant corruption spawned by this influx of cash left the United States hesitant to fund the Afghan government directly, so much of its assistance was provided off-budget. This created parallel institutions that competed with the government and did not address the issue of building government capacity.

Thus the U.S. government ultimately achieved the opposite of what it intended: It fueled corruption and delegitimized the Afghan government, which in turn increased insecurity. The painstaking work of rebuilding institutions was simply never compatible with the urgency with which the U.S. government perpetually operated in Afghanistan. Political pressure to find quick solutions to problems which defy quick solutions is an inherent problem in reconstruction efforts, where success is usually measured in decades, not months—and even then is not guaranteed.

Implications for Ukraine

Rebuilding Ukraine will require patience and a long-term strategy.[1] To put this into perspective, as a RAND report notes, the post-World War II transformation of Europe was bolstered by decades of supportive U.S. security and economic policies.[2] The U.S. strategy may involve supporting Ukrainians in their effort not just to rebuild their country, but to modernize their economy, politics, and society.[3] The United States will need to coordinate closely with other donors to condition aid on continued reform in areas such as anti-corruption, rule of law, and strengthening Ukrainian institutions.[4] Any underwriting of the Ukrainian reconstruction strategy by the United States or other donors should also build in checks and balances on the Ukrainian government by ensuring that Ukrainian civil society leaders have a seat at the table.[5]

Before the U.S. government can coordinate its Ukraine strategy with other donors, it should ensure that it is internally coordinated. To implement the Marshall Plan, the United States empowered a single senior reconstruction coordinator with broad administrative power, a model that may be worth replicating in Ukraine.[6] A State Department official may be the logical choice, given the diplomatic nature of the job.[7] However, despite the fact that several administrations have declared State as the lead reconstruction agency, State has never been granted the authorities and resources to properly

[1] David Skidmore, David Wessel, and Elijah Asdourian, "Financing and Governing the Recovery, Reconstruction, and Modernization of Ukraine," Brookings, November 3, 2022.
[2] Gabriel Shatz, Gabrielle Tarini, Charles Ries, and James Dobbins, "Reconstruction Ukraine: Creating a Freer, More Prosperous, and Secure Future," RAND Corporation, 2023, p. viii.
[3] David Skidmore, David Wessel, and Elijah Asdourian, "Financing and Governing the Recovery, Reconstruction, and Modernization of Ukraine," Brookings, November 3, 2022.
[4] David Skidmore, David Wessel, and Elijah Asdourian, "Financing and Governing the Recovery, Reconstruction, and Modernization of Ukraine," Brookings, November 3, 2022.
[5] Norman Eisen, Alina Inayeh, Jacob Kirkegaard, Thomas Kleine-Brockhoff, Josh Rudolph, and Bruce Stokes, "Toward a Marshall Plan for Ukraine: New Ideas and Recommendations," German Marshall Fund, June 2023, p. 14.
[6] Gabriel Shatz, Gabrielle Tarini, Charles Ries, and James Dobbins, "Reconstruction Ukraine: Creating a Freer, More Prosperous, and Secure Future," RAND Corporation, 2023, p. vi.
[7] U.S. Department of State, U.S. Agency for International Development, U.S. Department of Defense, and U.S. Department of Treasury, "United States Strategy to Prevent Conflict and Promote Stability," 2020, pp. 8, 11.

oversee a large-scale reconstruction mission.[8] Both State and USAID will need Congressional support to ensure they have the necessary staff to oversee the reconstruction of Ukraine.[9]

State and USAID need a robust presence in Ukraine and the ability to move around the country to meet with their local counterparts and observe the implementation of U.S.-funded projects.[10] As in many countries experiencing conflict, these civilian agencies are likely to face challenges getting permission to deploy enough staff.[11] Once deployed, staff will need mobility to do their jobs—that is, meeting with their counterparts and visiting project sites. Ensuring this mobility means reforming the security and risk management systems that currently create a "bunker mentality" among our diplomats and development officials.[12] These access restrictions also limit the amount of collaboration between U.S. officials and Ukrainian officials and partners.[13] Without close cooperation with Ukrainians on the ground, it will be hard for U.S. officials and their partners to help Ukrainians take the lead in implementing U.S. assistance. "Localization," as it is called, is something the U.S. aid bureaucracy has struggled to do for decades.[14]

Recommended Actions on Developing and Implementing Strategy in Ukraine

1. State, USAID, and DOD should consider conditioning their assistance on Ukraine's meeting concrete benchmarks related to fighting corruption, strengthening its institutions, and demonstrating its commitment to the rule of law, among others.
2. The U.S. Congress may wish to consider equipping State and USAID with the necessary authorities, resourcing, and staff to oversee a large-scale reconstruction mission in Ukraine. More aid funding without commensurate oversight is likely to create significant waste, fraud, and abuse.

[8] SIGAR, *What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction*, SIGAR-21-46-LL, August 2021, pp. 10–11.
[9] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 187.
[10] SIGAR, *Stabilization: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-48-LL, May 2018, pp. 49–50.
[11] The State Department Chief of Mission determines the total number of personnel who can work from a given country through the NSDD-38 process, which often caps staffing below the level at which agencies would be most effective. This challenge is worse in countries experiencing conflict, where the need to be able to quickly evacuate all staff is an added constraint, on top of considerations like budget and limited space. George Ingram, "Locally-Driven Development: Overcoming the Obstacles," Brookings, May 2022, pp. 7, 36.
[12] Gregg Star and Ronald Neumann, "Changing a Risk-Averse Paradigm at High-Threat Posts Abroad," Foreign Service Journal, March 2021; Robbie Gramer, "New Bill Takes Aim at State Department's Bunker Mentality," *Foreign Policy*, March 10, 2021.
[13] Warren Strobel and Gordon Lubold, "U.S. Watchdogs Want to Deploy Staff to Ukraine War Zone to Track Arms, Aid Up Close," *Wall Street Journal*, February 17, 2023.
[14] George Ingram, "Locally-Driven Development: Overcoming the Obstacles," Brookings, May 2022, pp. 5, 7. The trend line is worrying. Between 2020 and 2022, funding for large international organizations increased nearly four-fold, while most of USAID's largest partners saw stable or increased funding from 2018–2022. Former Senior Deputy USAID Administrator Patrick Fine assessed: "This is not what you would expect to see if localization was taking hold." Patrick Fine, "Rethinking the Constraints to Localization of Foreign Aid," Brookings, December 1, 2022.

ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

Lesson 2: Lack of effective coordination—both within the U.S. government and across the international coalition—was a major obstacle to success in Afghanistan and resulted in a disjointed patchwork of ineffective efforts, rather than a united and coherent approach.

Perhaps no other coordination effort suffered as much as the international coalition's attempt to build Afghanistan's security sector. Our research showed that no single person, agency, military service, or country had ultimate responsibility for all U.S. and international activities to develop the Afghan security services or the ministries of defense and interior. Instead, responsibilities for developing the Afghan security forces' capabilities were divided among multiple agencies and services, each of which assigned these tasks to advisors who were usually deployed for a year or less.

Coordination within the international coalition was also constrained by national caveats, restrictions that countries placed on the use of their military forces and civilian personnel. Caveats that were particularly inhibiting included those that banned night operations, restricted the mobility of national forces, and required that tactical decisions get approval from national capitals. These caveats hindered operational effectiveness and produced tension within the alliance by creating the perception that some countries were withholding their full support, thus placing a disproportionate burden on others. In some instances, caveats affected how the Afghans perceived their coalition counterparts. One study found that Afghan leaders preferred to partner with U.S. training teams rather than with international liaisons because U.S. trainers were able to join Afghans in combat.

However, shortcomings in coordination and coalition fractures were not limited to security sector assistance but were apparent throughout the reconstruction effort. For instance, opinions on the importance of counternarcotics often varied among U.S. government agencies, coalition partners, and Afghan authorities, and concern waxed and waned as priorities shifted and opium poppy cultivation levels rose. During the early stages of the reconstruction effort, the United Kingdom served as the lead nation for counternarcotics, while the United States played a minimal role. However, U.S. leaders soon became disillusioned with the UK approach, and by 2003 began to take a more dominant role in counternarcotics—far outspending the UK, which was still the de facto lead nation. As President George W. Bush later recalled, "The multilateral approach to rebuilding, hailed by so many in the international community, was failing."

Fractures and division were apparent not just among international partners, but among U.S. government agencies as well. There was often significant tension between USAID and DOD over USAID's reluctance or inability to work in the most contested and insecure districts—areas the military believed to be critical in reversing the Taliban's momentum. One USAID official said that "the military expected us to be bags of cash," and that DOD pressed the agency to begin costly and highly visible infrastructure projects in poor security conditions. Few at State or USAID felt they could push back. The dynamic was profoundly unequal; even when a disagreement involved a military officer and a civilian who were theoretically of the same rank, the officer often had the upper hand because of the overwhelming difference in size between the military and civilian contingents.

As a result of these coordination challenges, all types of stabilization programming were implemented during any stage of the "clear-hold-build" counterinsurgency strategy. This occurred even when USAID knew that the timing was inappropriate and that programs would be ineffective. Under pressure from the military, USAID built schools in places where they could not be monitored, the Afghan government could not maintain and staff them, and students attended only sporadically—if at all—due to insecurity. As one official noted, when USAID tried to stop implementing projects in areas where they could not be monitored or evaluated, the military simply used funds from its Commander's Emergency Response Program to implement those projects anyway—often in less secure areas, where projects were unlikely to succeed.

Even within agencies, coordination between field and headquarters was a significant challenge. Civilian personnel in Kabul significantly outnumbered those in the field. Decision-making authority was disproportionately centered in Kabul and Washington. According to one report, experienced staff at State and USAID reported limited opportunities to provide feedback or felt that their feedback fell on deaf ears. This reliance on headquarters-based decision making, with limited influence from knowledgeable field staff, undermined coalition policy objectives. The ostensibly bottom-up stabilization strategy had few voices at the bottom.

Coordination with Afghan officials and civil society proved equally challenging, as U.S. officials and partners sometimes bypassed them or disregarded their concerns due to significant pressure to make progress. Such fast-paced "progress" came at the price of building Afghan capacity.

Implications for Ukraine

The failed reconstruction effort in Afghanistan serves as a stark reminder of the critical importance of donor coordination, particularly in a conflict setting. Afghanistan witnessed a massive influx of international aid following the fall of the Taliban, but the lack of effective coordination within the U.S. government and among international donors resulted in a disjointed and ineffective reconstruction process. In Ukraine, the involvement of multiple actors and substantial aid inflows could lead to similar challenges. Without proactive measures to foster effective coordination, information sharing, and strategic alignment, Ukraine risks encountering the same fragmented and ad hoc aid delivery that undermined Afghanistan's reconstruction.

As Ukraine faces ongoing security challenges, effective coordination among international donors providing weapons and equipment is especially important. This is crucial for not only strengthening Ukraine's defense capabilities but also for minimizing the risk of diversion or misuse. Inadequate donor coordination and oversight over the vast amounts of equipment and weapons being transferred may erode trust and confidence among donors and the public. It could also create a perception of disarray and inefficiency, hindering long-term goals and diminishing the full impact of donor assistance.

There are ongoing international efforts to coordinate aid to Ukraine, yet the extent of their effectiveness remains uncertain. If the historical pitfalls of donor coordination in Afghanistan are any indication, the number of donor institutions and the volume of their assistance in Ukraine presents risks of strategic misalignment and waste on the ground. The Multi-agency Donor Coordination Platform, launched in January 2023, is meant to serve as a means for coordinating support and fostering dialogue around assistance to Ukraine.[15] High-level officials from the United States, Ukraine, the European Union, and G7 countries, as well as international financial institutions such as

[15] State, "Secretary Blinken's Participation in the Ukraine Recovery Conference," fact sheet, June 21, 2023.

the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, and the World Bank, all participate in the forum.[16] Coordinating donor assistance is also the job of the International Donor Coordination Center, which is based on a U.S. Army installation in Germany and is led by the United Kingdom. It acts as a central hub for managing the intake of donated weapons and equipment from over 50 donor nations and ensuring that they get to Ukrainian forces as quickly as possible.[17]

Inspectors general from various U.S. agencies are working to provide oversight over the vast amount of U.S. assistance and to assess how the United States is coordinating with international partners. In June 2022, U.S. government oversight organizations established a working group to ensure communication and information sharing across agencies, avoid gaps in coverage and prevent duplicative oversight projects. By March 15, 2023, the 20 oversight organizations participating in the working group had issued 17 reports related to Ukraine response efforts and had 71 planned or ongoing projects in the pipeline.[18]

Despite this comprehensive oversight effort, the current inspector general structure may not be sufficient to effectively oversee the substantial amount and complexity of aid flowing into Ukraine, as noted by the German Marshall Fund.[19] Coordinating oversight work within the U.S. government inspector general community in Ukraine is vital to ensuring its efficiency and effectiveness. It would help avoid duplication of efforts and streamline investigations and audits; pool resources, expertise, and information; and enable a more comprehensive approach to detect fraud, waste, and abuse. Challenges may arise in navigating bureaucratic barriers, jurisdictional complexities, and differences in agency priorities.

These challenges are likely to be exacerbated as different donors conduct their own oversight work. For example, in 2014, we learned that the European Anti-Fraud Office recommended that the EU withhold half of its €200 million contribution to the Law and Order Trust Fund for Afghanistan (LOTFA)—the donor fund used for paying Afghan police salaries–due to financial mismanagement. The EU then withheld these funds until additional safeguards could be put in place. Yet in subsequent discussions with CSTC-A, the main DOD office charged with training Afghan security forces, we learned that they were completely unaware of the issue.[20]

Recommended Actions on Coordinating Efforts in Ukraine

1. The U.S. Congress may wish to consider supporting a dedicated focal point or coordinator within the U.S. government specifically responsible for overseeing donor coordination efforts

[16] European Commission, "Third Steering Committee of the Multi-agency Donor Coordination Platform for Ukraine focuses on supporting Ukraine to achieve its 2023 priority needs," May 27, 2023.
[17] David Vergun, "Donor Nations Providing Security Assistance, Training for Ukraine," DOD News, June 14, 2023; Jim Garamone, "European Command Group Strives to Get Ukrainians What They Need," DOD News, July 7, 2022.
[18] DOD Office of Inspector General, State Office of Inspector General, and USAID Office of Inspector General, "Joint Oversight of the Ukraine Response," March 27, 2023, pp. 4–6.
[19] Norman Eisen and Josh Rudolph, "Takeaway from Berlin Ukraine Recovery Conference: Donor Coordination Is Coming but Not Here Yet," German Marshall Fund, October 26, 2022.
[20] SIGAR, "SIGAR Letter on ANP Ghost Worker & Law and Order Trust Fund for Afghanistan (LOTFA) Financial Management," February 19, 2014; SIGAR, *Quarterly Report to the United States Congress*, January 30, 2014, p. 65.

for Ukraine. This position may enhance interagency coordination and establish clear channels for information sharing and collaborative decision making between agencies.

2. State and USAID should consider collaborating with international financial institutions, such as the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, and the World Bank, to foster effective coordination in providing financial assistance to Ukraine. Regular dialogue, joint planning, and the sharing of expertise would optimize the allocation of funds and ensure coherence in supporting Ukraine's economic development.
3. State and USAID should consider exploring the establishment of joint coordination mechanisms with Ukrainian counterparts, such as a high-level coordination committee or working group, to facilitate regular exchanges on reform priorities and align assistance efforts accordingly.
4. U.S. government inspectors general should consider establishing a formal framework for coordinating with oversight organizations internationally to share audit plans, investigative findings, and reporting on which contractors can be trusted and which cannot. Such coordination would also promote a comprehensive understanding of oversight priorities and challenges across the entire donor community working in Ukraine. The lack of effective oversight coordination among donors was a constant problem in Afghanistan.

Lesson 3: Though viewed as our greatest strength, the level of financial assistance in Afghanistan was often our greatest weakness.

In Afghanistan, the U.S. government spent too much money, too quickly, in a country that was unable to absorb it. Funding levels were often the only variable within the U.S. government's control, and money became the easiest variable to modify as security consistently worsened. Each of the U.S. strategic reviews in 2003, 2006, 2008, and 2009 concluded that the mission required more time and resources. Each resulted in more of both—and still the requests kept coming. Progress was measured in dollars spent. As early as 2004, donor spending in Afghanistan far exceeded the country's absorptive capacity, the well-established threshold beyond which aid becomes counterproductive. It stayed above that limit for another decade.

After the surge of 2009 to 2012, it became evident that donor investments were not sustainable, and aid began to dry up. According to the IMF, by 2016, all the jobs created during the surge had been lost. The flood of cash hurt donor efforts to foster economic development by inflating the value of the Afghan currency, making imports cheaper and exports less competitive, which in turn led to a trade imbalance that prevented sustainable economic growth. That, in turn, made growing poppy more attractive. Because it reduced government revenues, aid provision also exacerbated Afghanistan's aid dependence.

Donor spending greatly exceeded the amount that the U.S. government could responsibly oversee. It proved impossible to surge oversight staff as quickly as we surged spending. New staff were often inexperienced and ineffective. Overwhelmed staff had no other choice but to cut corners; as a result, waste and fraud were left virtually unchecked. The waste was extraordinary: SIGAR found that 31

percent of capital assets the United States built in Afghanistan—worth $2.4 billion—were not used as intended or were abandoned or destroyed.

Much of the problem came down to how much money a single U.S. contracting officer or agreement officer could oversee and still effectively detect and act on problems—a challenge that continues to reverberate beyond Afghanistan. Agency-wide, USAID is currently facing a significant shortage of staff, according to USAID Administrator Samantha Power. Each of its contracting officers manages four times as much as their counterparts at DOD.[21] This was especially acute in Afghanistan, where at one point, each USAID agreement officer was managing 10 times the amount of money recommended by internal protocols. Insufficient and inexperienced oversight staff was also a problem at State.

The U.S. government also faced significant challenges related to oversight of pooled funding, or funds donated through multilateral organizations like the UN and the World Bank. Funds sent through these organizations are subject to fewer U.S. oversight controls than money spent by the U.S. government directly through bilateral channels. Multilateral funding has the advantage of being more flexible but the distinct disadvantage of having fewer or poorly enforced information-sharing requirements. For example, in 2018, SIGAR found that a lack of transparency in the World Bank's monitoring of the Afghanistan Reconstruction Trust Fund (ARTF) put billions of dollars at risk. At SIGAR's request, the Bank made improvements, but a follow-up report found that problems remained.

Politically driven and compressed timelines also created excessive spending. This pressure originated with Congress and senior levels of the executive branch and trickled down through agency leadership to Kabul, impacting every decision. These timelines ignored conditions on the ground and forced reckless compromises, creating perverse incentives to focus on short-term goals. Because consulting Afghan government officials and beneficiaries only slowed things down, U.S. agencies and their contractors rarely bothered. Instead of taking the time to strengthen Afghan governing capacity, the United States often bypassed Afghan institutions.

Implications for Ukraine

In a little more than a year, U.S. appropriations for the Ukraine response nearly equal the amount the U.S. spent rebuilding Afghanistan between 2002 and 2015—and the amount spent in Afghanistan over those 14 years was so high it was impossible to ensure it was used appropriately and effectively. Since March 2022, Congress has appropriated more than $113 billion for Ukraine assistance through four emergency supplemental funding measures.[22] A total of $35.4 billion of this went to security assistance alone, a steep increase from the $2.5 billion provided to Ukraine between 2014 and 2021.[23]

[21] Samantha Power, testimony before the Senate Foreign Relations Committee, hearing on "Fiscal 2022 Budget Request for USAID," July 14, 2021.
[22] DOD OIG, State OIG, and USAID OIG, "JSOP-Ukraine: Joint Strategic Oversight Plan for Ukraine Response," January 2023, p. 9.
[23] State, "U.S. Security Cooperation with Ukraine," fact sheet, February 3, 2023, accessed February 16, 2023; The Economist, "Which countries have pledged the most support to Ukraine?" May 2, 2022.

ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

From the $113 billion appropriated, $62.3 billion went to DOD, and $46.1 billion to State and USAID (for a combined 96 percent of total funds), while other U.S. agencies received $5 billion.[24] Notably, USAID has designated $18 billion in direct budget support for the government of Ukraine through pooled World Bank trust funds.[25] This funding supplements the $3 to $5 billion in monthly donor assistance that Ukraine reportedly requires to alleviate an acute budget deficit and keep basic services functioning.[26] These services include running hospitals, schools, and utilities, as well as paying teachers, firefighters and first responders.[27] Another $4.9 billion in direct budget support will reportedly be made available in September 2023.[28]

Yet, as noted above, pooled multilateral donations are often challenging to track, especially without U.S. oversight on the ground.[29] According to USAID's Office of Inspector General, 90 percent of all USAID funding to Ukraine in 2022 was disbursed through such multilateral channels.[30] During congressional testimony and in remarks to the media, USAID's Acting Deputy Inspector General Nicole Angarella has warned that this facet of USAID funding is her primary oversight concern.[31] Though the inspectors general from State, DOD and USAID all traveled to Ukraine in late January 2023, and consulting firm Deloitte is bolstering its oversight efforts of direct budget support, the lack of transparency and accountability in pooled funding, as well as the difficulty of measuring its impact, remains a risk.[32]

Ukraine's need for assistance is likely to increase. In a recent joint statement, the Government of Ukraine, the European Commission, the World Bank Group, and the United Nations estimated that Ukraine's recovery and reconstruction will cost $411 billion over 10 years.[33] A separate Ukrainian government analysis suggests the costs will be closer to $750 billion over the same period.[34] These

[24] DOD OIG, State OIG, and USAID OIG, "JSOP-Ukraine: Joint Strategic Oversight Plan Ukraine Response," January 2023, pp. 10–11; DOD OIG, State OIG, and USAID OIG, "Joint Oversight of the Ukraine Response," March 27, 2023, p. 5.
[25] DOD OIG, State OIG, and USAID OIG, "JSOP-Ukraine: Joint Strategic Oversight Plan Ukraine Response," January 2023, p. 10; State, "Building a Future Ukraine in Partnership with the Private Sector," media note, April 14, 2023.
[26] U.S. Congressional Research Service, "Ukraine and International Financial Institutions," updated January 4, 2023; State, "The United States' Global Foreign Assistance Efforts," February 15, 2023.
[27] State, "The United States' Global Foreign Assistance Efforts," February 15, 2023.
[28] State, "Building a Future Ukraine in Partnership with the Private Sector," media note, April 14, 2023.
[29] DOD OIG, State OIG, and USAID OIG, "Joint Oversight of the Ukraine Response," March 27, 2023, p. 9; Gordon Lubold and Warren P. Strobel, "U.S. Watchdogs Want to Deploy Staff to War Zone to Track Arms, Aid Up Close," *Wall Street Journal*, February 17, 2023, accessed February 23, 2023.
[30] USAID OIG, "Statement of Nicole L. Angarella Before House Committee on Oversight and Accountability Hearing Entitled, 'The Biden Administration's Disastrous Withdrawal from Afghanistan, Part 1: Review by the Inspectors General,'" April 19, 2023.
[31] Gordon Lubold and Warren P. Strobel, "U.S. Watchdogs Want to Deploy Staff to War Zone to Track Arms, Aid Up Close," *Wall Street Journal*, February 17, 2023, accessed February 23, 2023; Nicole L. Angarella, testimony before House Committee on Foreign Affairs Hearing, "Oversight, Transparency, and Accountability of Ukraine Assistance,'" March 29, 2023.
[32] Gordon Lubold and Warren P. Strobel, "U.S. Watchdogs Want to Deploy Staff to War Zone to Track Arms, Aid Up Close," *Wall Street Journal*, February 17, 2023, accessed February 23, 2023; USAID, "The United States Will Invest $20 Million to Further Bolster Transparency in Direct Budget Support Provided to the Government of Ukraine," April 17, 2023.
[33] Government of Ukraine, the World Bank Group, the European Commission, and the United Nations, "Updated Ukraine Recovery and Reconstruction Needs Assessment," joint press release, March 23, 2023.
[34] State, "Building a Future Ukraine in Partnership with the Private Sector," media note, April 14, 2023.

10-year estimates are already roughly 3 to 5 times as high as what was spent rebuilding Afghanistan over two decades.

Moreover, government aid alone will be insufficient to meet the country's vast reconstruction needs; donor investments will need to facilitate much larger private investments and foreign direct investment will be important.[35] While no financial commitments have been made, the private sector has already demonstrated interest in supporting Ukraine's reconstruction needs. Both Blackrock and JP Morgan have signed memorandums of understanding with the Ukrainian government promising to provide advisory support throughout the reconstruction process.[36]

Recommended Actions on Funding in Ukraine

1. State and USAID should consider taking into account the amount of assistance the Ukrainian economy can absorb and keep aid levels beneath that threshold.
2. State, USAID, and DOD should consider significantly increasing agency staffing to oversee assistance to Ukraine. While unprecedented funding levels are not inherently problematic, if unprecedented funding is not accompanied by commensurate oversight, the risks of waste, fraud, and abuse grow substantially.
3. State and USAID should consider increasing and enforcing transparency requirements for U.S. assistance delivered through multilateral organizations to ensure the U.S. taxpayer knows how funds are being used.
4. State, USAID, and DOD should consider conditioning assistance on having access to relevant Ukrainian government records and contracts dealing with U.S. funds.
5. State, USAID, and DOD should consider reviewing the capacity of Ukrainian government institutions receiving direct budgetary support to ensure they have effective safeguards against corruption and misallocation.

Lesson 4: Corruption was an existential threat to the reconstruction mission in Afghanistan.

For many years, corruption was a significant blind spot for U.S. officials. They consistently prioritized short-term stability and counterterrorism and military clearing operations over the slow, painful process of building good governance and rule of law. To that end, the United States and its Afghan government partners allied itself with unsavory warlords who could deliver territorial control, albeit by carving out their own fiefdoms. Combined with the massive influx of aid into the country, these alliances fueled corruption. What had been a low-grade problem before the 2001 invasion became what amounted to potent and entrenched organized crime networks throughout the Afghan government. U.S. efforts to combat corruption saw only limited success in the absence of sustained Afghan and U.S. political commitment.

[35] Gabriel Shatz, Gabrielle Tarini, Charles Ries, and James Dobbins, "Reconstructing Ukraine: Creating a Freer, More Prosperous, and Secure Future," RAND Corporation, 2023, p. 27.
[36] BlackRock, "BlackRock Financial Markets Advisory to Advise Ministry of Economy of Ukraine," November 16, 2022, accessed April 20, 2023; Office of the President, "Volodymyr Zelenskyy meets with senior members of JP Morgan, takes part in investment summit organized by holding," February 11, 2023.

ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

Corruption damaged the legitimacy of the Afghan government, strengthened popular support for the insurgency, and channeled material resources to insurgent groups. A wide variety of studies surveyed by the Empirical Studies of Conflict project found that corruption was often the most important issue undermining support for the Afghan government and driving support for insurgents. Corruption also undermined faith in the international reconstruction effort. Public trust in the U.S.-led intervention eroded as international aid agencies, contractors, and military coalition partners came to be seen as complicit in the corrupt behavior of the Afghan government.

Under pressure to produce results quickly, agencies bypassed Afghan institutions and government channels when they encountered corruption, rather than slog through efforts at reform. When aid did flow through Afghan budgets and institutions, the United States prioritized the survival and short-term stability of the Afghan government over following through on anti-corruption efforts. At various points, U.S. officials tried imposing conditions on aid to incentivize reform, including measures to battle corruption within the Afghan government. Knowing the U.S. government ultimately would not withhold critical assistance that Kabul desperately needed to survive, Afghan officials essentially called the United States' bluff. Thus, conditions were announced, but not enforced. At other times, attempts to combat corruption tended to focus on mid- to-low level corruption; targeting the high-level officials who most benefitted from corruption was viewed as largely futile.

Donor funding did contribute to the creation of bulwarks against corruption in the media and civil society sectors, however. For example, U.S. support was integral to the establishment of Integrity Watch Afghanistan, through which local communities monitored construction projects. Similarly, U.S. funding for the media sector, and particularly investigative journalism, made key contributions to the anti-corruption effort.

Implications for Ukraine

Corruption in Ukraine is likely to be a significant obstacle to the country's recovery. Like Afghanistan, Ukraine has historically suffered from endemic corruption at the highest levels of government. For countries receiving U.S. assistance, entrenched patronage networks that involve senior officials can inhibit reconstruction and international aid by wasting assistance and damaging the government's ability to deliver services. Combating corruption is difficult because it requires the cooperation and political will of those elites who benefit the most from it. Few cooperate willingly.[37]

As the most corrupt country in Europe (excluding Russia), Ukraine ranks 116th out of 180 countries on corruption—equivalent to Angola, El Salvador, and the Philippines.[38] According to the Atlantic Council, before the Russian invasion, corruption in Ukraine cost about one-quarter of its annual GDP.[39] USAID's September 2022 Dekleptification Guide reports that costs for large state construction projects in Ukraine are inflated by 30 percent, including a 10 percent kickback for government officials and their friends.[40]

Since the Revolution of Dignity in 2014, Ukraine has—with U.S. assistance—established a plethora of specialized institutions to prevent, investigate, and prosecute government corruption, but it was not

[37] SIGAR, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan*, SIGAR 16-58-LL, September 2016, p. ii.
[38] Transparency International, "Ukraine Country Profile," accessed on February 16, 2023.
[39] Willem Buiter, "Ukraine's Choice: Corruption or Growth," Atlantic Council, June 19, 2021.
[40] USAID, "Dekleptification Guide: Seizing Windows of Opportunity to Dismantle Kleptocracy," September 2022, p. 55.

until President Volodymyr Zelensky was elected on promises to fight corruption in 2019 that these institutions began to have teeth.[41] Still, according to USAID, rooting out corruption in Ukraine will be a generational challenge: "Mistakenly viewing the mission as having now been accomplished would invite risks of backsliding…as demonstrated by nearby Georgia."[42]

President Zelensky has taken positive steps to fight corruption in his government. In January 2023, he dismissed six deputy ministers and five regional administrators on charges of corruption.[43] Then, in May 2023, the chair of Ukraine's Supreme Court was removed from his post after being arrested and accused of taking millions in bribes.[44] A trial is currently underway in the United Kingdom involving former co-owners of Ukraine's biggest bank, who are accused of stealing $2 billion. As Ukraine pursues a bid to join the European Union, the Zelensky government has emphasized countering corruption and promoting the rule of law, but the effectiveness of those efforts remains to be seen.[45] Some efforts have been encouraging. According to The Economist, "In the three-and-a-half years that [a special] anti-corruption court has been operating, 65 people have been convicted in it, including 20 judges and several [members of parliament] and senior officials."[46]

Just as warlords were a recurring source of corruption in Afghanistan, oligarchs are a concern in Ukraine. Since the fall of the USSR, a small group of oligarchic elites have dominated Ukraine's politics and economy, using their enormous resources to undermine governance, according to the Center for Strategic and International Studies.[47] The ongoing war with Russia also puts a considerable strain on the resources, personnel, and attention devoted to countering corruption.[48] Inevitably, wartime efforts to promote integrity and hold oligarchs and dishonest officials accountable are often deprioritized in favor of safeguarding national security. At the same time, the urgency and secrecy of defense procurements and influx of foreign assistance create new opportunities for graft.[49]

The U.S. government appears to recognize this threat, which is an important improvement over the early years in Afghanistan. Locally, USAID partners with government officials, civil society, and the private sector to push for effective and accountable local governance. At the national level, USAID is working with Ukraine's parliament to strengthen the legislature's role in providing independent

[41] Nick Fenton and Andrew Lohsen, "Corruption and Private Sector Investment in Ukraine's Reconstruction," Center for Strategic and International Studies, November 8, 2022; Mykhailo Minakov, "The War and the Future of Ukraine's Oligarchy," The Wilson Center, August 3, 2022; Julian Hayda, "President Zelenskyy shakes up Ukraine's cabinet amid corruption allegations," *NPR*, January 24, 2023; USAID, "Dekleptification Guide: Seizing Windows of Opportunity to Dismantle Kleptocracy," September 2022, pp. 41–42.
[42] USAID, "Dekleptification Guide: Seizing Windows of Opportunity to Dismantle Kleptocracy," September 2022, p. 55.
[43] Julian Hayda, "President Zelensky Shakes up Ukraine's Cabinet Amid Corruption Allegations," *NPR*, January 24, 2023.
[44] Daniel Victor, "The Chief of Ukraine's Supreme Court has been Detained and Accused of Taking a $2.7 Million Bribe," *New York Times*, May 16, 2023.
[45] Organisation for Economic Co-operation and Development, "Anti-Corruption Reforms in Ukraine," 2022; Washington Post, "Rebuilding Ukraine Means Fighting Graft First," June 14, 2023.
[46] The Economist, "War is reshaping the Ukrainian state—for the better," June 22, 2023.
[47] Nick Fenton and Andrew Lohsen, "Corruption and Private Sector Investment in Ukraine's Reconstruction," Center for Strategic and International Studies, November 8, 2022.
[48] Nick Fenton and Andrew Lohsen, "Corruption and Private Sector Investment in Ukraine's Reconstruction," Center for Strategic and International Studies, November 8, 2022.
[49] Nick Fenton and Andrew Lohsen, "Corruption and Private Sector Investment in Ukraine's Reconstruction," Center for Strategic and International Studies, November 8, 2022.

oversight of the presidential administration, the cabinet, and other public institutions. It also seeks to strengthen the legislative and constitutional framework for the decentralization of governance and to promote independent and transparent financial planning and management strategies.[50] The United States has partnered with other donors and multilateral institutions, including the International Monetary Fund and the EU, to condition assistance on establishing comprehensive asset declarations for government officials, independent enforcement agencies run by leaders with integrity, reforms at the Ukrainian state energy company, and the firing of a corrupt prosecutor-general. Donors have repeatedly withheld loans for months to demonstrate their seriousness.[51] It remains unclear how effective this tactic has been.

Recommended Actions on Fighting Corruption in Ukraine

1. State and USAID should consider making anticorruption efforts a top priority in Ukraine to prevent systemic corruption from undermining U.S. strategic goals.
2. State, USAID, and DOD should consider developing a shared understanding of the nature and scope of corruption in Ukraine through political economy and network analyses.
3. State, USAID, and DOD should consider limiting alliances with malign powerbrokers and aim to balance any short-term gains from such relationships against the risk that empowering these actors will lead to systemic corruption.
4. State and DOD should consider incorporating anticorruption objectives into their security strategies, rather than viewing anticorruption as imposing tradeoffs on those goals.
5. State, USAID, and DOD should consider recognizing that solutions to endemic corruption are fundamentally political. Therefore, the United States should consider bringing to bear high-level, consistent political will when pressing the Ukrainian government for reforms and ensuring U.S. policies and practices do not exacerbate corruption.
6. State, USAID, and DOD should consider sharing information regarding which partners, contractors, and vendors in Ukraine have proven good stewards of U.S. funds and which ones are prone to corrupt and otherwise problematic practices. State, USAID, and DOD should also share this information with international counterparts (including oversight offices) and encourage them to reciprocate.

Lesson 5: Building and reforming the Afghan security forces was hindered by their corruption, predation, and chronic dependency on the United States.

Corruption within the security forces and its associated ministries—ranging from the purchase of military promotions to the theft and sale of fuel—corroded the force readiness and battlefield performance of the Afghan National Defense and Security Forces (ANDSF). One of the most persistent forms of corruption was the fabrication of nonexistent personnel—"ghost soldiers"—on army and police payrolls so that others could pocket their salaries. Ghost personnel were an

[50] USAID, "Ukraine Fact Sheet, Governance and Decentralization," May 26, 2022.
[51] USAID, "Dekleptification Guide: Seizing Windows of Opportunity to Dismantle Kleptocracy," September 2022, p. 37.

enduring challenge to ANDSF development by undermining recruiting and planning forecasts, undercutting battlefield performance, and leading to fraudulent budget forecasting and overstated force strength. A SIGAR audit from January 2015 warned that more than $300 million a year was spent paying salaries to ghosts in the ANDSF. To address this issue, CSTC-A implemented four different automated systems over the years to improve personnel and pay accountability. But such complex systems required substantial oversight—and even then, as CSTC-A acknowledged, the systems would not completely eliminate the problem of ghost soldiers.

This hollowing out of security institutions had direct implications for U.S. policy in Afghanistan. The schedule to transition security responsibility to the Afghans depended on training Afghan forces to be self-sufficient. Yet the poor performance and corruption of these security forces meant that U.S. officials had to take greater ownership of force development, contributing to Afghans' chronic dependency on the U.S. military. By 2021, corruption robbed ANDSF personnel of critical supplies on the frontlines, eroded morale and unit cohesion, and created false impressions of force numbers.

Similarly, police assistance was a weak link in U.S. attempts to develop Afghanistan's security sector and rule of law. After 20 years and over $20 billion in U.S.-provided police assistance, the U.S. government failed to construct a capable national police force in Afghanistan. Instead, the Afghan National Police (ANP) alienated Afghans and undermined the U.S. government's overarching security goals for the country. Many factors contributed to this situation, but one of the most important lies in Afghan history: Afghanistan has never had an effective nationwide police force dedicated to protecting its citizens. Its police have existed to protect government power, often through corrupt or abusive means. Without meaningful reforms to the ANP, U.S. efforts to create a civilian police force merely exposed more Afghans to predatory and corrupt police practices, driving many ordinary Afghans into the arms of the insurgency.

Under DOD's leadership, the mission and focus of the Afghan police also came to reflect the U.S. military's counterinsurgency strategy. Instead of focusing on rule of law or community policing, most Afghan police units were focused on providing security and support to Afghan army operations, resulting in an overly militarized police. In many cases, Afghan police actually contributed to crime by engaging in extortion, assault, and human rights abuses, which in turn eroded the legitimacy of the entire Afghan governance system. In response to police brutality, some communities welcomed the Taliban back as liberators in 2021—just as they had in the 1990s.

Worse still, the Afghan government and international community rarely held police officers accountable for corruption and human rights abuses, especially if they were politically connected or commanded capable anti-Taliban militias. This rapidly diminished the population's hope that the new government would serve their interests. The U.S. military's approach to police training had the effect of preserving Afghanistan's pervasive culture of police impunity by funding and providing technical assistance to Afghan police units that faced credible reports of committing gross human rights abuses. Afghanistan thus illustrated a key dilemma for U.S. advisors in stabilization and reconstruction missions: Is cooperation with brutal but militarily capable security forces worthwhile if it restores security—or does such cooperation create more conflict in the long run by undermining good governance and rule of law?

The police are only one pillar of the overall criminal justice system, yet police assistance programs were usually conducted independently from other donor-led programs focusing on two closely related pillars: developing courts and training prosecutors. This fractured approach had an adverse impact on police development and justice in Afghanistan. Emboldened in their positions, corrupt police chiefs and officers operated within a judicial system described as "arrest, bribe and release." Even

reformed and well-intentioned police officers struggled to provide effective law enforcement when other parts of the justice ecosystem remained underdeveloped or corrupt.

Implications for Ukraine

The security and justice sectors in Ukraine have a history of predation that may worsen with an influx of recovery aid. According to media reports, decades of corruption had hollowed out the armed forces, rendering it powerless to stop Russia's seizure of Crimea and aggression in eastern Ukraine in 2014.[52] The government had to rely on militias organized and funded by individuals and groups, including oligarchs.[53] According to corruption expert Sarah Chayes, much of this pervasive corruption was a deliberate attempt by the kleptocratic regime of former President Viktor Yanukovych to gut the army and enrich the ruling networks. Yanukovych feared his own people more than external enemies.[54]

Ukraine's military has come a long way since 2014, adopting a myriad of reforms and a meritocratic culture much less tolerant of corruption.[55] Nevertheless, avenues for corruption and predation still exist, and incentives are likely to increase as reconstruction ramps up, particularly if Ukraine becomes heavily militarized in anticipation of future Russian aggression. For example, as Ukraine begins to rebuild its security institutions, transparency will be crucial in mitigating the potential emergence of ghost soldiers.

Meanwhile, as in Afghanistan, experts report that Ukraine's internal security forces remain rife with corruption and require urgent reform.[56] Going back many years, Ukraine's police have been largely feared and distrusted by the people they are supposed to serve. In some areas of the country, the police have resembled a mafia-style organization that intimidates locals with impunity, according to the Wilson Center.[57] Like the ANP, Ukraine's police lack a strong tradition of community policing. Historically, they have been accountable to the regime, not the people, with democratic notions of "protect and serve" secondary to advancing one's own material interests. This contributed to widespread bribery and extortion.[58] Half-finished reforms from 2015 failed to overhaul the police. In recent years, the injection of fresh U.S.-trained officers was supposed to transform the system, but the absence of meaningful institutional reform undercut the effort, according to media reports.[59]

[52] Louis-Alexandre Berg and Andrew Radin, "Ukraine updated its defense institutions—and is defying expectations," *Washington Post*, March 29, 2022; Sarah Chayes, "How Corruption Guts Militaries: The Ukraine Case Study," Defense One, May 16, 2014; Adrian Bonenberger, "Ukraine's Military Pulled Itself Out of the Ruins of 2014," *Foreign Policy*, May 9, 2022.
[53] Adrian Bonenberger, "Ukraine's Military Pulled Itself Out of the Ruins of 2014," *Foreign Policy*, May 9, 2022; Louis-Alexandre Berg and Andrew Radin, "Ukraine updated its defense institutions—and is defying expectations," *Washington Post*, March 29, 2022.
[54] Sarah Chayes, "How Corruption Guts Militaries: The Ukraine Case Study," Defense One, May 16, 2014.
[55] Adrian Bonenberger, "Ukraine's Military Pulled Itself Out of the Ruins of 2014," *Foreign Policy*, May 9, 2022; Louis-Alexandre Berg and Andrew Radin, "Ukraine updated its defense institutions—and is defying expectations," *Washington Post*, March 29, 2022.
[56] State, "Ukraine 2022 Human Rights Report," pp. 6, 36–38; U.S. Institute of Peace, "Elite Capture and Corruption of Security Sectors," February 2023, p. 132; Marc Santora, "Life on the Beat for Ukraine's Cops: The Drunk, the Disorderly and Drones," *New York Times*, February 9, 2023.
[57] Erica Marat, "Ukraine's Public Enemy Number One," The Wilson Center, January 28, 2014.
[58] Erica Marat, "Ukraine's Public Enemy Number One," The Wilson Center, January 28, 2014.
[59] Neil MacFarquhar, "Ukraine Pins Hopes for Change on Fresh-Faced Police Recruits," *New York Times*, November 6, 2015; Halyna Kokhan, "Police in Ukraine: corruption versus reform," Chr. Michelsen Institute,

Similarly, impunity for corrupt officials has been baked into Ukraine's justice system. Historically, an informal mutual protection arrangement among corrupt police, judges, and prosecutors guaranteed that they and their patrons escaped justice.[60] For years, this arrangement ensured impunity for the police who murdered protesters during the Maidan Revolution, the judges who illegally imprisoned those protesters, and the public officials who gave the orders to arrest them.[61] Moreover, the National Guard, situated in the interior ministry, has been characterized as the former interior minister's private army.[62] During Ukraine's recovery, predation and impunity in the security sector will likely take on new and familiar forms. Volunteer paramilitary units since absorbed into the state military structure may function as illegal private militias for oligarchs,[63] while corrupt officials may use laws prohibiting "collaboration" with Russia to unfairly target rivals.[64]

Recommended Actions on Reforming and Assisting Ukraine's Military and Police Forces

1. State and DOD should consider maintaining pressure to reform the Ukrainian security forces' proclivity for corruption and predation, in part by emphasizing security sector governance. As addressing the threat of Russian aggression is understandably a top priority, it is tempting to leave Ukrainian institutional reform to a later date. But doing so in the early years of Afghanistan's reconstruction undermined the sustainability and good governance of the security institutions the U.S. government sought to support. In the long run, postponing institutional reform significantly contributed to the government's collapse.
2. State and DOD should consider consulting and empowering civil society actors before and during security sector assistance programming to hold security sector elites accountable.
3. State, USAID, and DOD should consider prioritizing reforms within judicial and law enforcement institutions, rather than relying exclusively on ad hoc anti-corruption bodies.
4. State and DOD should consider working with the Ukrainian government to prevent the emergence of ghost soldiers and police in Ukraine by strengthening accountability, implementing effective oversight mechanisms, and increasing financial controls. A rigorous system to track personnel recruitment, rosters, and salary distribution should be in place before any U.S. funds are spent to support the salaries of Ukrainian security forces.

2020; Yaroslav Trofimov, "Two Countries Dismantled Their Police to Start Fresh. It Worked—Up to a Point," *Wall Street Journal*, June 13, 2020.
[60] U.S. Institute of Peace, "Elite Capture and Corruption of Security Sectors," February 2023, p. 123.
[61] Liliane Bivings, "Ukraine's powerful Interior Minister Avakov under fire over police reform failures," Atlantic Council, June 30, 2020; U.S. Institute of Peace, "Elite Capture and Corruption of Security Sectors," February 2023, p. 122.
[62] Liliane Bivings, "Ukraine's powerful Interior Minister Avakov under fire over police reform failures," Atlantic Council, June 30, 2020; Olena Makarenko, "'Eternal' Minister of Interior Avakov leaves. Ukraine's police problems stay," *Euromaidan Press*, July 15, 2021.
[63] Louis-Alexandre Berg and Andrew Radin, "Ukraine updated its defense institutions—and is defying expectations," *Washington Post*, March 29, 2022.
[64] William D. Meyer, "Under Assault: A Status Report on the Ukrainian Justice System in Wartime," International Legal Assistance Consortium, 2022, pp. 6, 31.

ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

Lesson 6: Tracking equipment provided to Afghan security forces proved challenging well before the government collapsed.

The United States spent approximately $18.6 billion arming and equipping the ANDSF. This included roughly 600,000 weapons of all calibers, nearly 300 fixed-wing and rotary-wing aircraft, over 80,000 vehicles of several models, communications equipment, and other advanced materiel such as night vision goggles and biometric systems. Yet the United States continuously struggled to track and monitor the use of the weapons and equipment it provided.

Several U.S. government oversight bodies, including SIGAR, chronicled problems with systems designed to track and monitor U.S.-provided equipment and weapons:

- In 2009, the Government Accountability Office reported that DOD did not have complete inventory records for an estimated 36 percent of weapons procured and shipped to Afghanistan from December 2004 through 2008.
- In 2012, the DOD Office of Inspector General found that the department did not maintain complete accountability of night-vision devices procured for the ANDSF.
- In 2014, SIGAR reported that a continued lack of DOD adherence to oversight procedures, along with unreliable weapons inventories, limited DOD's ability to monitor weapons under ANDSF control and made it harder to identify missing weapons that could fall into the hands of insurgents.
- A 2015 DOD Office of Inspector General report found that the Combined Security Transition Command-Afghanistan (CSTC-A) could not provide a list of vehicles transferred to the ANDSF, and the ANDSF could not fully account for vehicles it received.
- A 2020 SIGAR report concluded that DOD did not meet its own oversight requirements for monitoring sensitive equipment transferred to the Afghan government, leaving the equipment susceptible to theft or loss.

DOD tracked its inventory in two separate—and incompatible—computer systems: the Security Cooperation Information Portal (SCIP) and the Operational Verification of Reliable Logistics Oversight Database (OVERLORD). SCIP was used to track shipments of weapons and equipment; OVERLORD tracked their receipt. According to findings from a 2014 SIGAR audit, discrepancies and gaps in the information contained in SCIP and OVERLORD limited CSTC-A's ability to track weapons and equipment purchased and transferred to the ANDSF.

Tracking the equipment became more challenging after the weapons were transferred to the ANDSF. The ANDSF used the CoreIMS internet-based inventory management system to track U.S.-provided weapons. According to DOD officials, CoreIMS was a rudimentary system that was never intended to be used as the only way for the ANDSF to track weapons and vehicles. A 2020 DOD Office of Inspector General report concluded that CSTC-A expanded the system "beyond its intended purpose without full consideration of longstanding network challenges." Ultimately, DOD officials acknowledged that the data contained in CoreIMS was generally incomplete and unreliable.

For sensitive equipment provided to the ANDSF, the Defense Security Cooperation Agency required enhanced end-use monitoring efforts for 100 percent of applicable articles every year. This was

meant to include a security assessment, an evaluation of the weapons storage facilities, and a documentation assessment. But according to CSTC-A officials, it never met its 100 percent inventory requirement because the security situation in Afghanistan prevented inventories from taking place.

Implications for Ukraine

Over the course of two decades in Afghanistan, the United States spent an average of $375 million each month on security assistance. By comparison, the United States is currently spending $2.5 billion each month—nearly seven times the average monthly amount it spent in Afghanistan—on security assistance in Ukraine. Since Russia's invasion in February 2022, that has totaled $37 billion.[65] This assistance to Ukraine includes more than 1,600 Stinger anti-aircraft systems, 20 Mi-17 helicopters, 38 High Mobility Artillery Rocket Systems and ammunition, at least 1,400 Unmanned Aerial Systems, 31 Abrams tanks, over 35,000 grenade launchers and small arms, hundreds of vehicles, and over 200,000,000 rounds of small arms ammunition.[66] Nearly 50 other countries have provided or committed an additional $13 billion in security assistance to Ukraine. This includes air defense missiles, tanks, artillery systems, and unmanned aerial vehicles.[67]

This deluge of support has allowed Ukraine to defend itself against Russia's larger and better-equipped military. But keeping track of an unprecedented volume of weapons and equipment going to Ukraine may be hindered by insecurity and access constraints, as was the case in Afghanistan. The rapid influx of weapons and equipment also presents risks: diversion to illicit markets, misuse amongst groups fighting in Ukraine, or their acquisition by Russia or other non-state actors. The advanced capabilities of some of the equipment being provided by the United States heightens these risks. For example, according to State, MANPADS - also known as shoulder-fired anti-aircraft missiles - "pose a serious threat to passenger air travel, the commercial aviation industry, and military aircraft around the world." Since the 1970s, more than 40 civilian aircraft have been hit by MANPADS. To date, the United States has provided Ukraine with at least1,400 MANPADS. Russian Defense Minister Sergei Shoigu reportedly proposed giving captured MANPADS to Russia-backed separatists in eastern Ukraine—the same separatists who shot down Malaysian Airlines Flight 17 in 2014.[68]

Officials from DOD and State have expressed confidence in their ability to ensure proper oversight over weapons and equipment. But some official statements have delivered mixed messages. For example, Celeste Wallander, the assistant secretary of defense for international security affairs, told Congress in January 2023 that the Pentagon was using oversight mechanisms "that go above and beyond our standard practices."[69] A few months later, General Mark Milley, chairman of the Joint Chiefs of Staff, painted a different picture in congressional testimony: "There are some means and mechanisms of doing some accountability," he said, but "it is not as rigorous as you might think."[70]

[65] State, "U.S. Security Cooperation with Ukraine," fact sheet, May 9, 2023.
[66] State, "U.S. Security Cooperation with Ukraine," fact sheet, August 29, 2022; State, "U.S. Security Cooperation with Ukraine," fact sheet, May 9, 2023.
[67] State, "U.S. Security Cooperation with Ukraine Fact Sheet," May 9, 2023.
[68] Constant Meheut, "Investigators say Putin likely approved the supply of the missile system that brought down Flight MH17," *New York Times*, February 8, 2023.
[69] Michael Crowley and Edward Wong, "US officials overseeing aid say Ukrainian leaders are tackling corruption," *New York Times*, January 27, 2023.
[70] Micaela Burrow, "General Mark Milley Admits US Oversight of Weapons Going To Ukraine Is 'Not As Rigorous As You Might Think,'" *Daily Caller*, March 28, 2023

Ultimately, most equipment monitoring protocols were not designed to operate in a conflict environment.[71] As noted in a Stimson Center report, "The circumstances in Ukraine have almost entirely eliminated the viability of conventional [end-use monitoring]. . . . The overwhelming scale and pace of transfers, their frequent in-country movement along front lines, the rate at which these arms are being used, expended, or destroyed, and the inability of inspectors to reach areas enveloped with severe fighting has meant only a small fraction of U.S. military hardware has been subject to any meaningful oversight."[72] In October 2022, the DOD Office of Inspector General released summary findings of a report that assessed DOD's ability to track security assistance to Ukraine. The report found that DOD was not able to meet its end-use monitoring obligations due to the limited presence of U.S. personnel in the country.[73]

Aside from oversight challenges in a war zone, DOD is struggling to account for equipment even on its way to Ukraine, well before reaching the front lines. A DOD Office of Inspector General report from June 2023 claimed that its inspection of transfers of weapons and equipment at an aerial port in Poland revealed DOD "did not have the required accountability of the thousands of defense items that they received and transferred [and] could not confirm the quantities of defense items received against the quantity of items shipped for three of five shipments we observed."[74]

While inadequate monitoring of equipment presents risks of diversion, even well-tracked equipment can be ineffective. According to a May 2023 DOD Office of Inspector General report, equipment provided by the U.S. Army to the Ukrainian Armed Forces—including Humvees and howitzers—were in such poor condition that they required "unanticipated maintenance, repairs, and extended lead times [lasting many months] to ensure the readiness of the military equipment." Some of the howitzers had not been maintained for 19 months, and one was in such disrepair that it could have killed members of the crew had it been used, the report concluded.[75]

Recommended Actions on Ensuring Accountability for Military Equipment Sent to Ukraine

1. DOD should consider evaluating whether the current systems in place for identifying and transferring needed equipment are fit for their intended purpose. The longer inappropriate and ad hoc systems are in use, the more likely they are to become permanent and to undermine the effectiveness of the mission, as occurred in Afghanistan.
2. State and DOD should consider creating a joint working group dedicated to coordinating and overseeing weapons-related activities in Ukraine. This group could prioritize the use of advanced technologies and innovative solutions to bolster end-use monitoring. This may involve the implementation of tracking systems, remote sensing technologies, and other

[71] State, "U.S. Plan to Counter Illicit Diversion of Certain Advanced Conventional Weapons in Eastern Europe," October 27, 2022; Nahal Toosi, "U.S. cable warns of major barriers to tracking Ukraine aid," *Politico*, December 14, 2022.
[72] Elias Yousif, "A US Plan to Prevent Arms Diversion in Ukraine is Welcome But Just the First Step," Stimson Center, November 10, 2022.
[73] DOD OIG, State OIG, USAID OIG, "JSOP-Ukraine Response: Joint Strategic Oversight Plan for Ukraine Response," January 2023, p. 13.
[74] DOD OIG, "Evaluation of Accountability Controls for Defense Items Transferred Via Air to Ukraine within the U.S. European Command Area of Responsibility," Report No. DODIG-2023-084, June 2023, p. i.
[75] DOD OIG, "Management Advisory: Maintenance Concerns for the Army's Prepositioned Stock-5 Equipment Designated for Ukraine," Report No. DODIG-2023-076, May 2023, pp. 1, 3–4.

tools to improve real-time situational awareness, detect anomalies, and identify potential diversions or unauthorized use of weapons.

3. State and DOD should consider investing resources now to prepare for an enduring security sector assistance mission in Ukraine. If and when hostilities end, the threat of renewed Russian aggression and the prospect of Ukraine's NATO membership may require U.S. policymakers to identify, train, and deploy large numbers of military and police advisors to Ukraine. Those advisors will be in the best position to determine what equipment Ukrainian security forces need. For perspective, the advisory mission in Afghanistan suffered from a chronic short-term mentality that made it harder to find qualified advisors and motivated them to provide poor advice and inappropriate equipment once on the ground. To avoid such compromises in Ukraine, the U.S. government should consider developing a robust personnel system now that can deliver qualified advisors when the time comes.

Lesson 7: Monitoring and evaluation efforts in Afghanistan were weak and often measured simple inputs and outputs rather than actual program effectiveness.

In Afghanistan, DOD, State, and USAID often failed to measure programs and projects against the ultimate outcomes and impacts they sought to achieve. Instead, how much money was spent, and how quickly, became the measure of success, regardless of the actual result. This poured money into a fragile environment with no concept of whether projects achieved their intended goal, or even necessarily where all the money was going. With M&E relegated to input and output measurement, it was often difficult to understand what was and was not working. This ultimately allowed ineffective projects to continue.

Reliance on Third-Party Contractors

Compounding this problem, USAID relied on third-party contractors to monitor programs and projects inaccessible to U.S. government personnel. As the number of U.S. government personnel declined, third-party monitoring became more important. However, the quality of third-party reporting was not always sound. Monitors were generally able to verify if a particular activity took place, but could not measure outcomes within the available timeframe. Furthermore, the integrity of this kind of reporting was sometimes questionable. In some cases, allegations of data fabrication arose, and remote management created a potential for inaccurate project data and reporting.

Limited Personnel

In Afghanistan, and in contingency environments generally, oversight typically cannot keep pace with spending increases. Numerous reports on reconstruction contracting have pointed out that contract oversight personnel are overworked or overburdened, largely because spending on programs outpaced spending on hiring oversight personnel. At one point, USAID determined that, to meet the U.S. government's average ratio of dollars to contracting officers, it would have to send nearly its entire overseas workforce to work only in Afghanistan.

External Pressure

External pressure, whether political or interagency, to demonstrate immediate and tangible results frequently shifted the incentive structure surrounding M&E. If the perception is that there is a requirement (implicit or explicit) to demonstrate progress, M&E is both less likely to accept evidence

of failure and more likely to be biased towards favorable data. This can result in unsupported claims of success. Where real or perceived pressure incentivizes selective or inaccurate reporting, meaningful M&E becomes very difficult. In Afghanistan, this resulted in an aversion to acknowledging failed programming, sometimes coupled with shifting or irrelevant data metrics that obscured such failures.

Implications for Ukraine

Because the U.S. government is rapidly spending a massive amount of money on assistance in Ukraine, there is a potential for the same failings in monitoring and evaluation that occurred in Afghanistan. Other inspectors general have already raised concerns about program performance metrics and the difficulty of accessing most of the country, due to both security restrictions and lack of personnel.[76]

In addition to the $37 billion the U.S. government has spent on security assistance, USAID has pledged $22.9 billion in direct budget support to the government of Ukraine, which is being channeled through World Bank trust funds. USAID is reported to have established mechanisms of monitoring and oversight to improve coordination with the World Bank, including requiring it to provide donors with regular reports on the status of these funds.[77] However, audits by SIGAR and USAID of the World Bank's Afghanistan Reconstruction Trust Fund—to which the United States was the major donor—found several instances where the Bank failed to meet similar reporting requirements. In some cases, the World Bank did not even require its monitoring agent to physically verify that the Afghan government employees whose salaries it was paying actually existed. USAID also did not meet essential oversight responsibilities such as monitoring progress.[78]

In addition to the pitfalls of inadequate metrics, there are significant limitations to the direct observation of program activities by U.S. government personnel. As in Afghanistan, both security restrictions and a limited number of personnel in Ukraine have severely reduced access to project sites and created a reliance on contractors and third-party monitoring.[79] As of October 2022, State estimated that it had 17,750 ongoing contracts in Ukraine with nearly 3,000 vendors, valued at approximately $384 million. Effective monitoring and oversight of these contracts will likely be vital to the success of Ukraine's recovery. Similarly, State identified more than 300 federal assistance awards associated with approximately 230 vendors and valued at an estimated $1.7 billion that were ongoing throughout Ukraine.[80]

[76] State OIG, "Oversight Observations to Inform the Department of State Ukraine Response," OIG-23-01, December 2022, pp. 4, 6, 9; USAID OIG, "Audit of USAID's Strengthening Civil Society in Ukraine Project," Audit Report No. AR-9-121-14-002-P, May 29, 2014, p. 7.
[77] State OIG, USAID OIG, "Ukraine Supplemental Appropriations Act, 2023 Mandated Assessment," January 5, 2023, pp. 2, 5; USAID, "USAID/Ukraine Rapid Response to Russia's invasion of Ukraine," June 5, 2023, p. 1.
[78] SIGAR, *Afghanistan Reconstruction Trust Fund: The World Bank Needs to Improve How it Monitors Implementation, Shares Information, and Determines the Impact of Donor Contributions*, SIGAR-AR-18-42, April 2018, p. 1; USAID, "Key Considerations to Inform USAID's Response in Ukraine," July 22, 2022, p. 4.
[79] State OIG, "Oversight Observations to Inform the Department of State Ukraine Response," OIG-23-01, December 2022, pp. 4, 6.
[80] State OIG, "Oversight Observations to Inform the Department of State Ukraine Response," OIG-23-01, December 2022, p. 9.

ENCLOSURE: SIGAR Analysis of How Lessons from Rebuilding Afghanistan
May Be Applicable to the Current Situation in Ukraine

Recommended Actions on Ensuring Robust Monitoring and Evaluation Systems Are in Place and Sufficiently Resourced in Ukraine

1. Honesty is key—even in the face of pressure to make rapid progress. When their internal reporting identifies successes, State, USAID, and DOD should consider reporting to the Congress and public only those claims that can be supported by multiple data points, and acknowledge any important context, qualifications, and data limitations.
2. State, USAID, and DOD should consider matching spending in Ukraine with appropriate staffing levels such that oversight does not become an afterthought. Where movement restrictions for staff result in heavy reliance on third-party monitors, State, USAID, and DOD should be diligent in evaluating them and their standards.
3. State, USAID, and DOD should consider conducting both performance evaluations and impact evaluations to understand whether programs and projects are actually effective. These evaluations should be methodologically rigorous and unconstrained by preconceived conceptions about what will, and will not, produce desired results.

APPENDIX H

INDEPENDENT COMMISSION FOR AID IMPACT REPORT ON THE UNITED KINGDOM'S AID TO AFGHANISTAN

The Independent Commission for Aid Impact (ICAI), an independent body responsible for overseeing the United Kingdom's Official Development Assistance, released the report, "UK aid to Afghanistan" on November 24, 2022. This final report reviewed the United Kingdom's aid to Afghanistan from 2014 to 2021. The full ICAI report can be found at icai.independent.gov.uk/html-version/uk-aid-to-afghanistan/.

Summary of ICAI Findings

RELEVANCE:

- The UK approach to building the Afghan state contained some key flaws and failed to adapt to a deteriorating situation.
- The UK's support for basic services and livelihoods through the Afghanistan Reconstruction Trust Fund (ARTF) responded to Afghanistan's acute development needs, but overloaded the absorption capacity of the Afghan government.
- The UK scaled up its humanitarian support as conditions deteriorated, but was slow to invest in building resilience to future crises and climate change.

EFFECTIVENESS:

- UK aid made only limited progress in building Afghan government institutions.
- UK funding for Afghan police salaries did not lead to improvements in civilian policing or the rule of law.
- Afghanistan experienced meaningful progress in key areas of human development, but its economic and humanitarian situation continued to deteriorate.
- UK aid helped empower Afghan women and girls, but progress on tackling gender inequality remained at an early stage.
- The UK made effective use of multilateral delivery partners, but its oversight was not always sufficient.
- The UK had an appropriately high-risk appetite, but its risk management processes were not always robust enough.
- The UK invested substantial effort into strengthening program monitoring systems, but did not assess results at the strategic level.

COHERENCE:

- While the UK commissioned high-quality analysis of the changing context, learning and knowledge management were not well institutionalized across the portfolio.
- UK departments worked together well within Afghanistan, but there were some tensions at headquarters level.
- Development objectives were subordinate to security interests and the need to prioritize the transatlantic relationship.
- The UK was well respected among international partners for its contribution to coordination and dialogue.
- There was limited engagement with many Afghan actors in the review period.

Taliban security personnel destroy a poppy plantation in Kandahar on April 11, 2023. (AFP photo)

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