A soldier in camouflage gear, wearing a helmet and sunglasses, is sitting on a rocky ledge on the right side of the cover. He is looking out over a vast, hilly landscape in Afghanistan. The terrain is rugged with scattered rocks in the foreground and a valley with fields and small settlements in the distance. The sky is clear and blue, suggesting a bright day.

Afghanistan at Transition

Lessons of the Longest War

AUTHOR

Anthony H. Cordesman

with Aaron Lin

CSIS

CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

MARCH 2015

A Report of the CSIS Burke Chair in Strategy

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Center for Strategic & International Studies
1616 Rhode Island Avenue, NW
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Executive Summary

On December 29, 2014, the US President and Secretary of Defense announced the formal end to Operation Enduring Freedom, its combat mission in Afghanistan, which had begun in the aftermath of the September 11, 2001 attacks. They also stated that the US would begin its follow-on mission, Operation Freedom's Sentinel, at the start of 2015.

The President and the Secretary of Defense made these announcements with all the usual rhetorical flourishes and statements about success, future commitments, and host government progress of the kind top US officials made at the end of the Vietnam and Iraq conflicts. The President also implied that this Transition had ended America's longest war, although Secretary of Defense Chuck Hagel made it clear that relabeling the mission did not fully end America's military role: ¹

Operation Freedom's Sentinel, the United States will pursue two missions with the support of the Afghan government and the Afghan people. We will work with our allies and partners as part of NATO's Resolute Support Mission to continue training, advising, and assisting Afghan security forces. And we will continue our counterterrorism mission against the remnants of Al-Qaeda to ensure that Afghanistan is never again used to stage attacks against our homeland.

US officials announced this Transition in Afghanistan without issuing any meaningful assessment of what some thirteen years of war had accomplished. They did so without any public attempt to provide a meaningful strategic assessment of the future US role and commitments in Afghanistan or the region, and without providing any meaningful public analysis or metrics of the combat situation. They did not issue any assessment of the political and economic prospects for Afghan security, and did not make any attempt to link its posture in Afghanistan to what was happening in Pakistan and Central Asia.

Their announcements came after the US had completed the withdrawal of almost all of its combat forces from Afghanistan. They came after the US had also announced that it would reduce its troop presence some 10,800 personnel in 2015, plus a small counterterrorism force, then cut that total in half that by the beginning of 2016, and finally reduce it to a few hundred men in a small office of military cooperation by the beginning of 2017.

Ignoring Costs

No mention was made of the cost of the war in terms of casualties and dollars. The US Department of Defense reported that the total number of US dead had reached 2,356 – including 1,846 killed in action -- and the total number of wounded had reached 20,066 – by the end of December 2014.² Other allied dead included 453 British dead and 676 other allied dead – for a total of 3,486 US and allied dead -- but comparable estimates of the wound were not available.³ While some estimates are available of Afghan killed and wounded, and are discussed in Chapter IV of this analysis, there are no estimates that cover length of the war that have any credibility.

As for the dollar cost, no estimates exist for the total cost to all allied forces or the Afghan government. The US government has never published an official estimate of the direct costs of the war at point from 2001 to 2014, but an estimate by Amy Belasco of the Congressional Research Service put the direct costs at \$743.7 billion from FY2001 to FY2015, with \$647.3

billion for the Department of Defense, \$33.6 billion for the State Department and US Aid, and \$6.9 billion for Veteran's Administration.⁴

This estimate does not include the full cost of destroyed equipment and equipment transfers to the Afghans during the US withdrawal, the cost of reequipping US forces for many combat losses, and the years of additional medical expenses for military personnel with lasting medical issues and disabilities.⁵ Some estimates that include the cost of the added federal debt, opportunity costs, and lifetime costs of those requiring continuing medical care are in the trillions.⁶

As might be predicted, no US official addressed any of these issues, or addressed the full nature of the strategy the US was pursuing in Afghanistan after 2014. No attempt was made to explain or justify the future expenses called for in the FY2015 budget submission that was still before Congress at the time of Transition, or projected in the FY2015 to FY2019 defense program. And, as usual, no one in the Congress chose to ask.

Understating Risks

Both the President and the Secretary of Defense sharply understated the risks inherent in the US approach to Transition. Secretary Hagel did not mention the risks involved at all, and President Obama made claims that the war had succeeded in "devastating the core al-Qaida leadership, delivering justice to Osama bin Laden, disrupting terrorist plots and saving countless American lives," and "helped the Afghan people reclaim their communities, take the lead for their own security, hold historic elections and complete the first democratic transfer of power in their country's history." His only reference to the threat was a short comment that, "Afghanistan remains a dangerous place, and the Afghan people and their security forces continue to make tremendous sacrifices in defense of their country."⁷

No mention was made of rising Afghan civilian and security force casualties, expanding areas of insurgent influence, the lack of government control and influence in many parts of the country, the continuing Taliban and Haqqani Network sanctuaries in Pakistan, or the overall trends in the fighting. No mention was made of the fact that US intelligence experts felt that the key insurgent factions had quickly recovered from any losses to their leadership, had reemerged as a major threat in Helmand and the south, and had expanded their influence and control in the eastern border areas and the north.

As was the case in Vietnam -- and Iraq in 2011 --, the US ended its combat presence at a time when Transition involved a serious risk that the war would fail to achieve any form of security and stability. The combat situation was intensifying rather than declining, and the Afghan government was still partially paralyzed by the crisis growing out of the 2014 Presidential election, and Afghanistan did finally have newly elected leaders and had signed a bilateral security agreement (BSA) and a status of forces agreement.

For all the bursts of favorable political rhetoric that followed the political compromises that came out of a grossly corrupt election and signing a BSA, Afghanistan had virtually become a "forgotten war" at a time when the Taliban was making steady gains, civilian casualties were rising, and the Afghan forces were experiencing major problems. Afghan governance remained weak, corrupt, and ineffective. It was unclear that the political compromises made following the corrupt election could work; the Afghan budget faced a massive deficit and was dependent on equally massive US and donor aid indefinitely into the future. The Afghan economy was in

crisis, and there were no public plans or meaningful efforts to provide official transparency on any major aspect of post-2014 Transition.

A Lack of Meaningful Strategy

Afghanistan was only part of the story. Pakistan was in near-political chaos, had not eased its tensions with India, faced rising challenges from terrorism, had made uncertain progress in its latest military campaign, and had made no progress in dealing with the mix of economic and educational reforms that were critical to a stable future and shaping its broader strategy in South Asia. While US forces have effectively left Central Asia, the US had not announced any strategy to deal with Central Asia in the future, or to adjust to the impact of its growing tensions with Russia. And help try to shape the future of the region.

The end result is that United States failed to define meaningful future strategies for Afghanistan, Pakistan, and Central Asia. More than that, setting a fixed deadline for withdrawal from Afghanistan has meant cutting its overall presence in Afghanistan so quickly that its Transition efforts may well fail. As for Pakistan, Central Asia, and South Asia, the US had decoupled transition out of Afghanistan from any visible attempt to shape a future posture in the region.

In all four cases – Afghanistan, Pakistan, Central Asia, and South Asia -- the US needs to come to grips with the fact that strategy does not consist of concepts, good intentions, or public statements that will not be implemented in any meaningful form. It consists of making realistic assessments that shape US options, building on the policies and actions that are already in place, and developing practical plans that can be – *and are* – actually implemented.

Rhetoric is the natural enemy of realism. It would be nice to see Afghanistan suddenly emerge in 2015 or 2016 as a unified, peaceful, developing democracy. It would be nice to see Pakistan put on the same path. It would be nice to resolve the tensions and risk of conflict between India and Pakistan. It would be nice to see Central Asia develop as a region, and do so in ways that are peaceful while making the same progress towards democracy.

But, these are not meaningful and practical strategic objectives for the US, its European allies, or NATO. The current realities on the ground strongly indicate that the present US approach to Transition in Afghanistan will fail at the military, political, economic, and governance levels.

This analysis shows that:

- The security situation in Afghanistan is far worse than the NATO (ISAF) and the US Department of Defense have publically reported and creates more serious challenges to Transition,
- Every element of the Afghan security forces faces serious issues in operating without US and other allied support.
- The allocation of only some 11,000 US troops at the beginning of 2015, cutting that number in half by the end of 2015, and then removing all trainers and enablers by the end of 2016 – except for a small office of military cooperation – presents serious risks, and should – at a minimum – be cut on a conditions-based level rather than to a fixed schedule.
- The political structure of Afghanistan, and grave flaws in the structure of its governance, add another major threat to the success of Transition.
- US, UN, and other reporting on the Afghan economy and development has sharply exaggerated progress, and understated the economic risks of Transition. More aid over a longer period, and better planned and executed aid, will be equally essential to success.

As for the broader US approach to Pakistan and the region, this analysis shows that Pakistan is taking some steps that may reduce its status as an in sanctuary for Afghan insurgents and broaden its fight against terrorism, but it is still unclear that these steps will bring stability to Pakistan or aid transition in Afghanistan. It is equally unclear that Afghanistan's other neighbors will be a major source of help to Afghanistan at the political, security, and economic levels.

The analysis also indicates that the US withdrawal from Afghanistan has further reduced US strategic interests in Central Asia, and that US has not developed any clear strategy for the region. This may well leave the region even more open Russian and Chinese influence – a shift which does not seem to threaten US interests and may well be desirable given the need for strategic triage in using scarce US resources to deal with areas of greater concern.

At the same time, both Central and South Asia will face at least another decade of uncertain development and stability – if not actual conflict. The US not only needs a strategy for Central Asia based on its overall global priorities, it needs one for South Asia as well, and particularly for dealing with the potential emergence of India as a counterbalance to China that does not link the US to the tensions between India and Pakistan, try to make India a formal strategic partner in ways that India will not support, or try to make India part of an effort to contain China rather than create a more multipolar and balanced world.

The US must not continue to leave a near vacuum in US ability to form, resource and implement a strategy that offers a real hope of addressing the key challenges in Afghanistan, Pakistan, and Central and South Asia. A stream of White House rhetoric cannot disguise the fact that Obama Administration has substitute rhetoric and public relations spin for integrity and transparency, has an unworkable and under-resourced Transition plan for Afghanistan, no meaningful public strategy for Pakistan, and little more than statements of good intentions for Central Asia as it withdraws the forces that supported the war in Afghanistan.

Repeating the Mistakes of Vietnam and Iraq

The report also shows that the current US Transformation effort may well repeat key previous US failures in Vietnam and Iraq. In fact, the current US effort attempt to rush military and civil Transformation in Afghanistan at rates quicker than in Vietnam, or that the US planned in Iraq before it failed to negotiate a workable basis for staying in country.

There are major differences between all three conflicts. Afghan politics, security forces, governance, economics, and social structures have many unique qualities that will affect Transformation, and the role of outside power and key neighbors is different. The insurgent sanctuaries in Pakistan have only a tenuous similarity to the role of North Vietnamese forces and the post-Tet conflict or the limited role of Iran and Syria after 2003. Each conflict must be addressed as a separate case study where the uniqueness of its own problems and complexities is a constant warning about the false character of broad theories about counterinsurgency, stability operations, and “nation building.”

Yet, the way the US has fought the war in Afghanistan, approached Transition, and dealt with neighboring states, still has far too many parallels in the failures and lessons of the Vietnam and Iraq conflicts. Each conflict represented a US failure to constantly reassess its strategic importance in both national and regional terms, and adjust its level of efforts accordingly.

Each war was initiated on the basis of limited and inadequate strategic analysis of overall US priorities and then allowed to escalate without adequate analysis of the cost-benefits of US actions. The Afghan War, like Vietnam and Iraq, became a US attempt at transformational combat that required the US to both win a conflict and restructure the host nation. Each war became an exercise in armed nation building -- rather than an effort to defeat the enemy and help the country do things its own way. As in Vietnam and Iraq, the sheer scale of US goals, ambitions, and spending left a legacy of critical problems in every aspect of Afghan Transformation that could effectively destroy the transformation effort unless the US is more realistic about the time and resources needed to correct its past mistakes.

As in Vietnam and Iraq, the US attempted a “whole of country” approach to the civil-military aspects of the war, and a coherent approach to Afghanistan’s problems in politics, governance, security and economic. In practice, however, the US had deep divisions between its military and civil efforts, and its military focused on tactical success and its civilian focus on improved governance and economic development in ways that were often decoupled from the fact Afghanistan was at war.

The US military sometimes tried to address the political and ideological level of the insurgency, and the weaknesses in Afghan governance. As in Vietnam and Iraq, however, the US military generally focused on winning tactical victories rather than on defeating the insurgency at both the military and political levels. It measured success in terms of combat and largely meaningless metrics like enemy initiated attacks (EIAs), rather than success in creating stable secure areas under Afghani governance and reducing or eliminating insurgent influence.

Each war showed that the US military could not properly assess – or act upon – a realistic picture of the limits and problems in dealing with the host country, neighboring states, and allies. Each war showed that the US military attempted to either create whole new force elements based on its own models or restructure host country forces to achieve the same goals, and that its “force generation” process failed to produce sustainable combat capability in host country forces.

Each war showed that that the US military could not evolve an effective politico-military-economic approach to counterinsurgency above the battalion level, had no workable approach to stability operations, and confused such operations with the need to create a self-sustainable state that could both win an insurgency on its own after transition and operate as an effective state. Moreover, in each case the US military progressively attempted to spin the course of the war into some form of victory and suppress negative data on the course of the fighting and the limits to the host country’s forces and actions. This progressive loss of transparency and honesty both ultimately field to “sell” the war to the American people and the Congress, it created unrealistic plans and expectations that ultimately backfired and made the situation worse.

At the same time, the Afghan conflict, Iraq conflict, and Vietnam showed that the civilian side of the US effort could neither effectively assess the overall problems in governance and the economy that affect the war, or develop overall plans to deal with key civil issue as distinguished from a “project” approach to aid. At the same time, the US underestimated the level of internal tension and conflict within the government of host country, and the seriousness of its own problems in dealing with the host country government.

Each showed the civilian side – effectively the State Department and USAID -- had far less capability to plan and actually execute plans than the military, could not develop coherent plans or resourcing, suffered from poor fiscal and contract management, failed to perform effective cost control and audits, and suffered from weak or no real measures of effectiveness –what one senior USAID official called a war fought by “golden silos.”

At the end of all three wars, it was unclear what the bulk of civilian aid had accomplished. Efforts to restructure the politics and governance of each country have proved to be deeply flawed. Large amounts of aid money had been wasted and contributed to high levels of corruption. US efforts had created serious tension with the central government and had not brought broad public support. Significant ethnic and sectarian challenges had become worse. Government in the field was often weak and corrupt, and US efforts to reform the justice system and rule of law had been effective or made things worse.

The work of historians and independent US government assessments of the war in Vietnam, the work of GAO and the Special Inspector General for Iraqi Reconstruction (SIGIR) in Iraq, and work of GAO and the Special Inspector General for Afghan Reconstruction (SIGAR) in Iraq, all have common threads. They show a consistent lack of effective planning, a lack of proper audits and financial controls, and a lack of meaningful measures of effectiveness. They also show a focus on project aid and longer-term development rather than the nation’s immediate wartime needs, a failure to develop overall plans and assessments of national priorities,

Like Vietnam and Iraq, the Transformation effort in Afghanistan also suffered from the legacy of the problems inflicted by the rapid rotation of both inexperienced military and civil personnel, an almost annual set of efforts to reshape key aspect of the effort with little real analysis of overall trends. Each of the three wars suffered from constantly changing priorities, erratic boom and bust funding levels in key aspects of both the military and civil war efforts, a lack of cost control and ability to prevent gross corruption, and the inability to link spending to realistic (and often any) measures of effectiveness.

Failing to Objectively Assess the Threat: The Afghanistan “Follies”

The Transformation effort in Afghanistan has been similar to that in Vietnam and Iraq in that each conflict involved a major escalation of cost and casualties that went far beyond the level estimated in going to war. The US failed to create serious measures of progress and effectiveness and never developed a sound and honest base for winning US domestic political support. As a result, each war led to a steady shift towards “spin” and exaggerating progress or success that helped lose the support of the American people, the Congress, and the media.

The end result in Vietnam was a premature set of cutbacks in the US effort that helped lose the war in Vietnam. The end result in Iraq was a willingness to accept Iraqi political resistance to keeping a workable level of US military and advisory efforts that has now created yet a third US war in Iraq since 1990. In the case of Afghanistan, it was setting fixed deadlines for withdrawal and fixed and limited levels of support for Transition that do not reflect real Afghan needs and are not conditions-based.

There Three Threats in Every Major Insurgency: The Enemy, Your Host Country and Your Allies, and Yourself

While this analysis focuses on the Afghan conflict, Pakistan, and the surrounding region, all of these factors should be kept in mind. In all three wars the US failed to honestly address the key issues in going to war, the limits in the host country and US effort. As a result, it failed to plan and manage an integrated war effort tailored to host country limits. It focused on threat at the military level and on US-driven transformation at the civil level transformation.

The, US has failed to show in Vietnam, Iraq, and Afghanistan that it can come to grips with the fact that every major counterinsurgency effort involves three major threats and not just one: The enemy, the host country, and the limits in the US capabilities. Out of all three threats, the most important one may now be the rigidities, the parochialism and other limits in the US effort. As this analysis makes all too clear, the US has failed to either see the full threat posed by its host country but its most important failure has been to look closely enough in the mirror.

In Spite of Past Mistakes, there is still a Possibility of Some Form of Success

There are no quick or easy solutions to the problems the US faces in Afghanistan, Pakistan, and the region. There is no possibility of meeting all the over-ambitious goals of documents like the Afghan Compact, or the expectations some have shown regarding human rights, reducing corruption, and putting Afghanistan on a rapid path towards development. Even the most successful form of Transition in the period after 2014 will have critical limits for at least the next decade.

The most anyone can realistically hope for is a relatively stable and secure country will emerge over the next five to ten years. What many of the more realistic military and aid personnel serving in Afghanistan have come to call “Afghan good enough.” In fact, limited engagement or actual disengagement may be the best US strategy given the limitations of US resources, the probability of sustained success at a credible level of effort, and competing strategic priorities in other regions. The analysis in this report does indicate, however, that the marginal additional cost of helping Afghanistan make a successful Transition may be relatively limited compared to the current effort, which may well end in failure.

Making the size and duration of the US military efforts dependent on the actual conditions that emerge after 2014 does not require redeploying major land combat units, allocating major amounts of air power, or spending anything like the past level of expenditure. Providing enough aid to help Afghanistan through the economic impact of withdrawing US and allied troops, and the economic strains of Transition, may also be affordable. Much will depend on Afghan politics and governance, but much depends on the level of outside aid as well. There is no way to be sure, given the current lack of honesty and transparency in US government reporting on the Afghan conflict, Pakistan, and the region, but some form of “Afghan good enough” may well be affordable, and have sufficient prospects for success. The tragedy, however, may well be that the US has already made so many mistakes that no one can now shift to a real-world, conditions-based approach.

I. The Strategic Vacuum in Afghanistan, Central and South Asia

The Afghan War has already been the longest war in American history and one of the grimmest. The US Department of Defense reported that the total number of US dead had reached 2,356 – including 1,846 killed in action -- and the total number of wounded had reached 20,066 – by the end of December 2014 and the time the US formally ended “Transition” and the role of US forces in active combat.⁸ Other allied dead included 453 British dead and 676 other allied dead – for a total of 3,486 US and allied dead -- but comparable estimates of the wound were not available.⁹ While some estimates are available of Afghan killed and wounded, and are discussed in Chapter IV of this analysis, there are no estimates that cover length of the war that have any credibility.

As for the dollar cost, no estimates exist for the total cost to all allied forces or the Afghan government. The US government has never published an official estimate of the direct costs of the war at point from 2001 to 2014, but **Figure I.1** shows an estimate by Amy Belasco of the Congressional Research Service. This estimate put the direct costs at \$743.7 billion from FY2001 to FY2015, with \$647.3 billion for the Department of Defense, \$33.6 billion for the State Department and US Aid, and \$6.9 billion for Veteran’s Administration.¹⁰

This estimate does not include the full cost of destroyed equipment and equipment transfers to the Afghans during the US withdrawal, the cost of reequipping US forces for many combat losses, and the years of additional medical expenses for military personnel with lasting medical issues and disabilities.¹¹ Some estimates that include the cost of the added federal debt, opportunity costs, and lifetime costs of those requiring continuing medical are in the trillions.¹²

The Afghan war has always presented problems in terms of US military and strategic priorities. **Figure I.2** shows the comparative buildup of US forces for the Afghan and Iraq Wars, and it is clear from both the cost data shown in **Figure I.1** and the manpower data shown in **Figure I.2** that the Bush Administration gave the invasion of Iraq, and the unexpected war that followed. As is clear from the chapters that follow, this priority – and the practical limits imposed by the size and cost of US power projection forces – were a far in US efforts to shift responsibility to its allies for the Afghan War and to fail to react quickly and effectively to the recovery of the Taliban threat and the threat posed by other insurgent groups.

The priority for the Afghan War has dropped again under the Obama Administration. For all the rhetoric the contrary, the US strategy for Afghanistan, Pakistan, Central Asia, and South Asia, it is a war that is now driven largely by the real world impact of US decisions to cut the US effort in Afghanistan to predetermined levels, and to leave Afghanistan according to a fixed timescale, regardless of the conditions in the country and the region. For the last four years, US strategy in Afghanistan – and in Pakistan and Central Asia – has been driven by President Obama’s decision to end any major US combat presence by the end of 2014, and his later decision to end virtually all of the US training and assist mission by the end of 2016.

As Secretary Gates’ memoirs make clear, the Obama Administration’s priorities shifted away from Afghanistan even as the President approved a military surge in Afghanistan in 2010. At the very time the President announced that surge, he also set a deadline of 2014 for a US

combat role over the uncertain objections of several members of his cabinet and senior military advisors.¹³ The key portions of President Obama's speech at West Point on December 1, 2009, laid out a path the President continued to pursue through the end of 2014,¹⁴

But while we've achieved hard-earned milestones in Iraq, the situation in Afghanistan has deteriorated. After escaping across the border into Pakistan in 2001 and 2002, al Qaeda's leadership established a safe haven there. Although a legitimate government was elected by the Afghan people, it's been hampered by corruption, the drug trade, an under-developed economy, and insufficient security forces.

Over the last several years, the Taliban has maintained common cause with al Qaeda, as they both seek an overthrow of the Afghan government. Gradually, the Taliban has begun to control additional swaths of territory in Afghanistan, while engaging in increasingly brazen and devastating attacks of terrorism against the Pakistani people.

Now, throughout this period, our troop levels in Afghanistan remained a fraction of what they were in Iraq. When I took office, we had just over 32,000 Americans serving in Afghanistan, compared to 160,000 in Iraq at the peak of the war. Commanders in Afghanistan repeatedly asked for support to deal with the reemergence of the Taliban, but these reinforcements did not arrive. And that's why, shortly after taking office, I approved a longstanding request for more troops. After consultations with our allies, I then announced a strategy recognizing the fundamental connection between our war effort in Afghanistan and the extremist safe havens in Pakistan. I set a goal that was narrowly defined as disrupting, dismantling, and defeating al Qaeda and its extremist allies, and pledged to better coordinate our military and civilian efforts.

Since then, we've made progress on some important objectives. High-ranking al Qaeda and Taliban leaders have been killed, and we've stepped up the pressure on al Qaeda worldwide. In Pakistan, that nation's army has gone on its largest offensive in years. In Afghanistan, we and our allies prevented the Taliban from stopping a presidential election, and -- although it was marred by fraud -- that election produced a government that is consistent with Afghanistan's laws and constitution.

Yet huge challenges remain. Afghanistan is not lost, but for several years it has moved backwards. There's no imminent threat of the government being overthrown, but the Taliban has gained momentum. Al Qaeda has not reemerged in Afghanistan in the same numbers as before 9/11, but they retain their safe havens along the border. And our forces lack the full support they need to effectively train and partner with Afghan security forces and better secure the population. Our new commander in Afghanistan -- General Chrystal -- has reported that the security situation is more serious than he anticipated. In short: The status quo is not sustainable.

...And as Commander-in-Chief, I have determined that it is in our vital national interest to send an additional 30,000 U.S. troops to Afghanistan. After 18 months, our troops will begin to come home. These are the resources that we need to seize the initiative, while building the Afghan capacity that can allow for a responsible transition of our forces out of Afghanistan.

I do not make this decision lightly. I opposed the war in Iraq precisely because I believe that we must exercise restraint in the use of military force, and always consider the long-term consequences of our actions. We have been at war now for eight years, at enormous cost in lives and resources. Years of debate over Iraq and terrorism have left our unity on national security issues in tatters, and created a highly polarized and partisan backdrop for this effort. And having just experienced the worst economic crisis since the Great Depression, the American people are understandably focused on rebuilding our economy and putting people to work here at home.

...To meet that goal, we will pursue the following objectives within Afghanistan. We must deny al Qaeda a safe haven. We must reverse the Taliban's momentum and deny it the ability to overthrow the government. And we must strengthen the capacity of Afghanistan's security forces and government so that they can take lead responsibility for Afghanistan's future.

We will meet these objectives in three ways. First, we will pursue a military strategy that will break the Taliban's momentum and increase Afghanistan's capacity over the next 18 months.

The 30,000 additional troops that I'm announcing tonight will deploy in the first part of 2010 -- the fastest possible pace -- so that they can target the insurgency and secure key population centers. They'll increase our ability to train competent Afghan security forces, and to partner with them so that more Afghans can get into the fight. And they will help create the conditions for the United States to transfer responsibility to the Afghans.

Because this is an international effort, I've asked that our commitment be joined by contributions from our allies. Some have already provided additional troops, and we're confident that there will be further contributions in the days and weeks ahead. Our friends have fought and bled and died alongside us in Afghanistan. And now, we must come together to end this war successfully. For what's at stake is not simply a test of NATO's credibility -- what's at stake is the security of our allies, and the common security of the world.

But taken together, these additional American and international troops will allow us to accelerate handing over responsibility to Afghan forces, and allow us to begin the transfer of our forces out of Afghanistan in July of 2011. Just as we have done in Iraq, we will execute this transition responsibly, taking into account conditions on the ground. We'll continue to advise and assist Afghanistan's security forces to ensure that they can succeed over the long haul. But it will be clear to the Afghan government -- and, more importantly, to the Afghan people -- that they will ultimately be responsible for their own country.

Second, we will work with our partners, the United Nations, and the Afghan people to pursue a more effective civilian strategy, so that the government can take advantage of improved security.

This effort must be based on performance. The days of providing a blank check are over. President Karzai's inauguration speech sent the right message about moving in a new direction. And going forward, we will be clear about what we expect from those who receive our assistance. We'll support Afghan ministries, governors, and local leaders that combat corruption and deliver for the people. We expect those who are ineffective or corrupt to be held accountable. And we will also focus our assistance in areas -- such as agriculture -- that can make an immediate impact in the lives of the Afghan people.

...In the past, we too often defined our relationship with Pakistan narrowly. Those days are over. Moving forward, we are committed to a partnership with Pakistan that is built on a foundation of mutual interest, mutual respect, and mutual trust. We will strengthen Pakistan's capacity to target those groups that threaten our countries, and have made it clear that we cannot tolerate a safe haven for terrorists whose location is known and whose intentions are clear. America is also providing substantial resources to support Pakistan's democracy and development. We are the largest international supporter for those Pakistanis displaced by the fighting. And going forward, the Pakistan people must know America will remain a strong supporter of Pakistan's security and prosperity long after the guns have fallen silent, so that the great potential of its people can be unleashed.

These are the three core elements of our strategy: a military effort to create the conditions for a transition; a civilian surge that reinforces positive action; and an effective partnership with Pakistan.

I recognize there are a range of concerns about our approach. So let me briefly address a few of the more prominent arguments that I've heard, and which I take very seriously.

First, there are those who suggest that Afghanistan is another Vietnam. They argue that it cannot be stabilized, and we're better off cutting our losses and rapidly withdrawing. I believe this argument depends on a false reading of history. Unlike Vietnam, we are joined by a broad coalition of 43 nations that recognizes the legitimacy of our action. Unlike Vietnam, we are not facing a broad-based popular insurgency. And most importantly, unlike Vietnam, the American people were viciously attacked from Afghanistan, and remain a target for those same extremists who are plotting along its border. To abandon this area now -- and to rely only on efforts against al Qaeda from a distance -- would significantly hamper our ability to keep the pressure on al Qaeda, and create an unacceptable risk of additional attacks on our homeland and our allies.

Second, there are those who acknowledge that we can't leave Afghanistan in its current state, but suggest that we go forward with the troops that we already have. But this would simply maintain a status quo in which we muddle through, and permit a slow deterioration of conditions there. It would ultimately prove

more costly and prolong our stay in Afghanistan, because we would never be able to generate the conditions needed to train Afghan security forces and give them the space to take over.

Finally, there are those who oppose identifying a time frame for our transition to Afghan responsibility. Indeed, some call for a more dramatic and open-ended escalation of our war effort -- one that would commit us to a nation-building project of up to a decade. I reject this course because it sets goals that are beyond what can be achieved at a reasonable cost, and what we need to achieve to secure our interests. Furthermore, the absence of a time frame for transition would deny us any sense of urgency in working with the Afghan government. It must be clear that Afghans will have to take responsibility for their security, and that America has no interest in fighting an endless war in Afghanistan.

As President, I refuse to set goals that go beyond our responsibility, our means, or our interests. And I must weigh all of the challenges that our nation faces. I don't have the luxury of committing to just one. Indeed, I'm mindful of the words of President Eisenhower, who -- in discussing our national security -- said, "Each proposal must be weighed in the light of a broader consideration: the need to maintain balance in and among national programs."

Over the past several years, we have lost that balance. We've failed to appreciate the connection between our national security and our economy. In the wake of an economic crisis, too many of our neighbors and friends are out of work and struggle to pay the bills. Too many Americans are worried about the future facing our children. Meanwhile, competition within the global economy has grown more fierce. So we can't simply afford to ignore the price of these wars.

All told, by the time I took office the cost of the wars in Iraq and Afghanistan approached a trillion dollars. Going forward, I am committed to addressing these costs openly and honestly. Our new approach in Afghanistan is likely to cost us roughly \$30 billion for the military this year, and I'll work closely with Congress to address these costs as we work to bring down our deficit.

It was clear at the time that President Obama set these deadlines that Afghanistan lacked an effective government, was one of the most corrupt countries in the world, and had not made major progress towards development as a result of outside aid. It was clear that Afghanistan faced a prolonged budget and economic crisis the moment outside aid and military spending was seriously cut, and that it would be unable to create and sustain effective security forces indefinitely without major outside financial aid, military advisors, and military support.

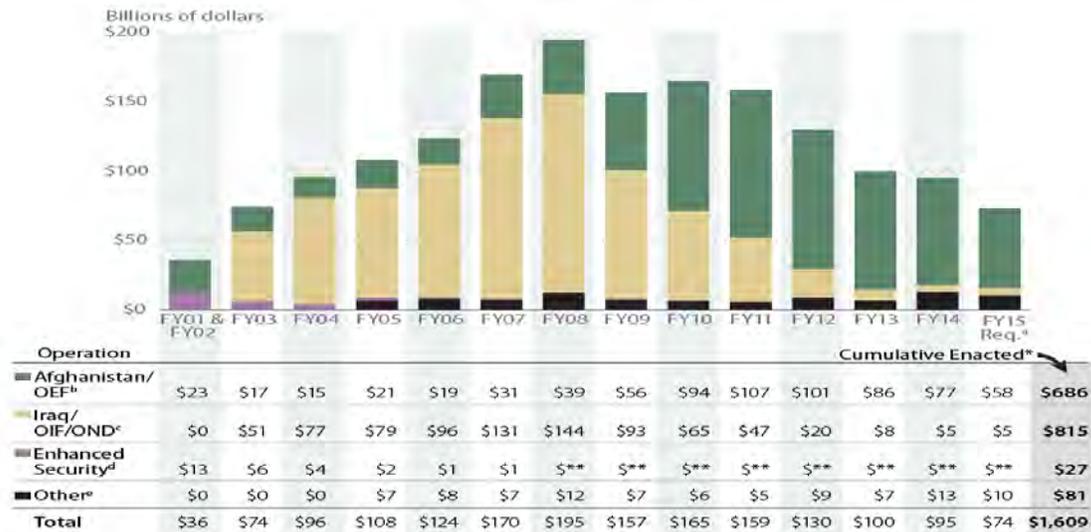
This may explain why several senior US officials said in the days following the President's speech that the process of steadily cutting US forces beginning in the summer of 2011, and withdrawing all combat forces by the end of 2014, would be conditions-based. The President never said this, however, and in a later background briefing following speech, a senior US official stated that the President had rejected efforts to not include a deadline in his speech and to imply that withdrawal would be conditional.¹⁵

The President also did not describe any broader strategy for Pakistan, Central Asia, or South Asia. By the time the President gave his December 2009 speech, however, the US already saw Pakistan as a key center of gravity in the war, but also as a source of aid and comfort to an enemy base in part on its soil. It was also clear at the time that the Pakistani Army was still using its Inter-Service Intelligence (ISI) branch to covertly support the Taliban and other Afghan insurgents, and was providing cover and sanctuary to Osama Bin Laden and Al Qaeda as well to the Quetta Taliban and Haqqani network. This history is described in detail in Carlotta Gall's *The Wrong Enemy* – a book broadly endorsed by a number of US officers and experts who were actually working in Pakistan at the time.¹⁶

Figure I.1: The Comparative Cost of the Afghan and Iraq Wars to the US

Estimated War Funding by Operation, FY2001-FY2015 Request in Billions of Dollars of Budget Authority

Department of Defense: FY2001-FY2015



* Cumulative enacted (FY01-FY14). ** Amounts less than \$200 million.

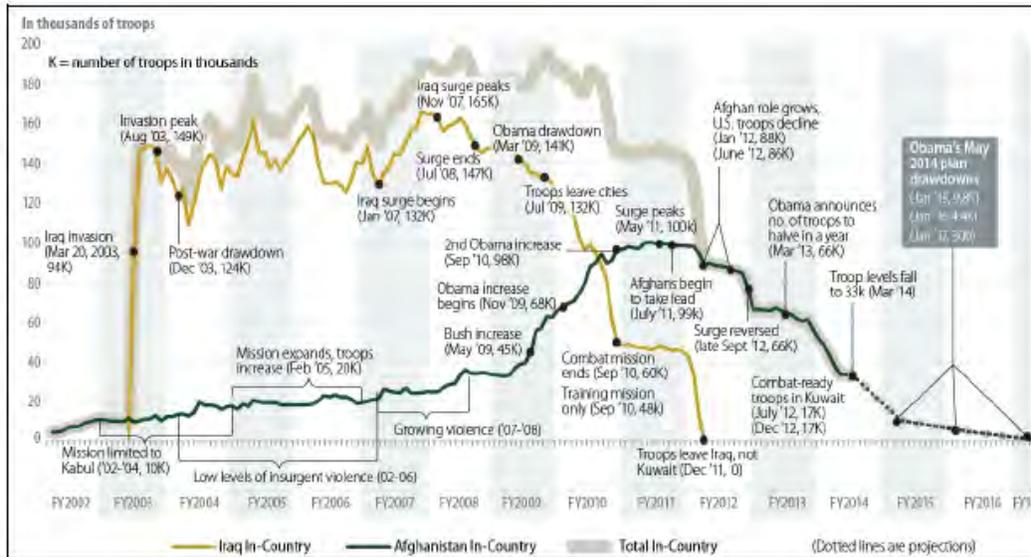
Total Cost by Agency: FY2001-FY2015

Operation/Agency	01&02	03	04	05	06	07	08	09	10	11	12	13	14	15 Req. ^a	FY01-14	FY01-15
Afghan War or Operation Enduring Freedom (OEF)																
DOD	22.0	16.7	13.2	17.9	17.5	29.2	36.1	52.6	88.2	103.1	96.3	80.6	74.0	53.3	647.3	700.7
State/USAID	0.8	0.7	2.2	2.8	1.1	1.9	2.7	3.1	5.6	3.3	3.5	3.9	2.0	2.6	33.6	36.2
VA Medical	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.3	0.5	0.8	1.1	1.4	2.2	4.7	6.9
Total	22.8	17.4	15.4	20.7	18.7	31.1	39.0	56.0	94.1	106.8	100.6	85.6	77.4	58.1	685.6	743.7
Iraq War or Operation Iraqi Freedom (OIF) and Operation New Dawn (OND)																
DOD	0.0	48.0	57.1	77.1	91.9	127.1	140.3	89.6	59.9	42.7	13.5	4.9	1.1	0.5	753.1	753.5
State/USAID	0.0	3.0	19.5	2.0	3.7	3.2	2.7	2.2	3.3	2.1	4.7	0.7	1.4	1.5	48.6	50.2
VA Medical	0.0	0.0	0.0	0.0	0.4	0.6	0.9	1.3	1.6	1.8	2.1	2.1	2.3	3.0	12.9	15.9
Total	0.0	51.0	76.7	79.1	96.0	130.8	143.9	93.1	64.8	46.5	20.3	7.7	4.8	5.0	814.6	819.6
Enhanced Security or Operation Noble Eagle (ONE)																
DOD	13.0	6.0	4.0	2.0	1.0	0.5	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.1	27.4	27.5
State/USAID	13.0	6.0	4.0	2.0	1.0	0.5	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.1	27.4	27.5
War-Designated Funding Not War-Related																
DOD	0.0	0.0	0.0	6.6	8.0	7.3	12.1	7.5	6.4	5.4	5.4	1.9	10.2	5.1	70.9	75.9
State/USAID	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	4.6	2.6	5.3	10.4	15.7
VA Medical	0.0	0.0	0.0	0.0	0.4	0.7	1.0	1.5	1.9	2.3	2.9	3.2	3.7	5.2	17.6	22.8
Total	0.0	0.0	0.0	6.6	8.0	7.3	12.1	7.5	6.4	5.4	8.6	6.6	12.8	10.4	81.3	91.7
All War-Designated Funding																
DOD	35.0	70.7	74.3	103.6	118.4	164.0	188.7	149.8	154.6	151.2	115.3	87.5	85.4	58.9	1,498.7	1,557.6
State/USAID	0.8	3.8	21.7	4.8	4.9	5.0	5.4	5.4	8.9	5.4	11.5	9.2	6.0	9.4	92.7	107.1
VA Medical	0.0	0.0	0.0	0.0	0.4	0.7	1.0	1.5	1.9	2.3	2.9	3.2	3.7	5.2	17.6	22.8
Total	35.8	74.4	96.0	108.4	123.7	169.7	195.2	156.7	165.4	158.9	129.7	99.9	95.2	73.6	1,608.9	1,682.4

Notes: Totals per year for DoD in the two tables alter according to cost assumptions in model and time of budget reporting.

Source: Amy Belasco, “The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11,” Congressional Research Service (CRS), December 8, 2014, 17-18, <http://fas.org/sgp/crs/natsec/RL33110.pdf>.

Figure I.2: The Comparative US Troop Presence in the Afghan and Iraq Wars



	Sept 2000 ^a Peak of Iraq surge	April 2008 Peak of Iraq surge	May 2011 Peak of Afghan surge	March 2014 ^{b,c} (Shown on map)
Operation Enduring Freedom (OEF)	1,138	52,777	155,909	104,129
Operation Iraqi Freedom/New Dawn (OIF/OND) ^d	14,643	224,286	86,270	[24,818]
Ships Afloat	14,772	17,209	29,770	30,368
Other ^e	na	8,058	6,197	3,896
Grand Total	30,553	302,330	278,146	138,393

a. Allocates military personnel to OEF and OIF/OND based on lists in footnote c and d.
 b. March 2014 is most recent available to CRS; all military allocated to OEF.
 c. As of December 2011 when all U.S. troops withdrew from Iraq, all U.S. military personnel in the region were assigned to OEF. OEF countries include: Afghanistan, Kyrgyzstan, Pakistan, Uzbekistan, Tajikistan, Kazakhstan, Djibouti, Oman, Ethiopia, Kenya, Philippines, Egypt, Qatar, and United Arab Emirates. In March 2014, there were 79,311 military personnel in these countries and 24,818 in OIF/OND countries.
 d. OIF countries include: Iraq, Jordan, Kuwait, Saudi Arabia, Turkey, Bahrain, Yemen. In March 2014, there were 24,818 military personnel in these countries.
 e. 'Other' includes deployed troops with unreported locations including those in classified locations, and miscellaneous.

Note: Reflects U.S. troops in-country; excludes troops providing in-theater support or conducting counter-terror operations outside the region.

Source: Amy Belasco, “The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11,” CRS, December 8. 2014, 9, 13, <http://fas.org/sgp/crs/natsec/RL33110.pdf>.

US Strategy Writes Off Afghanistan Pakistan, and the Region

This lack of conditionality and a broader regional strategy, however, has presented problems ever since. The *rhetoric* of US strategy from 2009 onwards implied continued support for Afghanistan without really addressing its weaknesses or its failures as a partner, and left the issue of Pakistan largely unaddressed because of Pakistan's critical role as a route for US supplies and movements.

The *reality* of US strategy moved towards a broader disengagement from Afghanistan, Pakistan, and Central Asia. The new Defense Strategic Guidance that the Department of Defense issued in January 2012 made it clear that US intended to leave Afghanistan, and focus on other regions of the world. It called for the US to only fight where its strategic interests were directly involved and only in proportion to the importance of those interests. It explicitly said the US should avoid fighting wars major like the ones in Iraq and Afghanistan in the future, avoid large-scale land force commitments to limited wars of limited strategic value, and focus on strategic partnerships where the partner would play a major role.

A QDR That Largely Wrote Off the Region

The US then repeated key elements of this guidance in most Department of Defense and State Department budget requests from FY2013 onwards. This was not true of its FY2015 budget submission, but it was true of the new Quadrennial Defense Review (QDR 2014) of long term US national security policy that the US issued in March 2014.

The executive summary to the 2014 QDR only provided a token reference to leaving Afghanistan, focused on the Middle East and Asia, and discussed virtually every other region than Central and South Asia – which it effectively did not mention at all:¹⁷

Rebalancing and sustaining our presence and posture abroad to better protect U.S. national security interests. In striving to achieve our three strategic objectives, the Department will also continue to rebalance and sustain our global posture. We will continue our contributions to the U.S. rebalance to the Asia-Pacific region, seeking to preserve peace and stability in a region that is increasingly central to U.S. political, economic, and security interests.

Faced with North Korea's long-range missiles and WMD programs – particularly its pursuit of nuclear weapons – the United States is committed to maintaining peace and security on the Korean Peninsula. As part of our broader efforts for stability in the Asia-Pacific region, the United States will maintain a robust footprint in Northeast Asia while enhancing our presence in Oceania and Southeast Asia.

As we end combat operations in Afghanistan, we are prepared to transition to a limited mission focused on counterterrorism and training, advising, and assisting Afghan security forces. The United States also has enduring interests in the Middle East, and we will remain fully committed to the security of our partners in the region. We will continue to maintain a strong military posture in the Gulf region – one that can respond swiftly to crisis, deter aggression, and assure our allies and partners – while making sure that our military capabilities evolve to meet new threats.

Given our deep and abiding interests in maintaining and expanding European security and prosperity, we will continue our work with allies and partners to promote regional stability and Euro-Atlantic integration, as well as to improve capacity, interoperability, and strategic access for coalition operations. Across the globe, we will ensure the access needed to surge forces rapidly in the event of a crisis.

The QDR did not mention Central or South Asia at all in the section in the QDR on regional trends.¹⁸ The two regions were only mentioned in a passing -- and as a vague priority -- in the

final passages of the section on Building Global Security towards the end of the document – as much because the authors had to say something as because of any serious strategic focus on any state other than India:¹⁹

We will continue efforts to help stabilize Central and Southwest Asia and deepen our engagement in the Indian Ocean region to bolster our rebalance to Asia. The stability of Pakistan and peace in South Asia remain critical to this effort. The United States supports India's rise as an increasingly capable actor in the region, and we are deepening our strategic partnership, including through the Defense Trade and Technology Initiative.

President Obama's Statement on Afghanistan on May 27, 2014

In late May of 2014, President Obama issued a statement that made the limits to any continued role in Afghanistan explicitly clear. He made the US frustration with Karzai and the then uncertain outcome of Afghan election all too clear. His main focus, however, was on the fact that the future US role would set fixed limits to the US presence in 2015 and 2016, cutting down to 9,800 men at the start of 2015, cutting this total in half by the end of 2015, and eliminating virtually all military personnel by the end of 2016,²⁰

We have now been in Afghanistan longer than many Americans expected. But make no mistake -- thanks to the skill and sacrifice of our troops, diplomats, and intelligence professionals, we have struck significant blows against al Qaeda's leadership, we have eliminated Osama bin Laden, and we have prevented Afghanistan from being used to launch attacks against our homeland. We have also supported the Afghan people as they continue the hard work of building a democracy. We've extended more opportunities to their people, including women and girls. And we've helped train and equip their own security forces.

Now we're finishing the job we started. Over the last several years, we've worked to transition security responsibilities to the Afghans. One year ago, Afghan forces assumed the lead for combat operations. Since then, they've continued to grow in size and in strength, while making huge sacrifices for their country. This transition has allowed us to steadily draw down our own forces -- from a peak of 100,000 U.S. troops, to roughly 32,000 today.

2014, therefore, is a pivotal year. Together with our allies and the Afghan government, we have agreed that this is the year we will conclude our combat mission in Afghanistan. This is also a year of political transition in Afghanistan. Earlier this spring, Afghans turned out in the millions to vote in the first round of their presidential election -- defying threats in order to determine their own destiny. And in just over two weeks, they will vote for their next President, and Afghanistan will see its first democratic transfer of power in history.

In the context of this progress, having consulted with Congress and my national security team, I've determined the nature of the commitment that America is prepared to make beyond 2014. Our objectives are clear: Disrupting threats posed by al Qaeda; supporting Afghan security forces; and giving the Afghan people the opportunity to succeed as they stand on their own.

Here's how we will pursue those objectives. First, America's combat mission will be over by the end of this year. Starting next year, Afghans will be fully responsible for securing their country. American personnel will be in an advisory role. We will no longer patrol Afghan cities or towns, mountains or valleys. That is a task for the Afghan people.

Second, I've made it clear that we're open to cooperating with Afghans on two narrow missions after 2014: training Afghan forces and supporting counterterrorism operations against the remnants of al Qaeda.

Today, I want to be clear about how the United States is prepared to advance those missions. At the beginning of 2015, we will have approximately 98,000 U.S. -- let me start that over, just because I want to make sure we don't get this written wrong. At the beginning of 2015, we will have approximately 9,800 U.S. service members in different parts of the country, together with our NATO allies and other

partners. By the end of 2015, we will have reduced that presence by roughly half, and we will have consolidated our troops in Kabul and on Bagram Airfield. One year later, by the end of 2016, our military will draw down to a normal embassy presence in Kabul, with a security assistance component, just as we've done in Iraq.

Now, even as our troops come home, the international community will continue to support Afghans as they build their country for years to come. But our relationship will not be defined by war -- it will be shaped by our financial and development assistance, as well as our diplomatic support. Our commitment to Afghanistan is rooted in the strategic partnership that we agreed to in 2012. And this plan remains consistent with discussions we've had with our NATO allies. Just as our allies have been with us every step of the way in Afghanistan, we expect that our allies will be with us going forward.

Third, we will only sustain this military presence after 2014 if the Afghan government signs the Bilateral Security Agreement that our two governments have already negotiated. This Agreement is essential to give our troops the authorities they need to fulfill their mission, while respecting Afghan sovereignty. The two final Afghan candidates in the run-off election for President have each indicated that they would sign this agreement promptly after taking office. So I'm hopeful that we can get this done.

The bottom line is, it's time to turn the page on more than a decade in which so much of our foreign policy was focused on the wars in Afghanistan and Iraq. When I took office, we had nearly 180,000 troops in harm's way. By the end of this year, we will have less than 10,000. In addition to bringing our troops home, this new chapter in American foreign policy will allow us to redirect some of the resources saved by ending these wars to respond more nimbly to the changing threat of terrorism, while addressing a broader set of priorities around the globe.

I think Americans have learned that it's harder to end wars than it is to begin them. Yet this is how wars end in the 21st century -- not through signing ceremonies, but through decisive blows against our adversaries, transitions to elected governments, security forces who take the lead and ultimately full responsibility. We remain committed to a sovereign, secure, stable, and unified Afghanistan. And toward that end, we will continue to support Afghan-led efforts to promote peace in their country through reconciliation. We have to recognize that Afghanistan will not be a perfect place, and it is not America's responsibility to make it one. The future of Afghanistan must be decided by Afghans. But what the United States can do -- what we will do -- is secure our interests and help give the Afghans a chance, an opportunity to seek a long, overdue and hard-earned peace.

President Obama's New Strategy Speech at West Point

The real world limits to the US commitment to Afghanistan became even more apparent in a much broader strategy speech that President Obama gave at West Point on May 28, 2014 -- the day after his statement on Afghanistan. President Obama delivered this speech only one day after announcing he would maintain a significant US advisory role in Afghanistan only during 2015 and phase that presence out on 2016.

He used his new strategy speech to both declare victory in the wars in Iraq and Afghanistan and to highlight the fact the US now going to focus a different approach to war and more important areas. The key portions of his speech made this shift in strategic focus all too clear:²¹

When I first spoke at West Point in 2009, we still had more than 100,000 troops in Iraq. We were preparing to surge in Afghanistan. Our counterterrorism efforts were focused on al-Qaida's core leadership -- those who had carried out the 9/11 attacks. And our nation was just beginning a long climb out of the worst economic crisis since the Great Depression.

Four and a half years later, as you graduate, the landscape has changed. We have removed our troops from Iraq. We are winding down our war in Afghanistan. Al-Qaida's leadership on the border region between Pakistan and Afghanistan has been decimated, and Osama bin Laden is no more. (Cheers, applause.) And through it all, we've refocused our investments in what has always been a key source of American strength: a growing economy that can provide opportunity for everybody who's willing to work hard and take responsibility here at home.

In fact, by most measures America has rarely been stronger relative to the rest of the world. Those who argue otherwise -- who suggest that America is in decline or has seen its global leadership slip away -- are either misreading history or engaged in partisan politics.

But the world is changing with accelerating speed. This presents opportunity, but also new dangers. We know all too well, after 9/11, just how technology and globalization has put power once reserved for states in the hands of individuals, raising the capacity of terrorists to do harm.

Russia's aggression towards former Soviet states unnerves capitals in Europe while China's economic rise and military reach worries its neighbors.

From Brazil to India, rising middle classes compete with us, and governments seek a greater say in global forums. And even as developing nations embrace democracy and market economies, 24-hour news and social media makes it impossible to ignore the continuation of sectarian conflicts, failing states and popular uprisings that might have received only passing notice a generation ago.

It will be your generation's task to respond to this new world. The question we face, the question each of you will face, is not whether America will lead but how we will lead, not just to secure our peace and prosperity but also extend peace and prosperity around the globe.

As the Syrian civil war spills across borders, the capacity of battle-hardened extremist groups to come after us only increases. Regional aggression that goes unchecked, whether in southern Ukraine or the South China Sea or anywhere else in the world, will ultimately impact our allies, and could draw in our military. We can't ignore what happens beyond our boundaries.

And beyond these narrow rationales, I believe we have a real stake -- abiding self-interest -- in making sure our children and our grandchildren grow up in a world where schoolgirls are not kidnapped; where individuals aren't slaughtered because of tribe or faith or political belief.

I believe that a world of greater freedom and tolerance is not only a moral imperative; it also helps keep us safe.

But to say that we have an interest in pursuing peace and freedom beyond our borders is not to say that every problem has a military solution. Since World War II, some of our most costly mistakes came not from our restraint but from our willingness to rush into military adventures without thinking through the consequences, without building international support and legitimacy for our action, without leveling with the American people about the sacrifices required. Tough talk often draws headlines, but war rarely conforms to slogans. As General Eisenhower, someone with hard-earned knowledge on this subject, said at this ceremony in 1947, "War is mankind's most tragic and stupid folly; to seek or advise its deliberate provocation is a black crime against all men."

Like Eisenhower, this generation of men and women in uniform know all too well the wages of war, and that includes those of you here at West Point. Four of the service members who stood in the audience when I announced the surge of our forces in Afghanistan gave their lives in that effort. A lot more were wounded.

I believe America's security demanded those deployments. But I am haunted by those deaths. I am haunted by those wounds. And I would betray my duty to you, and to the country we love, if I sent you into harm's way simply because I saw a problem somewhere in the world that needed to be fixed, or because I was worried about critics who think military intervention is the only way for America to avoid looking weak.

...First, let me repeat a principle I put forward at the outset of my presidency: The United States will use military force, unilaterally if necessary, when our core interests demand it -- when our people are threatened; when our livelihoods are at stake; when the security of our allies is in danger.

In these circumstances, we still need to ask tough questions about whether our actions are proportional and effective and just. International opinion matters, but America should never ask permission to protect our people, our homeland or our way of life. (Applause.)

On the other hand, when issues of global concern do not pose a direct threat to the United States, when such issues are at stake, when crises arise that stir our conscience or push the world in a more dangerous

direction but do not directly threaten us, then the threshold for military action must be higher. In such circumstances, we should not go it alone. Instead, we must mobilize allies and partners to take collective action. We have to broaden our tools to include diplomacy and development, sanctions and isolation, appeals to international law, and, if just, necessary and effective, multilateral military action. In such circumstances, we have to work with others because collective action in these circumstances is more likely to succeed, more likely to be sustained, less likely to lead to costly mistakes.

This leads to my second point. For the foreseeable future, the most direct threat to America, at home and abroad, remains terrorism, but a strategy that involves invading every country that harbors terrorist networks is naive and unsustainable. I believe we must shift our counterterrorism strategy, drawing on the successes and shortcomings of our experience in Iraq and Afghanistan, to more effectively partner with countries where terrorist networks seek a foothold.

And the need for a new strategy reflects the fact that today's principal threat no longer comes from a centralized al-Qaida leadership. Instead it comes from decentralized al-Qaida affiliates and extremists, many with agendas focused in the countries where they operate. And this lessens the possibility of large-scale 9/11-style attacks against the homeland, but it heightens the danger of U.S. personnel overseas being attacked, as we saw in Benghazi. It heightens the danger to less defensible targets, as we saw in a shopping mall in Nairobi. So we have to develop a strategy that matches this diffuse threat, one that expands our reach without sending forces that stretch our military too thin or stir up local resentments.

We need partners to fight terrorists alongside us. And empowering partners is a large part of what we have done and what we are currently doing in Afghanistan. Together with our allies, America struck huge blows against al-Qaida core and pushed back against an insurgency that threatened to overrun the country.

But sustaining this progress depends on the ability of Afghans to do the job. And that's why we trained hundreds of thousands of Afghan soldiers and police. Earlier this spring, those forces -- those Afghan forces -- secured an election in which Afghans voted for the first democratic transfer of power in their history. And at the end of this year, a new Afghan president will be in office, and America's combat mission will be over.

Now -- (applause) -- that was an enormous achievement made because of America's armed forces. But as we move to a train and advise mission in Afghanistan, our reduced presence there allows us to more effectively address emerging threats in the Middle East and North Africa. So earlier this year I asked my national security team to develop a plan for a network of partnerships from South Asia to the Sahel.

Somewhat ironically, the President used this speech to make transparency a key aspect of his shift in strategy:²²

Let me make one final point about our efforts against terrorism. The partnerships I've described do not eliminate the need to take direct action when necessary to protect ourselves. When we have actionable intelligence, that's what we do, through capture operations, like the one that brought a terrorist involved in the plot to bomb our embassies in 1998 to face justice, or drone strikes, like those we've carried out in Yemen and Somalia.

There are times when those actions are necessary and we cannot hesitate to protect our people. But as I said last year, in taking direct action, we must uphold standards that reflect our values. That means taking strikes only when we face a continuing, imminent threat, and only where there is no certainty -- there is near certainty of no civilian casualties, for our actions should meet a simple test: We must not create more enemies than we take off the battlefield.

I also believe we must be more transparent about both the basis of our counterterrorism actions and the manner in which they are carried out. We have to be able to explain them publicly, whether it is drone strikes or training partners. I will increasingly turn to our military to take the lead and provide information to the public about our efforts. Our intelligence community has done outstanding work and we have to continue to protect sources and methods, but when we cannot explain our efforts clearly and publicly, we face terrorist propaganda and international suspicion, we erode legitimacy with our partners and our people, and we reduce accountability in our own government.

And this issue of transparency is directly relevant to a third aspect of American leadership, and that is our effort to strengthen and enforce international order.

After World War II, America had the wisdom to shape institutions to keep the peace and support human progress -- from NATO and the United Nations, to the World Bank and IMF. These institutions are not perfect, but they have been a force multiplier. They reducing the need for unilateral American action and increase restraint among other nations.

As for the rest of the speech, the President focused on Europe and Ukraine, the Middle East, and Asia, and touched upon Latin America and Africa, but never mentioned Central of South Asia at all.²³

No Clearer Lead from NATO

Like Washington, NATO provided a great deal of positive rhetoric About the Afghan conflict during the period following the President's speech at the end of 2009, but US allies had no more desire to stay in Afghanistan than the US. In fact, almost all allied public opinion polls showed their publics had cease to support the war before the President spoke. It was clear from the start that the rest of the ISAF coalition would follow the US lead and almost all allied troops would also be gone by the end of 2014. .

A corrupt and failed second round in the Afghan election in the spring of 2014 did not help matters. The first round on April 5, 2014, had failed to give any candidate a majority. It was the runoff between Ashraf Ghani and Abdullah Abdullah on June 16, 2014, however, which was so corrupt that it put Ashraf Ghani's apparent victory into serious doubt and threatened to divide the country.

It led to months in which the Afghan government had no effective leadership, and the resulting paralysis reached the point where NATO formally highlighted its lack of an effective security partner in its Ministerial Summit meeting in early September 2014. NATO issued a press release on September 4th asking the two rival Afghan Presidential candidates to reach some compromise in their struggle over the outcome of the election that had first been held on April 5, 2014 – some five months earlier.²⁴

NATO Leaders at the Wales Summit reaffirmed on Thursday (4 September 2014) their commitment to supporting Afghanistan and called on the two presidential candidates to work together and to conclude the necessary security agreements as soon as possible, as they have said they will. The ISAF Heads of State and Government also asked the two candidates to “swiftly deliver a peaceful outcome of this election, acceptable to the Afghan people,” the NATO Secretary General, Anders Fogh Rasmussen said.

Leaders from NATO nations joined by ISAF partner countries reaffirmed their readiness to launch a non-combat mission in Afghanistan after 2014 to help train, advise and assist Afghan security forces, providing necessary legal arrangements are signed without delay. *“I cannot stress too strongly how important this is,”* Mr. Fogh Rasmussen said. *“Without a signature, there can be no mission. Our planning is complete but time is short.”* The post-2014 Resolute Support Mission is one of the three pillars of NATO's long-term engagement in Afghanistan, along with a contribution to the long-term sustainment of the Afghan National Army and the strengthening of long-term political and practical cooperation with Afghanistan. *“With the end of ISAF in December, we will change the nature and the scope of our involvement in Afghanistan,”* said the Secretary General. *“But our commitment will endure because stability in Afghanistan also means security for us.”* This three-pronged engagement is aimed to build on the gains achieved throughout the thirteen-year long ISAF mission, particularly in the development of strong, professional and capable security forces, as well as in the fields of education, health, economic development, human rights and fundamental freedoms, notably for women.

During the meeting, ISAF leaders underlined the importance of continued support by the international community, and of sustained efforts by the Afghan Government, notably in continuing to increase its

financial accountability and contribution, improve governance and rule of law, promote and protect human rights for all. The meeting also provided the opportunity to pay tribute to the men and women from Afghan and international forces who have served in the country and in other NATO operations. *“This is the right time to remember what we have sacrificed and what we have achieved”*, NATO Secretary General said. *“Their courage, effort and sacrifice have made all our nations safer and improved global security.”*

Afghan Defence Minister Bismullah Khan Mohammadi, leaders from Japan, Central Asian states, as well as representatives from key international community partners from the United Nations and the European Union also attended the meeting.

By the time of this NATO Ministerial Summit occurred, however, it was Russian action in the Ukraine and the rising war against the Islamic State in Iraq and Syria that had priority. A total of 31 paragraphs of the full Ministerial statement dealt with Russia and the Ukraine. This discussion of Afghanistan was some four paragraphs long, and was all political rhetoric:²⁵

- We met yesterday in an expanded meeting on Afghanistan and, together with our International Security and Assistance Force (ISAF) partners, we issued a Wales Summit Declaration on Afghanistan.
- For over a decade, NATO Allies and partner nations from across the world have stood shoulder to shoulder with Afghanistan in the largest operation in the history of the Alliance. This unprecedented effort has enhanced global security and contributed to a better future for Afghan men, women, and children. We honour the Afghan and international personnel who have lost their lives or been injured in this endeavour.
- With the end of ISAF in December 2014, the nature and scope of our engagement with Afghanistan will change. We envisage three parallel, mutually reinforcing strands of activity: in the short term, NATO Allies and partner nations stand ready to continue to train, advise, and assist the Afghan National Security Forces (ANSF) after 2014 through the non-combat Resolute Support Mission; in the medium term, we reaffirm our commitment to contribute to the financial sustainment of the ANSF; in the long term, we remain committed to strengthening NATO’s partnership with Afghanistan. We count on Afghanistan’s commitment and cooperation.
- We recognise the particular importance of advancing regional cooperation and good neighbourly relations for the security and stability of Afghanistan. We remain determined to support the Afghan people in their efforts to build a stable, sovereign, democratic, and united country, where rule of law and good governance prevail, and in which human rights for all, especially the rights of women, including their full participation in decision making, and those of children, are fully protected. Working with the Government of Afghanistan and the wider international community, our goal remains to never again be threatened by terrorists from within Afghanistan. Our commitment to Afghanistan will endure.

NATO did, however, issue a separate statement on Afghanistan called the Wales Declaration on September 4, 2014. This statement did not provide any major new details or plans beyond those NATO had repeated since 2012. The discussions that led to the Wales Declaration did, however, note that the annual cost of the ANSF had risen from \$4.1 billion to \$5.1 billion. As a result, NATO highlighted the growing funding challenges and problems in Afghanistan’s ability to carry out a Transition after 2014.²⁶

...ISAF will conclude at the end of 2014 as planned. For over a year, the ANSF have been in the lead for combat operations throughout the country. Although many challenges remain, they have demonstrated that they are an effective force, gaining the respect and confidence of the Afghan people and able to prevent insurgents from achieving their objectives. When ISAF operations end, the Afghan authorities will assume full responsibility for security. However, our commitment to Afghanistan will endure beyond ISAF along with our determination to ensure that we are never again threatened by terrorists from within Afghanistan.

With the end of ISAF, the nature and scope of our engagement with Afghanistan will change. We

envisage three parallel, mutually reinforcing, strands of activity:

...In the short term, the Resolute Support Mission. As decided at the Chicago Summit in 2012, at the invitation of the Government of the Islamic Republic of Afghanistan, and in the context of the broader international effort to help Afghanistan, NATO Allies and partner nations stand ready to continue to train, advise and assist the ANSF after 2014. This will be done through a new, non-combat mission with a sound legal basis. The mission's establishment is contingent on the signing of the U.S.-Afghanistan Bilateral Security Agreement and NATO-Afghanistan Status of Forces Agreement. The Resolute Support Mission should ideally, in consultation with the Government of Afghanistan, be supported by a United Nations Security Council Resolution.

...In the medium term, our contribution to the financial sustainment of the ANSF. At Chicago, NATO allies and ISAF partners decided to provide support to the ANSF, as appropriate, through the Transformation Decade, on the understanding that the Afghan Government will make an increasing financial contribution to this endeavor. Today, nations renewed their financial commitments to support the sustainment of the ANSF, including to the end of 2017. We also urge the wider international community to remain engaged in the financial sustainment of the ANSF. We will maintain and strengthen the transparent, accountable and cost-effective funding mechanisms we have established since Chicago, including the Oversight and Coordination Body, which will ensure donors can confidently commit this support. Realizing the full promise of the pledges made at Chicago on the financial sustainment of the ANSF, which we have reaffirmed today, will require transparency, accountability, and cost-effectiveness of the relevant international funding mechanisms. We encourage the Afghan Government to continue and strengthen efforts to fight corruption. We look forward to working with the Afghan authorities to review the force structure and capabilities of the ANSF to achieve a sufficient and sustainable force. We restate the aim, agreed at Chicago, that Afghanistan should assume, no later than 2024, full financial responsibility for its own security forces.

...In the long term, NATO-Afghanistan Enduring Partnership. NATO Allies remain committed to the NATO-Afghanistan Enduring Partnership, agreed at the Lisbon Summit in 2010. The strengthening of this partnership will reflect the changing nature of NATO's relationship with Afghanistan whilst complementing the Resolute Support Mission and continuing beyond it. Both the political and practical elements of this partnership should be jointly owned and strengthened through regular consultation on issues of strategic concern. NATO is ready to work with Afghanistan to develop this partnership in line with NATO's Partnership Policy, possibly including the development of an Individual Partnership Cooperation Program at an appropriate time.

We will continue to support an Afghan-led, Afghan-owned and inclusive peace process, as stated at the 2011 Bonn Conference and at the Chicago Summit in 2012. We welcome efforts by all parties that further this process.

Good neighbourly relations, as well as regional support and cooperation will remain essential. This has been strengthened notably by the Istanbul Process in the Heart of Asia region.

A stable Afghanistan will be able to make a positive contribution to the wider region including through delivering progress in the fight against narcotics trafficking, illegal migration, terrorism and crime.

We are resolved to support Afghanistan in making further progress towards becoming a stable, sovereign, democratic and united country, where rule of law and good governance prevail and in which human rights, and notably those of children, are fully protected. We emphasize the particular importance of strengthening efforts to implement the rights of women and the United Nations Security Council Resolutions on Women, Peace and Security, and to include women fully in political, peace and reconciliation processes. We further recognize the need for the protection of children from the damaging effects of armed conflict as required in relevant United Nations Resolutions. We also welcome continued work to strengthen the protection of civilians by all parties concerned. Thus, we are committed to continue working with Afghanistan to further strengthen these values and principles.

Today we have extended significant offers of support and partnership to Afghanistan as it determines its own future. We remain steadfast and resolute in our commitment to the Afghan people.

As for the Afghan side of the equation, Ashraf Ghani and Abdullah Abdullah reached an awkward compromise in late September 2014 that was brokered in part by the US. This compromise made Ashraf Ghani the new president, but created a new–non-constitutional post for Abdullah Abdullah called the Chief Executive. This compromise, however, left the relative role of Ghani and Abdullah unclear. It also failed to produce a new government, and in spite of the fact US Secretary of State John Kerry called a triumph of “statesmanship and compromise.”²⁷ Ghani dismissed the existing cabinet following his inauguration on September 29, 2014, and Ghani and Abdullah had still not agreed on a new government, or any major appointments by the end of 2014.²⁸

A Civil Failure by USAID, the UN and Other Donors

These decisions affecting US and ISAF forces, and support for the ANSF, were only half of the story. While the US and ISAF military effort had its limits, as the following analysis shows, it did have plans, structure, supporting analysis, and something approaching measures of effectiveness. The civil effort consisted largely over-ambitious concepts, a lack of meaningful economic analysis and planning, efforts to improve governance and the rule of law which largely failed, and cosmetic efforts at integrating civil-military planning which left the civil side large in the form of concepts without any meaningful plans, milestones, metrics, cost analysis, or measures of effectiveness.

The lack of any serious control and management of aid money grossly increased corruption in Afghanistan, and led to massive waste, fraud, and abuse. It also led the World Bank and Transparency International to rank Afghanistan as one of the most corrupt governments in the world.

The problems in the Afghan election in 2014 were only a symptom of problems that built up steadily after the fall of the Taliban in 2001-2002. A nation that had the image of a democracy was effectively governed by a series of power brokers, and far too many political appointments at the Ministerial, provincial, and district level were so corrupt or incompetent that they alienated the people from the government. UN and World Bank estimates discussed later in this study show that very real surge of progress that occurred after the Taliban were ousted in 2001-2002 largely came to a halt in 2005-2007, that poverty began to increase, and the near flood of civil aid only impact on a small percentage of the population.

No Real Future Aid Plans or Afghan Deliverables on Reform

Aid donors and international organizations did little better than the Afghan government. The United Nations Assistance Mission in Afghanistan (UNAMA) proved to be a total failure in shaping and coordinating the international aid effort, never produced a meaningful development plan for Afghanistan, and never produced a useful report of any kind on the levels of civilian aid expenditure or its effectiveness. As is shown later in this analysis, the World Bank and IMF produced serious analyses of the Afghan economy in 2012-2014, yet unrealistic development plans based on peace that was unlikely to exist and impossible real-world levels of progress. Seven dealt with the Islamic state and the Middle East.

International conferences did make some progress in establishing conditionality for economic and civil aid. The Afghan government did provide a broadly structured aid plan and reform program at the Tokyo Conference in early July 2012. However, the Afghan government made little – if any – substantive progress in implementing its reform plan in the years that followed.

At the end of 2014, the Afghan government was still discussing the Tokyo Mutual Accountability Framework (TMAF) as a revised work in progress that would be agreed a Senior Officials Meeting (SOM) in 2015, based on the new priorities of the Afghan Government, although some unspecified TMAF hard deliverables would be implemented “in the interim period.”

The London Conference in December 2014

The United Kingdom and Afghanistan did co-host a London Conference on “Afghanistan and International Community: Commitments to Reforms and Renewed Partnership on December 4, 2014.” The Conference had representatives of 59 countries and co-chaired by H.E. President Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan, Rt Hon David Cameron MP, Prime Minister of the United Kingdom. Afghanistan’s Chief Executive, Dr. Abdullah Abdullah, and the United Kingdom’s Foreign Secretary Phillip Hammond.

The meeting broadly reaffirmed each country’s partnership with Afghanistan after 2014. It was also attended by NGOs, representatives of Afghan civil society, and multilateral organizations and was preceded by meetings civil society engagement, private sector development and regional economic cooperation.

The Conference declaration, however, was almost all rhetoric, and provided no new plans or substance. The closest it came to addressing any real issues was to state:²⁹

The Participants welcomed the Afghan Government’s plans to enhance productivity, increase its domestic revenue mobilization to attract more private sector investment, and stimulate growth and employment opportunities. Over time, this approach will reduce Afghanistan’s dependence on external support. However, Participants recognised that this is a long-term endeavor and that the Afghan Government will continue to have significant economic requirements that cannot be met solely by domestic revenues.

To help ensure that Afghanistan remains on a path towards a more sustainable future for all Afghans, the International Community reaffirmed its Tokyo commitment of providing sixteen billion US dollars through 2015, and sustaining support, through 2017, at or near the levels of the past decade. Going forward, the International Community reiterated its commitment, as set out in the Tokyo Declaration, to direct significant and continuing but declining financial support towards Afghanistan’s social and economic development Priorities through the Transformation Decade.

Further, the International Community reaffirmed that its ability to sustain support for Afghanistan depends upon the principle of mutual accountability and the Afghan Government delivering on its commitments under the TMAF process.”

The Death of the Tokyo Conference Deliverables

SIGAR reported in January 2015 that there no longer were any hard Afghan deliverables on reform, that USAID no longer reported on progress in meeting the Tokyo Conference goals for Afghan reform, and that Afghanistan entered 2015 without an approved budget,³⁰

The Tokyo Mutual Accountability Framework (TMAF) serves as a cornerstone of international engagement and is the agreed instrument for measuring mutual accountability. The international community and Afghan government agreed to the TMAF at the Tokyo Conference of Donors in July 2012. Later the TMAF was augmented with intermediate targets for the Afghan government and the international community called “hard deliverables,” such as passage of a mining law.

Last quarter USAID reported that, as a matter of policy, the U.S. Embassy Kabul is no longer evaluating or updating the original version of hard deliverables. According to USAID, the previous set of hard

deliverables is no longer part of the discussion. The London Conference Communiqué said the TMAF will be refreshed at the Senior Officials Meeting in mid-2015.

...Although the London Conference did not result in a revised list of hard deliverables, the Afghan government committed to deliver the following reforms ahead of the Senior Officials Meeting:

- Ensure that a credible budget is passed.
- Scrutinize expenditure and implementing measures to increase revenue including measures to broaden the tax base.
- Strengthen financial-sector supervision.
- Improve the conditions for responsible private-sector investment.
- Demonstrate actions to improve human rights, particularly the rights of women.

On November 11, the Afghan government submitted its FY 1394 (Western calendar December 21, 2014–December 20, 2015) budget to parliament. The draft budget included a 3% overall reduction compared to the previous year's budget, including an 11% reduction of non-security-related costs...The draft budget was criticized in parliament and rejected by the lower house. In January, the MOF submitted an amended budget that included more than 443 projects that were not included in the initial draft. Parliamentarians had criticized the first draft budget because it did not include these projects, many of which were left incomplete in the previous year. The projects' inclusion, of course, widens the potential fiscal gap between government revenues and expenditures

President Ghani on Reform

President Ashraf Ghani did deliver a statement outlining a reform agenda and plans to bring economic stability, and security to the country at the London Conference. He presented a paper on the government of Afghanistan's reform program entitled "Realizing Self Reliance: Commitments to Reforms and Renewed Partnership" that both recognized the challenges Afghanistan faced, and some of the key economic problems that were driving transition. It did not outline specific plans, milestones, or needs but it was far more realistic in addressing key problems than statement by NATO, the US, or other outside nations, and did highlight key reforms in many areas and stated that the Afghan program was:³¹

...built around four propositions. The first proposition is that Afghanistan is facing an economic crisis with the transition taking a heavier than expected toll on the economy and the pace of reforms. Private sector confidence has slumped and a fiscal crisis is underway, with the government failing to mobilize adequate revenue to meet its financing priorities. Restoring confidence and improving revenue mobilization are the essential pre-conditions for surviving transition and successfully building a democratic state.

The second proposition is that in order to realize self-reliance in the transformation decade, in the face of likely reductions of donor assistance, more private investments and revenue-generating sources will be needed to trigger growth. Building infrastructure for regional integration, trade and transit agreements, connectivity, cross-border investments, will be a fundamental part of our national strategy. Public funds will have to be channeled to sectors with maximum potential for growth, revenue and employment. Aid-effectiveness will have to be substantially improved.

The third proposition is that what look like economic and social problems have at their root failures of governance and a lack of serious commitment to fixing problems. Actions to fight corruption, end patronage, and avoid collusive practices have been undertaken half-heartedly or undermined from within. The fourth proposition is that the lessons of the past decade show the urgent need for the senior most levels of the national government to take a stronger hand in managing the overall implementation of policy reforms and development assistance. Government leadership is needed to ensure that the agenda matches national priorities, capacities, and resource envelopes within a multiyear strategic planning framework; to monitor performance and enforce accountability; and to exercise appropriate flexibility

to enable changes in response to a highly uncertain environment.

Each of these propositions is matched by a series of actions and commitments intended to give credibility to the claims through immediate and near-term actions, and to trigger a longer process of reform. Where possible, we will move quickly to implement actions. However, in many areas the reform process must involve consultation and coordination across a broad range of stakeholders. For these domains we will be signaling the government's overall policy direction and roadmap for change and then using the time between the London Conference and SOM to develop more detailed action plans.

...Economic growth and tangible service delivery provide the critical anchors for stability as the Afghan economy and society begin their difficult re-adjustment to a civilian economy. Too sharp a cutback in the role of the state will sow the seeds for future problems. Weakened governments that are unable (or unwilling) to deliver basic services to their people are easy prey for dissident or radical groups, which spread beyond the confines of any one state. By contrast, a functioning Afghan state that can continue down a path of reform that promotes growth and delivers basic services will be the best defense against instability in the region.

...While it is important to acknowledge Afghanistan's achievements, it is equally important to acknowledge its failures. First and foremost has been corruption, a plague that infuriates the ordinary Afghan as much as it does our international partners. Second, because of the way aid has been delivered so far, Afghanistan became addicted to help from the international community rather than using aid for moving towards sustainable economic growth, job creation, infrastructure development, investments and trade. Third, while the criminal economy has flourished in Afghanistan, the legal economy has been hampered by regulatory incoherence and parallel institutions. Fourth, despite Afghanistan's tremendous endowment of natural resources, which could lift the Afghan economy and improve the welfare of people, we have not yet been able to manage them well because of a lack of needed infrastructure and weak institutions and regulations. And last, while the urgency of ending the conflict and achieving a sustainable peace should be obvious, for more than a decade an agreeable path has not been formulated that could move disputes from the battlefield to the political field.

...Poverty remains high, with more than 36 percent of Afghans living below the poverty line. Stunting and malnutrition, particularly among women and children, affect nearly half of the population. Another overwhelming challenge is to create sufficient number of jobs that can provide productive employment to the poor. While most Afghan children have access to education, many are still deprived, and the current low quality of education will require greater attention going forward. Basic health services, mainly financed by donors, will need to increase further with particular attention to excluded and vulnerable groups, while also addressing concerns about cost effectiveness and sustainability of delivery and financing models. While the status of women has improved, the level of female participation in the economy remains far too low, and violence against women is a problem that must come to an end. Finally, corruption, production and handling of narcotics, illicit economy and personal insecurity remain critical impediments to development progress across the board, but particularly to the private sector.

...The infusion of ISAF expenditure drove economic growth, but the massive withdrawal that was planned for on the security side did not receive sufficient attention. The social and economic impacts of the sharp scale-down of activities were considered to be marginal, but it is now clear that this was a miscalculation and the economic effects of withdrawal have been and will continue to be severe, creating a sizable fiscal gap in the Afghan economy. Political uncertainty coupled with the deteriorating security situation aggravated the decline. Economic growth has fallen sharply to 1.5 percent (estimated) in 2014 from an annual average of 9.4 percent during 2003-12. Domestic revenues have fallen to 8.7 percent of GDP (projected) in 2014 from the peak of 11.6 percent in 2011. Despite austerity measures, the government faces an un-financed fiscal gap in 2014, with depleted cash balances and accumulating arrears. The crisis calls for urgent and immediate reforms, but it also provides Afghanistan with an opportunity to take bold actions.

As for outside nations, the overall record was dismal and public reporting consisted largely of dubious successes in project aid. Donor cooperation with UNAMA was token level at best, UNAMA never tried to force the issue of coordinating aid activity, and the many donor countries never complied with the requirement to report all aid activity to the Afghan

government. NGOs often acted arbitrarily on their own, sometimes increasing afghan tensions and feuding.

The US State Department never produced a serious report on the civil efforts in war; USAID never produced a meaningful aid plan or measures of effectiveness and its reporting was limited to exaggerate claims on progress in pamphlets like *USAID in Afghanistan: Partnership, Progress, and Perseverance* – a report that gave USAID credit for favorable rainfall, projected increases in domestic revenues that never occurred, used questionable health statistics, and focused more on money spent than any other measure of effectiveness.³²

II. Uncertain Priorities for US Strategy

It is a grim reflection on the Obama Administration and the US Congress, that there has never been a serious public debate over whether the US should play a key role in meeting the challenges Afghanistan will face from 2015 onwards. As President Obama's May 2014 strategy speech at West Point has indicated, is also unclear what the outcome of an honest and meaningful debate would be.

Even if the US focuses properly on the impact of its current actions in Afghan, Pakistan, and the region and their consequences after 2014, and does adequately assesses its options and their relative risks and benefits, it might well decide that the best solution to dealing with the complex problems in South Asia and Central Asia should be a minimalist approach.

US "Strategic Triage" Is Critical

The UYS has made an immense investment in the Afghan War. The US Department of Defense reports that the total number of US dead had reached 2,356 by the end of December 2014 and Operation Enduring Freedom. This total included 1,846 killed in action, and the total number of wounded had reached 20,066.³³

As for the dollar cost, the US government has never published an official estimate of the direct costs of the war at point from 2001 to 2014, but an estimate by Amy Belasco of the Congressional Research Service put the direct costs at \$557 billion from FY2001 to FY2012, with \$523.5 billion for the Department of Defense, \$29.4 billion for the State Department and US Aid, and \$4.2 billion for Veteran's Administration.³⁴ US budget documents indicate that the US spent at least an additional \$167 billion for the Department of Defense, \$4 billion for the State Department and US Aid, and \$3 billion for Veteran's Administration.³⁵

This would put the total cost of the Afghan War to the US alone at a minimum of \$724 billion through the end of FY2014, but this does not include the full calendar year for Transition, the cost of destroyed equipment and equipment transfers to the Afghans during the US withdrawal, the cost of reequipping US forces for many combat losses, and the years of additional medical expenses for military personnel with lasting medical issues and disabilities.³⁶ Some estimates that include the cost of the added federal debt, opportunity costs, and lifetime costs of those requiring continuing medical are in the trillions.

A past investment, however, is no reason to keep spending lives and money unless it is clearly justified by strategic necessity and the probability of future success. No vital US national security priorities seem to be involved in the Afghan War or Pakistan that require a sustained major US presence or capability to intervene, and strategic triage indicates that other areas and problems have a higher priority for US resources. Such choices, however, should be made on the basis of hard analysis, and made openly and explicitly, and not through silence, neglect, or default.

The US cannot solve every problem or meet every challenge, and any effort to deal with the US strategic vacuum in Afghanistan, Pakistan, and Central Asia must be judged in a broader global context. The US is scarcely reducing its overall strategic and defense commitments.

The US may cutting the warfighting or Overseas Contingency Operations (OCO) part of its military expenditures as it ends the war in Afghanistan, but it is re-engaging in Iraq and building up its forces in the Gulf. It is changing its force posture in the Pacific and strengthening its security partnerships in the region, and is giving new priority to its commitments in NATO as a result of the Ukraine crisis.

The Issue Is Not Resources, But Strategic Priority

At the same time, one needs to be careful about focusing on resources -- providing that the chance of future success in Afghanistan is high enough to justify continued action and the cost of the necessary resources seems limited. Unfortunately, as this analysis makes all too clear, the lack of any serious transparency on the recent and probable course of the fighting, the size and nature of current aid plans, the role of the forces that US now plans to leave in Afghanistan, and virtually every other tangible aspect of a serious public policy debate makes this impossible.

Most of the limited projections of the future cost of US support discussed in the following chapters indicated the combined cost of sustaining a US presence of around 10,000-11,000, and providing aid through the period Afghanistan will need civil and military aid, could be less than \$20 billion a year. Uncertain as such estimates are, they make a striking contrast to past levels of spending that sometimes exceeded \$100 billion a year.

The US still has a massive pool of national security resources to draw upon in spite of past budget cuts and Sequestration. Neither the FY2013-FY2014 actual spending nor the FY2015-FY2019 baseline defense spending plans – the spending not tied to war in Afghanistan – project a further decline in real US spending. Moreover, the current levels of US national security efforts need to be kept in a global perspective. SIPRI estimates that the United States spent 37% of all world military expenditures in 2013 versus 11% for China, 5% for Russia, 3.5% for France, 3.3% for the UK, and 2.8% for Germany. In contrast, SIPRI estimates that Western and Central Europe cut military expenditures by 6.5% during 2004-2013.³⁷

The Secretary General's 2013 report for NATO sends the same message about the size of the overall US national security effort. Like the US QDR, NATO did not foresee any potential risk from Russia at the time of his report. In fact, the one minor mention of Russia largely praises Russia for its aid in Afghanistan.

Even so, when the Secretary General's report talks about military spending, it has a graph showing that the US *increased* its share of total NATO military spending from 68% in 2007 to 73% in 2013. In contrast, NATO Europe dropped from 30.2% of the total to 25.5% during that same period. Germany kept spending constant at 4.7% of the total but made massive force cuts and shifted money to pay for the equivalent of an all-professional force. Britain dropped from 7.3% to 6.6%, France from 6.6% to 4.9%, and Italy from 2.9% to 2.0%.

As for allied countries, the recent NATO ministerial summit called for all NATO countries to raise their defense spending to 2%. US defense spending is and will remain at nearly twice that level. The US is spending as much on its baseline military expenditures as it did before it began these wars in 2001, and doing so at a time it has a serious budget deficit, a massive federal debt, and faces steady rises in the cost of its domestic entitlement programs.

The Cost-Benefits of Upping the Ante

This mix of problems and fiscal pressures does not mean the US must -- or should -- back away from Afghanistan, Pakistan, or Central and South Asia. It does mean the US needs to exercise “strategic triage” and make hard decisions based on how valuable pursuing an effective role in Afghanistan will be relative to its cost and other US strategic needs. The US must use its resources where they meet the highest priority in terms of American interests and they have the most effect. The US’ resources must be used where the US has strategic partners that actually do their share, and US commitments and aid must be conditional and dependent on how well its partners actually perform.

This, in turn, means being grimly realistic about the state of Afghan leadership and politics. It means analyzing Afghan capability to achieve anything approaching “Afghan good enough,” the real-world security situation and threat, the state of the ANSF, and the state of Afghan governance and the Afghan economy.

It also means taking decisions that are both transparent and based on a detailed examination of the options, explicit cost benefit and risk analysis, and plans and budgets that can be openly debated. It is all very well to talk about “transparency.” The US and its Presidents have effectively abandoned transparency for two wars, and they have not benefited from the result.

As a result the US urgently needs to decide just how important any form of lasting strategic success in Afghanistan really is. The US does have many higher foreign and domestic priorities, and operates in a world where Afghanistan presents only a relatively marginal threat of terrorism to the US and its ISAF allies relative to other extremist threats. At the same time, the marginal cost to the US and its allies of greatly increasing the probability of success may well be a tiny portion of the kinds of expenditures it made during some thirteen years of war.

III. The “Threat” from Afghan Politics, Leadership, Governance, and Prospects for Stability

As Vietnam and Iraq have demonstrated, any effort at strategic triage must pay as much attention to the “threat” posed by the weaknesses and failures of the host government as the threat posed by the enemy. From 2002 onwards, the Afghan government has made slow progress in creating an effective structure of government even in the capital of Kabul. Provincial and District governments have often been weak, ineffective, and unable to operate outside limited areas of control and influence. The rule of law has been local and traditional in many areas. Power brokering, gross corruption, favoritism, and incompetence have alienated large parts of the population – empowering the insurgent threat or local power brokers and warlords in the process.

The Shell of Democracy: The Reality of the Presidency, Power Brokers, Parallel Donor Country Governance

While the Afghan central government has had all of the trappings of an elected democracy, the election have corrupt and done much to divide the country. In practice, the elected Afghan legislature has done little to move the country forward or represent its people. The real government has been a President with extraordinary control over all government revenues seeking to find the right balance of support from regional and local power brokers, and using his power to appoint governors, district officials, and key security and police officers to exert control. The façade of democracy in “Kabulstan” has been a reality based on the President, the appointed, and self-elected power brokers on a national level.

The Reality of National versus Local Governance

This is a reality that the US, its allies and other donors, and ISAF tried sporadically to address up until 2011, but with the decision to withdraw most forces by the end of 2014, virtually all of the public assessments of the major problems in Afghan governance stopped. The last unclassified summaries of the weaknesses in the governments outside Kabulstan are shown in **Figure III.1** and **Figure III.2**. It should be stressed that these figures only show colors for the limited number of districts actually assessed, were “spun” to minimize the problems involved and show progress – whether or not it actually existed. It is striking, therefore, that such reporting still had to be cancelled.

Parallel Governance by ISAF Regional Commands and National Air Donors

At the same time, the US and other states that provided military and civil aid, along with NGOs, that bypassed the central government in many areas. At least through 2013, they provided direct aid funds at the provincial, district, urban, and project level. The central government received only a limited amount of civil aid funds – substantially under 50% -- and donor countries determined how money was to be spent, each pursuing different policies and levels of coordination with regional and local Afghan officials. Only a few Afghan ministries were seen as honest and effective in using civil aid.

Most aspects of the development of the Afghan National Security Forces (ANSF) – and spending on these forces -- were shaped at every level by NATO/ISAF and US decisions, and by the actions and decisions of the key ISAF country leading the ISAF security effort in given areas. The combination of regional commands under different ISAF states and the creation of Provincial Reconstruction Teams (PRTs) shown in **Figure III.3** helped make this parallel governance worse. It meant that both military spending and aid, and many aspects of regional and local civil aid, were controlled or shaped by individual PRTs that pursued different policies in shaping and controlling the flow of local spending and aid, and in coordinating with local Afghan officials. And, as **Figure III.4** shows, had only a limited effect on Afghan development and governance in the areas actually assessed by ISAF.

The impact of such outside efforts on the real world structure of Afghan governance was further complicated in the case of the US by a program called the Commander's Emergency Relief Program (CERP) where US local commanders could use aid money to support short term tactical objectives, and often did so with minimal attention to the longer term impact in either benefitting the population or creating local feuds and divisions as a result of the way the money was spent. In many cases, NGOs also made the situation worse by running their own projects without meaningful efforts to assess local needs and politics, determine whether project was really needed or could be sustained, and examining how it fit into Afghan and donor country/military spending efforts.

As the World Bank, IMF, and SIGAR data in the following chapters show, these donor country and military spending efforts spent far more money than the central government could raise and that donor countries funneled through the central government. At the same time, donor country teams and personnel often served in country for a year or less, kept changing policies and programs on an annual level, and threw money into efforts with little real assessment of need, fiscal controls, and measures of effectiveness. These problems were made worse by poor coordination of the military and civil side of many donor country efforts, a constant pressure to achieve instant results or support tactical military operations, and by the near total failure of the United Nations Mission in Afghanistan (UNAMA) to perform its function of planning, coordinating, auditing, and assessing donor country aid efforts.

As a result, the steady cutback in donor country and NGO aid teams in the field that followed ISAF force cuts and withdrawals that began in 2013, and removed virtually all forces by the end of 2014, removed a key element of parallel governance. This withdrawal of regional and local ISAF commands and PRTs also occurred without strengthening a central government that was first led by an untrusted President Karzai and then faced a long period of near paralysis in 2014 when another corrupt election left the Afghan government without effective leadership.

The only saving grace, as US and other country facilities outside Kabul virtually imploded as part of the ISAF withdrawal, was that there were many Afghan officials at the national, provincial, and district level who had been chosen by merit, and remained in office. Many, however, lacked anything like their proper staffing, lacked security, and could only function within the limits imposed by Karzai and the non-government that followed. Even the best officials also had to deal with regional and local power brokers and commanders, and the real world nature of Afghan governance.

The US Role in Weak and Failed Afghan Governance

The US must assume much of the blame for these problems and failures. It helped create an unworkable constitution that failed to create local and regional elected officials -- a constitution that gave the President power over far too much of the nation's funds, and a legislature whose main function to date has been to consume state funds.

The constitution and initial structure of the Afghan government failed to create an effective system for managing state funds. The US and other donor nations then compounded the government's spending problems with annually massive, sharply varying amounts of outside military and civil aid spending that came without proper planning and controls, and helped increase a once acceptable level of Afghan corruption into a flood of corrupt money and waste from the outside, a dysfunctional government with limited control over national spending, and an unacceptable mess.

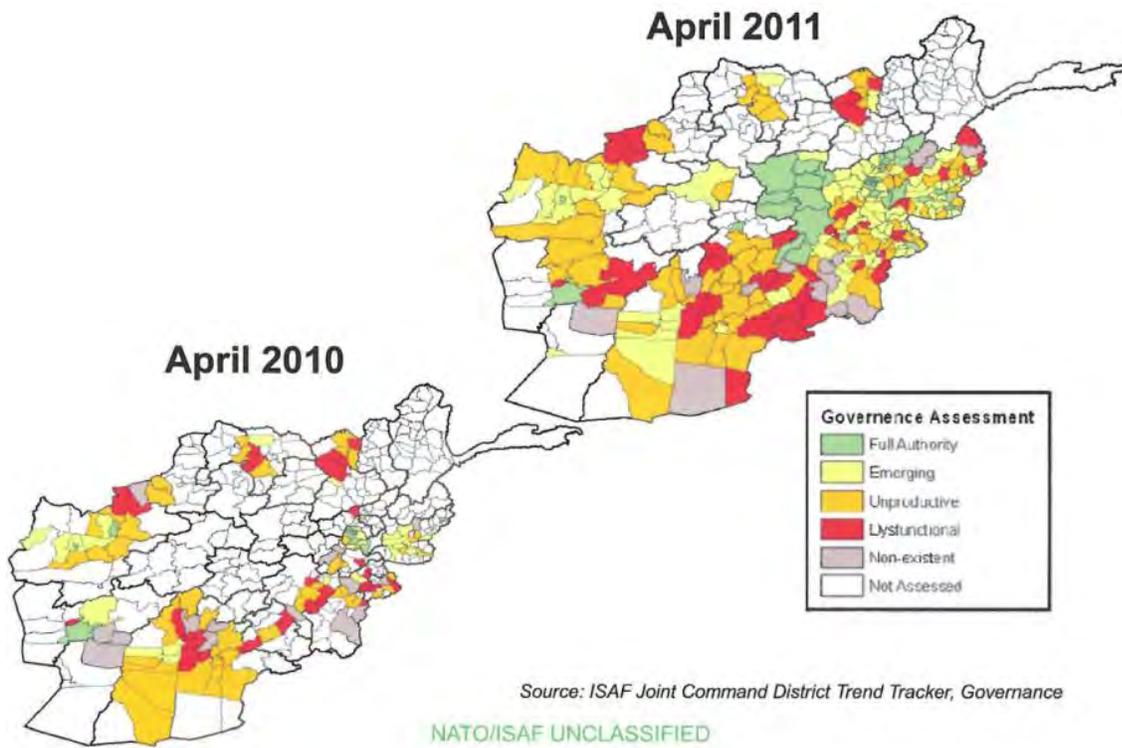
The US must also take responsibility for the fact it was far too slow to accept the threat the resurgence of the Taliban presented, and focus on the need for politics and governance that could win the people's trust. During the period between 2002 and 2007, the US attempted to push too much responsibility off on to its allies and the UN. It gave priority to the invasion and war in Iraq, and at least some of its long series of clashes with President Karzai were the result of US insensitivity to Afghan values and the fact that Afghanistan's de facto government was ruled by a power broker and not the elected legislature in "Kabulstan."

Since that time, the US has never publically come to grips with the problems in the structure of Afghan governance, the way money is spent, the real world problems in Afghan elections, the failures in UNAMA and donor country aid efforts, and the need to fully audit and manage the flow of military spending.

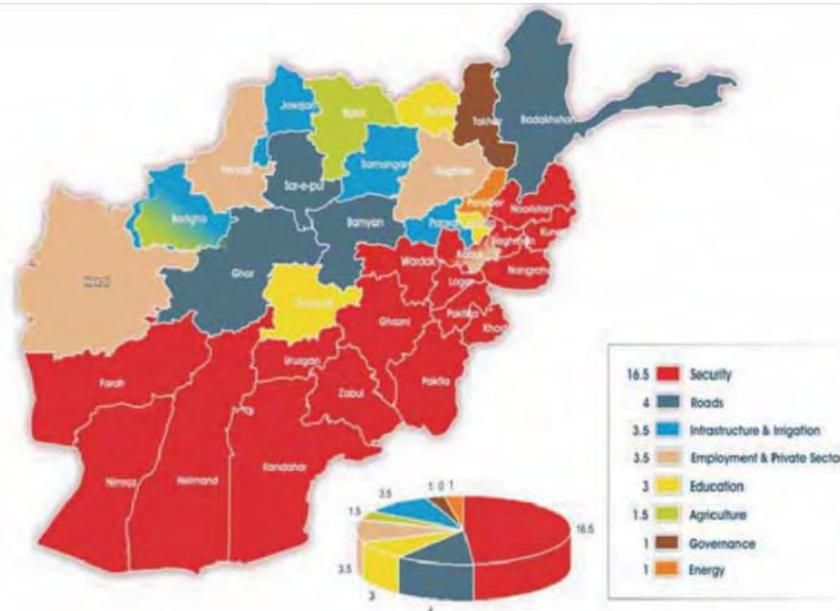
As has been noted earlier, statements by the President and other senior US officials have praised Afghan failures, ignored the scale of these problems in Transition, and largely left Afghanistan to its own devices. While a number of US ambassadors, senior officials in country, and senior US officers tried to shift US policy under both the Bush and Obama Administrations, they at best has limited and temporary success.

Figure III.1: Last Unclassified ISAF and UN Metrics on the Growing Problems in Afghan District Governance

ISAF Metrics on Quality of Government



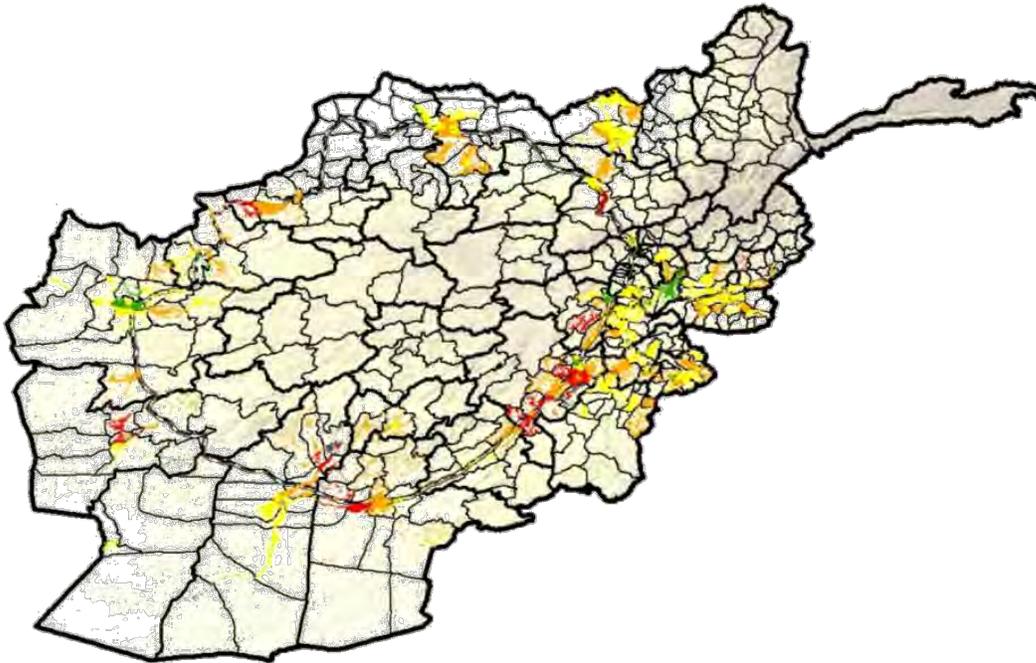
UN Metrics on Priority Needs by Province as of October 2010



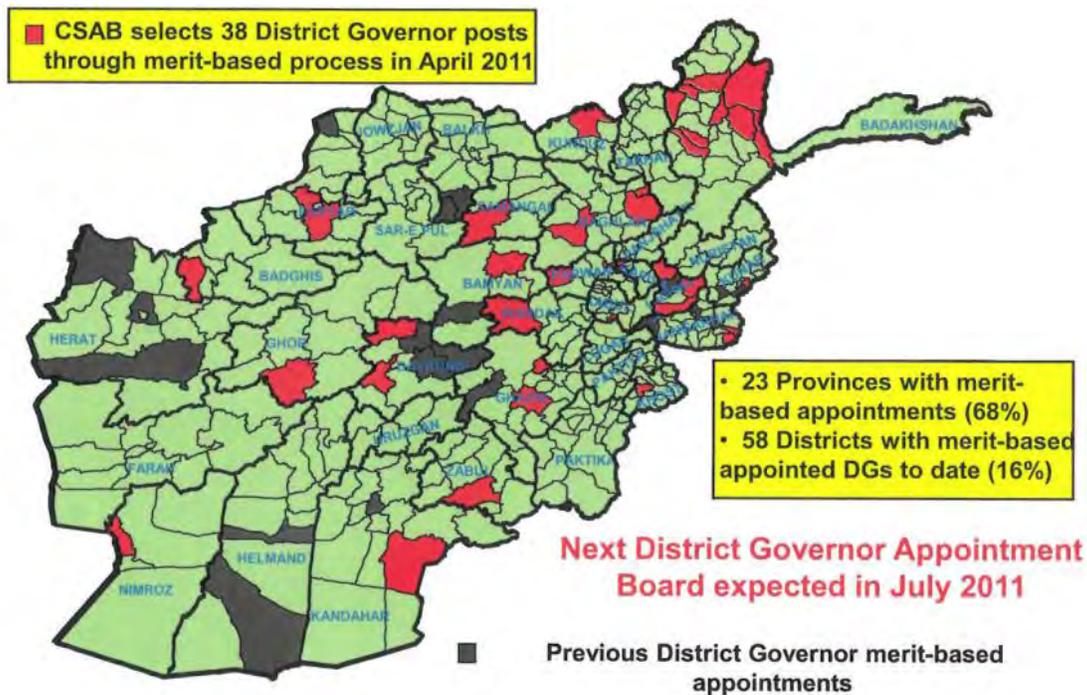
Source UNDAF, 2010, Annex B.

Figure III.2: Problems in Afghan District Governance in July 2011

Last Unclassified ISAF Metrics on Key Afghan Districts Where Taliban and Other Insurgents Dominated: July 2011



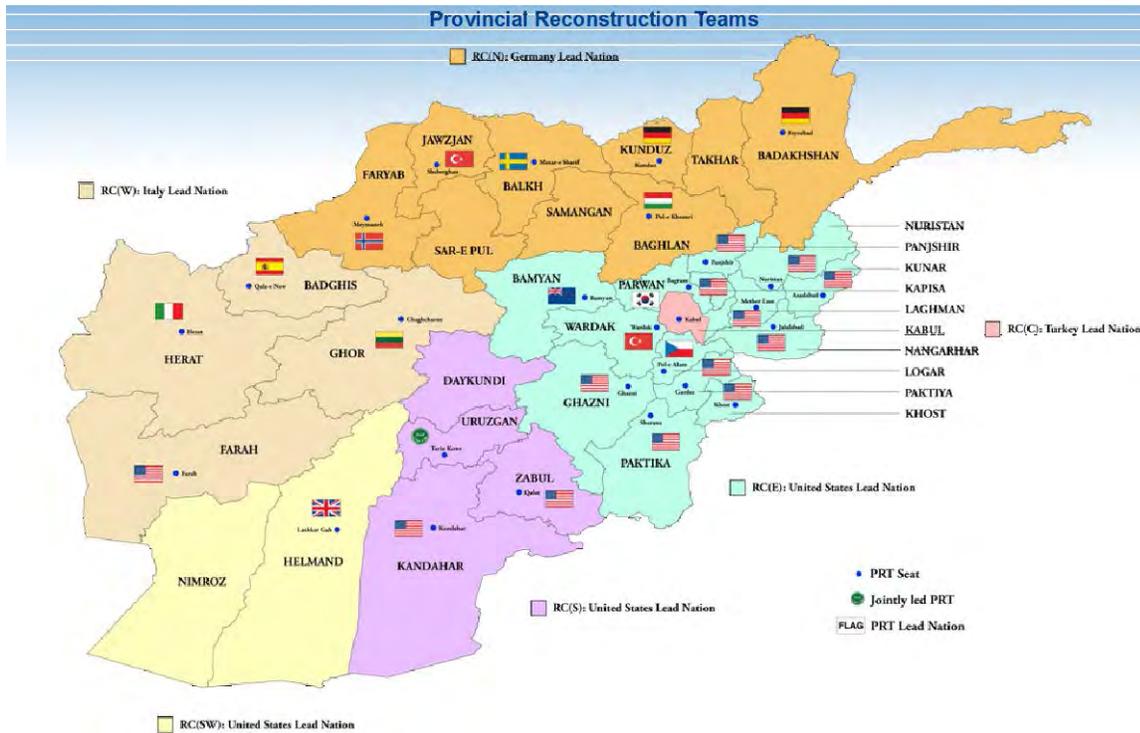
Last ISAF Unclassified Metrics on Merit vs. Non-Merit Based District Governors



Source: ISAF IJC July 2011.

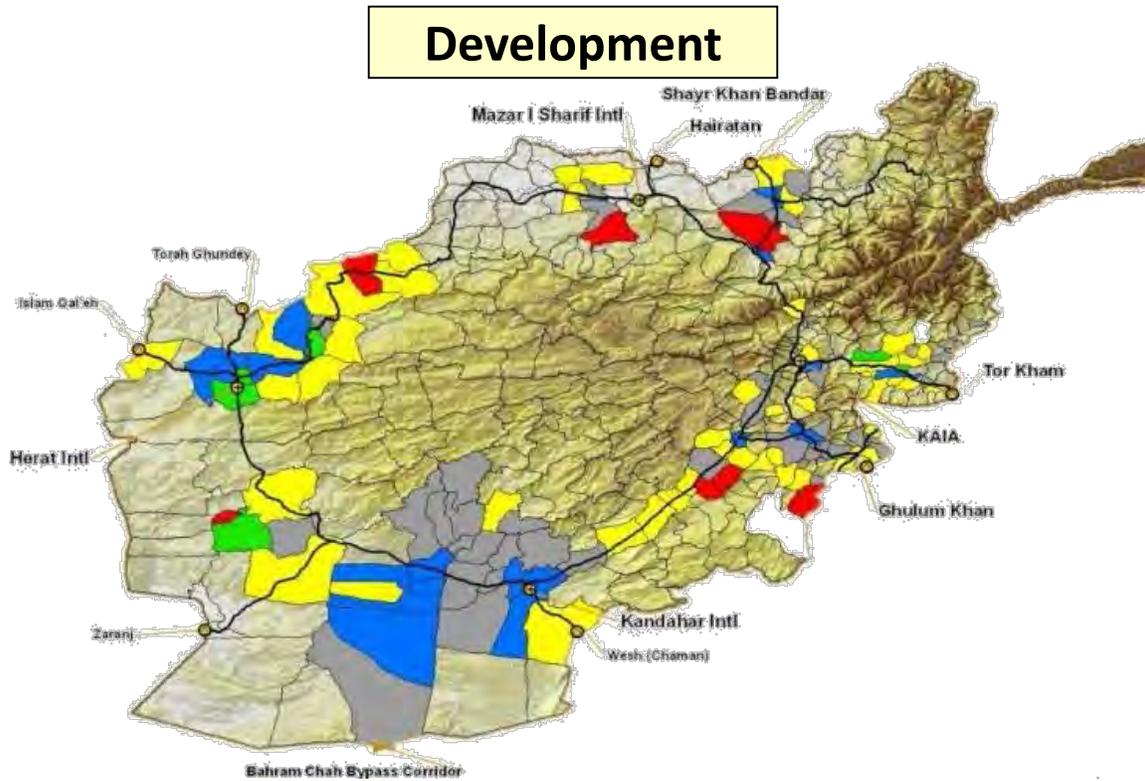
Figure III.3: Parallel Governance in ISAF Regional Commands and PRTs: Does Not Show NGOs

Note: As of January 2015, No Maps or Data were Public to Show what Structure Remained in Afghanistan



Source: DoD, "Report on Progress Towards Security and Stability in Afghanistan; US Plan for Sustaining the Afghan National Security Forces, Section 1203 Report, April 2011, 57; and October 2011, 94; and August 2011, <http://www.isaf.nato.int/troop-numbers-and-contributions/index.php>.

Figure III.4: Last Unclassified ISAF Assessment of the Effectiveness of Aid in Key Surveyed Districts: June 2010



04-Feb-10	29-Apr-10	Governance Assessment
6	7	Sustainable Growth
16	19	Dependent Growth
47	46	Minimal Growth
40	41	Stalled Growth
10	7	Population at Risk
3	2	Not Assessed

Source: COMISAF Command Brief, June 2010.

A Divided, Poor, and Struggling Nation

These problems, however, are only part of the challenges that affect post-Transition Afghan politics and governance. The legacy of the Soviet invasion, civil war, and the Taliban have left its central government weak, divided, and corrupt. Its power brokers are divided and usually self-seeking. It is deeply divided along geographic, ethnic sectarian, and tribal lines.

Although there are no reliable population data, the CIA is certainly correct in noting there are deep ethnic divisions (Its estimate the population is Pashtun 42%, Tajik 27%, Hazara 9%, Uzbek 9%, Aimak 4%, Turkmen 3%, Baloch 2%, other 4%.) There are significant religious divisions (The CIA estimates the population is Sunni Muslim 80%, Shia Muslim 19%, other 1%).³⁸

There are deep linguistic divisions (Afghan Persian or Dari (official) 50%, Pashto (official) 35%, Turkic languages (primarily Uzbek and Turkmen) 11%, 30 minor languages (primarily Balochi and Pashai) 4%.) The population is very young (42% is 14 years of age or younger, and has rapidly seen a shift towards urbanization (Roughly 37% in 2014 versus 23.5% in 2001, and urbanizing at 4.4% per year.) Something like a tenth of the population now lives in Kabul alone.)³⁹

All of these divisions are compounded by many local feuds between families and villages, conflicts over water and land rights, and deep divisions with – as well as between – given ethnic groups and tribes. As is analyzed later, poverty and drugs present additional problems, as does the fact some powerbrokers are the equivalent of warlords and other are drug kingpins. The per capita income is only around \$1,100, which ranks a dismal 215th in the world. There are no current poverty and unemployment data but past CIA estimates would put each figure at 35-40%. Some 392,000 men and 370,000 women annually reach the age where they enter a labor force estimated at only around 7.5 million.⁴⁰

These divisions play out in the struggle between the various insurgent groups and the Afghan military and government at the local level throughout the country. They also highlight the importance of the issues in governance that have just been discussed. To paraphrase Tip O'Neill, insurgency, like politics, "is local."

The constitution the US helped draw up after the fall of the Taliban and that was ratified in January 2004, still places almost all control over legislation and the allocation of money and force in the central government in Kabul, and gives extraordinary authority to the President. At the same time, all of the internal divisions in Afghanistan have been made worse by the fact that the Karzai government failed to create an effective structure for either collecting or spending state revenues, and tolerated gross levels of corruption as part of a system of government that was based more on juggling power brokers than seeking to create effective governance

Much of the effort to shape Transition in Afghanistan remained in limbo during the long period from 2012 to 2014 when Karzai refused to sign a bilateral security agreement and status of force agreement. It stayed in limbo during the preparations for the 2014 election, and during the rest of 2014 -- when Afghan politics attempted to deal with the outcome of a disputed and corrupt Presidential election.

Failed and Corrupt 2014 Elections that Did More to Divide than Unite

No one can at this point determine which election was more corrupt and divisive: The presidential election that kept Karzai in power on August 20, 2009, or the combination of April 5, 2014 election that left Ashraf Ghani and Abdullah Abdullah as the only two candidates, and the June 14, 2014 run-off election, 2014 that appeared to elect Ashraf Ghani but was so blatantly corrupt that his rival – Abdullah Abdullah – had to be given a major new role in the government.⁴¹

These formal election results are shown in **Figure III.5**, but members of the Afghan Independent Election Commission (IEC) are reported to have said that it disguises a far higher level of false ballots than is shown in **Figure III.5**, and US and other outside experts privately agree. SIGAR reporting shows that the IEC audit raised the number of invalidated ballots from 5.35% of ballots before the audit to 10.69% after the audit.⁴²

Abdullah Abdullah publically rejected the reporting in **Figure III.5** once Ghani's office made it public, and he threatened not to attend Ghani's inauguration. He then got into a dispute with Ghani over whether he should be inaugurated and sworn in and over office space with Ghani's running mate as first vice president, Abdul Rashid Dostum.⁴³

A SIGAR Quarterly Report issued in October 2014 noted that,⁴⁴

Five hours after the signing of the national-unity government agreement, the IEC announced that Ashraf Ghani was the winner of the election. As a condition of the national-unity government deal, the IEC did not immediately announce the full elections results... On September 26, however, the IEC presented then President-Elect Ghani with a winner's certificate stating that Ghani won 55.27% of the total votes (3.93 million out of 7.12 million votes). At the same event, the IEC chairman was quoted saying that "the IEC was not the only institution involved in fraud. Fraud was wide ranging." The Abdullah campaign issued a statement complaining that the results certificate was contrary to the agreement reached between the campaigns and that the certified results were not authentic. Assuming the results listed on the IEC certificate given to Ghani are accurate, the audit reduced Ghani's share of the vote by 1.17% and increased Abdullah's by 1.21%.

...The European Union Election Assessment Team (EU EAT) deployed one of the largest international-observer missions to support the runoff audit, with up to 410 observers.... It labeled the audit process "unsatisfactory" and claimed the audit produced clear evidence of large-scale fraud, particularly ballot stuffing.... EU EAT estimated that between two and three million runoff votes were fraudulent.

...A senior State Department official, in a background briefing, noted that while the runoff audit sought to meet best international standards, institutionalized fraud by the IEC prevented any audit from resolving all allegations of fraud.

...The National Democratic Institute (NDI) issued a statement on September 24 that "while electoral fraud as well as certain problems in the audit process make it impossible for any official results to precisely reflect the votes cast, evidence was not unveiled that would cause the outcome to be reversed."

...This quarter, USAID declined to assess the conduct of the IEC and ECC during the 2014 elections and said it will be unable to do so until the process, including the provincial council elections, is concluded

A December 2014 final report by the European Union Election Assistance Team (EU EAT) identified irregularities totaling more than two million votes. The EU EAT found that approximately 2.06 million run-off votes (26% of all votes cast) came from polling stations that used up 99% or more of their available ballots. This was an increase over the first

round, which had approximately 769,000 votes (12% of all votes cast) coming from polling stations with 99% or more ballot utilization. In the first round, 4% of votes (approximately 285,000 ballots) came from polling stations in which one candidate won 95% or more of the vote. In the run-off, this amount increased to 30% (approximately 2.38 million votes).⁴⁵

The situation was made far worse because of the legacy of President Karzai. Largely as a result of the actions of President Karzai, and the mess following a corrupt Afghan election in the spring of 2014, plans and decisions that should have been made as early as 2012 were kept on hold, only partially implemented, or simply forgotten under the pressure of other events. In spite of a constant flow of reassuring political rhetoric during a period of over two critical years, Afghanistan became a nation with no clear plans for the future and increasingly uncertain stability. The Taliban and other insurgents made steady gains, civilian casualties rose, and the Afghan economy descended into crisis.

Worse, efforts to paper over the corruption in the Afghan runoff election left the nation deeply uncertain as to how far the corruption went and not resolved any differences over its outcome. The end result was that UN Independent Election Commission avoided reporting the results of a UN audit.⁴⁶ The official announcement of the result took the form of a statement by Ahmad Yousuf Nuristani, the chairman the UN Independent Election Commission, that there were “grave flaws” and its audit could not detect all of it, but said that the commission still had a duty to state that, “The Independent Election Commission of Afghanistan declares Dr. Ashraf Ghani Ahmad as the president of Afghanistan.”⁴⁷

This vagueness was intended to smooth over the differences between Ghani and Abdullah. However, Ashraf Ghani’s office then released election results that tried to show that Ghani was a decisive victor, but really just showed just how deeply the nation had divided during the two votes, and the extent to which the north polarized around Abdullah Abdullah and the largely Pashtun areas coalesced around Ashraf Ghani. The end result is that both Ghani and Abdullah now have to live with the ongoing arguments over non-official official results shown in **Figure III.5**, and an ongoing debate over Afghan political legitimacy that no one can now resolve.

Figure III.5: Afghan Power Struggles: The Uncertain Results of the Election

elections final result after audit

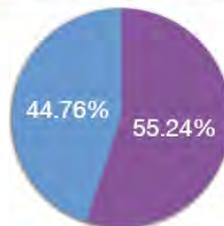
	Round 1	Round 2	Round 2 %	Round-2 Audit	Round-2 Audit
Dr Ashraf Ghani	2,081,288	4,485,888	56.44%	3,952,596	55.24%
Dr Abdullah Abdullah	2,970,582	3,461,639	43.56%	3,203,295	44.76%
Total	5,051,870	7,947,527		7,155,891	



total votes calculator

	Dr Ashraf Ghani	Dr Abdullah Abdullah	#horizontal total
valid votes	3,952,596	3,203,295	7,155,891
invalid and disqualified votes	533,292	258,344	791,636
second round votes	4,485,888	3,461,639	7,947,527
#vertical total	4,485,888	3,461,639	

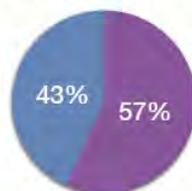
% of votes each candidate has secured in the second round of elections.



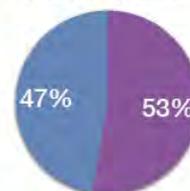
gender segregation

	Male voters	%	Female voters	%
Dr Ashraf Ghani	2,554,933	56.79%	1,397,663	52.60%
Dr Abdullah Abdullah	1,943,779	43.21%	1,259,516	47.40%
#total votes by gender	4,498,712		2,657,179	
#grand total	7,155,891			
% by gender		62.87%		37.13%

Male voters by candidate



Female voters by candidate



Sources: Ashraf Ghani campaign office; Tim Craig, "Ghani Named Afghan Victor," *Washington Post*, September 21, 2014.

An Awkward and Uncertain Compromise

It took months -- and an immense amount of outside pressure-- to push the two men into even the shell of a political compromise. Abdullah Abdullah and Ashraf Ghani did not reach a tentative agreement to share power until September 21, 2014. This compromise divided power by making Ashraf Ghani President and Abdullah Abdullah an extra-constitutional Chief Executive – an arrangement where Ghani wanted all the powers of the President and Abdullah wanted to the role of Prime Minister.

This uncertain agreement only came after US Secretary of State Kerry was forced to warn both Abdullah Abdullah and Ghani that,⁴⁸

If you don't come to an agreement now, today, the possibilities for Afghanistan will become very difficult, if not dangerous," Kerry told them, according to the partial transcript. "I really need to emphasize to you that if you do not have an agreement, if you do not move to a unity government, the United States will not be able to support Afghanistan.

It also left a bitter legacy of months of wrangling over the level of corruption in the runoff election, threats by Abdullah Abdullah to form his own government regardless of the final vote count.

A Deeply Uncertain Compromise at the Top

A deeply divided Afghan leadership finally was formally inaugurated in late September 2014 – nearly six months after a disputed election on April 5th. However, it scarcely solved Afghanistan's leadership problems. Like a somewhat similar failed attempt at creating a national unity government in Iraq after a disputed Iraqi election in 2010, the agreement between Ghani and Abdullah did laid out some broad terms. *But*, it was critically vague as to the powers of each leader.

A summary by SIGAR notes that the Technical and Political Framework issued on July 12, the Joint Declaration issued on August 8, and the September 2014 agreement committed Ghani and Abdullah to the following:

- Convening a *loya jirga* (grand assembly) to amend the Afghan constitution and to consider the proposal to create the post of executive prime minister
- Completing distribution of electronic/computerized identity cards to all citizens as quickly as possible
- Creating, by presidential decree, the position of chief executive officer (CEO), supported by two deputies, with the functions of an executive prime minister
- Proposing reforms in all government agencies and decisively combating official corruption
- Acknowledging that the president, as the head of state and government, will lead the cabinet
- Acknowledging that the CEO will be responsible for managing the cabinet's implementation of government policies and will head a council of ministers distinct from the cabinet
- Ensuring parity between the president and the CEO in selecting personnel at the level of head of key security and economic institutions and independent directorates, and
- Establishing a special commission to reform the election system.

Limited Progress in Signing a Bilateral Security Agreement

Inaugurating a deeply divided Afghan government in late September 2014 did not begin to solve the problem of governance. It did not show whether the new government could actually provide reform, effective governance, and effective security forces. It meant that there still was no formal structure for Transition roughly three months before the end of 2014, and nearly two years after a structure was supposed to be in place that could make an effective Transition possible.

It did, however, allow Afghan and U.S. officials did finally sign the Bilateral Security Agreement (BSA)—whose formal title is the Security Cooperation and Defense Agreement between the United States of America and the Islamic Republic of Afghanistan on September 30, 2014, one day after Ashraf Ghani’s inauguration as President. Afghan and NATO officials also signed the NATO Status of Forces Agreement the same day.

This timing finally allowed the US to move forward well over a year after the BSA and status of force agreements should have already been signed. However, the new agreements only gave the US a basis for staying in Afghanistan. They did not provide any agreed plan for moving forward after Transition.

The Special Inspector General for Afghan Reconstruction (SIGAR) summarized the impact of signing the two documents as follows:⁴⁹

The BSA enumerates protections that will be afforded to Department of Defense (DOD) military and civilian personnel. As under the 2003 status of forces agreement, under the BSA contractors are not immune from prosecution under the Afghan legal system, but U.S. soldiers are...Among the many issues covered in the BSA, the agreement also:

- Reaffirms the United States’ obligation to develop, equip, and seek funding to support the ANSF
- Establishes agreement to develop measures for analyzing Afghanistan’s use of defense and security resources
- Requires semiannual assessments of actual performance of Afghanistan’s use of defense and security resources
- Develops a process for making timely cooperative assessments of internal and external threats to Afghanistan
- Directs that specific recommendations are made on enhancing information and intelligence sharing
- Makes available facilities and areas, without fee, to U.S. forces and authorizes those forces to control entry into those facilities and areas
- Authorizes U.S. forces to move freely by land, water, or air without being subject to fees
- Provides for the United States to enter into contracts in Afghanistan and directs both countries to “work together to improve transparency, accountability, and effectiveness of contracting processes in Afghanistan, with a view to preventing misuse and bad contracting practices.”

...a Status of Forces Agreement was signed by the Afghan national-security advisor and NATO’s senior civilian representative to...provide the legal framework for the United States, NATO, and its partner nations to continue their commitment to train, advise, and assist the ANSF.

Moreover, as the previous chapters show, the US had already made key decisions about the size and duration of its future military presence in Afghanistan that may well lead to a major military crisis or defeat in Afghanistan during 2015-2016 almost regardless of what the Afghan

government, Pakistan, and America's allies in ISAF now do. As noted earlier, President Obama has chosen to limit the number, duration, and role of the US military advisory presence in Afghanistan in ways that placed critical limits on the US role in Afghanistan at a time when the US is also sharply reducing its role in Pakistan and Central Asia.

Uncertain Afghan Leadership and Governance: Two Years Too Late?

The future status of Afghan central governance remained unclear as of mid-January 2015. Ghani, who is ethnically Pashtun, and Abdullah who is mixed Pashtun and Tajik, reached a compromise on a new cabinet and other senior appointments on January 11, 2015 -- more three months after the power-sharing government took office. The list excluded older warlords and power brokers, and was an indication that Ghani and Abdullah could work together. In fact, press reports indicated that their problems in agreeing on the list of nominees were not their own but dictated by the demands of rival power brokers on both sides, and that they personally had established relatively good relations.⁵⁰

President Ghani announced a list of 25 cabinet nominees. SIGAR described these nominations as follows:⁵¹

No former Karzai-administration government ministers or serving members of parliament were nominated; however, four of the candidate ministers are former deputy or acting ministers...with the exception of the candidates for the foreign affairs, security, and finance ministries, the candidates were generally young and inexperienced. The candidate ministers included three females to lead the ministries of higher education, women's affairs, and information and culture. The announcement on January 12 did not include candidates for attorney general, the director of the Independent Directorate of Local Governance (IDLG), or chief justice

The three critical security appointments included,⁵²

- Sher Mohammad Karimi, the Afghan army's chief of staff, as defense minister. He was an ethnic Pashtun general, from the eastern province of Khost. He was the first Afghan to graduate from Britain's Royal Military Academy at Sandhurst. He had been exiled during the Taliban's rule and after their fall in 2001, and had worked his way up through senior posts in Afghan army, heading up its Special Forces and attending training courses in the United States. He was personally close to Ghani.
- Nur ul-Haq Ulomi as interior minister. He was a former member of parliament and a former member of the communist party, and had been senior military official under the President Najibullah – the Prime Minister that the Soviet Union had backed after leaving the country. He too was an ethnic Pashtun from the southern province of Kandahar, but had served as a member of parliament and chaired the Defence Committee After the fall of the Taliban. His political party had supported Abdullah and he was seen as an Abdullah choice.
- Rahmatullah Nabil, was to continue as the head of Afghanistan's domestic intelligence agency, will remain in his position if approved by lawmakers. Nabil is an ethnic Pashtun who studied engineering in Pakistan and worked for the United Nations High Commissioner for Refugees. He had been head of presidential palace security forces for Karzai, and began to work at work at NDS in 2010. He was close to Ghani.

The full list of nominees showed that Ghani was interested in talks with the Taliban. He nominated Salahuddin Rabbani, the head of Afghanistan's High Peace Council who had led peace talks with the Taliban in 2014, as foreign minister. He is an ethnic Tajik from far-northeastern Badakhshan province, and the oldest son of former Afghan president Burhanuddin Rabbani, who later headed the Peace Council but was assassinated by insurgents at his home in Kabul. He is a strong supporter of Abdullah.

Qamarudin Shinwari was nominated as head of the ministry of tribal and border affairs. His brother, Jalaludin Shinwari, had been the deputy minister of justice under the Taliban. The list also had some progressive appointments. It nominated women to cabinet posts for higher education, women's affairs, and information and culture.⁵³

At the same time, it quickly became apparent that the list presented major problems. Some 11 nominees potentially had problems in serving because of dual citizenship. Ghani's nominee for Finance Minister, Ghulam Jilani Popal, withdrew for "personal reasons," that later turned out to be demands from various power brokers that he make so many unqualified appointments that he refused the job.⁵⁴ He had to be replaced with Eklil Ahmad Hakimi, the Afghan ambassador to the United States.⁵⁵

His nominee for agriculture ministry, Mohammad Yaqub Haidari was found to be on an Interpol wanted list for tax evasion, and had to withdraw.⁵⁶ Other appointments came under challenge over their age, and their identity documents.⁵⁷

At the same time, it was far from clear how many on the list would actually be confirmed and serve. Some Afghan observers also felt many of the nominees had ties to power brokers outside Kabul, or were technocrats who lacked political influence and would leave the Ghani and Abdullah government just as sensitive to pressure from power brokers as the Karzai government had been.

More than eight months after the first round of the Presidential election, Afghanistan still did not have a real government at the top, much less a stable pattern of appointments at the provincial and district levels. Moreover, Afghan observers made it clear that the appointments to date had disappointed as many power brokers as they pleased, including Ismail Khan, the warlord of Herat and a key Abdullah supporter, and Hajji Zahir Qadir, a power broker and local warlord who had supported Ghani.⁵⁸

At the same time, a large number of Afghans still approved of the outcome. Some because Ghani represented the dominant ethnic and tribal grouping. Some because they felt any leadership was a better outcome than paralysis and civil conflict, and some because they felt the new leadership was better than Kharzai. A poll by D3Syems and Langer Research Associates, and surveyed by the Afghan Center for Socio-economic and Opinion Research, found that 76% were satisfied with the election outcome, 87% approved of the power sharing agreement, 84% felt Ghani held office legitimately, and 78% felt Abdullah held office legitimately. They did so in spite of the fact the same survey found that only 44% percent of those surveyed said the election was fair and transparent, while 53 percent saw it as fraudulent.⁵⁹

The Heritage of Failed Governance and Corruption

It is important to stress that the political "threat," from a divided Afghan central government is only part of the story. It is matched by the "threat" posed by other problems in Afghan governance, and the sheer scale of corruption. A separate Burke Chair study shows the full range of the challenges posed by Afghan governance, corruption, and economics: *The Civil Transition in Afghanistan* (http://csis.org/files/publication/140630_Gov_Econ_Transition_Afghanistan_0.pdf).

The metrics in this report supplement the analyses in the following chapters and shows a steady rise in poverty, failure to collect revenues and manage the budget, the lack of realistic goals for economic development, critical problems in governance and corruption, and the data that

supports SIGAR and World Bank analyses that show that much of the aid effort has been waste and or distorted the economy.

Corruption and Incompetence

Figure III. 6 shows the World Bank estimate of the scale of the problems in Afghan governance. These problems go far beyond corruption, and affect every aspect of government operations. They not only affect the operations of the central government, but far too many provincial and district governments, as well as a wide range of foreign and native contractors and firms that are dependent on funding from the Afghan government. The full report on *The Civil Transition in Afghanistan* shows that World Bank, UN, and IMF estimates provide equally serious warnings about Afghan capability for economic and human development.

It is corruption, however, which may do most to limit popular loyalty to the government. Transparency International ranks Afghanistan as the third most corrupt country in the world.⁶⁰ A December 2013 poll by Democracy International that sought to determine the single most important issue the new President should focus upon found that 29% of Afghans said corruption was the issue versus only 21% for security – a measure that also included abuses and corruption by the police and government. Another 7% said reconciliation with the Taliban, 5% said roads, 4% education, and 3% medical care. Only 5% gave defeating the Taliban top priority.⁶¹

A November 2014 poll by the Asian Foundation had somewhat similar results, and showed that corruption was a steadily rising source of popular concern, but also found that security remained a more important issue than corruption – a finding that may partly reflect the deteriorating security conditions in Afghanistan during the course of 2014. These results are shown in **Figure III.7**.

A poll by Langer Research Associates and D3Syems that same month had somewhat different results, but again highlight corruption as a critical issue. These results are shown in **Figure III.8**. Afghans felt that corruption in their local and the national government was a critical problem by margins of well over 80%. More than 70% felt corruption in the police was a serious problem.

The Special Inspector General for Afghan Reconstruction (SIGAR) has issued repeated warnings about corruption, and the problems in the government's budget and use of aid. John F. Sopko, the Special Inspector General stated in a speech on September 12, 2014 that,

To date, the United States government has provided over \$104 billion for Afghanistan reconstruction which has been intended: to build the Afghan government and its security forces, bolster Afghanistan's economy, build its infrastructure, expand its health and education sectors, and improve Afghanistan's quality of life and rule of law. ...That's an extraordinary amount of money, but in many ways it has gone unnoticed almost hidden in plain sight. When was the last time you heard mention of the massive amount of money being spent on reconstruction in Afghanistan? Or what have we gotten for the investment?

Let's put that figure in some context ...Let's just state this simple fact that's more money than we've spent on reconstruction for any one country in our nation's entire history. For those of you who are historians, at the end of this year we will have committed more funds to reconstruct Afghanistan, in inflation-adjusted terms, than the U.S. spent to rebuild Europe after World War II under the Marshall Plan... In relative terms to current foreign policy hot spots, we're spending more money just this year to rebuild Afghanistan than we will spend for the next four largest countries that receive U.S. foreign assistance, Israel, Egypt, Pakistan, and Iraq combined.

...As you well know, by December of this year, the President plans to leave just 9,800 U.S. troops in Afghanistan, and by the end of 2015 just around 5,000. As a result, many people believe America's involvement in Afghanistan will therefore end. That is wrong. Despite the drawdown, our reconstruction mission is far from over and I would say will continue at a high tempo for some years to come if we want to keep the Afghan military and government afloat and protect our reconstruction successes.

In that regard, right now there is nearly \$16 billion in the pipeline, money that Congress has appropriated, but that U.S. agencies have not yet spent...That's right \$16 billion in the bank waiting to be pushed out the door for Afghan reconstruction projects and programs. Furthermore, it is widely believed the U.S. will continue to fund reconstruction at another \$5 billion to \$8 billion annually for years to come...As an example, just last week at the NATO conference in Wales, the Coalition agreed to fund the Afghan security forces alone at the rate of \$5.1 billion a year through 2017, a \$1 billion commitment increase, with the U.S. shouldering the majority of that cost...It's a tremendous amount of money. Ensuring it's spent correctly is not only important to American taxpayers it's critical to advancing our foreign policy goals. That is why it's essential that someone is tasked with overseeing these efforts and ensuring that money is being spent appropriately.

...Reconstruction programs must take into account a recipient country's ability to operate and sustain the assistance provided. If they don't, we put the programs and tax dollars at risk. There's no real benefit in setting up projects or programs that the Afghans cannot or will not sustain once international forces depart and international aid declines. Unfortunately, Afghanistan is a case study in projects and programs set up without considering sustainability.

The sheer size of the U.S. government's reconstruction effort has placed both a financial and operational burden on the Afghan economy and its government that it simply cannot manage by itself. ...For example, last year the Afghan government raised about \$2 billion in revenues. Next year, it hopes to raise \$2.4 billion, although recent reports we have received put this goal in serious doubt. With stated budget needs of approximately \$7.6 billion, unfortunately the Afghan government will not be able to meet its budget without continued and significant donor assistance.

Currently, the United States and other international donors fund more than 60% of the Afghan national budget, as well as countless reconstruction programs and projects that currently operate off-budget. With the troop withdrawal, greater responsibility for those off-budget programs and projects is being given to the Afghan government.

Looking at the Afghan National Security Forces or ANSF it's clear why this problem is so immense. The latest independent assessment, by the Center for Naval Analysis, concludes that the ANSF will require a force of 373,000. This would cost roughly \$5 billion to \$6 billion per year, at a time when the Afghan government struggles to raise \$2 billion a year.

At these levels, if the Afghan government were to dedicate all of its domestic revenue toward sustaining the Afghan army and police, it still could only pay for about a third of the cost. Moreover, all other costs from paying civil servants to maintaining all roads, schools, hospitals and other non-military infrastructure would also have to come from international donors.

While paying for Afghanistan's security forces will be challenging, the cost of ongoing non-military development aid is also a major contributor to the ballooning expenses the Afghan government is responsible for. Each new development project that the U.S. and our allies funds, increases overall operation and maintenance costs that the Afghan government will ultimately be responsible for.

The bottom line: It appears we've created a government that the Afghans simply cannot afford.

Corruption is another enormous inter-agency challenge facing reconstruction in Afghanistan. The consensus among everyone I speak with is that if corruption is allowed to continue unabated it will likely jeopardize every gain we've made so far in Afghanistan...Corruption destroys the populace's confidence in their elected officials, siphons off funds that would be used to combat insurgents or build infrastructure, and ultimately leads to a government that is ineffectual and distrusted.

The threat from unabated corruption is especially exemplified right now in light of the ongoing election crisis. A crisis spawned from corruption, which many fear is putting Afghanistan's entire future in

jeopardy. ...However, the problem of corruption isn't new. Experts and SIGAR have been highlighting concerns about corruption for a long time.

Top U.S. officials are very much aware of Afghan corruption. A report commissioned by General Dunford last year noted that "Corruption directly threatens the viability and legitimacy of the Afghan state." USAID's own assistant administrator for Afghanistan and Pakistan, Larry Sampler, told Congress that Afghanistan is "the most corrupt place I've ever been to." And Retired Marine Gen. John Allen identified corruption as the biggest threat to Afghanistan's future an even bigger threat than the Taliban.

The Afghans are also concerned with corruption. In June, Integrity Watch Afghanistan (an Afghan NGO) issued their latest national corruption survey. It found that corruption tied for second as the greatest challenge facing Afghanistan, after security. While 18% of respondents in the 2012 survey said they faced corruption within the last 12 months, 21% of respondents said they faced corruption in the 2014 survey.

The survey also noted that Afghans believe corruption in most public sectors undermined their access to services. The same services the U.S. invested billions in establishing....For example, 28% of respondents believed that their households were deprived of access to electricity because of corruption and 18% said corruption blocked their access to higher education. The exact same areas where U.S. agencies commonly claim great success. In fact, the corruption percentages for electricity and education are not only up from 2012 but they are also higher than for justice by the courts and security by the police.

In June, the Carnegie Endowment for International Peace singled out Afghanistan as an example of a state where governing systems have been bent to benefit one or a very few networks. According to the report, President Karzai regularly calls his attorney general to influence cases or personally orders the release of suspects from pre-trial detention, quashing the cases against them.

This is the same Attorney General that recently threw a respected New York Times reporter out of the country because he didn't like his reporting. The DOD and the State Department have repeatedly noted that the Afghan AG has deliberately avoided prosecuting either senior officials or individuals with ties to senior officials and stymied the work of the investigatory arm of his own internal-control and monitoring unit....SIGAR has also had problems with the Attorney General. In one case, SIGAR worked to freeze and seize nearly \$70 million in funds, stolen from the U.S. government, that was sitting in Afghan banks. For months we pressed the Attorney General's Office to freeze the money and begin the legal process to seize the cash. At first, we were told the bank account was frozen and the money protected. Unfortunately, as is too often the case, we later learned that the money was mysteriously unfrozen by some powerful bureaucrat in Kabul.

SIGAR has issued a number of reports on U.S. efforts to combat corruption. These reports have continually pointed out that the United States lacks a unified anti-corruption strategy in Afghanistan. This is astonishing, given that Afghanistan is one of the most corrupt countries in the world, and a country that the United States is spending billions of dollars in....Yet there has been no progress made toward developing a unified anti-corruption strategy. In fact, things could get worse with the drawdown.

We cannot shy away from the challenge of corruption. We need a strategy, and we need to hold the Afghans feet to the fire on this issue. SIGAR will continue to point out how well or poorly not only U.S. officials but also Afghan officials perform in their promises to reduce corruption.

...Directly tied to corruption is the final inter-agency challenge I wanted to talk about today countering the growth of the drug trade. This challenge is no secret to anyone; the U.S. has already spent nearly \$7.6 billion to combat the opium industry. Yet, by every conceivable metric, we've failed...Production and cultivation are up, interdiction and eradication are down, financial support to the insurgency is up, and addiction and abuse are at unprecedented levels in Afghanistan.

During my trips to Afghanistan I've met with U.S., Afghan and international officials involved in implementing and evaluating counternarcotics programs. In the opinion of almost everyone I've met, the counternarcotics situation in Afghanistan is dire, with little prospect for improvement.

As with sustainability and corruption, the expanding cultivation and trafficking of drugs puts the entire Afghan reconstruction effort at risk. The narcotics trade poisons the Afghan financial sector and fuels a growing illicit economy This, in turn, undermines the Afghan state's legitimacy by stoking corruption,

nourishing criminal networks and providing significant financial support to the Taliban and other insurgent groups... There are already signs that elements within the Afghan security forces are reaching arrangements with rural communities to allow opium poppy cultivation even encouraging production to build local patronage networks and generate illicit income.

Given the importance of this problem, I was astonished to find that the counternarcotics effort isn't a top priority during this critical transition period and beyond. For example, the latest U.S. Civil-Military Strategic Framework for Afghanistan, which articulates the "vision for pursuing U.S. national goals in Afghanistan," barely mentions counternarcotics. It notes that the U.S. counternarcotics strategy for 2010 "informs" the framework, but for the first time since the U.S. government began outlining its reconstruction goals, it didn't include counternarcotics as a major focus area.

When I've met with Department of Justice, State Department and DOD officials, no one's been able to convincingly explain to me how the U.S. counternarcotics efforts are making a meaningful impact on the narcotics trade or how they'll have a significant impact after the 2014 transition. That's troubling...

Virtually every observer agrees that the levels of corruption common to virtually all developing states were driven to massive levels by the wave of foreign military and aid spending in each country between 2002 and 2014, by the lack of meaningful management and control over the funds involved as well as an emphasis on spending rate rather than any meaningful measures of performance and effectiveness. Corruption has been by the insecurity of Afghan officials and security officers who often saw little alternative than taking the money while they could, and by government favoritism to power brokers and their influence.

Corruption has been driven by the willingness of both Afghan and foreign contractors to misuse funds and make false claims about levels of effort and performance, and by Ministers and ministries that have been all willing to do the same. It has been driven by a financial system where the abuses of the Kabul Bank have only been the most egregious example of internal fraud and threat. And, corruption developed at every level of the justice system from the Attorney General's office down.⁶²

There is no way to know how much of the military and aid funds actually spent in Afghanistan were wasted in this manner, or how much of the corruption money left the country and was deposited in Gulf and other foreign banks, but shipments of money worth millions of dollars have been intercepted at Kabul Airport. The work of then Brigadier General H.R. McMaster in commanding ISAF's Task Force Shafafiyat, or Task Force Transparency, as well as the work of the Special Inspector General for Afghan Construction has shown the pivotal impact of the lack of US military and USAID control of funds spent in Afghanistan in encouraging corruption.⁶³

One of many tragedies in the way the US managed its role in the war was that it focused on formal top down anti-corruption task forces, and efforts to force the Afghan government to confront the key power brokers and people it depended upon for power, rather than assessing the impact of its own spending, controlling and auditing the flow of money and making serious efforts to control its flow and measuring its effectiveness. The end result was that virtually no senior official or well-connected Afghan was successfully prosecuted and imprisoned, and every major anti-corruption effort triggered a major political battle which the anti-corruption official lost – often at great personal cost.

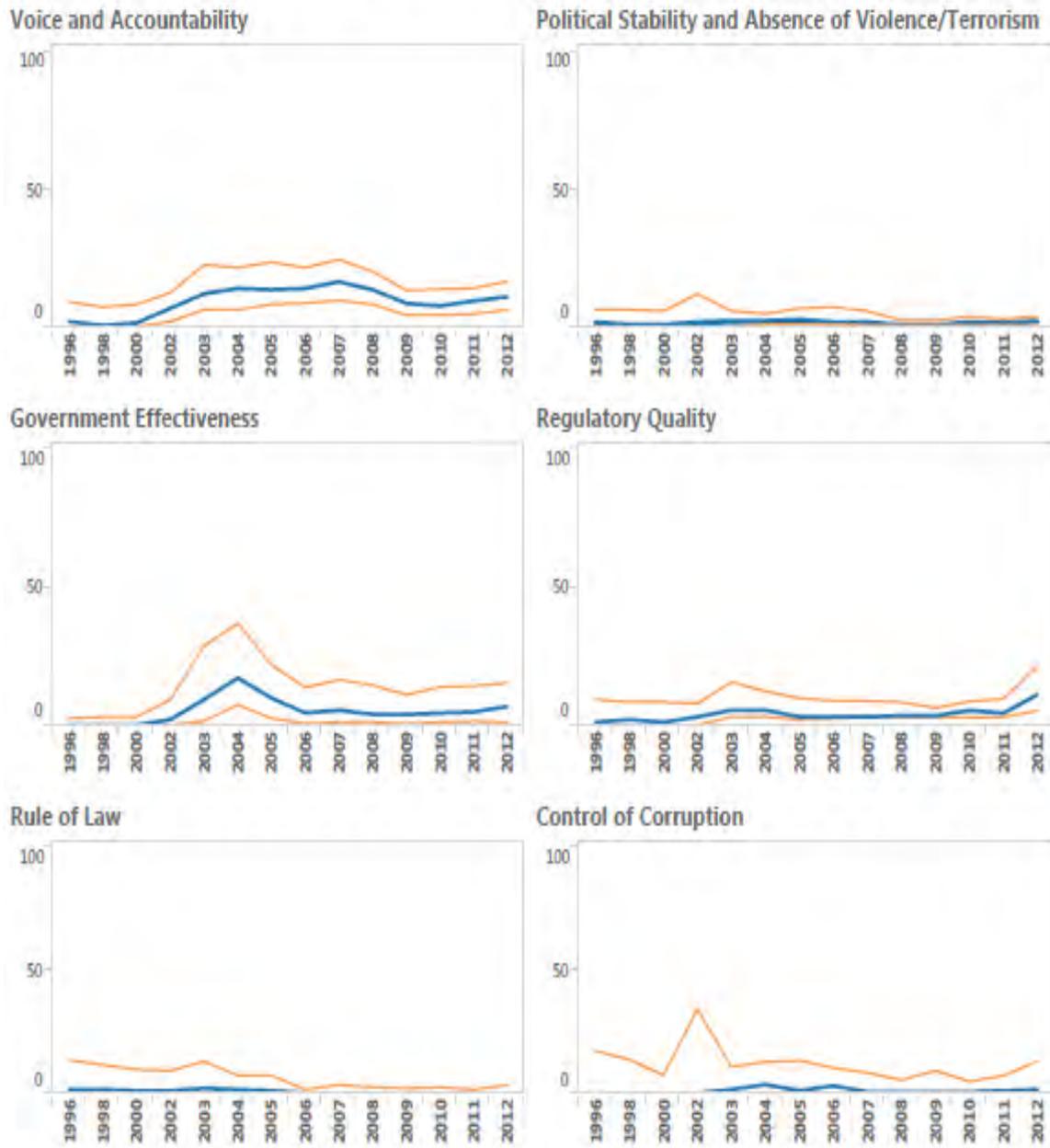
By the time that General Petraeus tasked General McMaster with actually addressing the real and controllable causes of the worst corruption by controlling the flow of money in 2012, the US was already committed to withdrawal, at odds with Karzai, and it was too late to really implement the reforms proposed by the Task Force Shafafiyat (Transparency) that McMaster's

led. At the time of Transition at the end of 2014, anti-corruption measures remained as ineffective as ever, and many observers the growing fear of the impact of ISAF withdrawal and Afghanistan's economic future was making corruption and capital flight even worse.

Figure III.6: Afghanistan: One of the Worst Governed and Most Corrupt and Countries in the World – Part One

World Bank Estimate of Trends in Governance

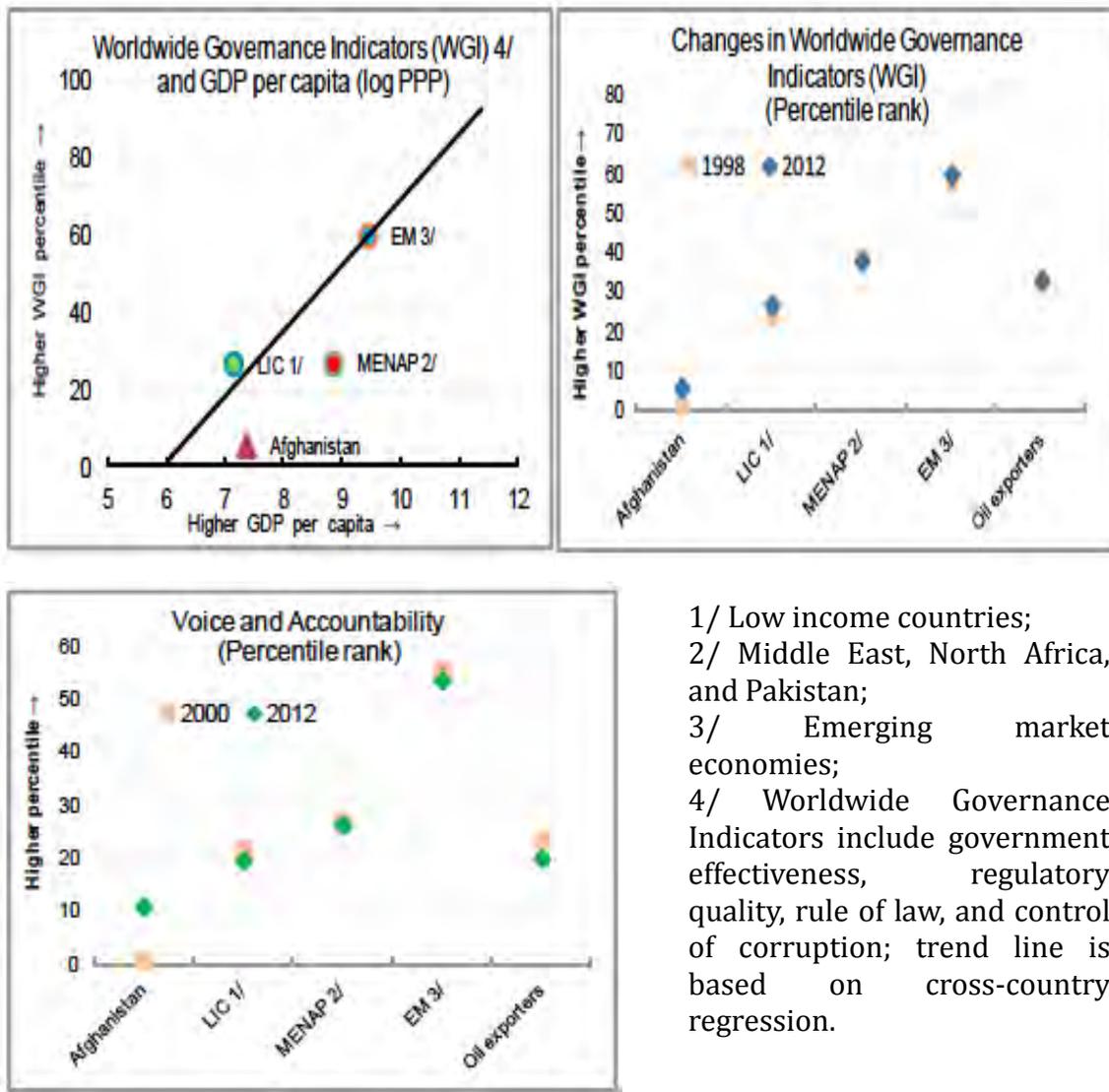
Income Group, Region, or Country: **Afghanistan**



Source: World Bank, <http://data.worldbank.org/data-catalog/worldwide-governance-indicators>.

Figure III.6: Afghanistan: One of the Worst Governed and Most Corrupt and Countries in the World – Part Two

IMF Estimate of Trends in Governance



1/ Low income countries;
 2/ Middle East, North Africa, and Pakistan;
 3/ Emerging market economies;
 4/ Worldwide Governance Indicators include government effectiveness, regulatory quality, rule of law, and control of corruption; trend line is based on cross-country regression.

Note: IMF Sources are World Bank Doing Business Report (2014); World Bank Worldwide Governance Indicators; World Bank Business Environment and Enterprise Performance Survey; and IMF staff calculations.

Source for graphs: IMF, "Islamic Republic of Afghanistan: 2014 Article IV Consultation," May 2014, 14, <http://www.imf.org/external/pubs/ft/scr/2014/cr14128.pdf>.

Figure III.7: Asia Foundation Poll Results for Perceptions of the Biggest Problems Facing Afghanistan as a Whole

BIGGEST PROBLEM: NATIONAL LEVEL BY YEAR

	2006	2007	2008	2009	2010	2011	2012	2013	2014
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
INSECURITY / ATTACKS / VIOLENCE / TERRORISM	27	46	36	36	37	38	28	30	34
CORRUPTION	19	16	14	17	27	21	25	26	28
UNEMPLOYMENT	32	27	31	35	28	23	27	25	26
POOR ECONOMY	24	19	17	20	11	10	11	10	11
LACK OF EDUCATION / SCHOOLS / LITERACY	10	11	9	11	11	10	10	9	8
POVERTY	13	5	8	11	10	12	9	9	7
PRESENCE OF TALIBAN	6	13	13	8	8	4	8	7	7
SUICIDE ATTACKS	-	-	-	4	5	4	5	9	6

FIG. 1.11: Q-5A/B. *In your view, what is the biggest problem facing Afghanistan as a whole? (Q-5A and Q-5B responses combined)*

Respondents from all regions rank insecurity, corruption, and unemployment interchangeably as the three biggest problems facing Afghanistan. Insecurity is cited most often in the West (42.0%) and least often in the North East (24.5%). The presence of the Taliban is cited most frequently in the West (13.8%) and least frequently in the South West (4.9%). People in the East region are most likely to say corruption is the biggest problem facing Afghanistan (34.1%) and people in the Central/Hazarajat region are the least likely (22.4%). Meanwhile, unemployment is cited most often in the Central/Kabul (35.9%) region and least often in the South East (19.7%) region.

Source: Asia Foundation, *Afghanistan in 2014: A Survey of the Afghan People*, November 2014, 24-25.

**Figure III.8: Langer-D3 Systems Results for Afghan Perceptions
of the Seriousness of Corruption in November 2014**

In your opinion, how big a problem is each of these – a big problem, a moderate problem, a small problem or not a problem?

	--- Big/Moderate ---			----- Small/No problem -----			No op.
	NET	Big	Moderate	NET	Small	Not a problem	
a. the level of corruption among government officials in this area	85	51	33	15	9	6	*
b. the level of corruption among the police in this area	73	37	36	26	19	7	1
c. the level of corruption at the national level within the government in Kabul	84	54	30	15	13	3	1

For each item I name, please tell me if you expect it to get better under the new government, get worse, or to stay the same as now: Summary Table – 11/12/14

	Better	Worse	Stay the same	No opinion
a. The level of official corruption in Afghanistan	62	25	13	1
b. The effectiveness of the ANA	59	25	16	1
c. The effectiveness of the ANP	57	25	18	1
d. Relations with Pakistan	33	33	31	2
e. Relations with America	47	29	22	2

Source: Langer Research Assistants and D3 Systems, Inc., ASCOR, *Afghan Futures Wave 6, Topline Data Report*, January 29, 2015, www.acsor-surveys.com.

Keeping Corruption in Perspective

The past, however, is not always a predicative prologue to the future. Some Afghan leaders like Ashraf Ghani deserve credit for trying to reform the Afghan government, create a more effective national approach to development, and reduce corruption back to the levels where the government can operate a more effective and popular level.

Both Ghani and Abdullah have called for reform, and – as has been noted earlier -- Ghani proposed detailed steps in the plan for *Realizing Self Reliance: Commitments to Reforms and Renewed Partnership* that he issued at the London Conference in early December 2014.⁶⁴ This report highlighted the critical steps that Afghanistan needed to take at the level of civil governance, and which now present major challenges to Afghan security and stability:⁶⁵

- **Tackling the Underlying Drivers of Corruption**
 - Actions to root out corruption from critical institutions
 - Diagnosis of sources of corruption
 - Establishing credibility through a series of high profile actions
 - Intense efforts to control narcotic production and sale
- **Building Better Governance**
 - Reforming the electoral system
 - Justice sector reform
 - Professionalizing public administration
 - Improving government efficiency and effectiveness
 - Civil service reforms
 - Strengthening public financial management (PFM)
 - Improving sub-national governance
 - Making cities the economic drivers for development
- **Restoring Fiscal Sustainability**
 - Strengthening enforcement and fighting corruption in customs
 - Creating an Independent Revenue Authority
 - Increasing tax income and strengthening tax enforcement
 - Using budget to manage policy
 - Strengthening fiscal discipline
- **Reforming Development Planning and Management**
 - Improving strategic management
 - Consolidating and streamlining priorities
 - Reducing Development costs
- **Bolstering Private Sector Confidence, Promoting Growth, and Creating Jobs**
 - Improving the investment climate
 - Strengthening the financial sector
 - Strengthening regulatory and supervisory capacity of the central bank
 - Promoting growth in key economic sectors
- **Ensuring Citizen's Development Rights**
 - Developing services but through new delivery models
 - Empowering women
 - Preparing a National Economic Empowerment Plan for Women
 - Supporting Human Rights
 - Improving the well-being of refugees and internally displaced persons (IDPs)

Carrying out these reforms, however, takes political unity, requires honest and competent government personnel at every level from the district to Kabul, and must overcome a massive set of existing problems in the face of an ongoing conflict that will at best take years to accomplish. It is clear from even the summary reporting of outside international organizations and NGOs that permeating corruption and the broad level of incompetence at every level of Afghan governance are now as much of a host country threat as the problems in Afghan politics.

The Budget Crisis in Revenues and Expenditures

The Afghan government must also cope with a massive gap between its revenues and expenditures for at least the next half decade even if the ANSF proves to be full effective in dealing with the Taliban and other insurgents without more aid and outside assistance than is currently planned. This gap has grown out of the fact that outside military spending and aid have financed the bulk of Afghan government spending ever since the fall of the Taliban, and the gap between projected Afghan government expenditures and revenues in the period from 2015 onwards has become steadily more serious than was originally estimated in 2012.

Some of this gap has driven by a near flood of aid. SIGAR reports that the US alone provided more than \$8.1 billion in on-budget assistance between 2002 and the beginning of 2015. This includes about \$4.1 billion to Afghan government ministries and institutions: \$2.9 billion for the Department of Defense, \$92 million from State, and \$1.11 billion from US Aid. It also provided more than \$4 billion in aid to three multinational trust funds—the World Bank’s Afghanistan Reconstruction Trust Fund (ARTF) (42.4 billion), the United Nations Development Programme’s Law and Order Trust Fund for Afghanistan (LOTFA) (\$1.51 billion), and the Asian Development Bank’s Afghanistan Infrastructure Trust Fund (AITF) (\$105 million).⁶⁶

The numbers and trends that drive Afghanistan’s budget and economic problems are complex. As a result, the metrics involved are laid out in more detail in a separate analysis: *The Civil Transition in Afghanistan* (http://csis.org/files/publication/140630_Gov_Econ_Transition_Afghanistan_0.pdf).

Even the summary estimates of SIGAR and the World Bank do, however, make these challenges all too clear, as do the summary estimates of the budget gap shown in **Figure III.9**.

The situation was so bad towards the end of 2014 that the Afghan government could not pay its civil servants without additional outside aid. SIGAR noted in October 2014 that,⁶⁷

The World Bank reported this quarter that Afghanistan is headed for a fiscal crisis. Government cash balances are low and it is behind in operations and maintenance as well as discretionary development spending...The Ministry of Finance (MOF) reported that Afghanistan is suffering from acute budgetary Shortfalls... and the World Bank estimates a shortfall of \$500 million in FY 1393 (December 21, 2013–December 20, 2014), threatening to affect payments of civil servant salaries, pensions, and operating and development spending. However, the Bank warns that the fiscal gap will be even larger if revised government-revenue targets are not reached and donor grants are not paid.

...In May, the Afghan Minister of Finance was quoted saying that donors have not released on-budget development funding to the Afghan government, creating “a major hole in [the Afghan government’s] development budget.” In August, a MOF spokesman warned that a host of development projects to build and maintain roads, schools, and clinics had been suspended for lack of funds.⁴⁷³ The MOF instituted control measures to reduce discretionary spending and operations and maintenance expenses.

...Afghanistan has one of the lowest rates of domestic-revenue collection in the world, averaging 9% of GDP from 2006–2013, according to the IMF. Revenue collection continues to decline against budget projections. In the first seven months of FY 1393, total domestic revenues—tax and non-tax revenues, and customs duties—missed MOF targets by \$274 million (-22%) so far, and decreased by approximately \$39.46 million from the same period in FY 1392 (-3.8%).

The World Bank estimated a budgetary shortfall of around \$500 million in FY 1393 (December 21, 2013–December 20, 2014), and reported that Afghanistan is headed for a fiscal crisis. Government cash balances are low and it is behind in operations and maintenance as well as discretionary development spending.⁶⁷³ Afghanistan is suffering from acute budgetary shortfalls in FY 1393, threatening to affect payments of civil servant salaries, pensions, and operating and development spending. However, should revised government revenue targets not be reached and donor grants not paid, the World Bank warns that the fiscal gap will grow.

Afghan officials have largely attributed this gap to donor failure to release on-budget development aid, and the protracted presidential election that depressed consumer spending and led to an overall decline in imports—major sources of government tax and customs revenue. State said continuing drawdown of international forces, whose presence traditionally helped bolster imports, is compounding Afghanistan’s revenue shortfalls.

...State attributed Afghanistan's fiscal crisis to economic inertia, stemming from the drawn-out political transition, and Afghanistan's unrealistic budget. While expressing a willingness to work with the new government to improve revenue collection measures and budget formulation, State said the new government bears ultimate responsibility for fixing these problems. Officials said Afghanistan has been warned that the United States will not respond favorably to repeated requests for emergency funds.

SIGAR asked State for a U.S. government point of contact with access to the Afghanistan Financial Management Information System (AFMIS), the country's government-wide accounting system, as well as a description of any efforts undertaken by the United States or the international community to validate AFMIS data. State responded it does not currently have access to AFMIS. DOD relies upon AFMIS for tracking Ministry of Interior and Ministry of Defense spending and has access to certain AFMIS data, but acknowledges that the data is entered by Afghan ministry staff, making its reliability dependent on those same individuals. DOD is not aware of any periodic data-validity checks...

SIGAR believes U.S. government agencies should press the MOF for complete access to AFMIS and help the Afghan government ensure the data is accurate and verifiable. While the AFMIS data is far from perfect, without it, SIGAR believes the United States lacks a holistic view of what the Afghan government reports to be spending its money on and at what rate, cannot confirm whether and to what degree budgetary shortfalls exist, and has insufficient basis to inform the U.S. response.

SIGAR questions the Afghan government's management of billions of dollars in U.S. and international donor assistance. Afghanistan's budgetary shortfalls, excluding donor grants, have been documented by SIGAR, the World Bank, IMF, and Afghanistan's Ministry of Finance, among others, long before the protracted presidential elections and its associated economic impacts. Afghanistan has suffered from a lack of political will to address corruption, which permeates many Afghan government institutions, and from weak enforcement of revenue measures. SIGAR agrees with State that a new Afghan administration brings fresh opportunities to tackle these issues...

SIGAR reported in January 2015 that,⁶⁸

...the already declining international confidence in the Afghan government's ability to increase its share further eroded during the quarter. The Afghan Ministry of Finance (MOF) reported that Afghan government revenues for 2014 were 8% below the year's target. In October, the MOF claimed a \$537 million budget shortfall that threatened government civil servant salaries. This shortfall came despite the Afghan government's effort to take austerity measures such as putting on hold discretionary development projects, stopping cost overruns on existing projects and new recruitment, keeping operations and maintenance costs to a bare minimum, reducing overtime and freezing bonuses for civil servants, and disallowing procurement of luxury items...

Afghanistan's real growth in gross domestic product (GDP), excluding opium, has slowed significantly over the last year, from an estimated 3–4% for 2013 to a World Bank-projected 1.5% in 2014 due to increasing political and security uncertainties. This has led to a slump in investor and consumer confidence, which is expected to continue through at least the first half of 2015. With foreign direct investment already in decline, continued insecurity, instability, and systemic corruption will further negatively affect private investment and dampen growth...

All main sectors of the licit economy slowed in 2014, including the services sector, which accounts for about half of GDP; non-poppy agriculture, which typically accounts for about a third of GDP depending on output; and manufacturing and industries, which comprise most of the rest.

...Afghanistan has one of the lowest rates of domestic revenue collection in the world, averaging 9% of GDP from 2006 to 2013, according to the International Monetary Fund (IMF)...This quarter, revenue collection continued to decline against budget projections. In the first 10 months of FY 1393 (2014), total domestic revenues—tax and non-tax revenues, and customs duties—missed MOF targets by \$450 million (-26%) so far, and decreased by approximately \$112 million from the same period in FY 1392 (-7.6%).

...Afghan government expenditures in the first 10 months of FY 1393 (2014) increased 11%, from the same period in FY 1392.481 Expenditures are expected to continue rising—to 30.5% of GDP in FY 1395 (2016) versus 27.3% in FY 1393 (2014), according to World Bank projections—largely due to

increased spending on security, service delivery, building essential infrastructure, and operations and maintenance (O&M). The World Bank estimated an overall budgetary shortfall of around \$500 million in FY 1393,

and reported that Afghanistan is headed for a fiscal crisis...In the medium term, the IMF projected Afghanistan's financing gap, comprising on- and off-budget needs, to average \$7.7 billion (33% of GDP) annually through 2018.⁴⁸³ This will limit Afghanistan's ability to pay for discretionary services without significant donor support and improved revenue mobilization.⁴⁸⁴ The fiscal gap is large and growing, as depicted in Figure 3.29 on the previous page. Donor assistance narrows this gap, but does not close it.

...Afghanistan began FY 1394 (December 21, 2014–December 20, 2015) without an approved budget.⁴⁹⁴ Acting Finance Minister Zakhilwal presented an \$8 billion FY 1394 national budget to the Meshrano Jirga (upper house of parliament) in November, which took no action before sending the budget to the lower house, where it was promptly rejected...The proposed budget—7% larger than FY 1393—estimates domestic revenues at \$2.3 billion (a 25% increase over FY 1393 collections),⁴⁹⁷ receipt of \$5.7 billion in donor grants (70% of the total budget), and a budget deficit of approximately \$73 million (1% of the total budget).⁴⁹⁸

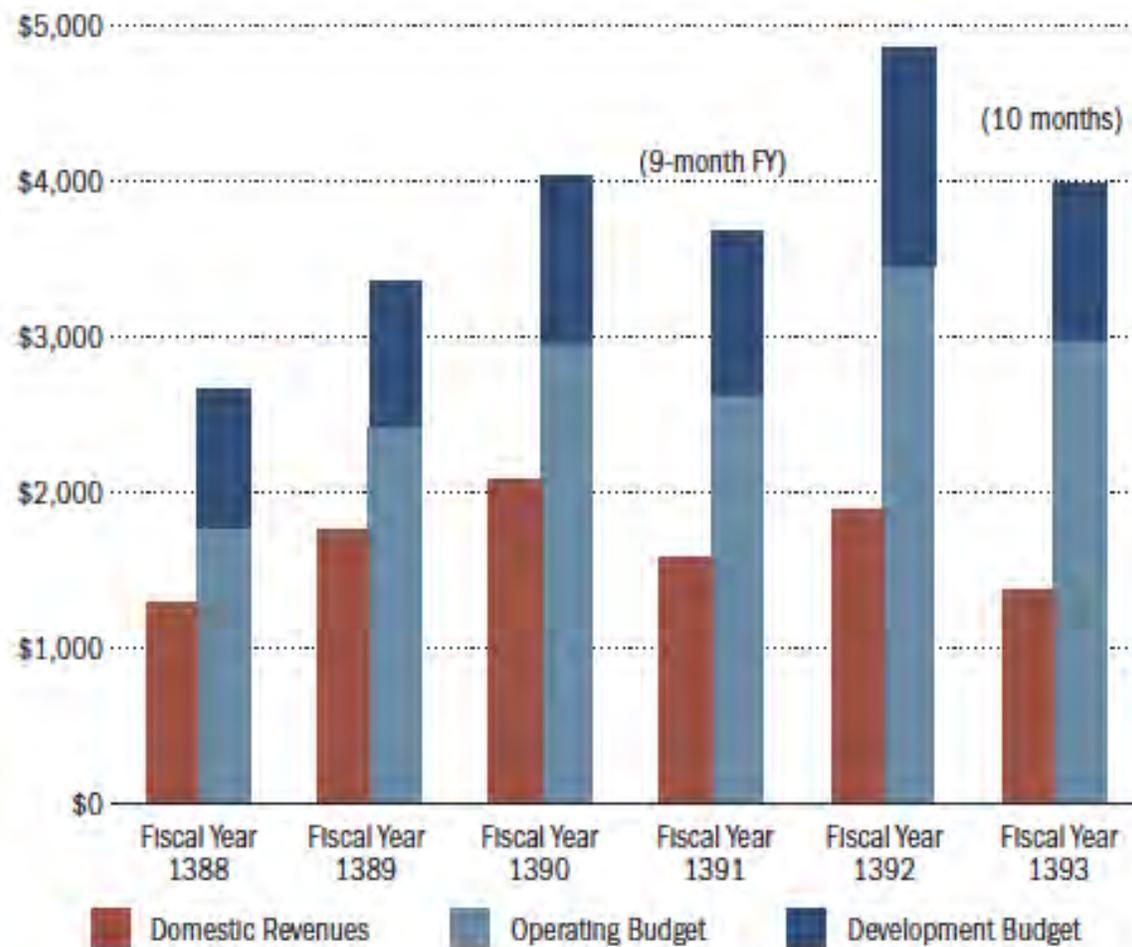
A second budget draft was sent to parliament on January 7, 2015, that revised revenue estimates slightly downward to approximately \$2.2 billion. These estimates are unlikely to materialize given Afghanistan's record of repeatedly missing budget targets. For more information, see pages 148–150 of this section. The World Bank called the proposed budget's revenue projections "ambitious" and stressed the importance of credible projections, "backed by adequate measures." Even with expenditure restraints and urgent donor financing, the World Bank expects a residual FY 1393 fiscal gap to leave the government in arrears and with depleted cash reserves for FY 1394, requiring even more fiscal resources.

...Treasury said IMF staff believes the Afghan government must reestablish its credibility before beginning a formal new program that would allow Afghanistan to borrow money, given its poor compliance with the expired ECF.⁵⁰³ Meanwhile, an IMF team met with government officials this quarter to discuss "macroeconomic policies and a structural reform agenda that could form the basis of a possible nine-month Staff Monitored Program"—an informal agreement for IMF staff to monitor economic program implementation.

It is the World Bank and IMF estimates of the longer-term trends in the budget deficit in **Part Two of Figure III.9**, however, that should be the subject of the greatest concern. They show massive deficits indefinitely into the future—extending to 2025 and 2030. Much depends on the security situation—which can be either better or worse than the estimates in **Figure III.9**. Even the civil side of demand, however, can present major problems.

Any such projections for the future have massive uncertainties, and Afghanistan should be able to close some of the projected gap by increasing its revenue collection. The only practical ways that Afghanistan can deal the full level of such deficits, however, are to have massive foreign aid long beyond the timeframes currently discussed in US policy documents and international conferences, to have a form of victory or peace settlement that allows truly massive cuts in security spending, and/or to further impoverish one of the poorest countries in the world.

Figure III.9: The Crisis in the Afghan Budget – Part One



Note: Until recently, Afghan fiscal years ran approximately March 20 to March 20 of Gregorian calendar years. FY 1388 corresponds to March 20, 2009, to March 20, 2010, and so on. Nine-month data for fiscal year 1391 reflect a change in the timing of the Afghan fiscal year. Afghan fiscal years now run December 21 through December 20. FY 1393 represents the first ten months only.

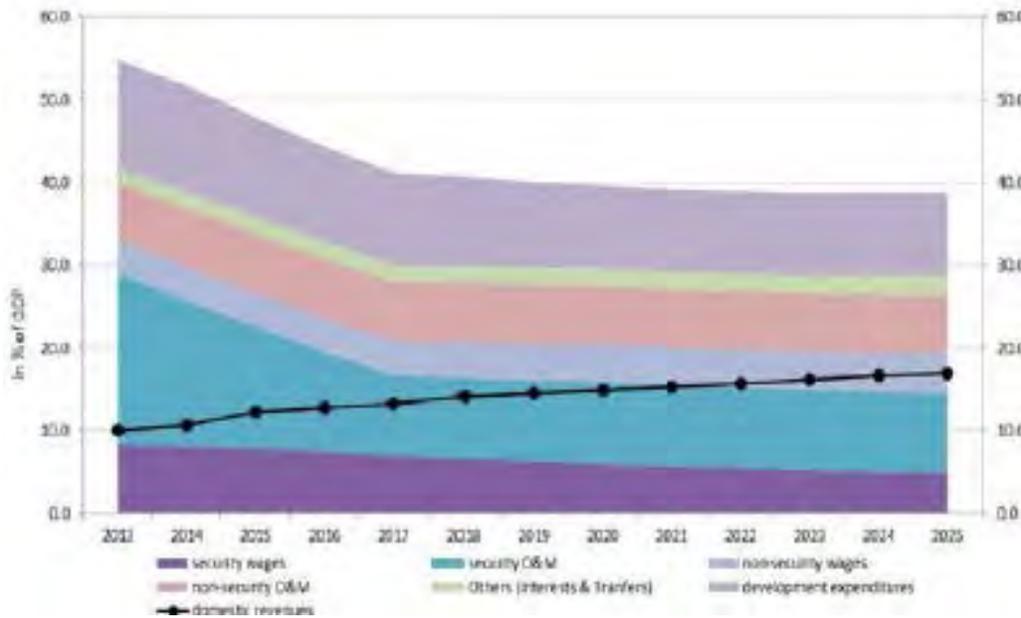
Source: MOF, "Annual Fiscal Report 1391," accessed 6/20/2013; MOF, "1393 National Budget," accessed 4/14/2014; MOF, "FY 1392 Monthly Fiscal Bulletin, Month 12," 2/14/2014; MOF, "FY 1393 Monthly Fiscal Bulletin, Month 10," 12/8/2014; Da Afghanistan Bank, "Daily Exchange Rates of Selected Currencies to Afghani," 2/14/2014; Da Afghanistan Bank, "Daily Exchange Rates of Selected Currencies to Afghani," 11/10/2014.

Source: Special Inspector General for Afghan Reconstruction, (SIGAR), *Quarterly Report, January 30, 2014*, 148-149.

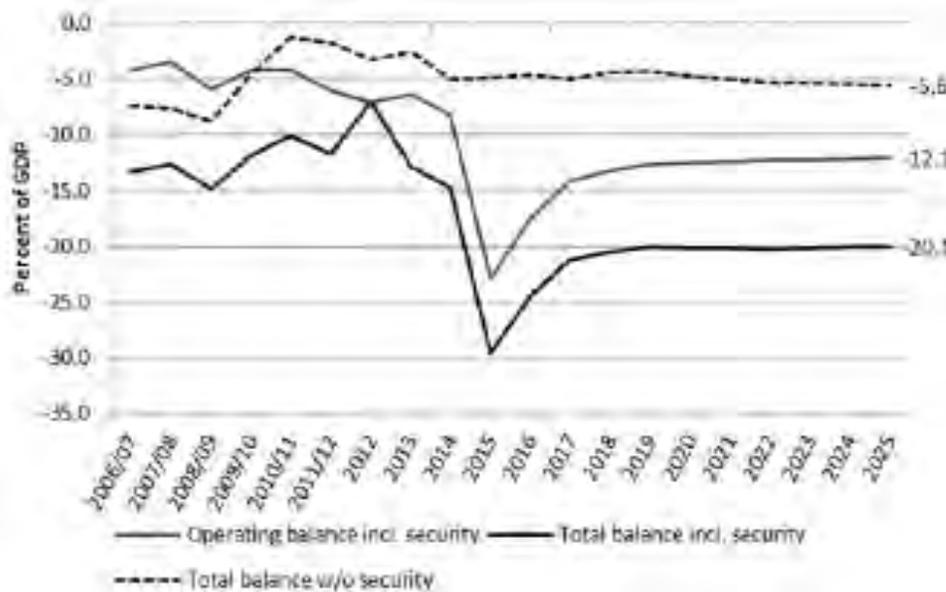
Figure III.9: The Crisis in the Afghan Budget – Part Two

World Bank Estimates of Future Gap between Afghan Budget Revenues and Expenditures

Projected Expenditure & Domestic Revenue



Financing Gaps, incl. & excl. Security



Note: Much of civilian and military aid has been delivered outside of the budget through external, budget contributions. Of the US\$15.7 billion in aid to Afghanistan in 2010/11, only a small portion, roughly 11 percent, was delivered on-budget. Nevertheless, on-budget aid is an important financing source. While domestic revenues significantly increased between from 3 percent in 2002 to 11.4 percent in 2012, they have been insufficient to sustain the government’s operation and investment. In 2012, domestic revenues only financed 40 percent of total expenditures; the remainder was financed by foreign grants. The fiscal sustainability ratio, which measures domestic revenue over operating expenditures, was only 60 percent in 2012, which means that

Afghanistan can currently not even fully meet the recurrent costs of its public service provision. This renders the operations of the government unsustainable without additional external financing.

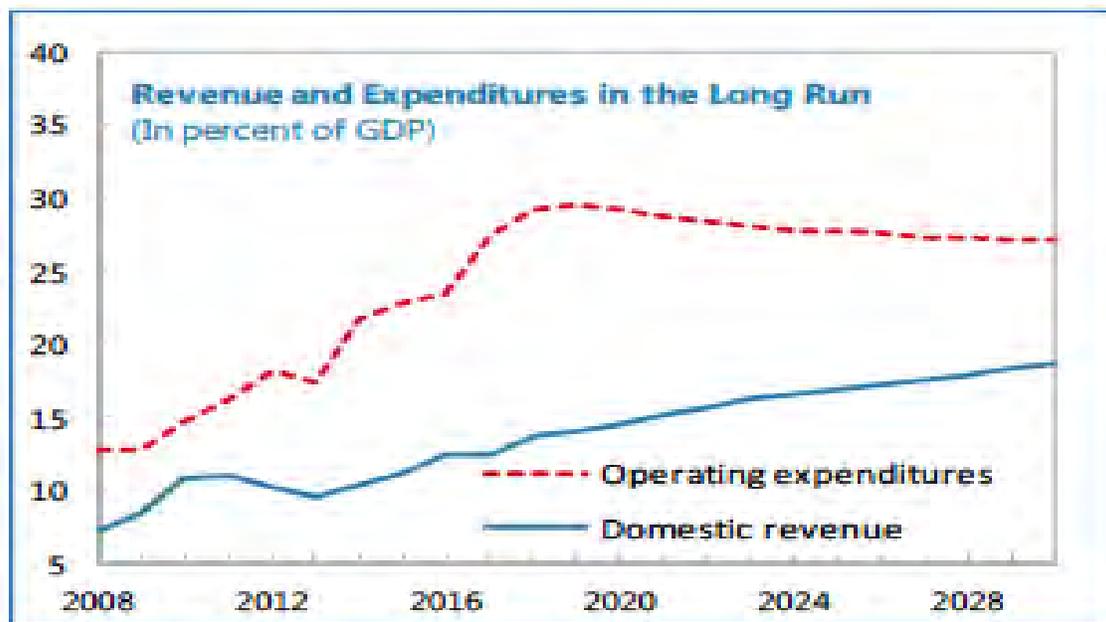
The analysis projects revenues to reach more than 17 percent of GDP by 2025 (from current levels of 11 percent), assuming good performance in revenue collection and continued development of extractive Industries. However, on-budget expenditures are expected to grow much faster, largely as a result of rising security spending for both operations and maintenance (O&M) and wages for the army and police, which were historically funded by donors outside of the budget.... But it will also be driven by non-security spending, which will increase due to additional O&M liabilities associated with the handover of donor-built assets and with a rising government payroll as civil service reforms unfold.

Security spending is projected to be more than 15.2 percent of GDP in 2021 (about as much as total projected domestic revenue in that year), the civilian wage bill 4.8 percent, and the civilian nonwage O&M bill 7.2 percent. Depending on how many of the O&M liabilities the government takes on, total government spending could assume between 38 percent and 54 percent of GDP by 2025. This would result in a total financing gap of 20 percent of GDP in 2025, and even higher levels in the intermediate years

Source: Claudia Nassif et al., *Islamic State of Afghanistan: Pathways to Inclusive Growth, Full Report*, Vol. 2, World Bank, March 2014, 54, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/000456286_20140618113748/Rendered/PDF/ACS82280WP0v2000Box385214B00PUBLIC0.pdf.

Figure III.9: The Crisis in the Afghan Budget – Part Three

IMF Estimates of Future Gap between Afghan Budget Revenues and Expenditures



Domestic revenues have stagnated due to the economic slowdown, faltering efforts, and leakages, and are expected to rise only slowly, while operating budget expenditures, which were at 15 percent of GDP in 2010 are projected to increase to over 29 percent of GDP by 2018 as part of the security transition. The combination of these factors generates large fiscal vulnerabilities. Afghanistan has one of the lowest domestic revenue collections in the world, with an average of about 9 percent of GDP in 2006–13 compared to about 21 percent in low-income countries. Factors behind this poor performance include a very low starting point, low compliance, opposition to new taxes, and a limited set of taxes.

Source: IMF, “Islamic Republic of Afghanistan: 2014 Article IV Consultation,” May 2014, 14, <http://www.imf.org/external/pubs/ft/scr/2014/cr14128.pdf>.

The Failure to Win US and Other outside Domestic Political Support

The trends in **Figure III.9** are also important because they highlight an issue that is important both to sustaining anything like the level of aid Afghanistan may need, and any increase in US and allied military support if the security situation should demand this. It is unclear that there is anywhere near the level of US domestic political support necessary to sustain a serious US military and civil aid effort that might well have to last to at least 2018-2020 – and possibly far longer.

The Administration, the Congress, and the American people may want to “win” in Afghanistan to the degree this means some form of relatively stable Afghanistan, and one free of Taliban and extremist control. As **Figure III.10** shows, however US public opinion polls have long provided a clear warning about the limits to popular support for continued US intervention in Afghanistan.

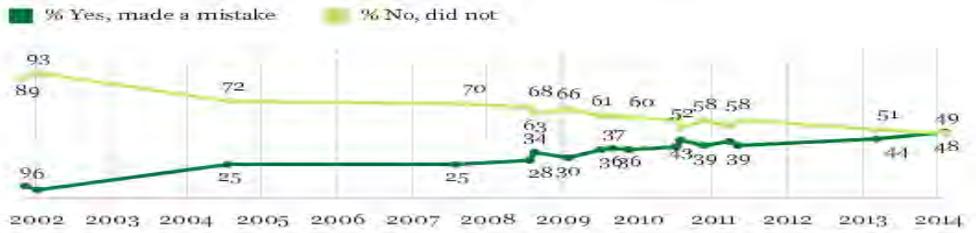
More recent polling has been even more negative. The AFP reported on December 26, 2014 that, “A large majority of Americans now say the war was not worth it, and only 23 percent of US soldiers believe the mission has been a success, according to recent polls.⁶⁹ A BBC poll in October 2014 found that, “Fewer than half of respondents said the conflict was worthwhile for the US...Two-thirds of participants were skeptical that US involvement left the Afghan government able to defend its own people without assistance, (and) only 28% of respondents say America is safer as a result.”⁷⁰

As was the case in Vietnam, it seems likely that if the US government is found to have understated the risks in the need for aid or for US military support, the resulting backlash may make things worse. It is also worth noting that public support for the Afghan conflict in most other ISAF countries became negative far earlier than in the US, and has dropped even more sharply over time.

Figure III.10: US Public Opinion on the Afghan War – Part One

Gallup Poll: February 2014

Thinking now about U.S. military action in Afghanistan that began in October 2001, do you think the United States made a mistake in sending military forces to Afghanistan, or not?



GALLUP

Next, I'd like your overall opinion of some foreign countries. What is your overall opinion of Afghanistan? Is it very favorable, mostly favorable, mostly unfavorable, or very unfavorable?



GALLUP

Source: Gallup, *Afghanistan*, <http://www.gallup.com/poll/116233/Afghanistan.aspx>.

Pew Poll: January 2014

Negative Views of U.S. Efforts in Iraq, Afghanistan

In achieving its goals in Iraq/Afghanistan, U.S. has ...

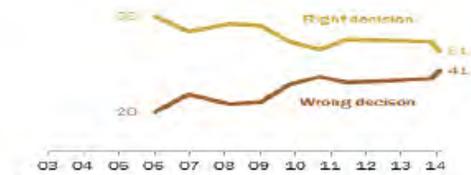


Survey conducted Jan. 15-19, 2014.
Don't know responses not shown.

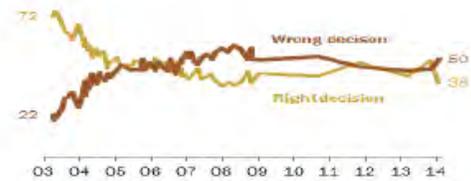
PEW RESEARCH CENTER/USA TODAY

Views of Decisions to Use Military Force in Afghanistan, Iraq

Decision to use military force in Afghanistan ...



Decision to use military force in Iraq ...



Survey conducted Jan. 15-19, 2014.
PEW RESEARCH CENTER/USA TODAY

Source: Pew Research Center, January 30, 2014, http://www.people-press.org/2014/01/30/more-now-see-failure-than-success-in-iraq-afghanistan/1-30-2014_05/.

Figure III.10: US Public Opinion on the Afghan War – Part Two

Quinnipiac University. June 24-30, 2014. N=1,446 registered voters nationwide. Margin of error ± 2.6.

“From what you’ve read and heard, do you think Barack Obama is removing U.S. troops from Afghanistan too quickly, not quickly enough, or is he handling this about right?”

	Too quickly %	Not quickly enough %	About right %	Unsure %
6/24-30/14	26	20	46	8

NBC News/Wall Street Journal Poll conducted by Hart Research Associates (D) and Public Opinion Strategies (R). June 11-15, 2014. N=1,000 adults nationwide. Margin of error ± 3.1.

“When it comes to Afghanistan, do you think the war was worth it or not worth it?”

	Worth it %	Not worth it %	Depends (vol.) %	Unsure %
6/11-15/14	27	65	2	6
1/12-15/13	40	51	2	7

ABC News/Washington Post Poll. May 29-June 1, 2014. N=1,002 adults nationwide. Margin of error ± 3.5.

“Obama has said he will reduce U.S. troop levels in Afghanistan to 9,800 by the end of this year, half of that next year and near zero by 2016. Do you support or oppose this troop-reduction plan?”

	Support %	Oppose %	Unsure %
5/29 - 6/1/14	77	19	4

Pew Research Center/USA Today. Jan. 15-19, 2014. N=739 adults nationwide. Margin of error ± 4.2. 5/2/11: Co-sponsored by The Washington Post.

“Do you think the U.S. made the right decision or the wrong decision in using military force in Afghanistan?”

	Right decision %	Wrong decision %	Unsure %
1/15-19/14	51	41	8
10/30 - 11/6/13	56	37	8

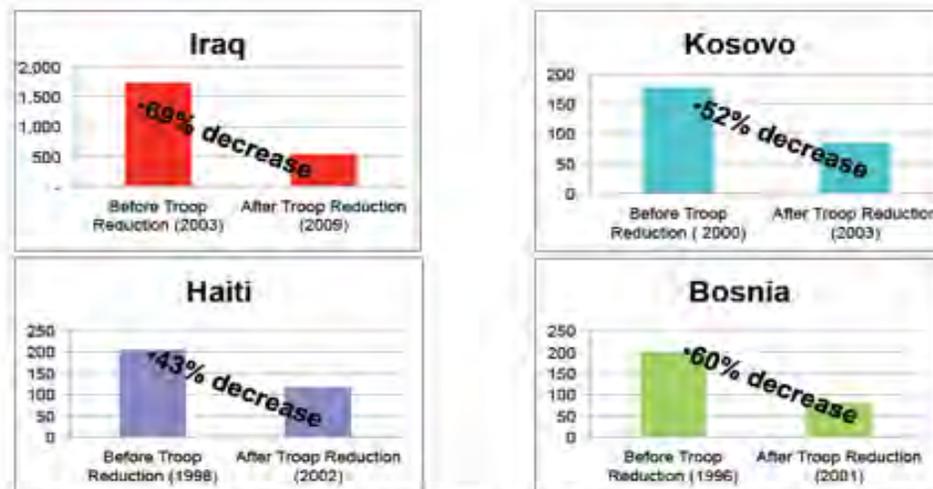
The Combined Threat from Host Country Politics, Governance, and Budgeting

Finally, as **Figure III.11** shows, the history of past wars should be a warning to anyone in the US government that feels that the promises made at the end of conflicts really mean sustained aid and support.

If the civil side of Transition comes to consist of unstable Afghan politics, and an incompetent and corrupt Afghan government, the end result may well pose as much of a threat over time as the Taliban and other insurgents. The Afghan government cannot honestly and effectively administrate aid, carry out economic reform, and use aid to stabilize the economy, it seems doubtful that it can either maintain the domestic popular support it needs to win or gain outside support it needs to provide the necessary levels of aid.

Figure III.11: The Past History of Wartime Aid: Declare Victory and Leave

Development Assistance Levels Before and After Troop Reductions



Following the withdrawal or significant reduction in troop levels, Iraq, Kosovo, Haiti, and Bosnia saw significant decreases in development assistance levels.

Source: USAID, *Afghanistan: Towards an Enduring Partnership*, January 28, 2011.

IV. The ANSF and the Threat from an Intensifying Conflict

Important as Afghanistan's political and governance challenges are, its security challenges are just as great. The Afghan security forces have been rushed into being and expanded at rates that leave major gaps and flaws. Its key ministries -- the Ministry of Defense (MoD) and the Ministry of the Interior (MoI) -- are still very much works in progress.

As the next chapter describes in detail, every branch of the ANSF faces major challenges now that outside combat forces have departed:

- *The Afghan National Army (ANA)* is the most competent service, but many of its units lack experience leadership, it suffers from serious attrition problems, its combat support and service support units are only beginning to have to do the job on their own, and the Army as whole lacks experience in functioning effectively as a self-sustaining force.
- *The Afghan National Police* have some effective units, but far too many are weak and corrupt, and it lacks the support of the other elements of an effective justice system. Many elements are more loyal to their commander or local political leaders than the central government, and deeply involved in district or provincial politics. Only a few elements are trained and equipped for the paramilitary missions they must now perform. The police are taking high casualties, and are unable to operate outside their base areas or in significant portions of the area they are supposed to cover in areas with any significant insurgent presence.
- *The Afghan Local Police (ALP)* have provided important local security in some areas, and been a source of power brokering and abuse in others. It is unclear that the ALP can be effectively controlled by the central government over time, or how well it will interface with the ANP and MoI. Future plans for the ALP were being reevaluated at the end of 2014, and it is unclear what role they will really play in the future.
- *The capability and future role of the forces that must provide convoy and facility security is highly uncertain.* Some elements of the Afghan Public Protection Forces (APPF) still exists, but former President Karzai decided to abolish it in the spring of 2014. The ANP now provides convoy protection, and the APPF's present facility security function is uncertain at a time when US and other ISAF withdrawals have made the protection of facilities and transport even more critical. It is unclear that the ANSF can adequately replace the role played by private security contractors.

The President's "Sell by Date": Slashing Advisors and Support Regardless of Conditions in Afghanistan

All of these factors highlight the risks inherent in President Obama's decisions to set a fixed deadline for ending almost all outside combat support for Afghan forces, and to rapidly phase out almost all other US forces during 2015-2016. They create major risks that substantial parts of the country will come under insurgent control that the role of the central government will weaken as other regions develop their own security forces, and that the struggle with the Taliban will go on indefinitely into the future.

As has been noted earlier, the President made a statement at the White House on May 27, 2014, that he would end any major US role in the war by the time he left office at the end of 2016. This statement also indicated that US withdrawal was not conditions-based and would occur regardless of the conditions that emerged during Transition. The key portions of President Obama's statement that affected Afghan security forces were:⁷¹

...2014...is a pivotal year. Together with our allies and the Afghan government, we have agreed that this is the year we will conclude our combat mission in Afghanistan. This is also a year of political transition in Afghanistan. Earlier this spring, Afghans turned out in the millions to vote in the first round of their presidential election -- defying threats in order to determine their own destiny. And in just over two weeks, they will vote for their next President, and Afghanistan will see its first democratic transfer of power in history.

...Our objectives are clear: Disrupting threats posed by al Qaeda; supporting Afghan security forces; and giving the Afghan people the opportunity to succeed as they stand on their own.

Here's how we will pursue those objectives. First, America's combat mission will be over by the end of this year. Starting next year, Afghans will be fully responsible for securing their country. American personnel will be in an advisory role. We will no longer patrol Afghan cities or towns, mountains or valleys. That is a task for the Afghan people.

Second, I've made it clear that we're open to cooperating with Afghans on two narrow missions after 2014: training Afghan forces and supporting counterterrorism operations against the remnants of al Qaeda.

...At the beginning of 2015, we will have approximately 9,800 U.S. service members in different parts of the country, together with our NATO allies and other partners. By the end of 2015, we will have reduced that presence by roughly half, and we will have consolidated our troops in Kabul and on Bagram Airfield. One year later, by the end of 2016, our military will draw down to a normal embassy presence in Kabul, with a security assistance component, just as we've done in Iraq.

...our relationship will not be defined by war -- it will be shaped by our financial and development assistance, as well as our diplomatic support. Our commitment to Afghanistan is rooted in the strategic partnership that we agreed to in 2012. And this plan remains consistent with discussions we've had with our NATO allies. Just as our allies have been with us every step of the way in Afghanistan, we expect that our allies will be with us going forward.

This speech made it clear that the US would slash virtually every aspect of the US military role in helping Afghan forces in 2015, and then end it in 2016, and do so regardless of the conditions emerging on the ground. In practice, it also put the President's desire to end the war politics before creating workable military plans and maintaining a capacity to provide a conditions-based response if Afghanistan encountered major military challenges.

The Impact of a Late and Erratic Effort to Create Effective Afghan Forces

Deadlines, however, were scarcely the only problem. To put the impact of President Obama's decisions in perspective, it is important to note that the problems the US created for Afghanistan in creating an effective ANSF went well beyond those created by imposing a fixed and somewhat arbitrary deadline for US withdrawal. They were also shaped by decisions under the Bush Administration that gave priority to Iraq, and ignored warnings by various US ambassadors and senior commanders.

They are the product of the erratic the entire history of the US military presence in Afghanistan, and by the erratic patterns in US efforts to build up Afghan forces from 2001 to the present. The problems in every element of Afghan forces have been shaped by the fact the US took so long to decide to create effective Afghan forces in the first place, suddenly rushed their expansion forward without adequate numbers of qualified advisors after 2010, and then was equally quick in depriving the new created Afghan forces of the outside support they need.

The US as a Self-Inflicted Threat

Figure IV.1 shows that the Bush Administration kept US troop levels low during 2002-2009. This decision was taken largely because of the war in Iraq. The Bush Administration could deal with the political, military, and fiscal strains of fighting two intense regional land conflicts at the same time. It chose to give priority to Iraq, in part because of its greater strategic importance and in part because the seriousness of the threat in Iraq became clear in 2004-2005, while the US was in denial about the rising risks in Afghanistan.

The Bush Administration failed to assess how quickly the Taliban and other insurgent forces were able to establish sanctuaries in Pakistan, re-infiltrate into Afghanistan, and build up an effective mix of political and military forces. Both the US and NATO also confused the ability to win limited tactical engagements with the defeat of Taliban efforts to win control of given areas of territory and parts of the population – ignoring both the extent to which the corruption and failures of the Afghan government enabled the Taliban and the importance of the political dimensions of the war.

Looking back at US and ISAF reporting, both focused on the fact ISAF did not lose tactical encounters and effectively ignored the true character of the insurgent build up for nearly half a decade. They also failed to treat the insurgency in net assessment terms, making direct comparisons of the strengths and weaknesses of Afghan government and insurgent forces, and focusing as much on governance and civil factors as the outcome of direct military clashes. While given units often did make such comparisons at the local level, the ISAF command saw the fighting in largely military terms and focused on the threat rather than the host country government and forces.

The problems in both US troop levels and efforts to generate Afghan security forces through 2009 were further compounded by annual US tours of duty, and a focus on defeating the enemy in the field rather than creating secure civil-military areas that made Afghan loyal to the government. Annual tours of duty, rotations from one part of the country to another in following tours of duty, and a failure to assign clear strategic priorities to the US and ISAF effort – rather than react to the insurgents -- further compounded the problem. So did the fact that the creation of a police force initially focused on local policing at a time when police need paramilitary capabilities to function, and the police were never properly funded and trained for the rising level of combat that occurred after the mid-2000s.

As a result, the Taliban and other insurgents had something approaching a free ride in recovering their capabilities in Afghanistan in the period from 2003 to 2008. They kept taking losses when they directly encountered ISAF forces, in part because of nearly total ISAF superiority in the air and modern IS&R technology. But, these tactical losses did not prevent the insurgents from expanding their presence, control, and influence in many areas. They did not prevent the insurgent from exploiting popular anger at the failures of the Afghan government and its corruption, pressuring and intimidating the local population, providing popular justice, and exploiting the fact that much of the fighting was done by US and allied forces rather than Afghans.

The insurgents could also take full advantage of their de facto sanctuaries in Pakistan. The fact that the Taliban, Haqqani Network, Hekmatyer faction, and other insurgent groups could take sanctuary in Pakistan also meant that most tactical victories had little lasting effect.

The problems created by the US and ISAF focus on tactical victories were further compounded by problems in the way US and allied military forces dealt with the civil dimensions of the war. The aid that US forces could provide through the Commander's Emergency Response Program (CERP), and local USAID personnel could provide through the Provincial Reconstruction Team (PRT) efforts, did help offset Afghan power brokering and corruption. So did the civil efforts of some allied forces, although some countries virtually decoupled their military efforts from their civil ones.

At the same time, both military aid efforts, and many of the civil aid efforts that directly supported them, suffered from the fact that well-intentioned personnel lacked the background and experience to plan and administrate such efforts, and focused on the immediate tactical priority at the expense of lasting security and stability. They often wasted money, fed the local process of corruption, or funded one local faction at the expense of another. These problems were made worse in many areas by contract programs that sharply overpaid Afghans for security duties and at least through 2011, they were so poorly audited that they to local and regional corruption.

No serious effort was made to develop effective ways of assessing such aid needs and efforts on national and continuing basis. There were no meaningful measures of effectiveness for most projects, and minimal real world accounting and auditing efforts. Only sporadic efforts were made to determine how such civil efforts were perceived by Afghans and how many Afghans actually benefited.

A Brief and Largely Ineffective US Surge

The Obama Administration did address the immediate shortfalls in US forces and plans for developing Afghan forces. At the same time, it severely and publically limited the duration of the “surge” in US forces. It also set rigid deadlines that ensured that the insurgents knew that US and ISAF forces would be sharply cut after 2012 and end their combat role in 2014. This also meant that the insurgents knew they could ride out both the “surge” shown in **Figure IV.1**, and the period in which the ANSF had serious outside support.

Furthermore, the impact of the “surge” was undermined by the firing of General Stanley A. McChrystal, and by concentrating much of the “surge” in a Marine Corp command in Helmand at the expense of a meaningful national campaign plan and priorities. The end result was that much of the surge was wasted in winning temporary tactical advantages in Helmand, and that ISAF came under growing pressure to focus on tactical encounters as US and allied forces were steadily cut between 2012 and the end of 2014 – a “boom and bust” cycle that did little to effectively prepare for Transition.

The surge was accompanied by the creation of an AFPAC Hands program intended to provide military and civilians with the area expertise and language skills necessary to function effectively in the field, and who would serve for several years to provide continuity and true local area expertise. Like the surge, however, this program came late and was not effective. The Afghan hands program did not deploy its first class to Afghanistan until mid-2010 – some eight years into the war.⁷² The program did have some successes, and led to plans to create similar capabilities for the Pacific theater.⁷³

By the time Afghan hands began to deploy, however, the surge was ending, the US was beginning to move towards cutbacks and withdrawal, and there was so much turbulence in the

military and civil efforts in Kabul and the field that most of the people trained in the program were never assigned to effective positions that could use their expertise, and the program turned into a failure where many of those trained not only were never given a proper assignment but suffered career penalties for having volunteered and trained for hardship tours.

Host Country “Threat”

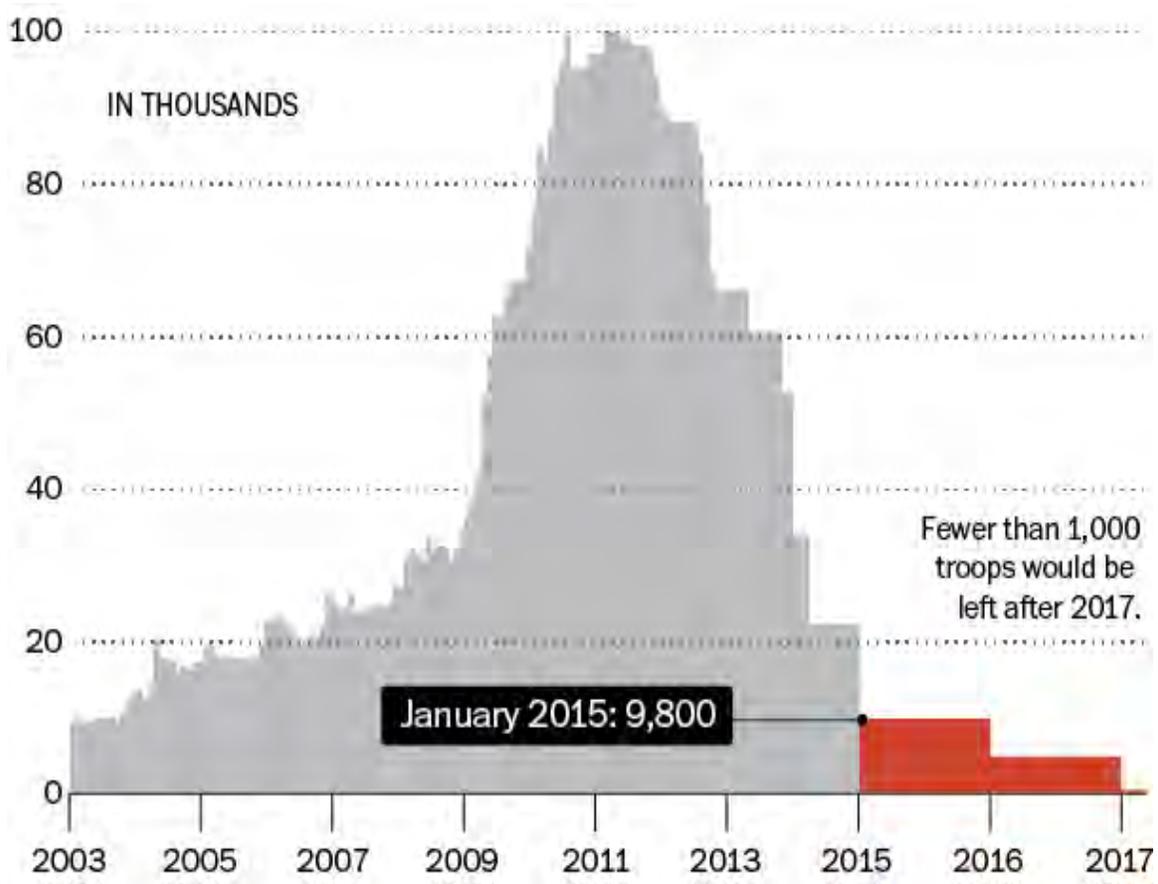
Throughout this period, the host country “threat” presented major problems. The fact President Karzai controlled virtually all provincial and district administrative and police positions and put loyalty and power brokering ahead of honesty and effectiveness created a serious host country threat, compounded by Karzai’s focus on power-brokering and lack of interest in the effectiveness of the overall campaign. The US and ISAF did make attempts to push for the replacement of corrupt and ineffective officials, but had only limited success and even “successes” often meant that a corrupt or ineffective official was simply moved to a position elsewhere.

The ISAF emphasis on winning tactical victories in the field, particularly against enemy-initiated attacks (EIAs), meant there was far too little emphasis on depriving the Taliban and other insurgent movements of the ability to establish political influence in given areas, become involved in extortion and drugs, and take over the local justice system at a time when most aid efforts focused on reforming the rule of law by Western standards from the top down.

Tribal and local feuds made prompt justice an essential part of security at the local level in many areas, but the afghan government could not provide effective policing and justice systems in much of the country. As a result, it was the insurgents that came to provide local justice in a number of areas. This gave the insurgents a significant edge in such areas in spite of the harshness of the way they enforced their judgments. This was particularly true in the many areas where corrupt or ineffective local officials and a lack of all the elements of the formal justice system made turning to the Afghan government a nightmare of delay and corruption.

As has been described in the previous chapter, these problems have not yet been affected by President Karzai’s departure from office, and it is unclear whether Ashraf Ghani and Abdullah Abdullah can agree on – and implement -- an effective program for reform – particularly given each leader’s need to protect his own power base and the fact they much also compromise on appointments that meet Afghanistan’s power brokering needs at least as much as its needs for effective provincial and local governance.

***Figure IV.1: The Erratic US Military Role in Afghanistan:
Surging Too Late and Running for the Exits***



- US surge came several years after insurgent surge reflected in following graphs, and US troops will actually drop in a downward curve in 2015-2016, not steps.
- Original US plans called for substantial conditions-based US advisory presence through 2016, and US commanders recommended higher levels than President decided upon.
- US forces will only be based in Kabul and Bagram air base after end 2015. They will be further reduced in size by end 2017 to an advisory component at the U.S. Embassy in Kabul, “most likely numbering several hundred.”

Source: US Department of Defense, and Washington Post, http://www.washingtonpost.com/world/us-troops-in-afghanistan/2014/09/30/45477364-490d-11e4-b72e-d60a9229cc10_graphic.html.

Rushing Force Development beyond Afghan and ISAF Capacity

The US and ISAF effort to create Afghan forces did not become serious until 2009, and then took several years to properly staff, equip, and facilitate. The legacy of past problems was then compounded by change in the plans and goals for Afghan forces once the US and ISAF did begin to take Afghan force development seriously as a result of the President Obama's deadlines for withdrawal. At the same time, the fixed deadlines for withdrawal, a growing insurgent threat, and the sharp and sudden increase in Afghan force goals after 2009, put more and more pressure on the ANSF to rush its expansion.

They also were compounded by erratic aid funding that made effective development impossible because of the need to adjust the force development effort to a boom and bust cycle in aid money and in advisors. ISAF was suddenly required to create a far stronger advisory and training effort without being given the money and experienced advisors it needed. These problems in the US force generation efforts for the ANSF were also affected by high rates of US military rotation. Many personnel were assigned to training duties with no prior experience and on a one-year tour. More broadly, the US national security community failed to learn the cost of constant changes in the details of critical plans and strategy was largely been forgotten or ignored.

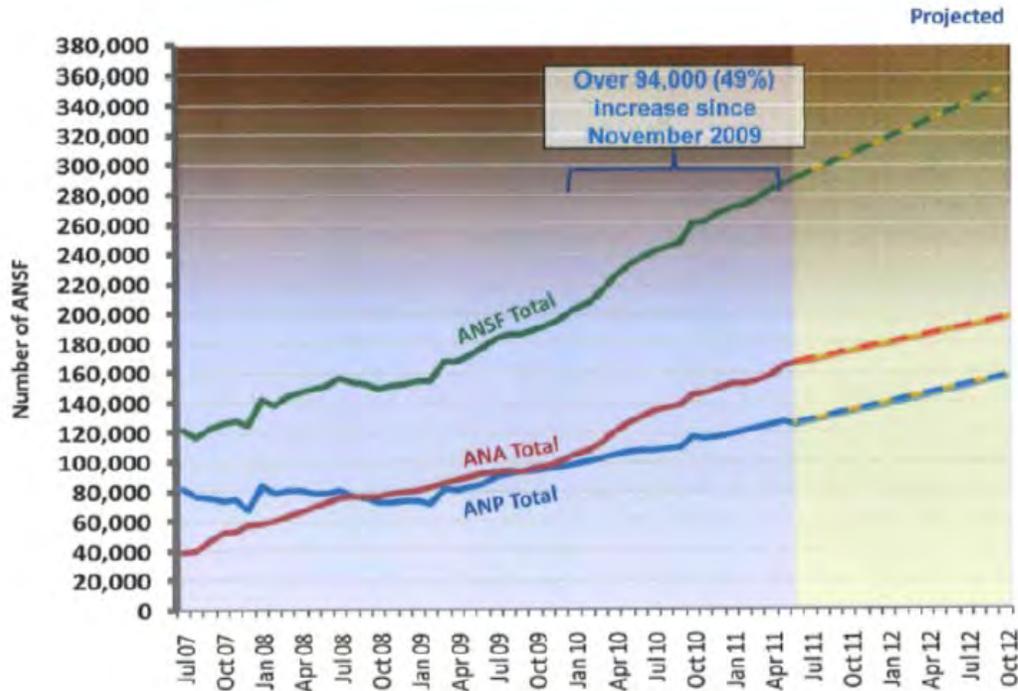
Figure IV.2 provides some summary data and just shows how late and erratic the effort to build effective Afghan combat forces was in terms of money, force, goals, and training resources. It helps explain many of the problems in Afghan forces that are now unfairly blamed on the Afghan government and ISAF/NTM-A training effort, but were actually driven by US policy and funding decisions. It should be noted that these charts are only a few of the metrics that show how rushed and erratic the ANSF build-up and force development effort was, and that a wider range of metrics is available in other reports cited later in this study.

It is tribute to all concerned at NTM-A and ISAF that most of sudden expansion of Afghan forces could actually be manned between 2009 and 2014, and that it was possible to bringing in a larger and better qualified advisory force, improve partnering, provide the required equipment and facilities, and transition many units to a high degree of self-reliance during 2012-2014.

As **Figure IV.2** also shows, however, this process had to be rushed, presented major problems in terms of the attrition of experience personnel, and did not mean that the most elements of the ANSF were truly ready to lose all US and other allied advisory personnel, could stand alone without foreign advisors, and could come close to matching the ISAF force in offensive operations or maintaining security in the areas where they were deployed. Afghan forces began to take unacceptable levels of casualties as ISAF withdrawals proceeded during 2013-2014, and the reassuring statistics that ISAF issued about the growth of ANSF capabilities to take the lead in combat said nothing about the scale and impact of the operations involved or the ability to sustain the same level of security without ISAF support.

Figure IV.2: Late and Erratic Efforts to Create Effective Afghan National Security Forces – Part One

The Rush to Build Effective Forces After 2009



Source: ISAF, May 2001.

Critical Shortages in Advisors Through 2011 – Note that these numbers count advisors allocated to the mission but not present as present and that many – if not most advisors actually present had no prior area or training experience of the kind required.

CJSOR Trainer Status (Version 11.0, as of September 30, 2011)

Requirement	In-Place	Pledged	Shortfall
2,778	1,816	477	485

NTM-A/CSTC-A CJSOR (Version 11.0) Summary¹¹

485 Short of 2,778 Required		
Department	Percent Sourced	Trainers Short
AIR FORCE	71%	65
POLICE	80%	177
MEDICAL	72%	41
LOG	62%	16
ARMY	87%	186
INTEL	100%	0

CJSOR v11.0 is the current document supporting trainer requirements. As of the end of the reporting period, the shortfall in institutional trainers is 485 trainers, a decrease of 255 from the March 2011 shortfall of 740, with 1,816 deployed trainers currently in-place against the total requirement of 2,778 trainers.

The United States currently sources 1,331 non-CJSOR trainer positions. In order to temporarily address the NATO CJSOR shortfall and fill the U.S.-sourced non-CJSOR requirements as quickly as possible, the United States has implemented a series of requests for information from other coalition partners, including unit-based sourcing solutions to address short-term training needs.

Source: DoD, "Report on Progress Towards Security and Stability in Afghanistan; US Plan for Sustaining the Afghan National Security Forces, Section 1203 Report, October 2011, p. 207.

Figure IV.2: Late and Erratic Efforts to Create Effective Afghan National Security Forces – Part Two

Critical Shortfalls in ANSF Trainers Existed Continued Through 2012

Only 32% of Trainers Actually in Place on September 1, 2010

Authorized	In Place	Pledged	Shortage
2,796	896	980	920

Following the September 23, 2010 NATO Force Generation Conference, in-place trainers and pledges increased by 18 percent and 34 percent, respectively, which decreased the remaining shortage of trainers by 35 percent. The total requirement in CJSOR v10 is 2,796, a net growth of 471 personnel.

To address the NATO CJSOR v10 shortfall temporarily, the United States is providing an additional 868 personnel with skills not found in the deployed units. For the fielded ANSF Force, the current shortfall is 16 Operational Mentor and Liaison Teams (OMLTs) and 139 Police Operational Mentor and Liaison Teams (POMLTs). In 2011, the shortfalls will increase with the departure of the Canadian brigade in Kandahar and the additional growth of the ANSF. By 2011, the shortfall is projected to be 41 OMLTs and 243 POMLTs

Source: *NTM-A, Year In Review*, November 2009 to November 2010, 25; *Report on Progress Toward Security and Stability in Afghanistan*, Report to Congress In accordance with section 1230 of the National Defense Authorization Act for Fiscal Year 2008, as amended, November 2010, 20-21.

Efforts to Partner with Afghan Units Did Not Really Pay Off Until 2011, and also were Not Properly Staffed with Experienced Personnel

ANA Partnering Status

Regional Command	Embedded		Partnered		Mentored		Uncovered		Total Partnered		Total Reported	
	Kandaks	HQ	Kandaks	HQ	Kandaks	HQ	Kandaks	HQ	Kandaks	HQ	Kandaks	HQ
RC Capital	0	0	3	3	5	0	8	0	8	3	16	3
RC East	16	4	30	5	1	0	1	0	47	9	48	9
RC West	0	0	6	3	7	1	3	0	13	4	16	4
RC North	0	0	7	1	9	3	1	0	16	4	17	4
RC Southwest	7	3	10	2	4	0	0	0	21	4	21	4
RC South	7	1	9	3	11	1	2	0	27	5	29	5
Commando	8	1	4	0	1	0	0	0	13	1	13	1
Total	38	8	69	17	38	5	15	0	145	30	160	30
Grand Totals									175		190	

Source: JC CUOPS Security Partnering CUST CYCLE 10

As of Date: 06 August 2011

NOTE: Partnering numbers differ from the Effectiveness numbers due to shortages in partners/mentors.

ANP Partnering Status

ANP Units	Embedded	Partnered	Mentored	Uncovered	Total Partnered ANP Units	Total Units in KTD
AUP (Districts) in KTD Minus HQ	21	59	12	3	92	95
AUP (Precincts) in KTD Minus HQ KTD	15	30	20	17	65	82
ABP (Kandak Minus HQ)	8	20	5	7	33	40
ANCOP (Kandaks Minus HQ)	8	18	5	4	31	35
Provincial Response Companies (PRC)	2	10	1	0	13	13
Grand Total	54	137	43	31	234	265

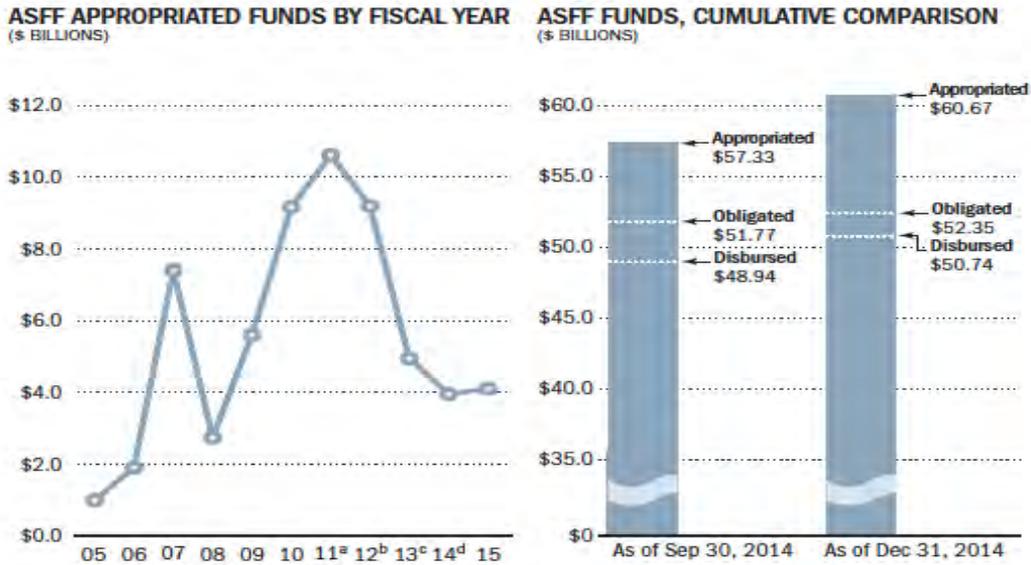
As of September 30, 2011, there are seven critical shortfalls for the ANA and 88 shortfalls in the ANP in focus districts (31 AUP, 22 ANCOP, and 35 ABP). These shortfalls do not account for U.S. forces departing theater without backfills due to the ongoing surge recovery, and shortfalls are expected to increase as U.S. and coalition forces continue to draw down. The figure below depicts the partnering status of fielded ANA *kandaks* and headquarters.

Source: DoD, "Report on Progress Towards Security and Stability in Afghanistan; US Plan for Sustaining the Afghan National Security Forces, Section 1203 Report, October 2011, pp. 40-41

Figure IV.2: Late and Erratic Efforts to Create Effective Afghan National Security Forces – Part Three

Erratic US Aid Funding of Afghan Security Forces Cripples Development

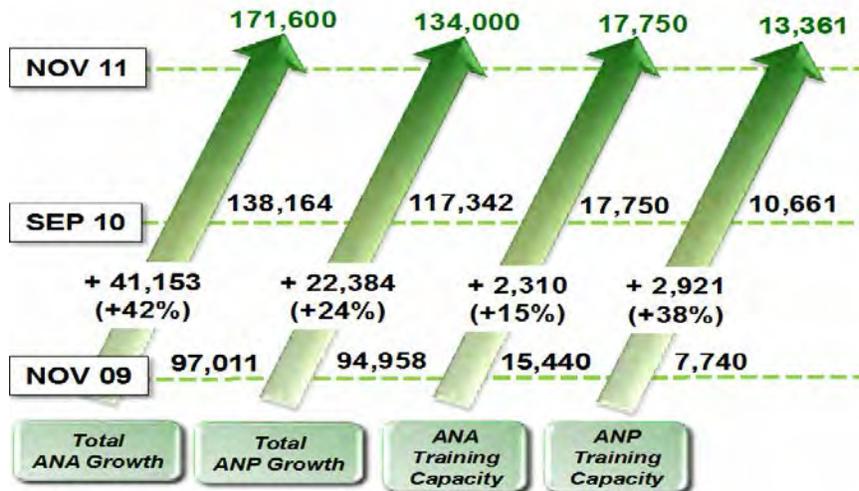
Delays between appropriation by Congress and ability to spend effectively in Afghanistan mean that major US funding only had an impact from 2010 onwards and then dropped sharply after 2011.



Source: SIGAR, *Quarterly Report to Congress*, July 30, 2014, 76.

Suitable ANSF Force Growth and Adequate Training Capacity Do Not Occur Until 2011

ANSF: Training Capacity: 9/2009-11/2010



Source: NTM-A, *Year In Review*, November 2009 to November 2010, 8.

Figure IV.2: Erratic Efforts to Create Effective Afghan National Security Forces after 2011 – Part Four

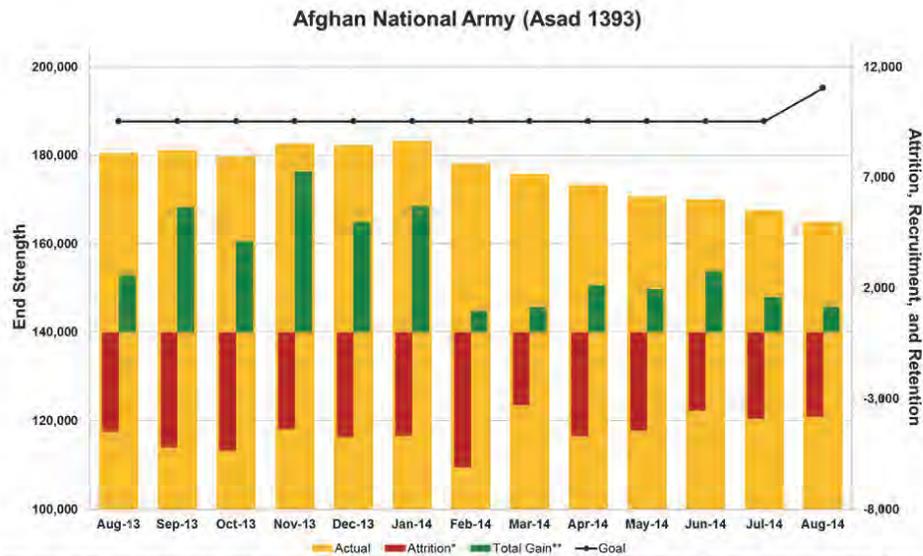
Forces Totals Are High in 2014, But Count Many Missing Personnel and Some 11,000 Civilians are Counted as Military

ANSF ASSIGNED FORCE STRENGTH, AUGUST 20, 2014			
ANSF Component	Current Target	Status as of 8/2014	Difference Between Current Strength and Target End-Strength Goals
Afghan National Army	187,000 personnel by December 2012	181,439 (97%)	-5,561 (-4.1%)
Afghan National Police	157,000 personnel by February 2013	152,123 (97%)	-4,877 (-2.4%)
Afghan Air Force	8,000 personnel by December 2014	6,731 (84%)	-1,269 (-5.9%)
ANSF Total	352,000	340,293 (97%)	-11,707 (-3.4%)
ANA Civilians	8,004 personnel authorized	8,749 (109.3%)	745 (8.5%)
AAF Civilians	278 personnel authorized	227 (81.7%)	51 (-22.5%)
ANSF Total with Civilians	360,282	349,546 (97.0%)	10,736 (-3.1%)

Source: DOD, Report on Progress Toward Security and Stability in Afghanistan, 12/2012, p. 56; CSTC-A response to SIGAR data call, 10/2/2014; SIGAR analysis 10/2/2014.

Source: SIGAR, Quarterly Report, October 30, 2014, 92.

High ANA Attrition Rates Symbolize a Force Still in Development with Serious Retention and Attrition Problems



	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Actual	180,593	181,077	179,783	182,585	182,256	183,262	178,076	175,850	173,231	170,758	169,972	167,622	164,906
Goal	187,630	187,630	187,630	187,630	187,630	187,630	187,630	187,630	187,630	187,630	187,630	187,630	195,204

Following extensive work with the GSG1 staff, civilian personnel occupying civilian designated Tashkil positions have been separated from the military strength data. Following the issue of Tashkil 1393-2014, there are 8,004 ANA civilian billets within the 203,004 total Tashkil strength. GSG1 now reports the civilian strength separately within their monthly Personnel Accountability Strength Report (PASR). Strength above is ANA - AAF + Cadets + Civilians.

* Total Losses (Attrition) encompass unplanned and planned losses.

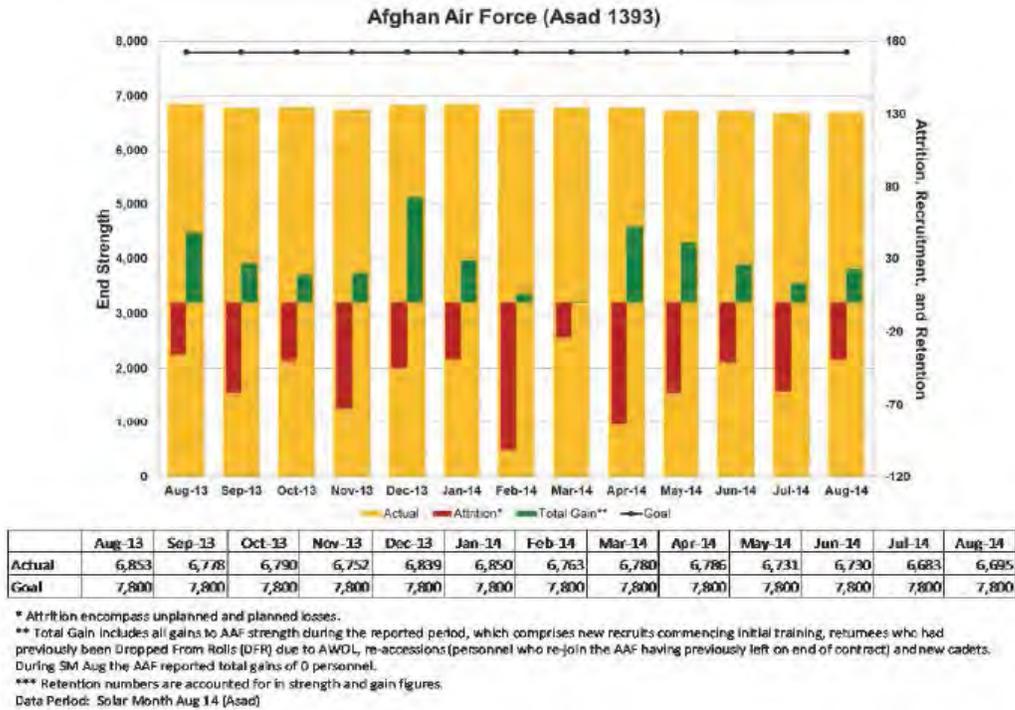
** Total Gain - this data includes all gains to ANA strength during the reported period. This includes new recruits to training, returned from the Dropped From Rolls (DFR) population, and re-contracts.

*** Retention numbers are accounted for in strength and gain figures.

Source: Department of Defense, Progress Towards security and Stability in Afghanistan, October 2014, 42.

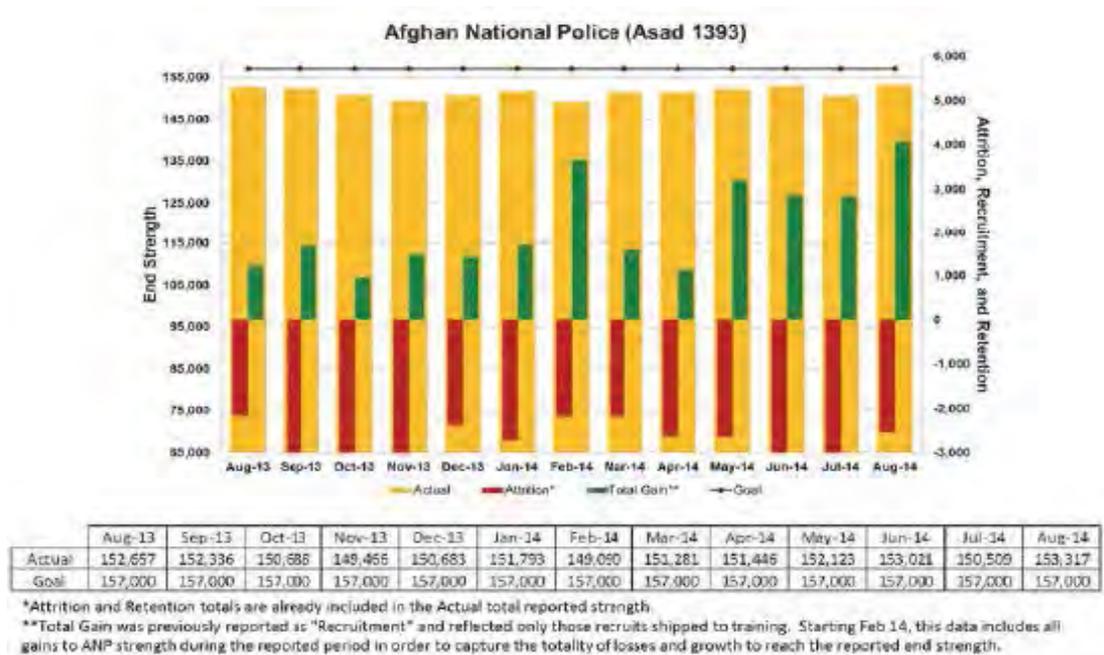
Figure IV.2: Erratic Efforts to Create Effective Afghan National Security Forces after 2011 – Part Five

High ANAF Attrition and turnover Rates are Also a Problem



Source: Department of Defense, *Progress Towards security and Stability in Afghanistan*, October 2014, 48.

The Same is True of the Police, Which Have Extremely High Turnover



Source: Department of Defense, *Progress Towards security and Stability in Afghanistan*, October 2014, 53.

The Uncertain Threat

It is difficult to assess how the strength and capability of the various insurgent groups changed over time, and experts differ over numbers, relative capability, trends, leadership and insurgent goals. The problem in assessing the threat has been further compounded by the fact that ISAF and the US have made little effort to publically characterize the various elements of the insurgent threat since 2011.

There are good reasons to avoid providing the kind of details that might compromise operations against the insurgents, and to be careful about the extent to which such disclosures embarrass the Pakistani and Afghan governments. There are also very real limits to the data US, ISAF, allied, and Afghan intelligence can develop.

At the same time, a failure to provide meaningful broad assessments of risk, and to provide the level of public transparency necessary to assess the overall course of the fighting, and the prospects of a successful Transition, makes it impossible for a democratic society to understand the course of the fighting and the merits of continuing to support the Afghan government and forces. “Spinning” the threat is just as dishonest as “spinning” the success of the Afghan government and forces.

The US and ISAF never provided meaningful public estimates of the strength and influence of given insurgent groups at any point during the war. They ceased to provide details on insurgent goals and plans during late 2010 to early 2011, as well as on its leadership and unity. None of the US policy statements or reports from the time that President Obama announced his final set of deadlines to the actual date of Transition at the end of 2014 provided any meaningful threat assessment. There not only was no meaningful transparency, there was no meaningful effort.

As a result, there is no reliable body of declassified data to draw upon in understanding the various Afghan insurgent groups.⁷⁴

- There are no maps or data on the expansion or contraction of the influence of various insurgent groups and rise or contraction of areas of Afghan government and ANSF influence and control. All that are available are limited maps of violent tactical incidents – data that have limited value in assessing an insurgency based on political control and influence. The unclassified maps of the current level of threat activity issued after 2011 disagree sharply, and some seem to deliberately understate the threat to justify Transition,
- The sample maps from Wikipedia, the last public estimate provided by the Department of Defense, and a German government estimate reporting on progress in November 2014 that are shown in **Part One, Part Two, and Part Three** of **Figure IV.3** illustrate the problems involved in getting even minimal understanding. The Wikipedia map shows vast areas of influence where the Taliban has only weak or minimal insurgent elements, while the Department of Defense map shows small areas of violent EIAs without any breakout as to the movement involved or its presence and influence. The German map also shows wide area of activity by anti-government forces and presents a far more serious threat than the US Department of Defense map. There has never been any official map or estimate of the relative level of Afghan government presence and security versus insurgent presence and influence.)
- The ties between given insurgent movements and Al Qaida “central,” remain unclear, as do Al Qaida’s links to Pakistani Inter-service Intelligence (ISI), and the degree of tacit tolerance that Pakistan shows to Al Qaida “centrals” continuing operations in Pakistan.
- No meaningful unclassified data are provided on the role of foreign volunteers or the source of financing.

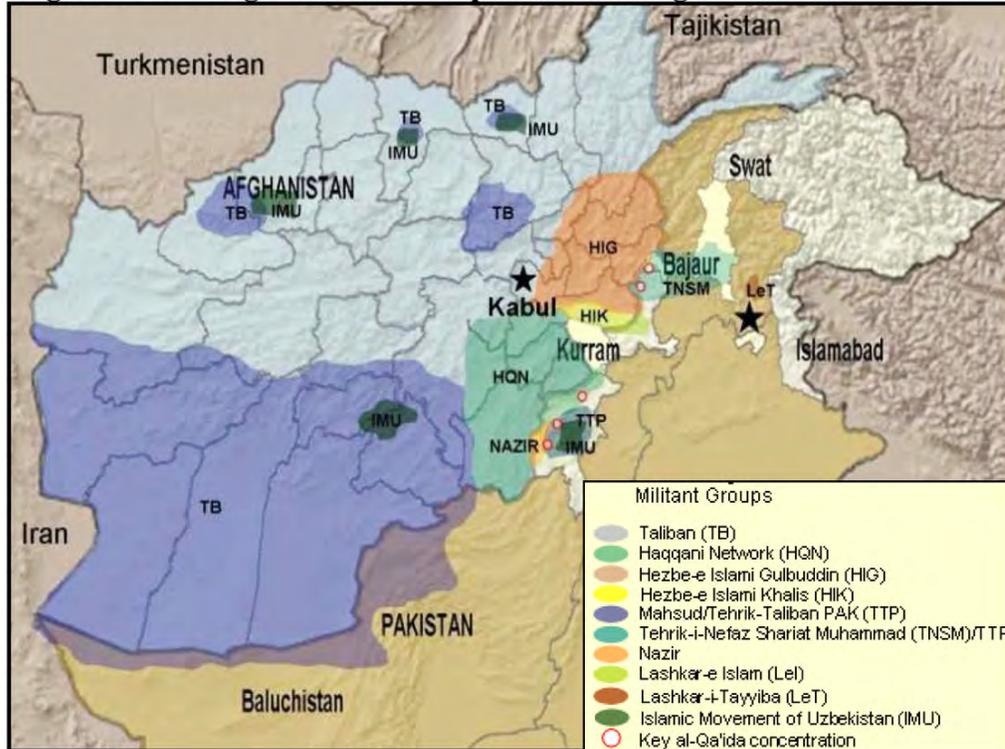
- The public data on the growth of narcotics cultivation and output strongly indicate that the Taliban was able to reassert substantial influence over narcotics output in Helmand after 2012, but the subject is not mentioned in ISAF, Department of Defense, and UN reporting.
- The relations between the Afghan and Pakistani Taliban seem to have gotten closer from 2009 onwards, but these relations are far from clear and experts differ.
- It is clear that former members of insurgent networks have served in various Afghan governments, and that insurgent groups do penetrate both the government and some elements of the ANSF, but no public reporting has been made on the extent of insurgent influence or ability to obtain information from the Afghan government and various elements of the ANSF.
- There is no debate over the continuing importance of Pakistani sanctuaries, at least through the start of the Pakistani offensive in Waziristan in 2014, but there is little reliable data on the size and nature of the forces and facilities involved.
- There is no public assessment of the fighting strength of the Taliban, the main insurgent threat, how this strength has varied over time, and the number of core, seasonal, and local fighters. Experts also differ over the extent of the control and influence that Mullah Omar and the Quetta Shura Taliban have exerted over various elements of the Taliban and affiliated insurgent groups over time, and whether and how much this influence diminished. General Stanley McChrystal did, however, publically state on February 8, 2009 that Mullah Omar and the central structure of the Taliban operate out of Quetta in Pakistan.
- The current links between the Afghan Taliban and the Tehrik-i-Taliban Pakistan (TTP or Pakistani Taliban) and Malakand Taliban in Pakistan also remain unclear. Since that time, other reports have indicated that Mullah Omar has been silent or even dead, that the division between elements of the Taliban have deepened, and that some Taliban elements have allied themselves with the Islamic State while the others have remain aligned with Al Qaida. None of these reports have been reliable enough to substitute for the transparency that the US and ISAF failed to provide.
- ⁷⁵No one doubts the extreme character of the Haqqani Network, which is able to operate in the Federally Administered Tribal Areas (FATA) in Northern Pakistan, near the southeastern border of Afghanistan, and conduct attacks in urban areas like Kabul, or that it has continuing ties to both Al Qaeda and Pakistani Inter-service Intelligence (ISI). However, there are no reliable public assessments of its size and the level of tension or cooperation between it and the other major insurgent networks. Past claims that it had in excess of 20,000 fighters have never been verified, and the full nature of its forces in Pakistan and funding are unclear.
- The same is true of the Hekmatyar Hezbi-e Islami Gulbuddin or HIG (led by led by Gulbuddin Hekmatyar), its splinter groups like the Hekmatyer Hezbi-e Islami Khalis (HIK) (led by Mulavi Younas Khalis), the Hezbi Islami (a registered political party in Afghanistan), and the Pakistan Hezbi Islami (PHI) in Pakistan, as well as the ties of these groups to various members of the Afghan central government. It is clear that there have been some clashes with the Haqqani Network, but there is little reliable reporting on the seriousness of the tensions between various insurgent factions. Reports that the Hekmatyer Hezbi-e Islami has lost fighting strength may be accurate, but it is not clear it has lost political influence to the same degree and it still seems to be able to conduct attacks even Kabul.
- There is little concrete data on the role and size that Uzbek insurgents like the Islamic Movement of Uzbekistan (IMU) play in either Afghanistan or Pakistan. It is clear, however, that the IMU has increased its role in the northern border area of Afghanistan and has attack Turkman border guards from within Afghanistan, and have been detected in northwestern Afghanistan as well. The size of the movement is unclear, but it included Tajiks as well as Uzbeks, and may have some ties to Turkman Jihadists.
- Experts also differ over the extent to which meaningful numbers of insurgent fighters have abandoned the struggle and returned to civil life on a lasting basis. The October 2014 Department of Defense report on *Progress toward Security and Stability in Afghanistan* indicated that over 9,000 fighters had been reintegrated into Afghan society since 2010, but made no attempt to report how many had gone back to become insurgents. It also noted that funding was not available to keep supporting the program, serious

problems existed in the Afghan government effort and reporting, and that the ISAF's Force Reintegration Cell ceased to operate in October 2014.⁷⁶

Figure IV.3: Guessing at Insurgent Presence and Influence – Part One

The Wikipedia Estimate: Dated Guestimate of Maximum Presence

Figure 3 - Insurgent Areas of Operation in Afghanistan



Source: Wikipedia, http://upload.wikimedia.org/wikipedia/commons/7/71/Insurgent_Regions_in_Afghanistan_and_Pakistan.jpg.

Figure IV.3: Guessing at Insurgent Presence and Influence – Part Two

The Last Department of Defense Public Estimate Before Transition (April 2014): Show only 10 Most Violent Districts in Terms of Enemy Initiated Tactical clashes, covering Less than a Third of Even Tactical Activity

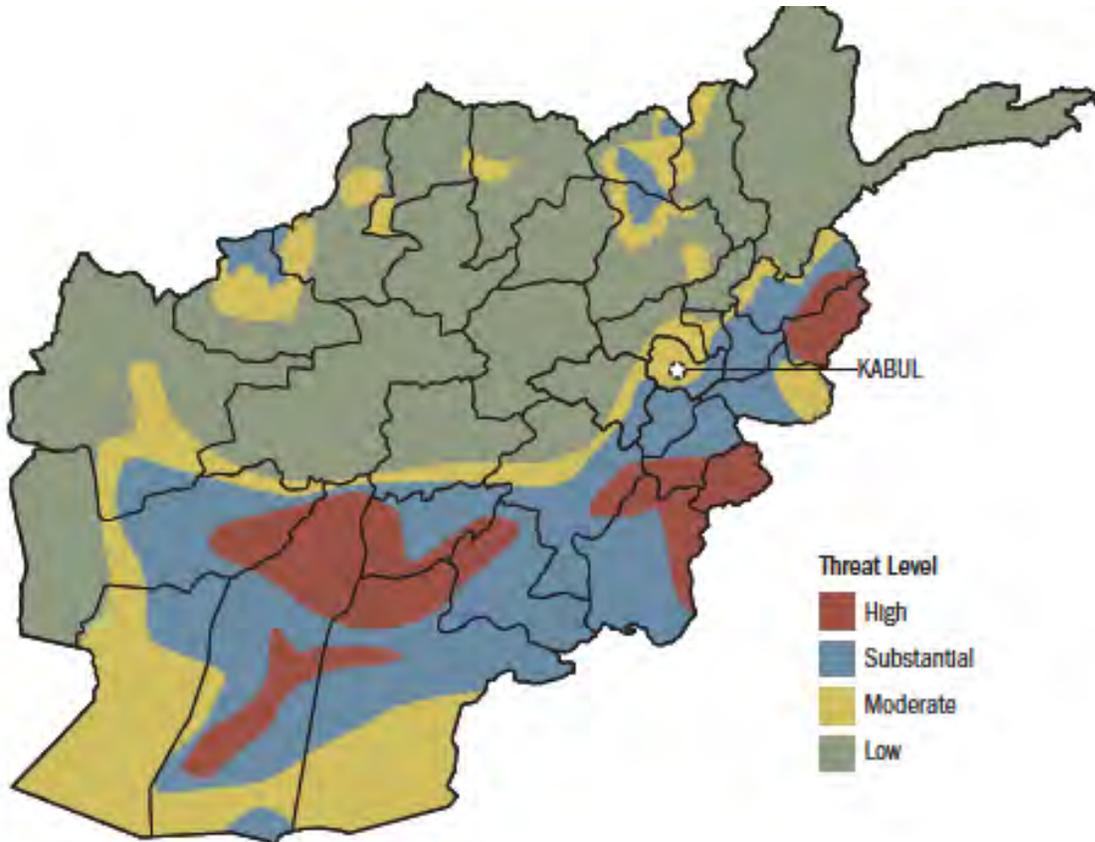
Top 10 Districts (01 Oct 2013 to 13 Mar 2014)						
	Top 10 Districts in EIA	Province	RC	% of Total Population	% of National EIA in Date Range	
1	Sangin	Helmand	RC-SW	0.2%	6%	
2	Nahr-e Saraj	Helmand	RC-SW	0.4%	5%	
3	Nad 'Ali	Helmand	RC-SW	0.3%	4%	
4	Darah-ye Pech	Kunar	RC-E	0.2%	2%	
5	Shindand	Herat	RC-W	0.7%	2%	
6	Maiwand	Kandahar	RC-S	0.2%	2%	
7	Marawarah	Kunar	RC-E	0.1%	2%	
8	Alingar	Laghman	RC-E	0.4%	2%	
9	Musa Qal'ah	Helmand	RC-SW	0.2%	2%	
10	Panjwa'l	Kandahar	RC-S	0.3%	2%	
01 Oct 2013 to 13 Mar 2014				Total:	3.1%	29%



Source: Department of Defense, *Progress toward Security and Stability in Afghanistan*, October 2014, 11.

Figure IV.3: Guessing at Insurgent Presence and Influence – Part Three

German government map of threat levels from antigovernment forces:



Source: Die Bundesregierung (German federal government), 2014 Progress Report on Afghanistan, 11/2014, p. 19.

NUMBER OF SECURITY INCIDENTS			
Date Range	Number of Security Incidents	Number of Days	Average Number of Security Incidents per Day
11/16/2013–2/15/2014	4,649	92	50.5
3/1/2014–5/31/2014	5,864	92	63.7
6/1/2014–8/15/2014	5,456	76	71.8
8/16/2014–11/15/2014	5,199	92	56.5
TOTAL	21,168	352	60.1

Source: Die Bundesregierung, 2014 Progress Report on Afghanistan, 11/2014, 19.; UN Security Council, *The situation in Afghanistan and its implications for international peace and security* reports, 12/9/2014, 5; 9/9/2014, 6; 6/18/2014, 5; and 3/7/2014, 5; and SIGAR, *Quarterly Report to the United States Congress*, January 30, 2015, 93.

The Uncertain Integrity of ISAF and Department of Defense Reporting on the Growing Security Challenges at the Time of Transition

The limited data that ISAF and the US have provided on broad nation-wide the trends in the fighting since 2012 have major credibility problems. They do not address the strength or trends in any major insurgent movement. They also seem to deliberately downplay national trends.

It became increasingly clear from other sources during the 2013 and 2014, however, that the security challenges posed by the Taliban, the Haqqani Network, and the Hekmatyer Hezbi Islami continued to increase, and that the Afghan forces were having growing problems in dealing with these threats. Media reports, UN reporting, and reports from other sources made this clear – as did reports on the rising level of ANSF casualties -- although the US and ISAF engaged in a public relations effort to “spin” the war by avoiding bad news. A slow but steady decline took place in in the public transparency of US and ISAF assessments of the military situation after 2011.

This decline accelerated when ISAF had to admit in 2013 that the favorable data it had published in 2001-2013 on the downward trends in enemy initiated attacks or EIAs were incorrect in claiming success and had to withdraw the data.⁷⁷ By this time, however, the US and ISAF had already begun to provide little or no details and metrics on the course of the fighting. The only meaningful unclassified summaries they provided focused on unexplained and undefined percentages of change in the tactical situation without any analysis of the growth of the insurgent threat by area, why the casualty data rose so sharply, and why casualties increased in some many areas.

These ISAF data are provided in **Figure IV.4**, and the last Department of Defense semi-annual report issued before the end of 2014 explained the trends as follows:⁷⁸

Security incidents are insurgent-initiated incidents, which include direct fire (DF) attacks, indirect fire (IDF) attacks, surface-to-air fires (SAFIRE), improvised explosive device and mine explosions, IEDs and mines that were found and cleared, as well as IEDs that prematurely detonated or were turned in to coalition or Afghan forces by the Afghan populace. Comparing April to August 2014 to the same period last year, nationwide security incidents fell by approximately 30 percent. By comparison, nationwide security incidents fell by 10 percent for the April to August 2013 period compared to the same time frame in 2012. These numbers also reflect a growing reliance on Afghan-provided data.

Enemy-initiated attacks (EIAs) are insurgent-initiated incidents against coalition and Afghan forces. Like security incidents, EIAs include DF, IDF, SAFIRE, and IED and mine explosions. EIAs exclude IEDs and mines that were found and cleared (including premature IED detonations and IED turn-ins). EIAs decreased by 27 percent from April 1 through August 31, 2014, as compared to the same period last year. This is an improvement from the decrease of four percent that occurred from 2012 to the same period in 2013, but may also reflect data reporting changes as noted previously

The majority of attacks comprised direct fire attacks and IED attacks. Insurgents continue to conduct high-profile and complex attacks against individuals, population centers, and remote outposts. The insurgency conducted more than ten high-profile attacks in Kabul District during this reporting period. Although the resulting media coverage has promoted local and international perceptions of insecurity, such attacks have not generated strategic momentum for the insurgency.

From April 1 through August 31, 2014, violence remained highly concentrated with 80 percent of nationwide EIAs occurring in regions where only 46 percent of the population lives (including Kabul District with approximately 13 percent of the population)

...Fifty percent of nationwide EIAs occurred where approximately 13 percent of the population lives. The ten most violent districts in Afghanistan account for approximately just over three percent of the population and 21 percent of the violence nationwide. Attacks against ISAF and ISAF-partnered units

declined by approximately 60 percent year-over-year from April to August 2014, compared to the same period in 2013. The number of EIAs involving only the ANSF (and ALP) decreased 15 percent in 2014 from 2013. As displayed in Figure 4 the percentage of EIAs involving only ANSF units continued to rise, while those involving ISAF units fell.

The problems with these ISAF data and comments is that they ignore the fact that the insurgents could concentrate on taking territory and increasing their influence at the regional and local levels once they saw ISAF forces depart, did not have to challenge ANSF forces directly when they began to largely stay in their bases or the immediate area, and could simply wait out the withdrawal of US and allied forces.

The surge in Afghanistan did produce at least temporary gains in the more populated areas of Helmand and more important gains in securing Kandahar, but **Figure IV.4** shows that it had no meaningful overall impact on Afghan security.

Moreover, the data on overall combat trends and casualties in **Figure IV. 5** present a very different story and one that tracks with independent media reporting. They show how ineffective the US “surge” in Afghanistan was on a national level and in comparison with a similar effort in Iraq.

Figure IV.4: The ISAF Data on Combat Trends in Recent 1230 Reports

April 1 – September 15, 2012 vs. April 1 – Sept 15, 2013.

Metric	EIAs	HPA	Direct Fire	IED Events	IED/Mine Explosions	Complex/ Coordinated Attack	IDF
% YoY Change	-6%	1%	-1%	-22%	-5%	5%	-18%

October 1, 2012 – March 13, 2013 vs. October 1, 2013 – March 13, 2014.

Metric	EIA	HPA	Direct Fire	IED Events	IED/Mine Explosions	Complex/ Coordinated Attack	IDF
% YoY Change	-2%	43%	5%	-24%	-11%	-8%	-15%

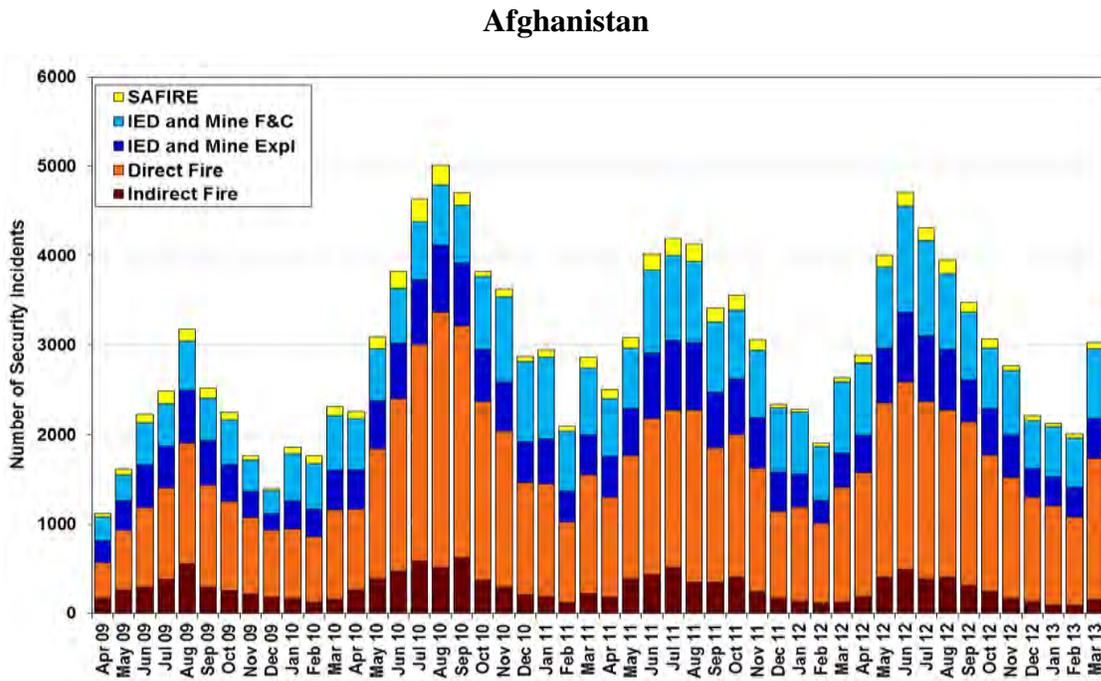
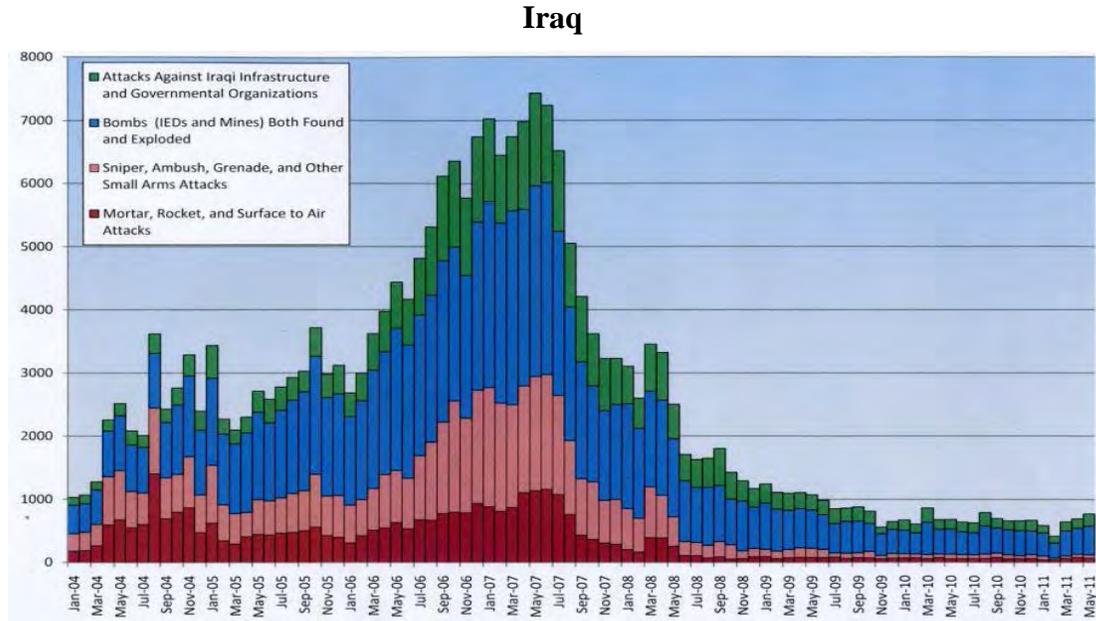
April 1, 2013 – August 31, 2014, compared to April 1 – August 31, 2014

Metric	Enemy Initiated Attacks	High Profile Attacks	Direct Fire	IED/ Mine Explosions	Complex/ Coordinated Attacks	Indirect Fire Attacks
Percentage Year Over Year Change	-27%	16%	-23%	-34%	-31%	-37%

Source: Department of Defense, *Report on Progress in Afghan Security and Stability*, October 2013, 17; April 2014, 11; October 2014, 15.

Figure IV.5: A Failed Surge in Afghanistan versus a Successful Surge in Iraq

The Surge in Iraq vs. the Surge in Afghanistan



Source: MNSTC-I and Department of Defense, *Report on Progress toward Security and Stability in Afghanistan*, A-2.

The Warnings in UN and SIGAR Casualty Data and Other Reporting

By late 2014, both, the Department of Defense, and ISAF had ceased to provide any meaningful data on the course of the fighting and its intensity. However, data from the UN and SIGAR shown in **Figure IV.6** and **Figure IV.7** made it clear that casualties continued to rise, and violence was rapidly spreading out of the south and more widely in Afghanistan.

The UN casualty data in **Figure IV.6** highlighted the inherent analytic dishonesty in relying on counts of tactical incidents without assessing their overall human impact, the changes taking place in the scale and location of insurgent operations, and the impact of violence on insurgent influence and control by area. Civilian deaths showed a steady rise over time, and provide a clear measure of the intensity of a conflict. It is also obvious from the different trends in casualties by area that national totals can be highly misleading in showing the impact of an insurgency in given regions and the support insurgents receive. A drop in casualties does not necessarily mean the government is winning, it may well mean that insurgent influence has increased to the point where conflict has dropped accordingly.

The history of this UN and SIGAR casualty reporting raises serious questions about the analytic integrity and honesty of both ISAF and US government reporting. Months before the end of 2014, UN data called the ISAF data in **Figure IV.4** into serious question. SIGAR reported in October 2014 that the UN data showed a steadily intensifying level of conflict, serious ANSF casualties, and different attack patterns.⁷⁹

Attrition continues to be a major challenge for the ANSF. Between September 2013 and August 2014, more than 36,000 ANA personnel were dropped from ANA rolls. Moreover, the ANA continues to suffer serious combat losses. Between March 2012 and August 2014, more than 2,850 ANA personnel were killed in action (KIA) and 14,600 were wounded in action (WIA)...For the ANP, attrition fell from 2.35% for the month of July to 1.68% in the month of August, the latest period for which SIGAR was provided data. Unlike the ANA, the ANP does not report on personnel present for duty, absent without leave, or killed or wounded in action. The ANP remains short of its goal to maintain less than 1.4% monthly attrition.

According to the UN Secretary-General, the conflict in Afghanistan continues to intensify. In his September 9 report to the UN Security Council, the Secretary-General said insurgent groups, international terrorists, and associated networks took advantage of the protracted electoral crisis and political uncertainty to mount major assaults around the country...the number of security incidents continued to increase, with this period reflecting the second-highest level of violence, after 2011, since the fall of the Taliban.

The majority of the security incidents once again occurred in the south, south-east, and east. The UN recorded 211 assassinations and 30 failed assassination attempts, an increase of 7.1% for both over the same period in 2013... Armed clashes (47.3%) and improvised explosive device (IED) events (29.1%) accounted for 76.4% of all security incidents....

The UN reported that some insurgents attempted not only to capture but also to hold territory through the use of "swarm attacks" consisting of several hundred attackers attempting to overwhelm district administrative centers and security checkpoints.

...Afghan and American commanders say the ANSF is holding well near main cities, but are being tested as more remote districts come under heavy attacks...Afghan interior minister Mohammad Omar Daudzai testified to the Afghan parliament that the past six months had been the deadliest of the 13-year-long conflict, with 1,368 ANP personnel killed and 2,370 wounded since the beginning of the current Afghan year. Police casualties have generally run at twice the level of Afghan Army casualties through much of the war.

It is worth noting in this regard, that it was the US command in Iraq that had to correct its casualty data during the Iraq conflict from 2003-2011, and not the UN. It is also worth noting that while the UN did not have full data on the civilian casualties in Afghanistan in 2014 at the time of Transition, its estimate for the period between January 2014 and the end of November 2014 was 3,188 civilian deaths and 6,429 injuries, which was 19% higher than during the same period in 2013.⁸⁰ The UN estimated that there was a 14% increase in female and 33% increase in child casualties over 2013, and that fighting between the ANSF and insurgent groups, rather than fighting between ISAF and insurgent groups, were the main source of casualties for the first time.⁸¹

It is important to note that UN sources state these data almost certainly undercount the real totals, since the ability to collect data in the border areas and rural areas where the insurgent did much of the fighting had always been limited and had declined significantly during 2014. SIGAR used this UN data for 2014 in the Quarterly Report it issued in January 2015 – shortly after Transition. It provided the data on the patterns in security incidents shown earlier in **Part 3 of Figure IV.3**, and commented that,⁸²

The year 2014 saw the highest number of civilian casualties yet recorded in the Afghanistan conflict, according to the United Nations Assistance Mission in Afghanistan (UNAMA). In the first 11 months of 2014, civilian casualties totaled 9,617, of which 3,188 civilians were killed and 6,429 injured. UNAMA expected civilian casualties to exceed 10,000 for all of 2014... In his December 9, 2014, report to the UN Security Council, the Secretary-General said antigovernment elements were emboldened to execute multiple assaults on district administrative centers, security-force checkpoints, and major roads.

...the number of security incidents decreased this period (for seasonal reasons). However, overall the 19,469 security incidents recorded since the beginning of 2014 is 10.3% greater than the 17,645 recorded during same period in 2013... Even though the threat levels are high in the east and south... and a marked increase in incidents occurred in the east, the rest of Afghanistan also experienced a significant number of security incidents.

The UN recorded 5,199 security incidents from August 16 through November 15, 2014, that included 235 assassinations and 92 abductions, an increase of 9% for both over the same period in 2013... Armed clashes (48.9%) and improvised explosive device (IED) events (27.1%) accounted for 76% of all security incidents... Eight of the 46 suicide attacks occurred in Kabul City...

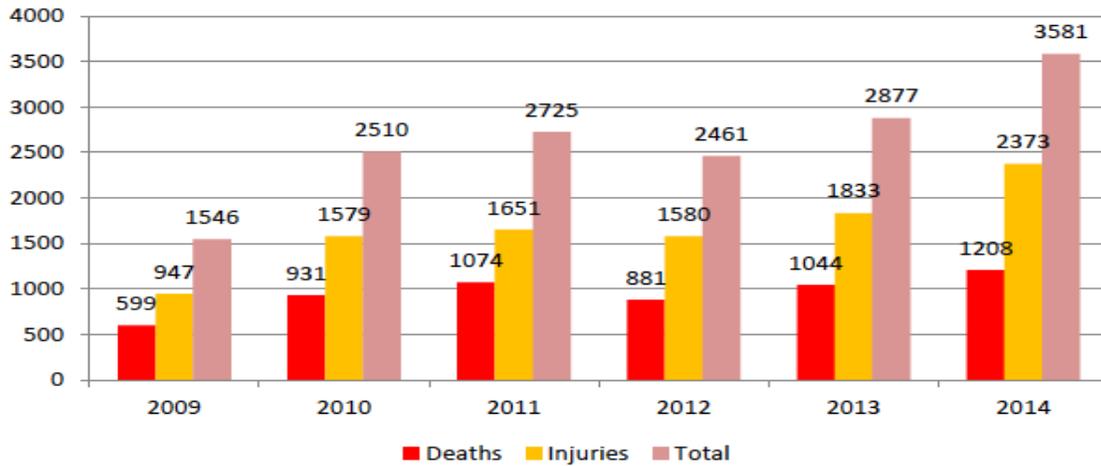
The UN reported that overall the Afghan security forces were able to counter the insurgency with relative effectiveness and none of the attacks succeeded in permanently capturing the intended targets... An intensive, Taliban effort to take control of the Sangin district in Helmand Province failed... In Faryab Province, insurgents used heavier weapons than they had previously, resulting in part to security forces' suffering more losses during 2014 than in past years (over 2,000 police officers and about 950 soldiers were killed in the country since March 21, 2014)...

Other US government reporting had raised serious questions about the integrity of the reporting by ISAF and the Department of Defense on the intensity of the fighting and its outcome months earlier. A sharp rise had taken place in US official counts of the level of terrorism in Afghanistan in 2013. The State Department issued its annual report on the country trends in terrorism through the end of 2013 in April 2014. These figures are shown in **Figure IV.7**, and reveal a massive rise in the level of terrorist incidents during the period from 2010-2013. It did so in spite of the surge and claims that the security situation was improving. It also showed a growing focus on Afghan police and government targets, and that focusing on enemy initiated attacks on ISAF and Afghan forces ignored the key shifts taking place in both insurgent targeting and the cause of the casualties being produced.

Figure IV.6: SIGAR Reporting on UN Estimates Rising and Spreading Violence – Part One

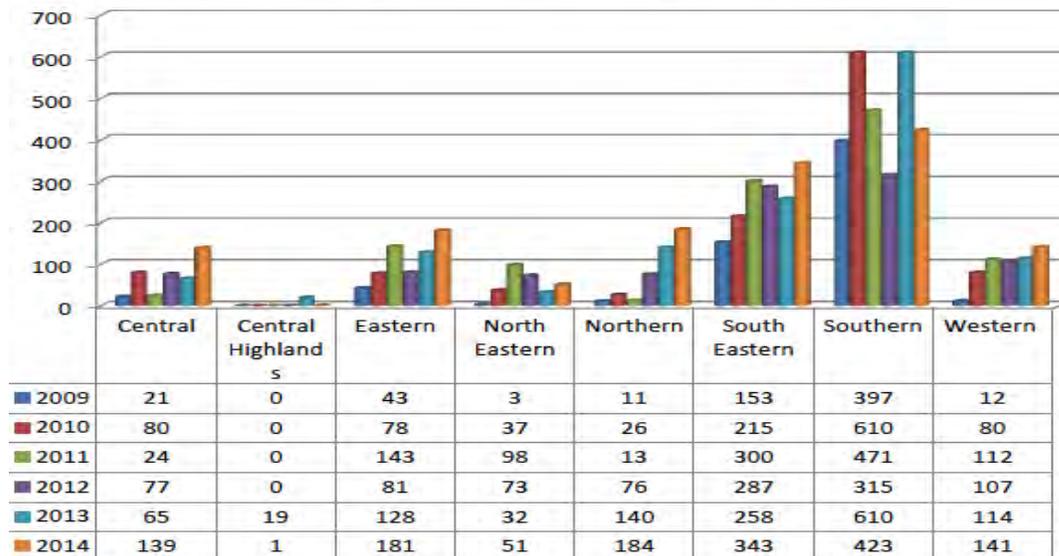
Steady Rise in UN Estimate of Civilian Casualties in Inflicted by Taliban, Haqqani Network, and Other Insurgents

**Civilian Deaths and Injuries by Anti-Government Elements
January to June: 2009 - 2014**



Steady Expansion in UN Estimate of Key Areas of Violence

**Civilian Deaths and Injuries: IEDs by region
January to June 2009 - 2014**



Source: UNAMA/UNHCR, *Afghanistan Midyear Report on Protection of Civilians in Armed Conflict: 2014*, http://unama.unmissions.org/LinkClick.aspx?fileticket=m_XyrUQDKZg%3d&tabid=12254&mid=15756&language=en.

Figure IV.6: SIGAR Reporting on UN Estimates Rising and Spreading Violence – Part Two

SIGAR Estimate on Pattern of Casualties in 2014

NUMBER OF SECURITY INCIDENTS			
Time Period	Number of Incidents	Number of Days	Average Number of Incidents per Day
November 16, 2013–February 15, 2014	4,649	92	50.5
March 1–May 31, 2014	5,864	92	63.7
June 1–August 15, 2014	5,456	76	71.8
Total	15,969	260	61.4

Source: UN Security Council, *The Situation in Afghanistan and its implications for international peace and security*, 9/9/2014, p. 6, 6/18/2014, p. 5, and 3/7/2014, p. 5.

UNAMA Revised Estimate of Civilian Casualties at the End of 2014

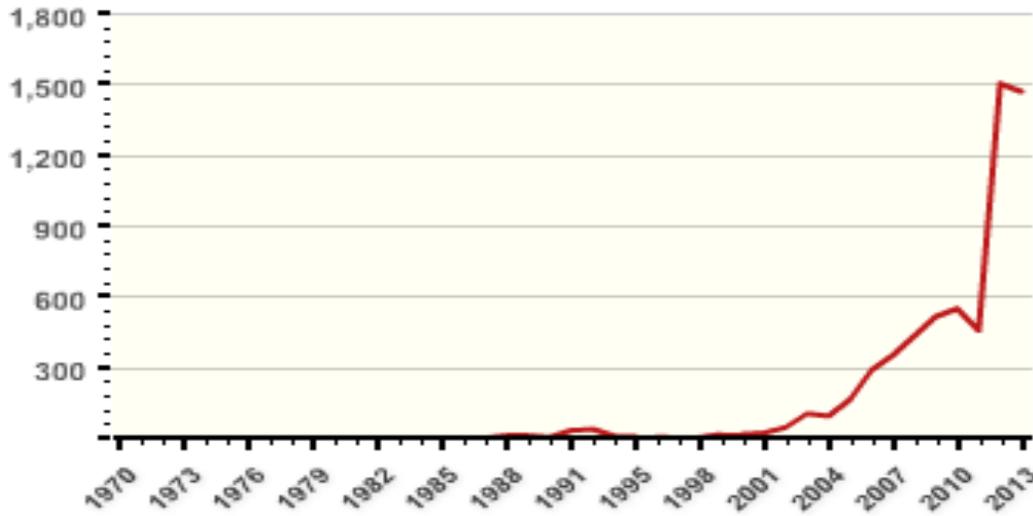
Year 2009 2010 2011 2012 2013 2014 2009-2014

Civilian Injuries	3,586	4,343	4,507	4,805	5,656	6,429	-
% Change	-	21%	4%	7%	18%	14%	79%
Civilian Deaths	2,412	2,777	3,021	2,754	2,959	3,188	-
% Change	-	15%	9%	-8%	7%	8%	32%
Total Civilian Casualties	5,998	7,120	7,528	7,559	8,615	9,617	-
% Change	-	19%	6%	.4%	14%	12%	60%

Source: UNAMA as shown in *Washington Post*, January 1, 2015.

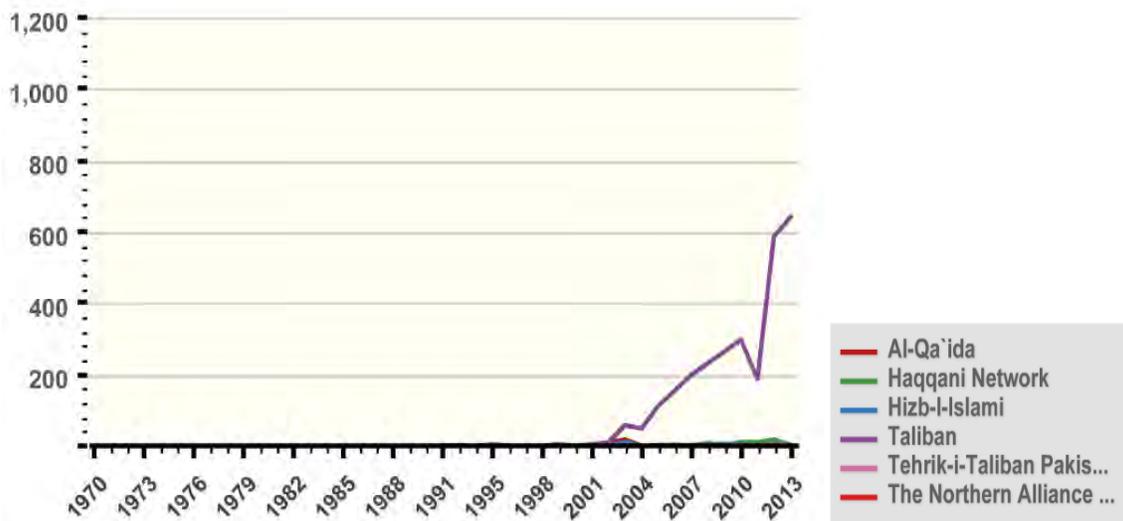
Figure IV.7: State Department Estimates of Rising and Spreading Violence during 2011-2014 – Part One

Rise in State Department Data Base Estimate of Total Terrorist Incidents: Global Terrorism Database: Afghanistan – Incidents over Time, 1970 – 2013



Source: US State Department, Country Reports on Terrorism, 2013, Statistical Annex, April 2014, <http://www.start.umd.edu/gtd/search/Results.aspx?search=afghanistan&sa.x=0&sa.y=0>

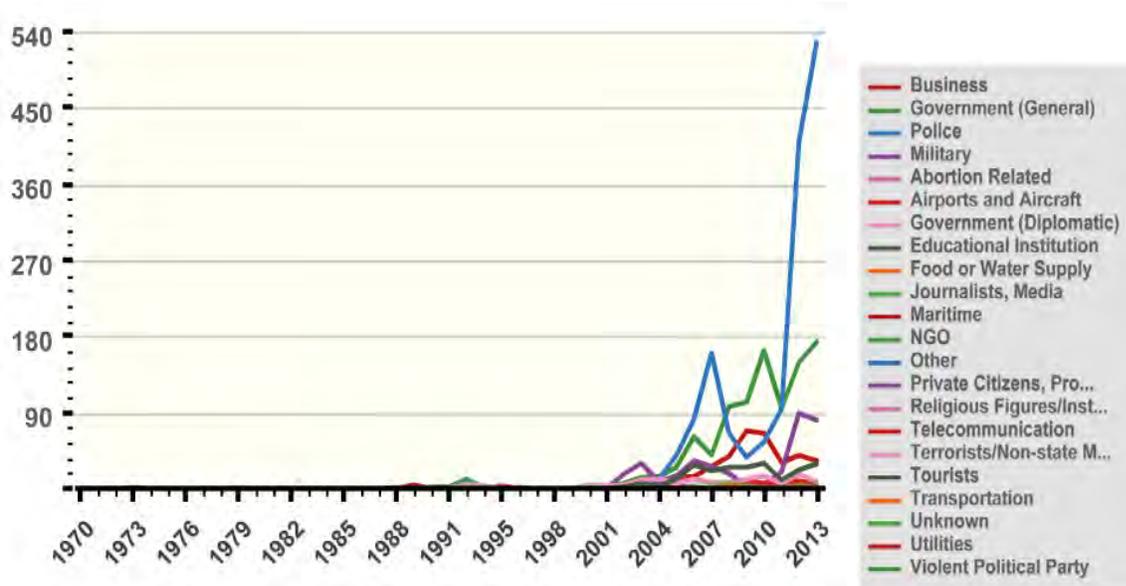
Rise in State Department Data Base Estimate of Taliban and other Insurgent Terrorist Incidents: Global Terrorism Database: Afghanistan – Incidents over Time, 1970 – 2013



Source: US State Department, Country Reports on Terrorism, 2013, Statistical Annex, April 2014, <http://www.start.umd.edu/gtd/search/Results.aspx?search=afghanistan&sa.x=0&sa.y=0>

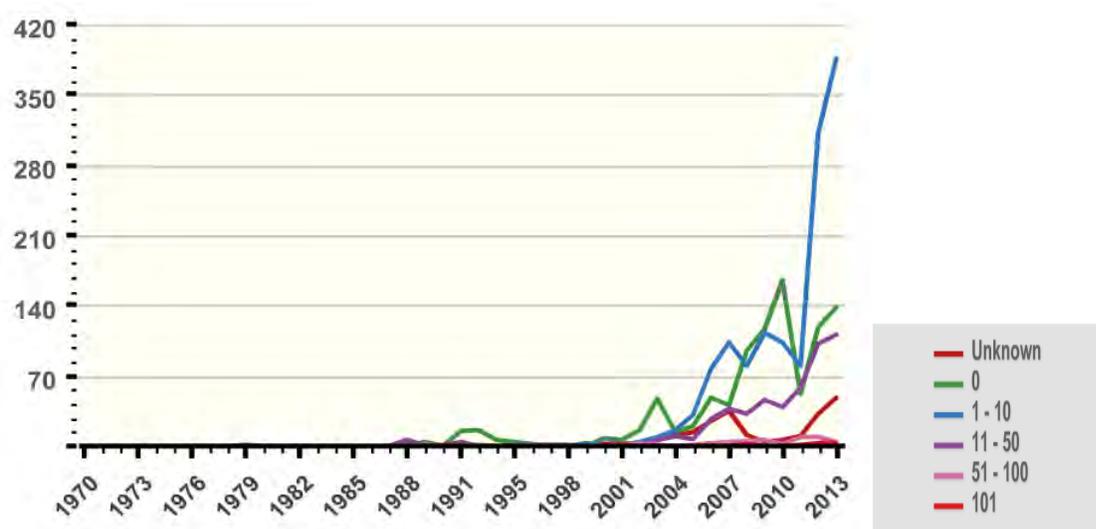
Figure IV.7: State Department Estimates of Rising and Spreading Violence during 2011-2014 – Part Two

Shift in State Department Data Base Estimate of Taliban and other Insurgent Terrorist Incidents: To Focus on Police and afghan government Targets: Afghanistan – Incidents over Time, 1970 – 2013



Source: US State Department, Country Reports on Terrorism, 2013, Statistical Annex, April 2014, <http://www.start.umd.edu/gtd/search/Results.aspx?search=afghanistan&sa.x=0&sa.y=0>.

Shift in State Department Data Base Estimate of Taliban and other Insurgent Terrorist Casualties: Afghanistan – Incidents over Time, 1970 – 2013



Source: US State Department, Country Reports on Terrorism, 2013, Statistical Annex, April 2014, <http://www.start.umd.edu/gtd/search/Results.aspx?search=afghanistan&sa.x=0&sa.y=0>.

The Final UN Report on Casualties through the End of 2014 Calls ISAF and Department of Defense Reporting into Even More Serious Question

The UN further confirmed SIGAR and UN warnings when it issued its full report on the trends in casualties through the end of 2014. This report was formally published in mid-February 2015, but its contents had to have been largely known by both ISAF and the US government long before the official UNAMA report was published. The report made it clear that combat had sharply intensified on both a national basis and by expanding out of the south and into other regions.

The key portions of UN report stated that,⁸³

The intensification of conflict-related violence in Afghanistan took an extreme toll on civilians in 2014, with civilian loss of life and injury reaching unprecedented levels. UNAMA documented 10,548 civilian casualties (3,699 deaths and 6,849 injured), marking a 25 per cent increase in civilian deaths, a 21 per cent increase in injuries for an overall increase of 22 per cent in civilian casualties compared to 2013.2 In 2014, UNAMA documented the highest number of civilian deaths and injuries in a single year since it began systematically recording civilian casualties in 2009.

Between 1 January 2009 and 31 December 2014, UNAMA has documented 47,745 civilian casualties (17,774 killed and 29,971 injured). The 22 per cent rise in civilian casualties in 2014 resulted mainly from increased ground engagements across Afghanistan in which parties to the conflict also increasingly used high explosive weapons systems, such as mortars, rockets and grenades in civilian-populated areas - with devastating consequences for civilians. In 2014, civilian deaths and injuries from ground engagements increased by 54 per cent compared to 2013 making them the leading cause of civilian casualties and the biggest killers of women and children in 2014.

UNAMA attributed 72 per cent of all civilian casualties to Anti-Government Elements, 14 per cent to Pro-Government Forces (12 per cent to Afghan national security forces, two per cent to international military forces) and 10 per cent to ground engagements between Anti-Government Elements and Afghan national security forces in which a civilian casualty could not be attributed to a specific party. UNAMA attributed three per cent of all civilian casualties to unattributed explosive remnants of war and the remaining one per cent to cross-border shelling from Pakistan into Afghanistan...

...As the withdrawal of international military forces and combat air support continued in 2014, UNAMA observed more frequent and larger ground operations by both Afghan national security forces and Anti-Government Elements notably in Helmand, Kunar and Faryab provinces with fighting often occurring near district centres. The increased ground fighting in civilian-populated areas with all parties using mortars, other explosive weapons and small arms fire often led to harmful consequences for civilians.

UNAMA documented 3,605 civilian casualties (1,092 killed and 2,513 injured) from ground engagements, a 54 per cent increase from 2013, 11 accounting for 34 per cent of all civilian casualties in 2014. These civilian deaths and injuries were caused when civilians were caught in crossfire between insurgents and Afghan security forces fighting in and around civilian-populated areas.

Of the 3,605 civilian casualties from ground engagements, UNAMA attributed 43 per cent to Anti-Government Elements and 26 per cent to Pro-Government Forces.¹² UNAMA could not attribute civilian deaths and injuries solely to either party in 29 per cent of ground engagements that caused civilian casualties. The remaining two per cent of civilian casualties from ground engagements were attributed to cross-border shelling.

Civilian deaths and injuries from ground engagements, operations and attacks by Pro-Government Forces rose significantly with 921 civilian casualties (336 killed and 585 injured) attributed to Pro-Government Forces in 291 separate incidents, a 141 per cent increase from 2013.¹³ An increase in civilian casualties by Anti-Government Elements during their ground operations and attacks was also documented with 1,551 civilian casualties (438 deaths and 1,113 injured) in 438 separate incidents, up 51 per cent from 2013.

During heavy and prolonged fighting between parties to the conflict, attribution was not always possible, particularly for civilian deaths and injuries from crossfire. In these cases that caused 1,051 civilian casualties (307 deaths and 744 injured), UNAMA attributed the civilian casualties to both Pro-Government Forces and Anti-Government Elements.

Half of all civilian casualties from ground engagements resulted from the use of indirect fire weapons which had a wide area impact – mainly mortars - by all parties to the conflict. UNAMA recorded 1,788 civilian casualties (447 killed and 1,341 injured) from mortars, rockets and grenades, a 73 per cent increase from 2013. A related concern was the correlated increase in civilian casualties, in particular children casualties, from explosive remnants of war left on the ground following ground engagements.

...The use of improvised explosive devices (IEDs) by Anti-Government Elements also rose in 2014 and remained a major threat for civilians throughout Afghanistan. UNAMA documented 2,978 civilian casualties (925 killed and 2,053 injured) from IEDs, up three per cent from 2013. UNAMA recorded increased civilian casualties from pressure-plate, vehicle borne (non-suicide) and magnetic IEDs, with a slight decrease in civilian casualties from remote-controlled and unspecified trigger-type IEDs.

UNAMA highlights particular concern with the resurgence in civilian casualties from the increased use of indiscriminate illegal¹⁸ pressure-plate IEDs by Anti-Government Elements. Seven hundred and seventy-five (775) civilian casualties (417 deaths and 358 injured) from PP-IEDs were recorded, a 39 per cent increase from 2013, reversing a decrease observed in the use of PP-IEDS in 2013. Pressure-plate IEDs accounted for 26 per cent of civilian casualties from IEDs, and seven per cent of all civilian casualties.

...In 2014, the number of civilian victims of suicide and complex attacks increased by 28 per cent, with UNAMA recording 1,582 casualties (371 killed and 1,211 injured). ... UNAMA documented 138 civilian casualties (53 killed including 21 children and 85 injured including 26 children). The attack also killed ten ALP members, including two local commanders.

...Afghanistan's Task Force on Internally Displaced Persons (IDPs) recorded 156,193 civilians displaced by the armed conflict in 2014.²⁹ This represents an eight per cent increase from 2013. As of 31 December 2014, the total number of internally displaced persons in Afghanistan was 805,409.

In several areas, the Taliban carried out operations involving groups of several hundred Taliban fighters in an apparent effort to take and hold large areas of territory which were previously - at least nominally - under Government control, most notably in Helmand province. The response of Afghan security forces often appeared reactive with periodic operations launched against insurgents from Afghan forces' bases located in or near larger population centres. Outside the relatively secure urban areas, in many districts, particularly in the south, southeast and east regions of the country, the presence of Afghan security forces and the Government was limited to the district centre, often leaving large groups of civilians without protection.

In addition, increased ground operations led by Afghan forces heightened their exposure and increased opportunities for Anti-Government Elements to attack them. The ensuing fire fights and ground engagements often resulted in deaths and injuries to civilians – particularly women and children - caught in the crossfire.

The proliferation and expanded power of a range of armed groups in 2014 - often aligned with provincial and district Government authorities - particularly in the north, northeast and southeast regions was of increasing concern. UNAMA observed an increase in human rights abuses committed against civilians by Pro-Government armed groups which the Government has not addressed. This impunity – and lack of accountability - contributed to rising insecurity in some parts of the country and decreased protection for civilians.

UNAMA highlights that the security and political environment in the early months of 2015 suggests that Afghan security forces and the Taliban are determined to make the 2015 fighting season a turning point in the conflict. If the current trend of more frequent and larger ground engagements between large numbers of Afghan security forces and Anti-Government Elements continues, including indiscriminate shelling and the use of mortars, RPGs, IEDs and other weapons in civilian-populated areas, it is highly likely that civilian casualties will continue to rise in 2015.

As **Figure IV.8** shows, the UN final report on trends through the end of 2014 confirmed the rise in casualties, and the break out by cause shows that the insurgents dominated the rise in casualties and were a steadily increasing threat.

Figure IV.9 shows an even sharper rise in the spread of conflict into new areas. It warns that rather than being defeated or contained, the various insurgent groups were increasingly able to put broader pressure on Afghan forces, be more selective in attacking the weakest links in such forces, and pressure various elements of the Afghan government, Afghan forces, and tribal leaders to limit their operations or accommodate the Taliban and other insurgents – a reality confirmed in the author’s discussions with reporters on the scene and with US experts.⁸⁴

As the UN report noted, the Taliban and other insurgents also were able to expand their role in acting as a de facto government through activities like administering “justice.”⁸⁵

On-going attacks against Government offices and explicit threats against judicial employees forced judges and prosecutors from Sangin, Naw Zad, Wa Sher, Musa Qala and Kajaki districts to relocate to the provincial capital, Lashkar Gah to conduct their work “remotely.” In effect, this forced petitioners to make the dangerous journey to Lashkar Gah from outlying districts if they wished to submit claims and pursue cases.

While the functioning of the formal justice sector in north Helmand weakened, residents increasingly relied on „parallel judicial structures“ implemented by the Taliban to resolve disputes. In addition to difficulties in accessing the formal structures, the acceptance of parallel judicial structures at the district level was observed to stem from a deep-rooted distrust of the formal justice sector which maintained a solid reputation for corruption and perceived as ineffective in delivering justice.

During consultations with UNAMA, interlocutors also raised concerns that alleged perpetrators who maintained strong connections with the Taliban enjoyed effective impunity within the parallel courts. Interlocutors reported however that corruption and impunity in the Taliban courts was less than they had experienced in the formal system.

In WasSher district, for example, UNAMA interviews found that no people referred cases to the formal justice sector, and that the Taliban handled all civil and criminal matters with the Taliban-run judicial system viewed as less corrupt.

In Sangin district, interlocutors stated that cases referred to the parallel justice structures were addressed by a panel of two or three prominent Taliban figures, who were local residents. The procedure foresaw an invitation letter sent by the „tribunal“ to the respondent following a complaint. If the respondent ignored the “summons”, armed insurgents would enforce the “invitation.” The panels’ rulings mainly concerned civil cases, and often included disputes that occurred in areas under Government control.

In criminal cases the local Taliban „tribunal“ was not competent to rule and no decision could be made without involvement of more senior figures in Quetta, Pakistan. In some instances, the tribunal panel was replaced by a single person – often a religious figure – who the Taliban recognized and could rule on his own on the insurgents’ behalf...

...In certain districts, the Government’s inability and absence of action to hold perpetrators – members of Anti-Government Elements - accountable for crimes including executions, amputations and other punishments - may amount to a violation of human rights, under the principle of due diligence.¹⁴⁵ Moreover, acts such as summary or arbitrary executions, amputations and mutilation are considered to be serious violations of international humanitarian law and amount to war crimes. Common Article 3 of the Geneva Conventions explicitly prohibits punishments carried out by such “judicial” systems. Specifically, Common Article 3 prohibits(a) “violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture” and prohibits (d) “the passing of sentences and the carrying out of executions without previous judgment pronounced by a regularly constituted court, affording all the judicial guarantees which are recognized as indispensable by civilized peoples”.

UNAMA observed that lack of accessibility, combined with reports of judicial corruption and the perceived ineffectiveness of formal justice institutions at the district level led to an increase in parallel justice structures in adjudication of civil and criminal cases in several areas of the country.

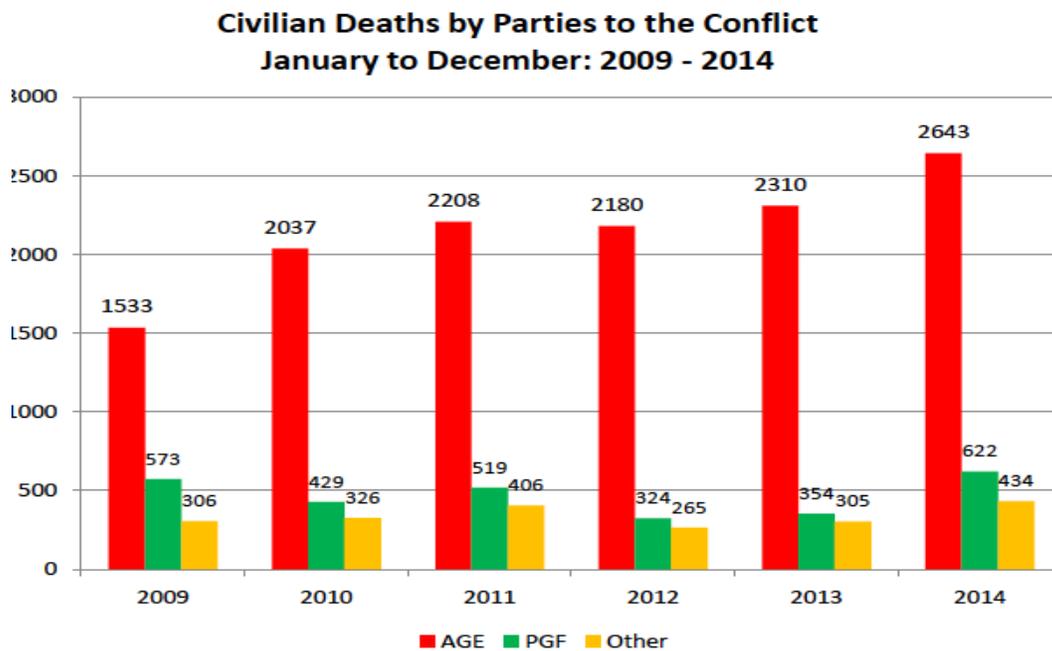
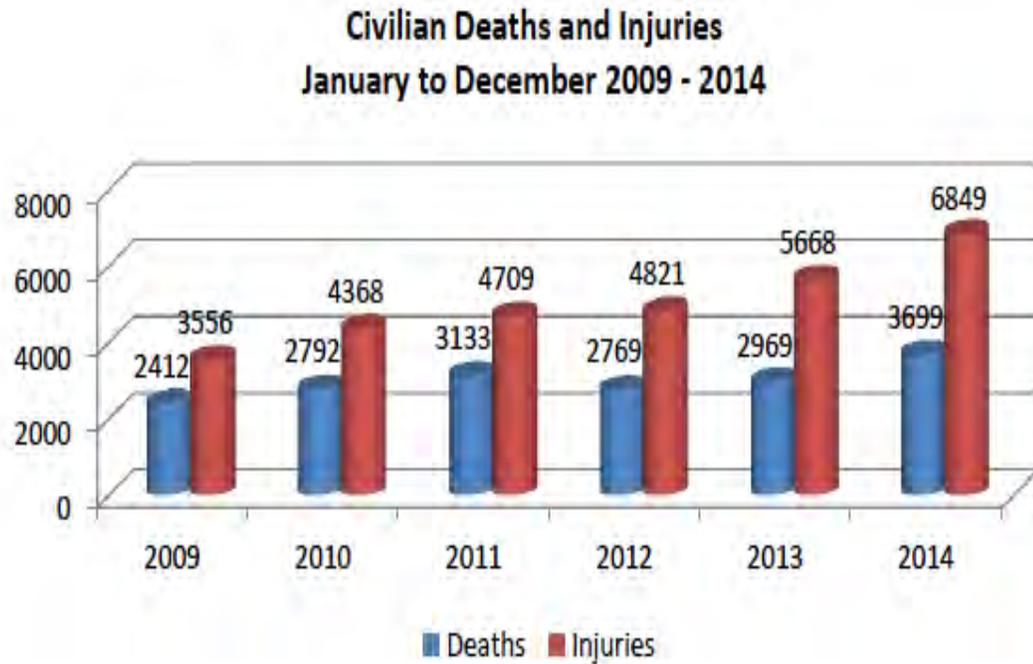
UNAMA reiterates the imperative need for the Government to strengthen formal rule of law institutions, in particular to address judicial corruption and accessibility to build confidence in the formal justice system. Ongoing impunity for unlawful killings and punishments by Anti-Government Elements in parallel justice structures further undermines the Government's authority, weakens the rule of law and reduces protection of civilians.

...Throughout 2014, UNAMA observed a rising pattern of Anti-Government Elements targeting and killing civilians in the western region.¹⁴⁸ In 2014, UNAMA documented 86 incidents of targeted killings in the region¹⁴⁹ that caused 174 civilian casualties (128 deaths and 46 injured) a 78 per cent increase compared to 2013. Of these 174 civilian casualties from targeted killings, 96 per cent were attributed to Anti-Government Elements and four per cent to Afghan security forces.

The civilian victims included judges, prosecutors, civilian Government administration staff, religious leaders, education officials, electoral workers and campaigners, health care workers, aid workers, and persons perceived to support the Government, off-duty...

...police and civilians who were reported to have disobeyed orders of insurgent groups. Some incidents appear to have targeted civilians from a specific ethnic group. For example, on 25 July, Anti-Government Elements stopped two buses in Bad Gah area, Chagcharan district, Ghor province, and ordered 14 of the passengers, including three women, out of the vehicles, and opened fire, killing all 14 civilians. The victims were predominantly from the Hazara community, but also included government-affiliated persons from other ethnic groups.

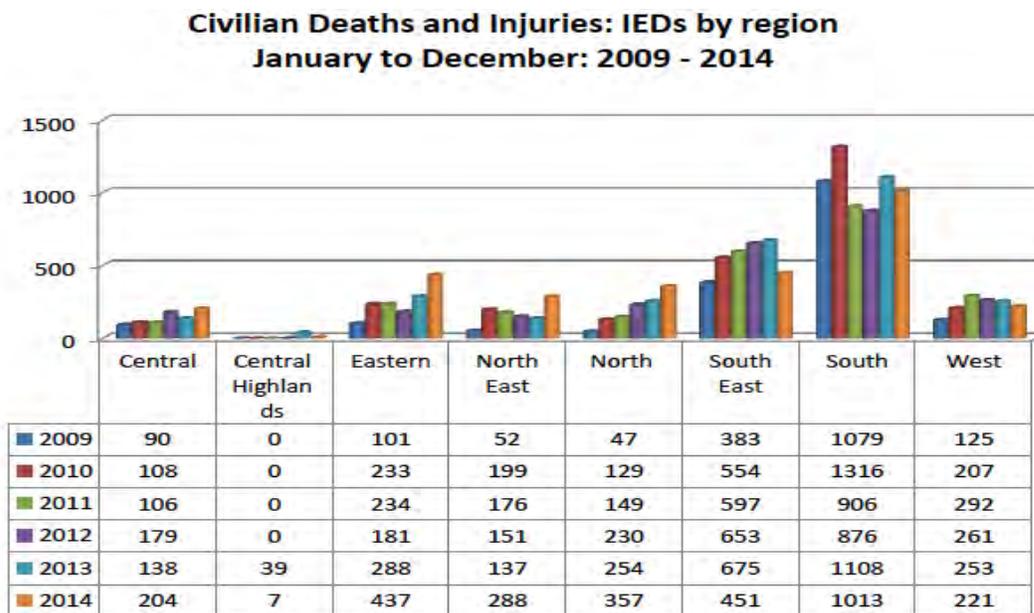
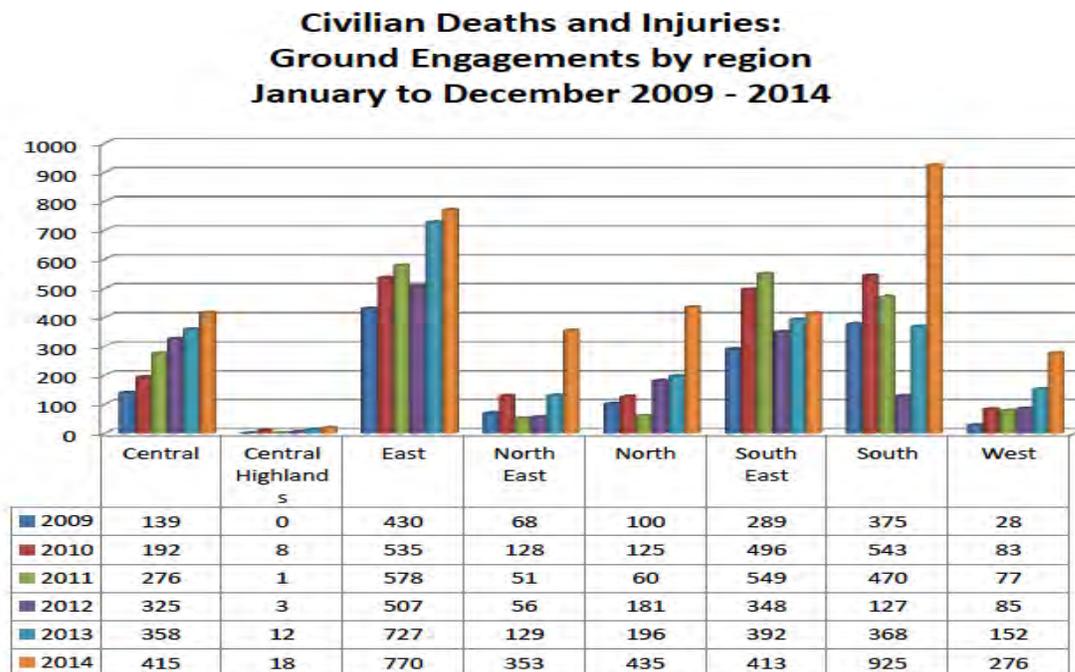
Figure IV.8: Final UN Estimates Show Sharply Rising Violence in 2010-2014



Note: AGE = Anti-Government Elements PGF = Pro-Government Forces

Source: UNAMA, *Afghanistan: Annual Report 2014 – Protection of Civilians in Armed Conflict*, February 2015, 1 and 10, <http://unama.unmissions.org/Portals/UNAMA/human%20rights/2015/2014-Annual-Report-on-Protection-of-Civilians-Final.pdf>.

Figure IV.9: Final UN Estimates Also Show Sharply Spreading Violence in 2010-2014



Source: UNAMA, *Afghanistan: Annual Report 2014 – Protection of Civilians in Armed Conflict*, February 2015, 30 and 40, <http://unama.unmissions.org/Portals/UNAMA/human%20rights/2015/2014-Annual-Report-on-Protection-of-Civilians-Final.pdf>.

Estimating the Growth of Taliban and Other Insurgent Influence and Control

The data in Part One of **Figure IV.6** and **Figure IV.9** strongly indicate that the kind of reporting that Germany provided in mapping insurgent influence in Afghanistan in **Part 3 of Figure IV.3** was far more honest and objective than the kind of map issued by the Department of Defense in **Part 2 Figure IV.3**.

While such unclassified sources do not provide reliable data on the level of Taliban influence and control, and that of other insurgents groups, polling data on their popularity is further indication of their accuracy -- even though polls of popular support for insurgents ignore the fact that it is their ability to intimidate and control given areas that often determines their strength, not their popularity.

Figure IV.10 shows the result of an Asian Foundation poll in 2014 of popular support for the Taliban and other armed opposition groups. The results are reassuring in that many areas show only limited support for the insurgents. At the same time, the results scarcely indicates that they lack influence and popular support in other parts of the country. Other surveys show that positive support for insurgents sometimes is based on the assumption by those polled that the insurgent would join a peaceful political process, but this was not part of the Asian Foundation poll.

Figure IV.11 does not show support for the Taliban by area, but does provide a more nuanced picture of overall support for the Taliban and armed resistance groups. The trend data released in a supporting document for a poll conducted in November 2014 track with earlier polls by ABC and the *Washington Post* that showed a slow decline in popular support for the Afghan government.

As is the case with the supporting data for most polls, the results are far more nuanced and ambiguous than the summary results usually covered in the summary report and media. Nevertheless, the punchline to the data in **Figure IV.11** is that support for the Taliban rose from some 5% in 2006-2007 to 8-10 % in 2009, 11% in 2010, and 21% in 2014.⁸⁶

The poll also showed that popular opinion shifted from 48% who felt the Taliban were getting weaker in 2012 -- following the surge -- to only 36% in 2014. The percentage of Afghans who felt the Taliban was getting stronger rose from 18% to 34% during this period. A total of 39% were willing to cede control to certain provinces to the Taliban in late 2014, 71% were willing to negotiate with the Taliban, and 59% were willing to have the Taliban join the Afghan security forces if they would accept such an agreement. The poll also showed that only 36% blamed the Taliban most for the violence in the country -- although another 17% blamed Al Qa'ida and foreign volunteers.⁸⁷

Figure IV.10: Asia Foundation Afghan Poll of Popular Support for the Taliban and Armed Opposition Groups

Asia Foundation Survey of Sympathy for Armed Opposition Groups Showed a Drop but Still Significant Regional Support



FIG. 2.15: Q-57. Thinking about the reasons why armed opposition groups have been fighting during the past year, in general, would you say that you have a lot of sympathy, a little sympathy, or no sympathy at all for these groups? (percentage who say "a lot" or "a little" sympathy)

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Asia Foundation, Afghanistan in 2014, A Survey of the Afghan People, November 2014, pp. 46.

Figure IV.11: Langer Research Associates and D3 Systems Poll Results Reflecting Results of Questions on Support for the Taliban and Armed Opposition Groups – Part One

Langer Research Associated and D3 Systems poll showed Taliban fighters were still popular but that they still had significant support and it was rising.

	Support			Oppose			
	NET	Strongly	Somewhat	NET	Somewhat	Strongly	No opinion
11/12/14	21	6	16	78	24	54	1
11/13/10	11	3	8	88	21	67	1
12/23/09	10	3	7	88	19	70	2
1/12/09	8	2	6	90	20	70	2
11/7/07	5	1	4	92	19	73	3
10/19/06	5	1	3	94	14	81	1

The same was true of Jihadi fighters from other countries

	Support			Oppose			
	NET	Strongly	Somewhat	NET	Somewhat	Strongly	No opinion
11/12/14	21	6	16	78	24	54	1
11/13/10	11	3	8	88	21	67	1
12/23/09	10	3	7	88	19	70	2
1/12/09	8	2	6	90	20	70	2
11/7/07	5	1	4	92	19	73	3
10/19/06	5	1	3	94	14	81	1

Over the past 12 months, would you say the Taliban in Afghanistan have grown stronger, grown weaker, or remained about the same?

	Stronger	Weaker	About the same	No opinion
11/12/14	34	36	29	1
4/18/12	18	48	31	4
11/13/10	31	33	33	3
12/23/09	30	40	25	5
1/12/09	43	24	25	8
11/7/07	42	24	26	8

Who would you rather have ruling Afghanistan today: the current government or the Taliban?

	Current government	Taliban	Other (vol.)	No opinion
11/12/14	92	4	1	3
4/18/12	89	4	4	4
11/13/10	86	9	1	5
12/23/09	90	6	*	3
1/12/09	82	4	10	4
11/7/07	84	4	6	6
10/19/06	88	3	4	5

**Figure IV.11: Langer Research Associates and D3 Systems Poll
Results Reflecting Results of Questions on Support for the
Taliban and Armed Opposition Groups – Part Two**

Do you think the government in Kabul should negotiate a settlement with Afghan Taliban in which they are allowed to hold political offices if they agree to stop fighting, or do you think the government in Kabul should continue to fight the Taliban and not negotiate a settlement?

	Negotiate with Taliban	Continue fighting	No opinion
11/12/14	71	27	2
3/18/14	73	26	2
9/30/13	68	30	3
4/18/12	75	22	3
2/3/12	74	24	2
11/13/10	73	23	4
5/24/10	76	22	3
12/23/09*	65	28	7
1/12/09	64	25	11
11/7/07	60	32	8

*12/09 and prior: "and not negotiate a settlement" was "and not enter into these negotiations."

What if an agreement to stop the fighting ceded control over certain provinces to the Taliban – would you be very willing, somewhat willing, not so willing, or not willing at all to accept such an agreement?

	--- More willing ----			----- Less willing -----			
	NET	Very	Somewhat	NET	Not so	Not at all	No opinion
11/12/14	39	17	22	60	16	44	1
11/13/10	37	13	24	61	16	45	2

What if an agreement to stop the fighting allowed the Taliban to join the Afghan National Security Forces (ANA, ANP, ANSF, ANBP or ALP) – would you be very willing, somewhat willing, not so willing, or not willing at all to accept such an agreement?

	--- More willing ----			----- Less willing -----			
	NET	Very	Somewhat	NET	Not so	Not at all	No opinion
11/12/14	59	29	31	39	19	21	1

Source: Langer Research Assistants and D3 Systems, Inc., ASCOR, *Afghan Futures Wave 6, Topline Data Report*, January 29, 2015, www.acsor-surveys.com. This survey was, "based on in-person interviews with a random national sample of 2,051 Afghan adults Nov. 4-12, 2014. Results for the full sample have a margin of sampling error of plus or minus 2.5 percentage points, including design effects. Field work was carried out by the Afghan Center for Socio-Economic Research in Kabul, with sampling, oversight and data processing by D3 Systems of McLean, Va. See www.acsor-surveys.com for methodological details."

Mixed Data on Popular Support for the ANSF

It is also worth noting that the US data on the popularity of the ANSF differ from polls from other sources. **Figure IV.12** shows polling data released by the Department of Defense in October 2014 that are generally reassuring in terms of popular support for the ANA, ANP, and central government relative to the Taliban – although ABC and other polls have shown a more negative trend over time.

The following data showing the results of an Asian Foundation poll asking who brings the most security to your area seems to reflect the fact that most of the Afghans polled have not been exposed to conflict that involved ANA forces. Most people do not see regular forces fight or operate near them and do see the police.

It is also interesting to note the contrast between these results and the data in the Asian Foundation poll in response to questions on which service is honest and fair and which does most to preserve security. The ANP gets better ratings than the ANA for honest and fair in spite of other polling data reflecting a high level of corruption, and the ANA gets a better rating for overall help security in spite of the much higher rating the ANP got for maintaining local security.

It is also interesting to note that the polling data on fear by activity show that Afghans are much less happy with both the ANA and ANP when they actually come into contact with them – although Afghans had a much greater fear of contact with ISAF. This is a warning that the future conduct and capability of Afghan forces will be a critical factor in shaping popular perceptions of the government and security forces, and in both Vietnam and Iraq, tension with the national security forces increased significantly after US advisors left and the level of local conflict increased.

It is the kind of polling data in **Figure IV.13** and **Figure IV.14**, however, that deserves the most attention. The results in **Part Two of Figure IV.12** show that Afghan perceptions vary sharply by area and provide another important warning about the dangers of focusing on nationwide results when conflict and insurgent activity varies so much by area. At the same time, some results do reflect a consistent Afghan popular focus on material well being and security, with little focus on the ANA and ANP per se -- as well as on governance outside the greater Kabul area.

These results, however, may have been shaped by the fact most Afghans did not see a serious risk of the renewal of conflict in their areas in 2014. They could become far more negative if the ANSF is not able to keep the fighting and other insurgent activity from spreading into populated areas in 2015, 2016, and beyond. As is clear from the previous analysis, this is a very real risk.

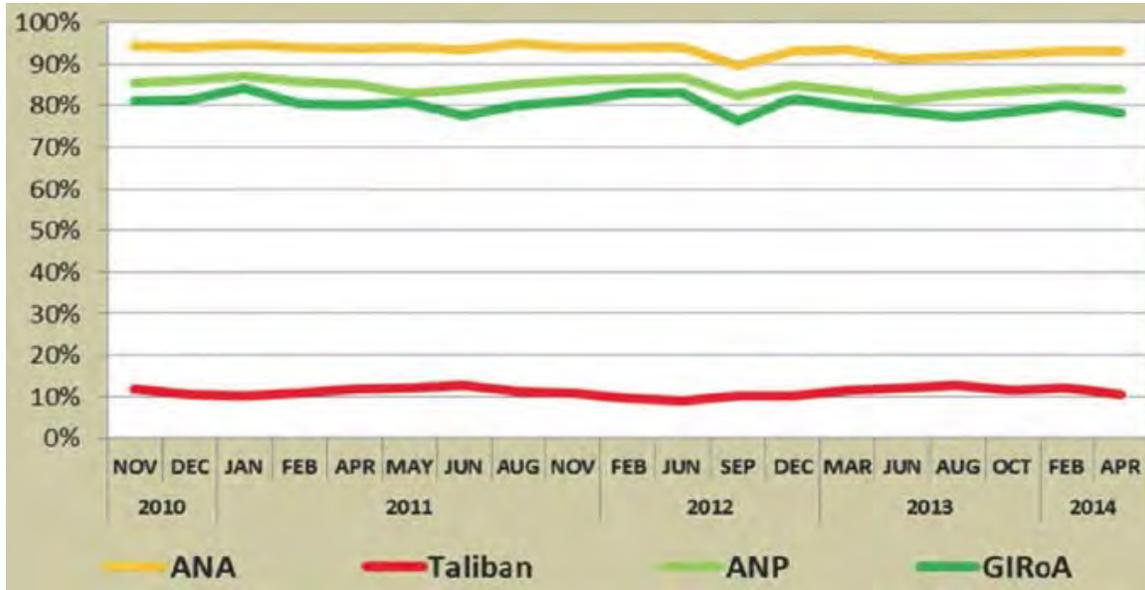
Figure IV.14 shows the results of a different survey at the time of transition by Langer Research Associated and D3 Systems. It provides interesting trend data on Afghan perceptions of US/ISAF, the threat and Afghan forces.

- **Part One** shows that Afghans have mixed perceptions of the causes of violence, but most of the blame for violence on the Taliban, Foreign jihadists, and the mistakes of their political leaders – especially Karzai.

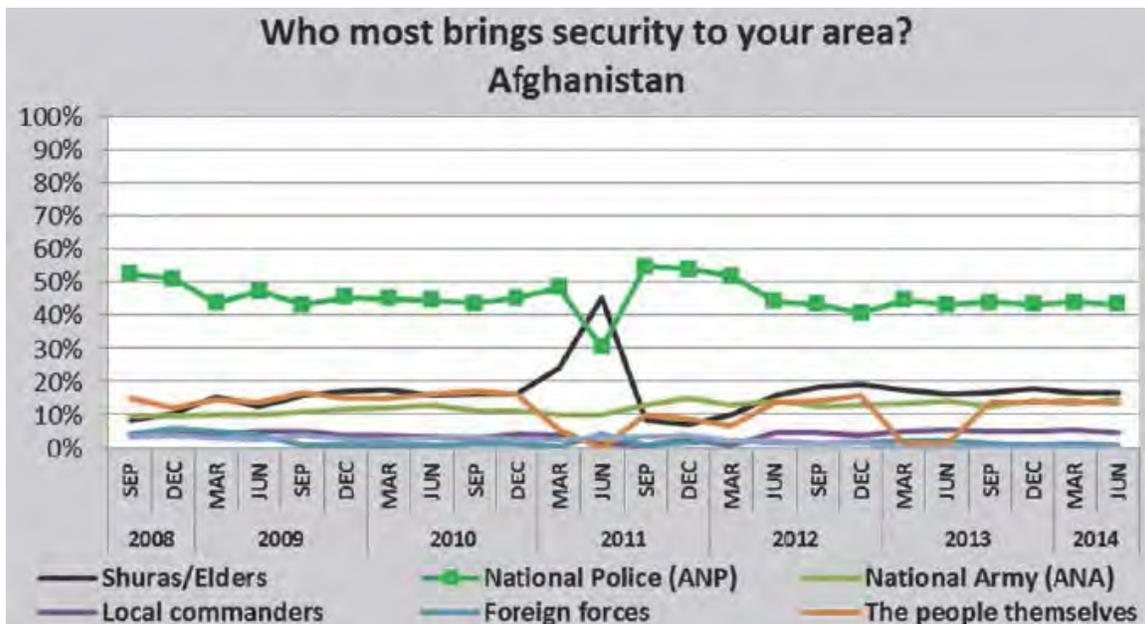
- They supported the presence of US and ISAF forces by margins of 67% to 77%, they also supported the presence of Taliban and ISAF fighters to the extent of 21% to 31%. – a fifth to nearly third of the total population
- **Part Two** shows that Afghans gave the various ANSF more credit for readiness, and less credit for equipment stocks, than they deserve. At the same time, they also saw a need for more US and outside support than the US and allies planned to provide. ⁸⁸

Figure IV.12: Department of Defense Poll of the Popularity of the Afghan Government, ANSF, and Taliban

DoD Report Estimate of Percentage of Afghan Survey Respondents that have a *Very Favorable* or *Somewhat Favorable* View of the Afghan Government, Afghan Security Forces, and the Taliban



DoD Report Estimate of Percentage of Afghan Survey Respondent Answers to Question of “Who Most Brings Security to Your Area?”



Source: Department of Defense, *Report on Progress in Afghan Security and Stability*, October 2013, 17; April 2014, 11; October 2014, 26.

Figure IV.13: Asian Foundation Poll Results Showing Perceptions of Security and the ANSF – Part One

Asian Foundation Survey of Popularity of the ANA and ANP

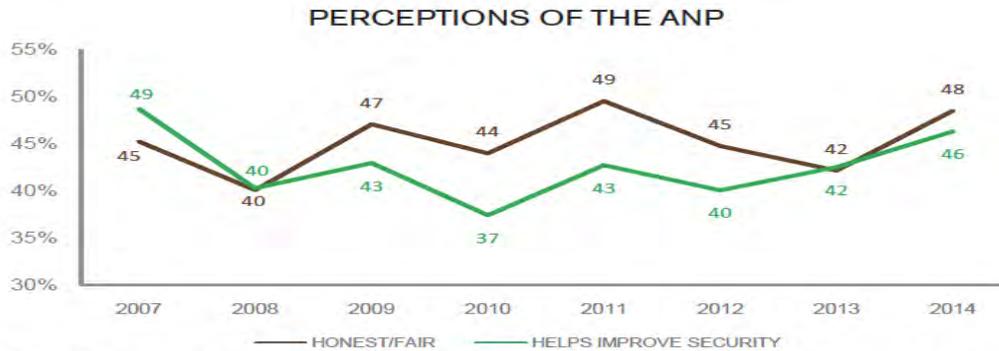


FIG. 2.10: Q-18A. Please tell me if you agree or disagree with each statement: a) The ANP is honest and fair with the Afghan people; b) The ANP helps improve security in Afghanistan. (percentage who “strongly agree”)

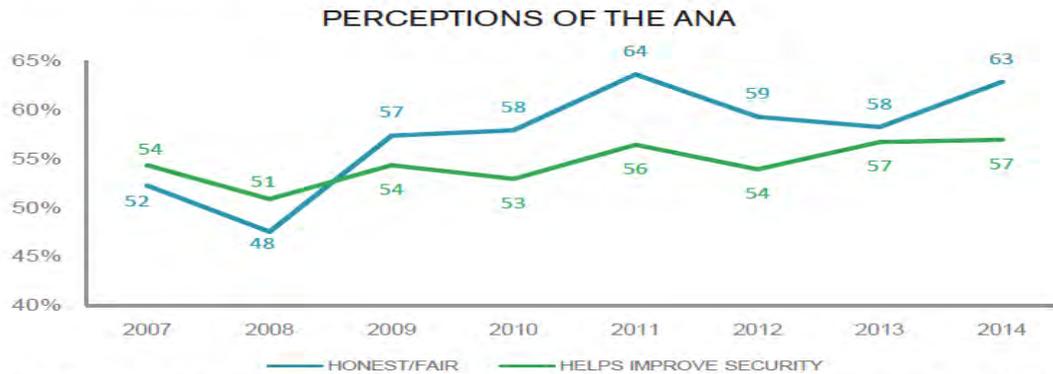


FIG. 2.11: Q-17A. Please tell me if you agree or disagree with each statement: a) The ANA is honest and fair with the Afghan people; b) The ANA helps improve security. (percentage who “strongly agree”)

LEVEL OF FEAR BY ACTIVITY

ACTIVITY	NO FEAR	SOME FEAR	A LOT OF FEAR	REFUSED	DON'T KNOW	TOTAL
	%	%	%	%	%	%
VOTING IN A NATIONAL / PROVINCIAL ELECTION	54	37	9	0	0	100
PARTICIPATING IN A PEACEFUL DEMONSTRATION	28	45	25	1	2	100
RUNNING FOR PUBLIC OFFICE	25	45	26	1	3	100
ENCOUNTERING ANP	54	33	12	0	1	100
ENCOUNTERING ANA	58	29	12	0	1	100
TRAVELING FROM ONE PART OF AFGHANISTAN TO ANOTHER PART OF THE COUNTRY	23	50	26	0	1	100
ENCOUNTERING INTERNATIONAL FORCES	22	44	32	0	1	100

FIG. 2.3: Q-31. I will read you a list of different activities that you could participate in. Please, tell me whether you would participate in the following activities with no fear, some fear, or a lot of fear?

Source: Asia Foundation, *Afghanistan in 2014: A Survey of the Afghan People*, November 2014, 34 & 42.

Figure IV.13: Asian Foundation Poll Results Showing Perceptions of Security and the ANSF – Part Two

Asia Foundation Estimate of relative Popularity by Region

REASONS FOR RIGHT DIRECTION: BY REGION

	CENTRAL / KABUL	EAST	SOUTH EAST	SOUTH WEST	WEST	NORTH EAST	CENTRAL / HAZARAJAT	NORTH WEST
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
RECONSTRUCTION / REBUILDING	40	34	28	29	24	44	30	44
GOOD SECURITY	36	28	22	36	24	35	52	39
IMPROVEMENT IN EDUCATION SYSTEM	18	12	18	20	10	13	20	11
DON'T KNOW	17	5	9	10	13	9	32	10
HAVING ACTIVE ANA AND ANP	5	16	19	15	10	8	1	8
ECONOMIC REVIVAL	10	10	7	12	10	7	6	5
DEMOCRACY / ELECTIONS	14	7	10	5	6	8	4	7
PRESIDENTIAL ELECTIONS	7	14	15	5	7	7	4	5
SCHOOLS FOR GIRLS HAVE OPENED	8	6	10	9	11	7	2	4

FIG. 1.4: Q-2A/B. (Ask if answered "1 - Right direction" to Q-1) What are two reasons that Afghanistan is going in the right direction? (Q-2A and Q-2B responses combined)

Source: Asia Foundation, *Afghanistan in 2014: A Survey of the Afghan People*, November 2014, 19.

**Figure IV.14: Langer Research Associates and D3 Systems Poll
Results Reflecting Results of Questions on Perceptions of
Security – Part One**

How would you rate security from crime and violence: very good, somewhat good, somewhat bad or very bad?

	----- Good -----			----- Bad -----			No opinion
	NET	Very	Somewhat	NET	Somewhat	Very	
11/12/14	60	20	40	39	31	8	*
11/13/10	57	16	41	42	32	11	1
12/23/09	55	16	38	43	31	12	2
1/12/09	55	15	40	42	29	13	3
11/7/07	66	16	50	33	24	8	1
10/19/06	69	20	49	30	25	6	0
10/18/05	72	28	45	24	19	5	3

Who do you blame the most for the violence that is occurring in the country?

	11/12/14	4/18/12	11/13/10	12/23/09	1/12/09	11/7/07
Taliban	36	38	33	42	27	36
Al Qaeda/Foreign jihadis	17	17	20	24	22	22
U.S./American forces	8	15	14	5	12	9
Obama/Bush/ U.S. government/America	4	6	7	2	6	7
Local commanders/Warlords	5	5	7	7	6	6
Drug traffickers	4	3	4	6	4	6
Afghan government/ Karzai/Ghani*	14	5	6	6	12	5
Afghan forces	4	3	3	1	3	2
NATO/ISAF forces	4	6	3	3	3	3
Neighboring countries	3	2	1	1	3	2
Criminals	0	0	*	*	*	0
Jobless people	0	0	*	1	*	0
Other	1	*	*	1	0	*
No opinion	1	1	1	1	1	2

*Ghani 11/12/14; Karzai previously.

Do you strongly support, somewhat support, somewhat oppose or strongly oppose the presence of the following groups in Afghanistan today? Summary Table – 11/12/14

	----- Support -----			----- Oppose -----			No opin.
	NET	Strongly	Somewhat	NET	Somewhat	Strongly	
a. United States military forces	77	31	45	23	16	7	*
b. NATO/ISAF military forces	67	25	41	33	22	10	1
c. Jihadi fighters from other countries	31	8	23	69	27	42	1
d. Fighters from the Taliban	21	6	16	78	24	54	1
e. Foreign aid organizations	79	34	44	21	16	5	1
Trend:							

Source: Langer Research Assistants and D3 Systems, Inc.; ASCOR, *Afghan Futures Wave 6, Topline Data Report*, January 29, 2015, www.acsor-surveys.com. This survey was, “based on in-person interviews with a random national sample of 2,051 Afghan adults Nov. 4-12, 2014.

**Figure IV.14: Langer Research Associates and D3 Systems Poll
Results Reflecting Results of Questions on Perceptions of
Security – Part Two**

Afghan and American leaders have signed an agreement that will keep a small number of U.S. forces in our country for the next year. Their roles include training the ANA and ANP, and providing support against counter-insurgency. Which of these is your preference:

	Current plan	More forces/ larger role	Fewer forces/ smaller role	No forces	No opinion
11/12/14	24	46	19	10	1

Do you think Afghan security forces currently do or do not have: Summary Table – 11/12/14

	Do have	Do not have	No opinion
a. the training they need to protect Afghanistan	73	26	1
b. the equipment they need to protect Afghanistan	48	51	1

Do you think ISAF should play a major role, a minor role or no role: Summary Table – 11/12/14

	----- Role -----				
	NET	Major	Minor	No role	No opinion
a. in training Afghan security forces past 2016	95	65	29	5	1
b. in providing equipment to Afghan security forces past 2016	91	58	34	8	1

Source: Langer Research Assistants and D3 Systems, Inc.; ASCOR, *Afghan Futures Wave 6, Topline Data Report*, January 29, 2015, www.acsor-surveys.com. This survey was, “based on in-person interviews with a random national sample of 2,051 Afghan adults Nov. 4-12, 2014.

V. Problems in Developing an Effective ANSF

The unclassified data on the trends in the fighting in the previous chapter raise serious questions about the President Obama's May 2014 decisions. Getting the US effort down to 9,800 by the end of 2014, cut them in half by the end of 2015, and virtually eliminate a US presence by the end of 2016 assumed something close to victory within two years.

Even at the start of 2015, it meant the advisory and support effort had been largely eliminated at the Kandak and small combat unit level during the course of US force withdrawal from the field. Keeping so low a level of US troops at the start of 2015 meant there would not be enough US forces to provide effective advisory efforts for every Afghan corps at the start of the year and that coverage of any given corps would have to drop steadily during 2015 and be minimal or eliminated during the course of 2016.

The President's May 2014 decisions also limited the number of enablers and the size of intelligence support to levels significantly below what senior military commanders had initially advised. They meant that the US would have to concentrate many of the remaining 4,800 to 5,500 personnel at Bagram by the end of 2015, and there would only be a few hundred advisors in an Office of Military Cooperation in the US Embassy in Kabul after the end of 2016.⁸⁹ They also meant the US and ISAF would only token air assets and no real land combat capability to deal with the 2015 campaign season, and that the cuts to come during 2015 and would have virtually no capability in 2016.

The 9,800 personnel decision did not include a small US counterterrorism force that the US said would be deployed, but did not quantify or describe for security reasons. Administration sources did, however, indicate that the US would make major cuts in its intelligence effort. Press sources also reported that similar cuts were also taking place in the US military counterterrorism force and CIA and civilian intelligence.

The CIA was to go from the largest CIA station in the world, with a staff approaching 1,000 to one below 200, and virtually eliminate its drone strike capability – which had already dropped from a peak of around 122 in 2010 to 72 in 2011, 48 in 2012, 28 in 2013, and only seven through mid-September 2014. It was far from clear that the US would either have a meaningful counterterrorism capability to operate in either Afghanistan or Pakistan after mid-2015, or the ability to support Afghan army and police forces with the technical intelligence they would desperately need at the Corps level and in the field.⁹⁰

It is also important to note that the timing of these decisions through 2016 effectively deprived the next President of any real options to change to situation. They made it extremely difficult for the new President to reverse course once almost US forces had gone and impossible if the ANSF had already suffered major defeats.

The Question of Size and Cost

All of the factors affecting the development of ANSF, and its ability to meet threat have to be put in the perspective of what Afghanistan can afford and can sustain over time. The subject of Afghan funding capability and what future levels of aid are credible has been debated since the first efforts to create Afghan forces, and “affordability” was one of the reasons the US and ISAF were slow to push the development of the ANSF during 2002-2006.

None of these issues have diminished with time. Earlier plans to reorganize and cut the ANSF at some point after Transition seem to have been abandoned or delayed, or simply left in limbo. There is no public future development plan for any element of the ANSF, and has been shown earlier, many aspects of force development are awaiting decisions by a new government that did not yet exist at the end of 2014.

Somewhat arbitrary total cost figures of \$4.1 billion to \$5.1 billion a year have been quoted in various reports, but there are too few details on how such totals have been developed, and how the funds involved will be allocated, to given any such totals much credibility. Asserting the same total repeatedly without explanation does not make it more credible.

The US has, however, provided its own estimates of what the ANSF would cost in terms of the Afghan budget, US aid, and other international aid, -- through FY2016 – assuming no change took place in the Afghan Tashkil in terms of force structure and manning and equipment goals through FY2016, and the post-Transition budget did not have to adapt to the lessons of the fighting in 2015 and 2016.⁹¹

Taken together, these estimates provide at least some idea of the present cost of Afghan forces, and possible costs for the future.

- **Figure V.1** shows the patterns in US security assistance to Afghanistan through 2014. The total US funding reached \$69.04 billion or 64% of a total of \$107.48 billion in US aid appropriations from FY2002 to December 31, 2014. (\$8.01 billion of these funds support counternarcotics initiatives which crosscut both the security (\$4.20 billion) and governance and development (\$3.81 billion) categories.)

This security aid had five elements: Afghan Security forces Fund (ASSF) (\$60.67 billion), Commander's Emergency Relief Fund (CERP) (\$3.68 billion), Afghan Infrastructure Fund (AIF) (\$1.04 billion), Task Force for Business and Stability Operations (TFBSO) (\$0.81 billion), and DoD Counter-Narcotics (DoD CN). The ASSF and AIF were the key elements actually building and supporting Afghan forces and totaled \$61.71 through 2014.⁹²

SIGAR reports that two of the seven major reconstruction funds—the Afghanistan Infrastructure Fund (AIF) and the Task Force for Business and Stability Operations (TFBSO)—did not receive an appropriation for FY 2015. While many AIF-funded projects are still in progress with a significant amount remaining to be disbursed, the TFBSO planned to cease operations by March 31, 2015.

The Consolidated and Further Continuing Appropriations Act, 2015, appropriated nearly \$4.11 billion for the ASFF for FY 2015, increasing total cumulative funding to more than \$60.67 billion. As of December 31, 2014, more than \$52.35 billion of total ASFF funding had been obligated, of which nearly \$50.74 billion had been disbursed Security aid had dropped sharply during FY2011 to FY2013, but had become more level in FY2014 and FY2015. **Figure V.1** shows that the security aid for FY2014 totaled \$5.34 billion and the request from FY2015 was \$4.277 billion.

- **Figure V.2** shows the President's FY2016 budget request for aid to the ANSF. It covers the calendar period from October 2015 to October 2016. As **Part Two of Figure V.2** shows, the US does not budget for changes in the size and structure of the ANSF after FY2014, and the broad trends in spending tacitly assume that no major conditions-based or other changes take place in the ANSF or course of the fighting. As result, **Part One** shows the US phases out infrastructure funding for the ANA during FY2015-FY2016, and sharply cut its equipment funding, while keeping sustainment funding relatively high. ANP sustainment funding is increased sharply in FY2015 and FY2016 to compensate for cuts international funding, infrastructure funding is phased out, and equipment funding is increased in FY2016 because the backlog of prior equipment funding is exhausted.
- **Figure V.3** shows a US Department of Defense estimates of the ANA and ANP to the Afghan budget. It is far from clear how these costs are derived, since they are only a tiny fraction of the total Afghan security budget, total past US aid, and the much larger \$4.1 to \$5.1 billion total often being estimated for the total Afghan budget and grant aid costs of the ANSF,

- **Figure V.4** shows the combined cost of the ANSF in terms of the Afghan budget, US Aid, and other international aid in FY2016. It is clear from this Figure that the Afghan government is expected to pay for only a relatively small part of the ANSF. The NATO Afghan National Army Trust Fund (NATF) will cover about 10% of the total cost of the ANSF, with all of the money going to the ANA. The Law and Order Trust Fund Afghanistan (LOFTA) – an international fund where the US is the major donor – will pay for a substantial part of the cost of the police. The US Afghan Security Forces Fund (ASSF) will be the major source of aid and pay for more than 75% of the total. It should be stressed that this funding request does not allow for any change in the manning and equipment strength or Tashkil of Afghan forces beyond the FY2014 level and is only a nominal estimate of Afghan needs that does not allow for any lessons to emerge from the fighting in 2015.
- **Figure V.5** provides a World Bank estimate that highlights the problem in terms of Afghan budget expenditures on security. It should be stressed, however, that the costs included do not equal the estimates of US and ISAF experts, and that the rises shown in these costs illustrate the fact that much will depend on the future intensity of combat. It is equally clear that no one can predict the level of outside imports and support that will be required until the ANSF stand fully on their own – a process that is not currently scheduled to be complete until the end of 2016.

The end result is a fiscal mess with no clear plan for the future, uncertain sustainability, and massive dependence on outside US aid.

Figure V.1: US Grant Aid to Afghan Security Forces Versus US Estimate of On Budget Costs of ANA and ANP

US Annual Aid Expenditures on Afghan Security Forces

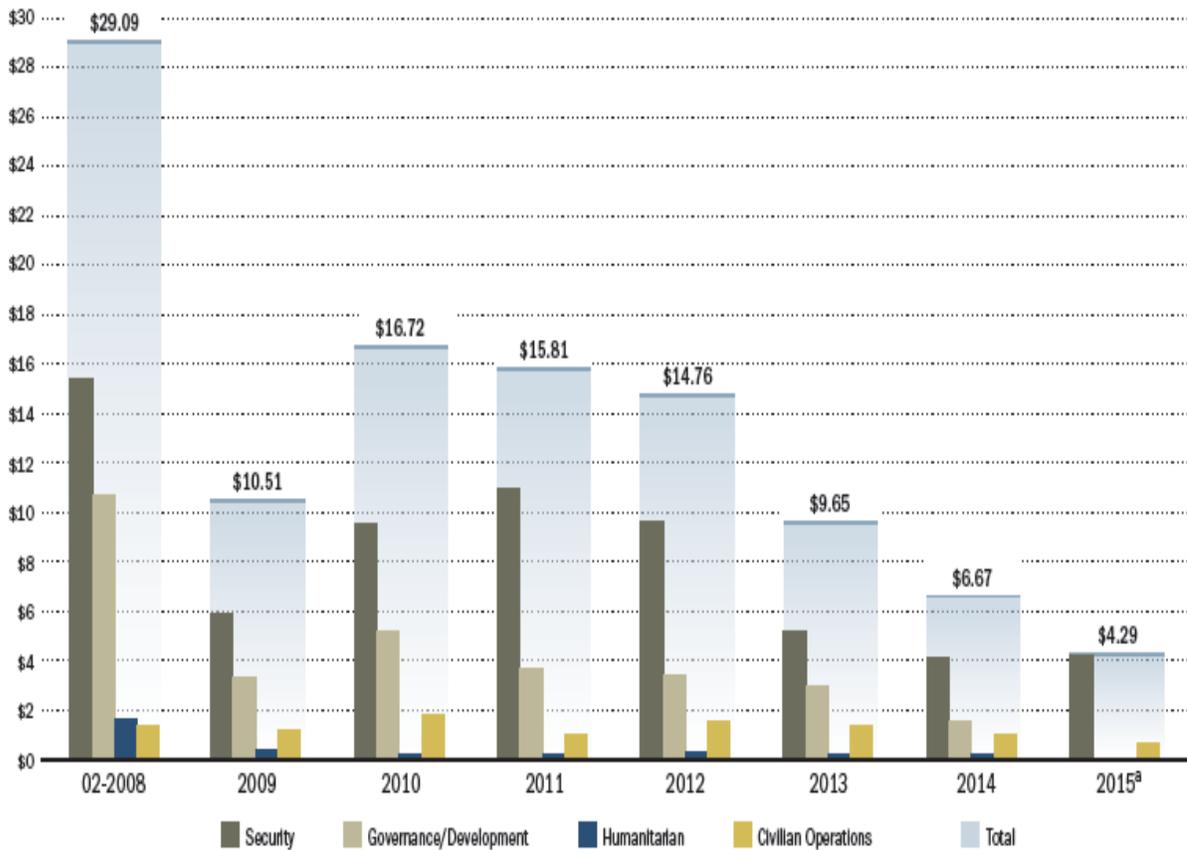
ASFF: Afghanistan Security Forces Fund

CERP: Commander's Emergency Response Program

AIF: Afghanistan Infrastructure Fund

TFBSO: Task Force for Business and Stability Operations

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



Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF. DOD reprogrammed \$1 billion from FY 2012 ASFF. Pub. L. 113-6 rescinded \$1 billion from FY 2012 ASFF. DOD reprogrammed \$178 million from FY 2013 ASFF. Pub. L. 113-235 rescinded \$764.38 million from FY 2014 ASFF. DOD transferred \$101 million from FY 2011 AIF and \$179.5 million from FY 2013 AIF to the ESF to fund infrastructure projects implemented by USAID.

Source: SIGAR, Quarterly Report to Congress, January 30, 2015, 79, <http://www.sigar.mil/pdf/quarterlyreports/2014-10-http://www.sigar.mil/pdf/quarterlyreports/2015-01-30qr.pdf>.

**Figure V.2: President's Aid Request for Afghan Security Forces
in the FY2016 Budget Submitted in February 2015 – Part One**

US Budget Request for Aid to the ANSF in Current \$US Thousands

Budget Activity 1, Afghan National Army (ANA)	FY 2014¹	FY 2015 Appropriated	FY 2016 Request²
Sustainment	1,276,536	2,514,660	2,214,899
Infrastructure	122,800	20,000	
Equipment and Transportation	1,095,478	21,442	182,751
Training and Operations	532,577	359,645	281,555
Total Afghan National Army	\$3,027,391	\$2,915,747	\$2,679,205
Budget Activity 2, Afghan National Police (ANP)	FY 2014	FY 2015 Appropriated	FY 2016 Request
Sustainment	510,301	953,189	901,138
Infrastructure	17,000	15,155	
Equipment and Transportation	236,278	18,657	116,573
Training and Operations	146,975	174,732	65,341
Total Afghan National Police	\$910,553	\$1,161,733	\$1,083,052
Budget Activity 4, Related Activities (RA)	FY 2014	FY 2015 Appropriated	FY 2016 Request
Sustainment	24,395	29,603	
Infrastructure			
Equipment and Transportation			
Training and Operations		2,250	
Total Afghan National Police	\$24,395	\$31,853	\$0
Total	\$3,962,340	\$4,109,333	\$3,762,257

Note: FY 2014 column reflects the rescission of \$764.4 million from the appropriated amount of \$4,727 million. FY 2016 reflects the requested amount of \$3,762.5 million for ASFF.

Source: Office of the Secretary of Defense, *Justification for FY 2016 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF)* Department of Defense, Defense Budget, FY2016, February 2015, 3, <http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY16-J-B.pdf>.

**Figure V.2: President's Aid Request for Afghan Security Forces
in the FY2016 Budget Submitted in February 2015 – Part Two**

The FY 2016 request fully funded the ANSF based on the FY 2014 *tashkil* -- the Dari term for a manning and equipment list. It did not reflect any plans to change the ANSF during FY2015 or after Transition

ANA Force Structure	FY 2014	FY 2015	FY 2016
Combat Forces	149,651	149,651	149,651
Afghan Air Force	8,020	8,020	8,020
Institutional Forces	17,261	17,261	17,261
Afghan National Detention Facility	568	568	568
Trainees, Transients, Holdovers, Students	19,500	19,500	19,500
Total	195,000	195,000	195,000

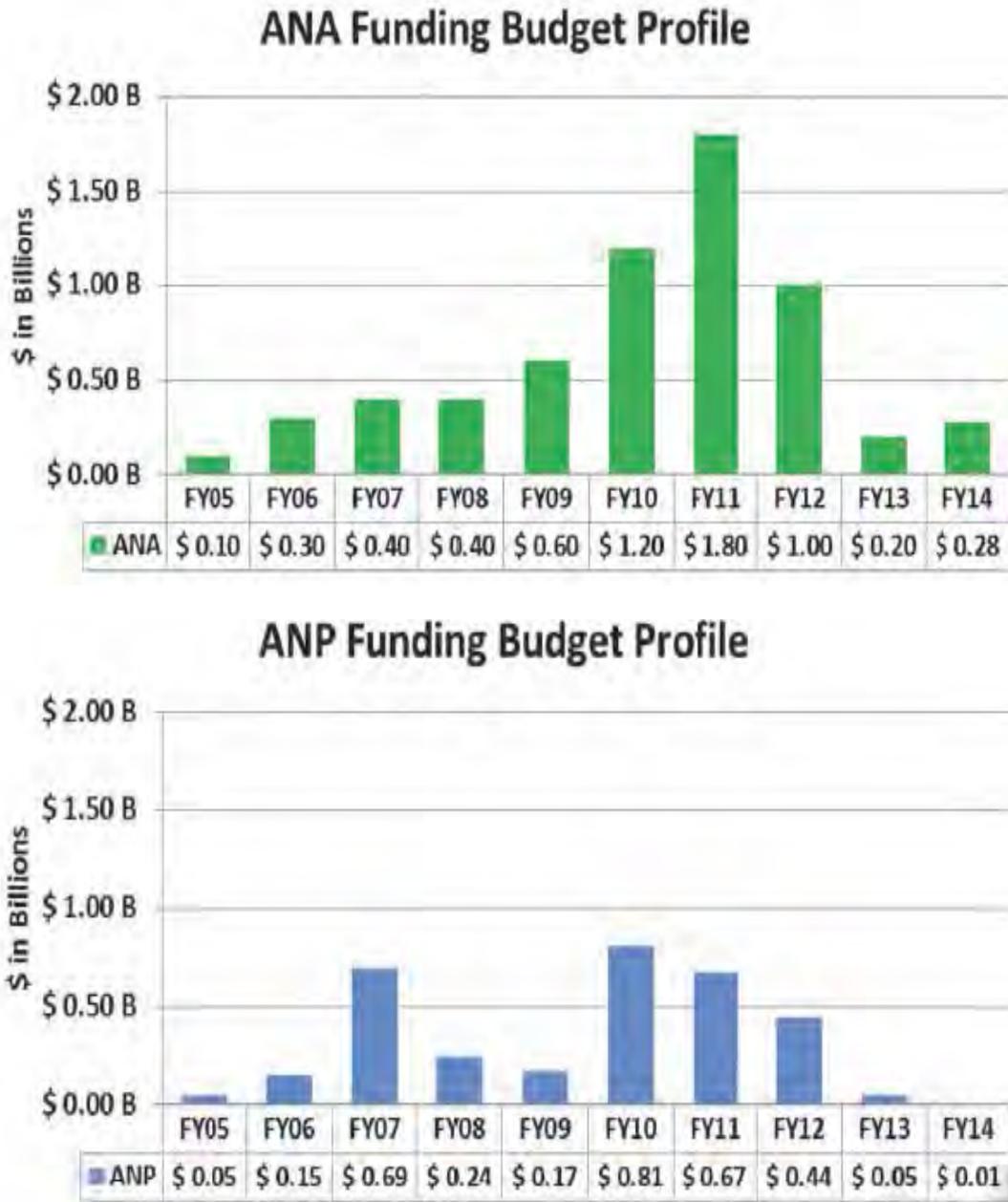
ANP Force Structure	FY 2014	FY 2015	FY 2016
Afghanistan Uniformed Police	81,420	81,420	81,420
Afghanistan National Civil Order Police	14,568	14,568	14,568
Afghanistan Border Police	23,086	23,086	23,086
Afghanistan Anti-Crime Police	8,162	8,162	8,162
Enablers & Others	16,764	16,764	16,764
Trainees, Transients, Holdovers, Students	13,000	13,000	13,000
Total	157,000	157,000	157,000

ALP Force Structure	FY 2014	FY 2015	FY 2016
District Leader	150	150	150
Checkpoint Leader	976	976	976
Guardian	28,874	28,874	28,874
Total	30,000	30,000	30,000

Source: Office of the Secretary of Defense, *Justification for FY 2016 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF)* Department of Defense, Defense Budget, FY2016, February 2015, 4, <http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY16-J-B.pdf>.

Figure V.3: US Estimate of Budget Costs of ANA and ANP

US Department of Defense estimate of ANA and ANP Afghan Budget Funding Profile



Source: Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, October 30, 2014, 61-62.

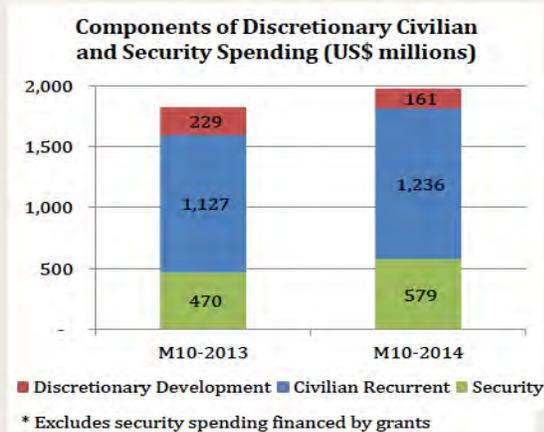
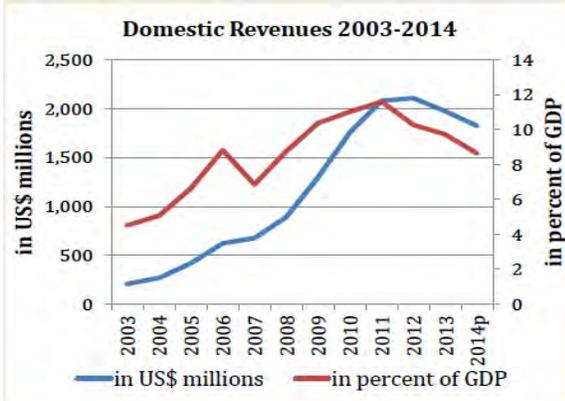
**Figure V.4: Estimate of Total ANSF Requirements in FY2016,
with Projected Funding Source**
(\$US Current Thousands)

BAG	SAG	Requirement	GIRoA	NATF	LOTFA	ASFF	GRAND TOTAL
ANA	Sust	Food/Subsistence	\$171.6				\$171.6
ANA	Sust	Incentive Pay/Pay Programs	\$22.3			\$385.9	\$408.2
ANA	Sust	Recruiting and Personnel Management		\$2.3		\$5.9	\$8.2
ANA	Sust	Rotary Wing (RW) Aircraft Sustainment		\$97.2		\$42.8	\$140.0
ANA	Sust	Basic FW & RW Sustainment		\$38.6			\$38.6
ANA	Sust	Organizational Clothing and Individual Equipment		\$50.0		\$101.8	\$151.8
ANA	Sust	Facilities SRM and O&M		\$30.0		\$41.2	\$71.2
ANA	Sust	Facilities SRM and O&M (JCIP)		\$3.3		\$25.2	\$28.5
ANA	Sust	Site Improvements and Minor Construction		\$45.0		\$73.4	\$118.4
ANA	Sust	ANASOC, KKA, SMW Secure Communications		\$4.6		\$5.5	\$10.1
ANA	Sust	Aerostat and Tower-Based ISR		\$38.9			\$38.9
ANA	Sust	Information Technology		\$62.8		\$100.3	\$163.1
ANA	Sust	Vehicle Maintenance		\$45.0		\$203.2	\$248.2
ANA	Sust	Medical Consumables		\$30.5		\$25.4	\$55.9
ANA	Sust	ANA Mortuary Affairs		\$0.2			\$0.2
ANA	Sust	Women in the ANSF		\$10.0		\$5.0	\$15.0
ANA	Sust	Explosive Ordnance Disposal (EOD) and CIED Repair Parts		\$2.5			\$2.5
ANA	Train	Fixed-Wing Pilot Training		\$10.5		\$59.1	\$69.6
ANA	Train	Out of Country Fixed Wing Pilot Training		\$10.0		\$29.6	\$39.6
ANA	Train	Ministry of Defense, Advisors/Trainers		\$3.5		\$55.3	\$58.8
ANA	Train	Language Training (English Language ID/IQ Contract)		\$9.6		\$0.8	\$10.4
ANA	Train	Literacy Training		\$3.9			\$3.9
ANP	Sust	Police Salaries			\$271.4	\$8.3	\$279.7
ANP	Sust	Police Food/Subsistence	\$41.8			\$96.3	\$138.1
ANP	Sust	Civilian Salaries	\$14.2				\$14.2
ANP	Sust	Hazard Duty Pay			\$90.7		\$90.7
ANP	SUST	ANP Temp Pay			\$113.7		\$113.7
ANP	Sust	ANP Special Bonus Pay			\$24.2		\$24.2
ANP	Sust	ANP Mortuary Affairs	\$0.1				\$0.1
ANP	Train	Language Training (Textbooks/Teaching Material)		\$1.5		\$0.1	\$1.6
Total Contributions for Shared Requirements			\$250.0	\$499.9	\$500.0	\$1,265.0	\$2,514.8
ASFF Contribution for Requirements Not Shared						\$2,497.3	\$2,497.3
GRAND TOTAL ALL ANSF REQUIREMENTS (FY16/SY1395)			\$250.0	\$999.9		\$3,762.3	\$5,012.1

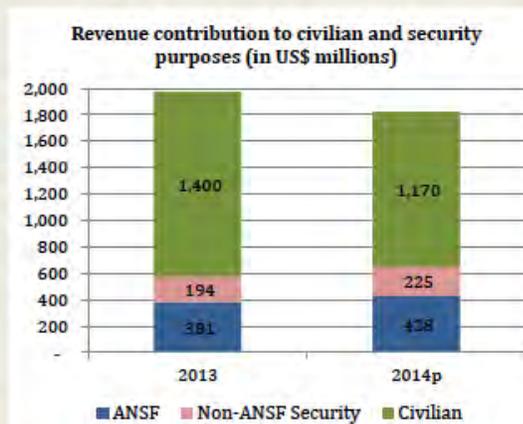
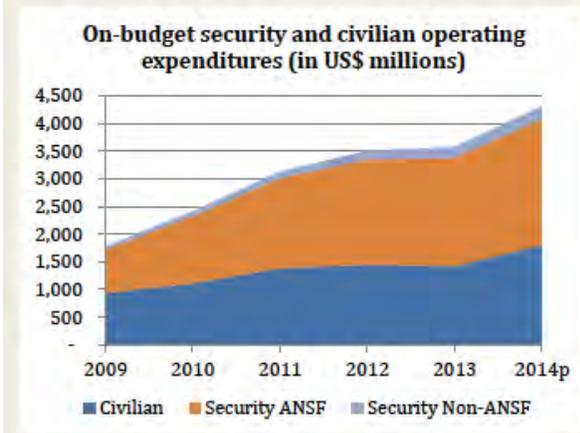
Source: Office of the Secretary of Defense, *Justification for FY 2016 Overseas Contingency Operations (OCO) Afghanistan Security Forces Fund (ASFF)* Department of Defense, Defense Budget, FY2016, February 2015, 72, <http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY16-J-B.pdf>.

Figure V.5: Uncertain World Bank Estimates of the Budget Impact of the ANSF (Less Foreign Grants)

- Revenues projected at 8.7% of GDP in 2014, down from 11.6% in 2011 (due to the economic slowdown plus weaknesses in enforcement)
- In first 10 months of 2014, a large unfinanced fiscal gap led to depleted cash balances and accumulating arrears
- Expenditures were higher due to security and mandated social spending



- Risks from security expenditure pressures exacerbated by a number of factors:
 - Uncertain revenue prospects and rising revenue contribution to security
 - Rising non-ANSF security spending, which need to be fully financed by revenues
 - Potential mismatch between security needs and Chicago financing scenarios (e.g. troop levels), with residual financing needs falling on revenues



Source: World Bank, *Afghanistan: Transition Economics Update*, November 27, 2014, 7, 12.

Uncertain Progress in the ANSF

It is hard to assess just how serious the complex mix of limitations in the ANSF at the point of Transition really are. Unclassified ISAF and Department of Defense reporting has only hinted at how the US and its allies intend to carry out the detailed aspects of the “train and assist” mission in Afghanistan after the end of 2014, what their assessment is of the probable combat situation, how the steadily declining advisory effort will work, how Afghan forces will be reshaped and funded, and how the ISAF command will change.

Grossly Over-classifying Data on Afghan Combat and Police Forces for Political Ends

ISAF and the US have also cut back sharply on public reporting on the weaknesses in Afghan forces that have been addressed in past US Department of Defense semiannual “1230” reports since 2012.

The last report before the end of 2014 – the October 2014 edition of the DOD *Report on Progress Toward Security and Stability in Afghanistan* – classified all of the past detail on progress in the readiness of Afghan army units, and ceased to provide metrics on the Ministry of Defense, and Ministry of Interior – although it did reveal continuing critical problems with attrition in the Afghan Army and ANP.

This cutback in reporting was excused on the ground of security although the data had been unclassified for the previous six years. It was criticized by the Special Inspector General for Afghan Reconstruction (SIGAR) in its quarterly report for the same period, and again in its next report on January 30, 2015.⁹³

Last quarter SIGAR expressed concern about ISAF’s decision to classify a key measure of ANSF capabilities, the executive summary of the Regional ANSF Status Report (RASR). This quarter the new NATO-led Resolute Support Mission (RSM) that has taken over from ISAF went much further, classifying additional data that SIGAR has been using in every quarterly report for the past six years to discuss the progress of the ANSF, the MOD, and the MOI.

Every quarter SIGAR sends out a request for data to U.S. implementing agencies in Afghanistan with a list of questions about their programs. This quarter SIGAR received its data call responses from USFOR-A in the usual unclassified format on December 29, 2014. Five days later, SIGAR received an email stating that RSM planned to retroactively classify many of the responses. On January 8, Special Inspector General Sopko requested that Resolute Support Commander General John F. Campbell have his staff review the classification of the responses to SIGAR’s data call.

On January 14, SIGAR was informed that its data call responses concerning ANSF strength, equipment, infrastructure, anticorruption measures and many other matters had been classified under NATO guidelines at the Secret, Confidential, or Restricted levels. On January 16, SIGAR received an update that three of those responses had been changed back to unclassified, leaving the vast majority classified.

The classification of this volume of data for SIGAR’s quarterly report is unprecedented. The decision leaves SIGAR for the first time in six years unable to publicly report on most of the U.S.-taxpayer-funded efforts to build, train, equip, and sustain the ANSF. On January 18, General Campbell wrote the Special Inspector General a memo explaining why information that had previously been unclassified was now being treated as classified. The memo is reprinted in full in Appendix F of this report.

The types of data classified are addressed in the Security and Governance chapters of this section. The actual questions SIGAR asked—the responses to which RSM classified—are listed in Appendix E of this report. As authorized by its enabling statute, SIGAR will publish a classified annex containing the classified data.

While protests by SIGAR and other critics did lead ISAF and the Department of Defense to say they would declassify some of this material in February 2015, they did not provide any new data, and it was unclear what data would actually be release in the future.⁹⁴

Issuing Meaningless Metrics on ANSF Capability

The end result was that the only unclassified readiness reporting available at the actual time of Transition at the end of 2014 used a new reporting system that eliminated the ability to do trend analysis, and was limited to the data shown in chart shown in **Figure V.6**. This chart lumped all ANA units together at the corps and division level, and only ranked ANP units in terms of their major headquarters.

Regardless of what may be declassified in the future, it is hard to see this cutback in the scope of reporting as anything other than one more step to politicize the data, cover up the problems and challenges in Transition, and proceed with the current cutbacks in the US advisory level and overall manning effort to fixed deadlines, regardless of the need for conditions based efforts and the problems in the ANSF.

The possibility that cutbacks in the data had political motives is reinforced by the fact that the decision to classify only came after came after Lieutenant General Joseph Anderson – then commander of the ISAF Joint Command -- spoke frankly about the problems in the ANSF to the press. As SIGAR noted in its January 2015 report,⁹⁵

He said that the level of casualties in Afghan forces were not sustainable, nor were their desertion rates...He added that the police and the army do not work together. He said the Afghan Uniformed Police, the Afghan National Civil Order Police, and the army do not agree on who is in charge in areas in which they share security responsibility. Furthermore, ANSF units are not repairing their own equipment, yet complain they don't have resources. General Anderson attributed this problem to "pure ineptitude." However, he said at the tactical level, Afghan forces could beat the Taliban, if properly motivated. "They have always proven the more you push them and force them to be more responsible they end up coming through,"

In December, the outgoing US combat commander, Lieutenant General Joseph Anderson, addressed the challenge of sustaining Afghan troops with soaring casualties and desertions. He said nearly 20% of ANA positions were unfilled as of October and recruiting and retention were not making up for personnel losses. CBS News reported that last year was the deadliest of the war, with more than 5,000 Afghan soldiers and police killed. General John Campbell, RS Commander, said the ANSF were going out on four times as many operations last year than previously, so it could be expected to entail more casualties...

Reporters on the scene on December 8 and December, 2014, quoted Lt. General Anderson as saying,⁹⁶

I don't know if I'm pessimistic or optimistic...The fact that we are in less places, the fact that there are less of us as a coalition, is obviously concerning...It's been a hell of a year. Now everyone wants this to be in the rearview mirror, and of course we still don't have the right guys in the right places and that just causes people to not know what to do...Right now they don't have the forces, and they don't have the cooperation between the entities...When they (the ANA) put on these offensives it achieves an effect for a very short time," he said. "It's a lot of lives for show, in some cases...They (the police) are trained, but nine times out of 10 they don't wear their kit or follow proper procedures

The time has to come at some point, and they have always proven the more you push them and force them to be more responsible they end up coming through... "I believe they will be fine...he good news is that the Taliban is just as challenged with strategy, leadership and resources, which causes them to be

less effective as well...The challenge will be now who best prepares this winter season, who best sets themselves up for success.

...The problem is you don't have units fixing stuff at their level. This is inept. This is nothing to do with corruption. This is purely ineptitude... Recruiting and retention aren't matching, and of course don't forget losses... The fact they're taking a look at how they're going to potentially restructure and reorganize... this is all part of what NATO, the U.S. and everybody said was coming for a long time... We lost a lot of time. We lost a whole year... You've got a mix right now of uniform police, civil obedience police and the army, all in the same footprint debating over who's got primacy for responsibility... That's a fundamental issue here.

Figure V.6: ANSF RASR Readiness assessment: September-October 2014⁹⁷

	Fully Capable			Capable			Partially Capable			Developing			Not Assessed			Total		
	M1	M2	+ -	M1	M2	+ -	M1	M2	+ -	M1	M2	+ -	M1	M2	+ -	M1	M2	+ -
Corps/Divisions	0	2	2	7	4	-3	0	0	0	0	0	0	0	1	1	7	7	0
Operations Coordination Center - Regional	1	1	0	6	5	-1	0	0	0	0	0	0	0	1	1	7	7	0
Regional Logistics Support Center	1	1	0	3	3	0	1	1	0	0	0	0	1	1	0	6	6	0
Regional Military Training Center/Combat Battle School	1	1	0	2	2	0	2	1	-1	0	0	0	0	1	1	5	5	0
Mobile Strike Force Brigade	0	0	0	1	1	0	1	0	-1	0	0	0	0	1	1	2	2	0
National Engineering Brigade	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	1	0
Afghan Uniformed Police Type-A HQ	1	1	0	4	4	0	1	1	0	0	0	0	1	1	0	7	7	0
Afghan Border Police Zone HQ	0	1	1	5	5	0	1	0	-1	0	0	0	1	1	0	7	7	0
Afghan National Civil Order Police HQ	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1	0
Total ANSF Units	4	7	3	29	25	-4	6	3	-3	1	1	0	3	7	4	43	43	0

Note: M1 = September 2014; M2 = October 2014

Source: USFOR-A, response to SIGAR data call, 12/28/2014.

The end result of this gross over-classification is that there is now far too little transparency -- and too much public relations spin -- in the data on the ANA and ANP to make a full assessment of the ANSF from the unclassified data now available, however, is that Afghanistan faces major security challenges even with outside aid.

Many of the limited unclassified data that are available also involve series of charts and metrics that are too complex for to do more than touch upon in this report. They can, however, be found in a series of separate reports comparing different sources and periods reporting on both the trends in combat situation and the problems in the Afghan National Security Forces (ANSF):

- *Afghan Forces on the Edge of Transition– I: Introduction, US Policy, and Cuts in US Forces and Spending*, http://csis.org/files/publication/141118_I_Security_Transition_in_Afghanistan_17_NOV_2014_0.pdf.
- *Afghan Forces on the Edge of Transition – II: Sharply Contradictory Data on Levels of Violence*, http://csis.org/files/publication/141216Security_Transition_in_Afghanistan_II_2.pdf.
- *Afghan Forces on the Edge of Transition– III: Measuring the Transition from ISAF to ANSF*, http://csis.org/files/publication/141118_III_Security_Transition_in_Afghanistan_17_NOV_2014_0.pdf.
- *Afghan Forces on the Edge of Transition– IV: Progress in Afghan Force Development*, http://csis.org/files/publication/141118_IV_Security_Transition_in_Afghanistan_17_NOV_2014_0.pdf.

What is clear from these data, is that Transition has been rushed, there has been little or no recent progress towards security and stability, setting fixed deadlines for withdrawal has made the challenges to the ANSF more serious. The scale of these challenges also help explain why some key US commanders recommended before the President's May 2014 speech that the US leave some 16,000 troops after 2014, be ready to provide air support, and stay at conditions-based levels until Afghanistan was secure.

An Unready and Corrupt Ministry of Defense and Ministry of Interior

The dangers in such over-classification are illustrated by the one area where additional reporting on ANSF readiness became available during Transition. SIGAR did obtain data on the readiness of the Ministry of Defense, and Ministry of Interior in January 2015, using a new system rate the Essential Functions (EFs) of ministries. The results are shown in **Figure V.7**. SIGAR noted that these result were little short of dismal,⁹⁸

A new plan—called the Plan of Actions and Milestones (PoAM) ministry-assessment reporting process—replaced the Capability Milestone rating system in December 2014. This plan was developed by RSM advisors and their Afghan counterparts in the ministries of Defense and Interior... According to the first assessment, 54% of the MOD's development conditions are assessed as "initiated" and 15% as "partially capable." For the MOI, 48% of its development conditions have been initiated and 10% were partially capable. There are 284 U.S. personnel advising or mentoring the MOD and MOI: 151 assigned to the MOD and 133 to the MOI.

The problems in the MoD and MoI also went far beyond effectiveness. SIGAR warned that both the Ministry of Defense and Ministry of the Interior have serious problems with corruption.⁹⁹

According to DOD, the MOD and MOI both lack the will to pursue transparency and oversight with the result that accountability is nonexistent within both institutions...This quarter RSM classified the information SIGAR uses to report on corruption within the MOD and MOI.

According to DOD, the MOD made little progress last quarter with respect to effective transparency and accountability policies and processes. While transparency, accountability, and oversight processes exist, they are not enforced due to the substantial level of corruption within the senior leadership of the MOD.

...The MOD Inspector General (IG) is relatively well resourced, with appropriately trained personnel. However, the MOD IG is primarily focused upon protecting members of his political network and obstructs investigations into allegations of criminal behavior by its senior members. The General Staff (GS) IG organization is appropriately staffed, and some improvements to the structure and training of the GS IG are being planned in order to improve future effectiveness. The GS IG is considered to be relatively effective at discovering and reporting corruption issues, but MOD leadership obstructs any meaningful attempt by the GS IG to combat corruption.

According to DOD, GS IG has conducted many special corruption investigations in various Kabul-based units and follows an annual inspection plan for inspections of the ANA Corps. But when the investigations discover criminal evidence and are turned over to MOD Legal for prosecution as a criminal case, MOD leadership obstructs the prosecution...Although each of the six ANA corps has members assigned to Transparency and Accountability Committees (TACs), all TAC members are members of corps staff (chaired by the deputy corps commander), and never report any information critical of the corps commander. Because of this lack of independence of the TACs, the GS IG assesses the concept of the TACs to be ineffective

...According to DOD, MOI anticorruption initiatives are insufficient to address corruption within the MOI. The minister of interior has indicated his support for anticorruption work, but it is generally thought

that limited progress will be made as long as the current MOI IG remains in place. The crucial stumbling block remains the lack of enforcement and proportional punishment issued to violators, both large and small, a lack of moral will in the senior leadership, and a governmental system rife with cronyism and patronage alliances developed over many years.

Figure V.7: Readiness and Capability of the Ministry of Defense and Ministry of the Interior

FIRST MINISTRY ASSESSMENT USING NATO SYSTEM, AS OF DECEMBER 15, 2014										
RATING MEANING		ESSENTIAL FUNCTION (EF)								Rating Total
		EF 1: Multi-Year Budgeting and Execution	EF 2: Transparency, Accountability, and Oversight	EF 3: Civilian Governance of the ASI	EF 4: Force Generation	EF 5: Sustainment	EF 6: Strategy and Policy, Planning, Resourcing, and Execution	EF 7: Intelligence	EF 8: Strategic Communications	
MOD ASSESSMENT	Rating 5: Sustaining Capability/Effectiveness	0	0	0	0	0	0	0	0	0
	Rating 4: Fully Capable/Effective	0	0	0	0	0	0	0	0	0
	Rating 3: Partially Capable/Effective	0	0	0	0	5	0	0	2	7
	Rating 2: Initiated (In Development)	1	1	2	2	8	3	5	4	26
	Rating 1: Scoped/Agreed	3	3	1	2	0	1	0	0	10
	Rating 0: Not Scoped/Agreed	1	1	1	2	0	0	0	0	5
EF Total		5	5	4	6	13	4	5	6	48
MOI ASSESSMENT	Rating 5: Sustaining Capability/Effectiveness	0	0	0	0	0	0	0	0	0
	Rating 4: Fully Capable/Effective	0	0	0	0	0	0	0	0	0
	Rating 3: Partially Capable/Effective	0	0	0	0	4	0	0	0	4
	Rating 2: Initiated (In Development)	0	0	0	3	9	4	4	0	20
	Rating 1: Scoped/Agreed	4	3	3	2	0	0	0	3	15
	Rating 0: Not Scoped/Agreed	1	1	1	0	0	0	0	0	3
EF Total		5	4	4	5	13	4	4	3	42

Note: Sustaining Capability/Effectiveness: Condition fully achieved. Advising only as requested by ANSF counterparts if opportunity and resources permit. Fully Capable/Effective: Developmental conditions nearly achieved. ANSF element fully capable but still requires attention; on track to be achieved by end of Resolute Support Mission; advising will continue. Partially Capable/Effective: Development conditions in progress. ANSF element is partially capable/effective. Conditions can be achieved by end of Resolute Support Mission; advising will continue. Initiated (In Development): Baseline design initiated by ANSF element; plan ready for implementation. Scoped and Agreed Upon: Development tasks/milestones (conditions) scoped and agreed; baseline capability and measures not complete. Not Scoped/Agreed: Development tasks/milestones (conditions) not scoped and/or agreed upon.

Source: USFORA, response to SIGAR data call, 12/28/2014.

Uncertain Progress in the ANA

Even a brief review of the limited data available does provide *some* insights. All sources agree that the ANA is clearly making the most progress of any element within the ANSF, although media reporting on the ANA's effectiveness has often been less favorable than official reporting. There are also many signs that it may need a stronger and longer advisory and enabling effort than is now planned.

The DoD report for October 2014 focused on the areas of progress within the ANA, but it also raised a number of issues that warn about the risks in fixed deadlines and rapid cuts in trainers and advisors:¹⁰⁰

Coalition advisory efforts continued to focus on addressing shortfalls in MoD human capital; contracting and procurement; and transparency, accountability and oversight. President Ghani has signaled that improvements in these areas across the government will be a focus of his administration.

MoD hiring practices sometimes rely on patronage networks rather than qualifications when filling positions of authority. The MoD has a dearth of competent officers in positions of authority; however, a number of senior officers constrain advisors' ability to develop the capacity of the individual offices and to design and implement needed reforms. The budgetary system is overly bureaucratic, which inhibits the MoD's ability to resource the force properly, and overly restrictive laws increase the workload associated with contracting and procurement. Continued assignment of junior officers with the requisite training and skills, coupled with the recruitment of appropriately trained and experienced civilians, will help mitigate these shortfalls

A weakness in bottom-up requirement identification and demand-based forecasting continues. From the ministerial to the corps level, there are opportunities for training and education in this area to further the ANA's ability to sustain its force and manage limited budget resources.

The MoD continues to struggle in developing transparency, accountability, and oversight procedures. During this reporting period, the MoD established eight additional Transparency and Accountability Committees to counter-corruption. However, the committees are still developing administrative capabilities to properly oversee and report on transparency and accountability issues.

ANA training and education organizations have matured, but have not established a centralized systems approach to support coherent professional development. The ANA needs to identify career policies and streams supported by integrated professional development. Limited instructor selection, development, and rotation reduce effective career management and experience captured. There are limited long-term training plans and career streams to support professional development for both male and female personnel.

The ANA's overall strength during the reporting period remained above 80 percent of the Tashkil strength. The ANA is adjusting soldier, non-commissioned officer (NCO/bridmal), and officer strengths to meet the target strengths for each component rather than for the ANA as a whole. Attrition continues to challenge the force with monthly attrition rates averaging above the acceptable rate of 1.4 percent. Much staff effort has been focused on identifying and addressing the causes of attrition. Retention and reducing attrition are key factors to professionalize the force. There is an increasing trend in the number of experienced soldiers opting out of re-enlistment, accounting for about a third of all attrition. Leadership must refocus their efforts on increasing re-enlisting and reducing attrition. Enforcing a rotation policy could mitigate re-enlistment issues by allowing recontracted soldiers to transfer away from the front line or nearer to their home.

MoD leadership states that institutional barriers to the recruitment of women stems from traditional and cultural biases. Additionally, they claim that many families do not want their daughters to join the ANA because of concerns for their security. There are four main challenges with integration. The first challenge is achieving the goal of recruited and trained women in accordance with the Annual Accession Plan approved by the Minister of Defense, which states that the ANA will recruit and train 485 women per year. The second challenge is identifying permanent positions for women within the force. The third

challenge is ensuring that all military establishments have adequate female facilities. Finally, the fourth challenge is delivering a safe environment for women at those establishments. The development of ground medical evacuation (MEDEVAC) capabilities continues to be a high priority for ANSF leadership.

The ANA has conceptualized a centralized training and education headquarters; however, without adjustments to structure and rank organization, it will be unable to implement this concept. The attrition rate in the ANA continues to pose challenges to ANSF development. The ANA averaged approximately 2.2 percent attrition for the past 12 months with a low of 1.8 percent in March 2014 and a peak of 3.3 percent in December 2013 and April 2014. In the first quarter of 2014, ANA average monthly attrition rate was 2.6 percent. Until December 2013, the ANA was authorized to staff to 115 percent of the Tashkil authorizations for enlisted soldiers. Directives in December 2013 and January 2014 rescinded this and authorized payment only up to 100 percent manning levels.

The main causes of attrition include high operational tempo, sustained risk, soldier care and quality of life, and leave issues. Afghan casualties increased since the ANSF took the lead for security in June 2013. Although combat losses comprise a relatively small percentage of total ANSF attrition numbers, reducing ANSF casualties remains both a top morale and operational priority for ISAF and ANSF leaders. In addition to enemy action, casualties in the 2014 fighting season could be contributed to several other factors, such as lack of medical training and medical kits, casualty evacuation delays, and the overall condition of Afghan medical capabilities.

Although the overall attrition rate is higher than optimal, it is not directly affecting operations in the short-term, as the ANSF remains sustainable numerically due to robust recruitment. However, attrition is always a concern, especially NCO attrition, given the loss of key military experience this represents. Urgent action is therefore being taken to address the root causes of attrition beyond combat casualties and to develop a culture of leadership accountability in the ANSF. Attrition management is focused on balancing the force at Tashkil authorization levels for the targeted mix of officers, NCOs, and soldiers in authorized military occupational specialties.

Many of the improvements needed for long-term sustainability and independence must be made at the national and ministerial level. National improvement focus areas are planning, forecasting, inventory management, and scheduled logistics.

Sustainment issues at the brigade level continue to revolve around the lack of effective command maintenance programs, improper use of trained personnel, a shortage of trained mechanics, and the lack of requirement forecasting. The ANA struggles to identify and direct the lateral transfer of equipment between units. Despite having a doctrinal process to cross-level equipment across units, ANA and MoD leadership have thus far proven unable or unwilling to direct the transfer of equipment from units possessing excess quantities to units with shortages.

During this reporting period, the General Command of Police Special Units and ANA Special Forces and Commando units conducted over 900 unilateral operations. In comparison, ISAF SOF conducted fewer than 25 unilateral operations. ISAF continued to advise ASSF by leading some partnered operations and advising when ANSF were in the lead. ISAF advised over 300 ANSF-led operations during the reporting period. Areas of continued focus by ISAF advisors include enhancing interoperability with other defense and police forces, including planning joint operations. ISAF advisors continued to advise partnered units during planning for major operations and facilitated development of professional relationships among Afghan commanders to mitigate instances of ANA commanders using ANASOF for missions more suited to conventional infantry.

Focusing on Force Generation rather than Combat Capability

The problem with such insights about the ANA is that they focus on force generation and not combat capability. Limiting size and duration of the US effort in Afghanistan has ignored the critical difference between apparent success in providing new forces with the formal training and resources they need, and helping them achieve actual success in creating combat capability.

The US should have learned in Vietnam and Iraq that the ability to rapidly train and equip new combat units has never meant that newly generated units will be effective in combat, and providing mentors and trainers to these forces when they do go into combat is a critical stage in giving new forces real capability.

No matter how good the trainers and advisors who generate new forces are – and the US and other advisors in NTM-A have been pushed into creating key elements of Afghan forces nearly two years ahead of the original schedule-- it takes time to create combat leaders, make new units functional in combat, and provide combat support, service support, and logistics support on a sustained basis.

Vietnam, Afghanistan, and the earlier war in Iraq have all shown that new forces tend to be no stronger than their weakest link, and simply providing formal training, equipment, facilities, and organization is no substitute for putting advisors in the field, working directly with host country forces, and providing enablers that can help new and inexperienced forces when they run into trouble.

The Observer, mentor, and liaison teams (OMLTs) that the US put into forward Afghan combat units at the Kandak level are examples of the kind of teams that are necessary. The specific teams required need to be determined on the basis of on-the-scene military expertise, but the US has enough experience in different wars to know that they require some mix of the following skills:¹⁰¹

- Real area expertise and language skills.
- Continuity enough to build up trust on the part of the force involved.
- Experience in actual combat leadership. Assignment on the basis of proven capability, not formal training.
- The ability to aid the host country forces with the kind of intelligence and battle management aid that only the US can provide.
- The ability to provide some kind of support and enabler – air power, ground support, artillery, etc. to help units that run into trouble.
- A system where the advisors in forward units can use higher levels of US command up to the ambassador to deal with failures to provide critical supplies, lack of coordination in the field, host country leaders who need to be replaced, and problems like corruption in area like pay, supply, support from other units, etc.
- Expertise in air control and using air support, and taking or allocating artillery. Other forms of fire support, and local reinforcements.
- Expertise in using local terrain and built-up area capabilities and establishing combat positions and placements.
- Forward assistance in urban warfare tactics, and support from tools like airpower and UAVs.
- Advice in dealing with civil populations, and feedback to warn if tactics or operations create tension, excessive civilian casualties, and collateral damage.

The mix will depend on the units involved and conditions in the field. Mature and proven host country or allied forces need far less support and help, and the goal is always to let them do it their way the moment this succeeds. It also depends on keeping the forward advisory teams small and their having the necessary expertise and skills. The US failed critically to do this in Afghanistan before Transition. As late as early 2001, it was short at least 750 personnel in key

Army and police training slots and large numbers of the “advisors” in place have no practical experience in the role to which they were assigned.¹⁰²

The US experience in Vietnam and Iraq is also warning as to just how dangerous it can be to take an optimistic view of force development, and focus on the ratings given by trainers and “force generators,” and combat experience before a force actually has to stand on its own over an extended period of time. Moreover, the history of far too many recent major US military advisory efforts has been history of imposing a US approach to generating military forces on countries which lack the experience and resources to do things the US way once US forces and advisors leave.

In both Vietnam and Iraq, a rapid US departure showed each host country force needed several more years of outside support for entire “transformed” allied military structure to become an effective warfighting machine, in addition to a host of problems in coordinating, as well as the problems in sustaining combat operations. The problems in generating new forces have also been compounded by the problems in staffing new units with officers and NCOs that can make their way through the formal training process, but cannot make the transition to combat leader – particularly in a country where promotion is often political and affected by high levels of corruption and divided and uncertain civil government.

Developing forces need combat advisors to be deployed with their forward elements for at least several years to help them acquire the leadership skills, ability to operate complex systems and tactics in combat, coordinate effectively, and advise when combat leaders need to be replaced or retrained. The fact Afghans often are excellent fighters does not make them excellent warfighters.

The Seriousness of the Police Challenge

The polling data on police corruption in Chapter III have already shown that the various elements of the police present a major problem in terms of corruption, and that the Border Police are sufficiently corrupt to seriously reduce Afghan government revenues. Reporting by SIGAR indicate there are also problems in validating police manning data and that,¹⁰³

Many weaknesses—such as irreconcilable and unverified data, a lack of data reconciliation and verification procedures, and difficulties implementing electronic systems—continue to pose challenges to CSTC-A, the UNDP, LOTFA, and the MOI and MOF. CSTC-A and UNDP rely on the MOI and the ANP to collect and accurately report personnel and payroll data. However, the ANP’s process for collecting attendance data, which forms the basis of all ANP personnel and payroll data, has weak controls and limited oversight. ANP oversight officials are not generally co-located with the unit-level officer responsible for collecting attendance data.

Further, neither CSTC-A nor UNDP officials are present to oversee the data collection and reported limited knowledge of and influence over the process. Also, a daily sign-in, sign-out system for recording attendance was reportedly only used by officers and not enlisted personnel, so there is no documentation that unit commanders are accurately reporting subordinate personnel attendance. All these factors could result in personnel being paid for days not worked, either with or without knowledge of supervisory personnel.

SIGAR found that nearly 20% of ANP personnel are at risk of not receiving their full salaries because they are paid in cash by an MOI-appointed trusted agent, a process that lacks documentation and accountability. CSTC-A and UNDP officials told SIGAR that there is limited oversight of trusted agents and a higher risk that funds may be subject to corruption...

The problems in creating effective Afghan forces have been further complicated by the failure to define the role of the police in terms of both paramilitary capability and define its role as part of the overall of Afghan justice system.¹⁰⁴

Designing a Force with Limited Paramilitary Capability

The Department of Defense's October 2014 report did not provide any clear plan for future budgets and aid for the police, or attempt to provide any clear link between plans for the security forces and plans for the civil sector.¹⁰⁵ It did, however, provide some important insights into just how serious the police challenge may be.

As **Figure IV.2** has shown, the various branches of the ANP make up some 157,000 personnel out of a total force goal of 352,000, or some 45%. In August 2014, they made up 152,000 personnel out of the 340,000 uniform personnel reported to actually be serving. This is a very high percentage of the total force for a nation at war, and only a small number are actually trained and equipped for paramilitary roles. As is the case with many elements of the ANSF, current unclassified reporting does not provide enough detailed to provide an accurate picture of how the ANP was manned at the end of December 2014, but the breakout of the ANP in **Figure V.8** provides a rough picture of its structure, as well as how it relates to police and local forces.

Figure V.8: Key Elements of the Afghan National Police and Other Non-Military Security Forces

Branch	Authorized Manning	% of Total Force	Description
MOI	NA	NA	A reasonable level of leadership integrity by Afghan standards, but far more subject to political influence, problems with favoritism, and corruption in promotions and contracting than the MoD. Being rushed into premature readiness. End-2014 is too early if the MOI does not have continuing outside support. Future effectiveness will, again depend far more on post-2014 election leadership than training and readiness to assume effective management of various elements of ANP, and the MoI will remain far more subject to outside political pressure than MoD.
ANCOP	14,451	4%	The Afghan National Civil Order Police (ANCOP) are a relatively effective paramilitary force with a Tashkil of 14,680 personnel. 14,383 men assigned in Q4 2012. The ANCOP is the only element of ANP consistently capable of counterinsurgency operations. Currently loyal to central government, but has a high attrition rate and much depends on the next president.
AUP	81,420- 119,346	31%	<p>The Afghan Uniform Police (AUP) had had an authorized Tashkil of 81,420. The AUP are a deeply divided force with some good elements and many corrupt and ineffective elements tied to powerbrokers. There are some elements with probable links to insurgents and criminal networks. Operations are often very limited in Districts with significant insurgent elements. Lacks support of effective local government and other elements of justice system in many areas. There are major advisor shortages and many elements are unrated by advisors. There is an uncertain overall ability to sustain readiness and training levels, pay, and selection and promotion by merit if advisors phase down. Many elements likely to devolve to force elements tied to local power brokers, make deals with insurgents, or collapse after 2014.</p> <p>Three other elements of the ANP are sometimes included in the AUP totals: 8,162 personnel in the Anti-Crime Police, 16,764 enablers and others, and 13,000 transients, students, trainees, and holdovers.</p>
ABP	22,000	7%	The Afghan Border Police, under the current CY 1393 Tashkil, is authorized a target end strength of approximately 23,086 personnel. The ABP are responsible for the security of the Afghan border, which includes a 50 km area of operation from the border inside Afghanistan, as well as the control of all entry control points (e.g., border crossings, railroad entry points, and airports) in and out of Afghanistan. The ABP headquarters is in Kabul, and the unit operates with brigade level units assigned to 6 zones throughout the country. The ABP are manned, trained, and equipped to provide security and interdiction along the border with rifles, light and heavy machine guns, rocket-propelled grenades, and 82mm mortars The force had some good elements, and others that were corrupt, but actively fought or resisted insurgents. However, there are many corrupt and ineffective elements operating as local power brokers or tied to powerbrokers. Often guilty of extortion in AOR or at checkpoints, and sometimes seizure of boys. Some elements with links to criminal networks

and working arrangements with insurgents. Serious problem in terms of lost government revenues because of corruption.

ANP Subtotal	157,000	45%	
CNPA	2,986?	0.8%	The Counter-Narcotics Police of Afghanistan are a small force that had 2,581 men assigned in Q4 2012. They are a small force charged with helping to implement a large program that has cost some \$6.1 billion since 2002. Their effectiveness is unclear, and as is the broader role of the ANSF – which often does not operate in key narcotic growing areas, or has tailored eradication to support given power brokers and respond to bribes. The overall effort has had little impact since 2010, although disease and drought have affected total production. UNDOC estimates that the area under cultivation increased from 131,000 hectares in 2011 to 154,000 in 2012, and major increases took place in southern areas under Taliban influence.
Total ANSF	352,000	100%	
ALP	30,000	NA	The ALP had a Tashkill of 30,000, with 150 District Leaders, 976 Check Point Leaders, and 28,874 Guardians. By Q3 2014, the number of ALP Guardians deployed in transitioned ALP districts had nearly reached 30,000 authorized by the Tashkil. ALP Guardians had deployed to 150 transitioned districts (up from 145 in March 2014) across 29 provinces, where they operated under MoI direction. GIROA now managed more than two-thirds of the ALP units. Recruiting and manning had largely tribal elements, many with ties to local power brokers and some with past ties to insurgent elements. Can potentially be a critical element in limiting insurgent presence or control, but can easily break up or change sides as outside advisors withdraw or if the central government lacks unity and leadership.
APPF	16,981	NA	During Q3 2014, the Ministry of Interior continued implementing President Karzai's February 2014 cabinet meeting decision to dissolve the Afghan Public Protection Force and transition some of its personnel and functions into the MoI. The APPF is no longer a term of reference for a security force that provides contracted site or convoy security in Afghanistan. As of July 2014, former APPF personnel were providing site security, but the MoI referred to them as police and soldiers instead of APPF guards. Although the Afghan presidential decree for the dissolution of the state-owned enterprise APPF was issued in February 2014, it still existed under the APPF name within GIROA. Convoy security was now operational under the MoI as the Convey Transportation Guard Brigade (CTGB), within the Deputy Minister Security Pillar. The ANP's convoy escort brigade now provided convoy security. As of July 2014, former APPF personnel were providing site security, but the MoI referred to them as police and soldiers instead of APPF guards. Approximately 3,400 APPF guards were dismissed when the convoy security unit within APPF was shut down. Some guards have been hired by the CTGB; however, no data have been provided by MoI. Most civilian personnel working at the APPF headquarters were dismissed and replaced by uniformed MoI personnel. APPF headquarters and site security current strength is reported as 16,015 personnel against an organizational plan of 16,981. The APPF continues to provide site security services to government, commercial, and international customers. The authorized manning level of the CTGB was

3,500 personnel. Reliable statistics on the actual size of the CTGB are not currently available.

The APPF's ability to train new site security guards has been severely degraded by the closing of its regional training center. The entire training staff was dismissed. APPF has moved to a model that requires the customer to pay for the training of its guard force. Private local companies then provide the manning.

Militias	NA	NA	There is no meaningful unclassified data on their number and strength, but they range from small local elements to significant forces and often play a key role in local security, or in supporting power brokers. Little or no real loyalty to government; and often exploit and abuse power, are corrupt, tied to criminal networks, or make deals with insurgents. As much of a threat to unity and effective governance as a check on insurgents.
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A Force in Transition at the Time of Transition

The Department of Defense quarterly report to Congress on ***Progress Toward Security and Stability in Afghanistan*** -- issued in October 2014 -- provided the last major source of unclassified reporting on the ANSF before Transition. It noted that many aspects of the structure of the police were under review, but it was clear that any clear decisions as to future changes were then awaiting the choice of a new government,¹⁰⁶

The MoI continues to progress toward autonomous operations. Of 31 departments, 27 require little to no coalition oversight; 3 operate independently without coalition oversight and 24 operate with minimal coalition assistance or oversight. MoI leaders have shown that they are willing to embrace greater challenges and improve all aspects of their operations to achieve autonomous capabilities. ISAF currently projects that the MoI will be rated as capable of autonomous operations with reduced coalition oversight by the end of 2015.

MoI leadership demonstrates an understanding of both security and sustainability challenges for the ministry and Afghanistan. The Deputy Minister for Strategy and Policy has developed and published some baseline strategic documents. During this reporting period, the MoI revised three key strategic documents: the Strategic Planning Directive, National Police Strategy, and National Police Plan. This guidance will foster the continued development of the ANP and facilitate the expansion of operational capabilities to meet current and future challenges to Afghanistan's stabilization and security.

The Deputy Minister's General Directorate of Strategy produced a revised Strategic Planning Directive. The directive links strategic guidance to operational planning and explains the responsibilities and duties of MoI deputy ministries and general independent directorates relative to the nesting of strategic, operational, and tactical planning. The revised Strategic Planning Directive is an exclusively Afghan product and represents a considerable improvement over the previous edition.

The General Directorate of Strategy also completed a revision of the National Police Strategy during this reporting period, which provides the strategic guidance necessary to ensure the continued development of the MoI and ANP. Additionally, the National Police Strategy provides the strategic-level guidance necessary to prioritize the Minister of Interior's 10-year vision imperatives. Like the Strategic Planning Directive, the National Police Strategy is an exclusively Afghan-produced document. It articulates clearly the 13 strategic goals that the ANP is oriented towards achieving during the five-year period of 2014 to 2018.

The General Directorate of Strategy also developed and published a completely revised version of the National Police Plan. The plan introduces two key products: the operational plan (OPLAN), and quarterly report templates. The former is a tool that deputy ministers and inspector general directorates will use to develop their action plans relative to their respective tasks in the National Police Plan. The OPLAN template provides a guideline to document key information necessary to develop implementable plans and, most importantly, requires a projection of estimated costs associated with each action. Cost

estimates are a crucial input to the requirements-based programming process that the Deputy Minister for Strategy and Policy is implementing. This innovation should help ensure that future budgets are linked to strategic goals.

The OPLAN template also adds a requirement to develop performance, evaluation, and results indicators for each task as a means of tracking progress, validating successes, and identifying shortfalls. The quarterly report is another equally significant component of the Deputy Minister for Strategy and Policy's vision to revise the MoI's strategic planning process. Ostensibly a way to ensure that deputy ministers and inspector general directorates understand strategic guidance, discern equities, and implement respective plans, the quarterly report is a tool to monitor progress, validate evidence of performance, and track expenditure of programmed resources...

... The MoI is working to adjust its forces to include the convoy security and site security responsibilities of the Afghan Public Protection Force (APPF), which a presidential directive dissolved in February 2014... The ANP will provide convoy security through the establishment of convoy escort brigades that are designed to provide security similar to the convoy security kandaks of the APPF. The APPF Operations Section, which provided site security, has migrated into the ANP and continues to provide this function. The transition of the APPF into the ANP created legal and fiscal challenges related to the payment of ANP soldiers for a contracted service. President Ghani has expressed his desire to reevaluate the decision on APPF. That coordination is ongoing at the time of this report.

Token Paramilitary forces

What was clear from Department of Defense and other reporting was that the bulk of the police were trained and equipped to act as regular police and not as combat forces. Only two elements of the police – both small – were elite forces that were relatively free of the influence of power brokers and endemic corruption, and only one – the ANCOP forces with a Tashkil of 14,568 personnel -- had clear paramilitary functions,¹⁰⁷

Afghanistan National Civil Order Police units are assessed as the most confident forces in the ANP due to their specialized training and unique recruitment. ANCOP units maintain a paramilitary structure and more closely resemble the ANA than a civil order organization. ANCOP units are confident in their training, equipment, and leadership to combat the insurgency and hold cleared terrain.

Approximately 14,755 ANCOP personnel are currently assigned with the primary mission of conducting high intensity policing operations after ANA clearing operations and before the security situation stabilizes to the point that AUP forces can perform in a normal policing role. The ANCOP are capable of rapid deployment in support of its own mission or the missions of other ANSF units. The ANCOP are a regionally based, nationally deployable force whose primary role is to maintain the rule of law and order utilizing armed capability and special tactics. Because its units are nationally deployable, the ANCOP should be less susceptible to local power brokering than other branches of the ANP, which should contribute to its overall effectiveness.

The most significant area of concern for the ANCOP is the incorrect employment of its force. The ANCOP are frequently deployed piecemealed as a reserve force. Undue political influences have resulted in the ANCOP performing missions that should be conducted by other branches of the ANSF. The units are frequently deployed to locations where their capability is wasted on checkpoints or to assist with AUP workload. This misuse causes challenges in coordination and joint operations with the ANA and NDS. A consolidation and re-employment of the ANCOP in a true gendarmerie role, in conjunction with ANA clearing operations, is necessary to effectively establishing continuous GIRoA control over contested districts.

Police Special Forces: The General Command of Police Special Units fielded most of its subordinate units. The only GCPSU units still not fully fielded and at initial operating capability are the new Provincial Response Companies (PRCs). Dependent on the outcomes of Tashkil considerations, the planned future expansion in PRCs to a desired end state of one per province is likely to be a process extending into 2015 and 2016.

As of September 17, GCPSU fielded 74 percent of the police special unit (PSU) Tashkil and 79 percent of overall target strength. Monthly attrition thus far in the 2014 fighting season is low at 1.6 percent of the formation. Unit manning shortages demonstrate the observation of high standards in recruitment, training, and requirements. GCPSU are some of the best-equipped units in the ANP. PSU members come from different regions of the country, which mitigates collaboration with local insurgent networks. Regarding specialty skill manning and fielding, special police are trained according to specific requirements for their positions. Shortfalls exist with qualified personnel and training on the targeting and intelligence cycle, but these are improving through mentorship and integrated training.

GCPSU recruits attend the foundation course at the Special Police Training Center for introductory skills required for service. The top 20 percent are selected to attend a National Unit Operator Course at the Special Policy Training Wing.

Members of the AUP, in general, view the GCPSU as a more capable unit and often aspire to be GCPSU special policemen or policewomen. This generates positive recruitment from within the AUP and assists the GCPSU as it receives personnel who have already been trained in basic policing and understand evidence-based operations and the Afghan rule of law.

The GCPSU has shortfalls in equipment maintenance and resupply. Personnel lack the required training and equipment for basic maintenance and have no organic logistics capability. The resupply process is slow, but improving. Although high operational tempo continues, the wear on GCPSU equipment appears minimal and current consumption rates are sustainable.

The fact that only 9% of the total police force -- and 4% of the total ANSF -- was a dedicated paramilitary force meant that some 142,245 police personnel -- 40% of the ANSF -- were not trained and equipped for the combat mission that they faced as US and other ISAF forces withdrew. It also explains why the fact the police took such high casualties, and why their losses were no more a measure of effectiveness than the fact that isolated police units had been forced into independent operations” which meant they were little more than targets.

This lack of paramilitary capability present challenges that go far beyond the problems faced by the ANA and ANAF -- which have a clear role and mission for a nation at war. It also means that the ANSF needs to be evaluated by branch and not as a coherent force, it shows that the potential strain on the ANA is far greater than talking about a 352,000 man Afghan security force indicates, and it raises serious questions about how the elements of the ANP should be sized, equipped, and trained in the future for which no unclassified source provided any meaningful answers at the time of Transition.

At the same time, the police face equally great challenges in performing their normal role in law enforcement. One of the many critical failures to integrate the planning for civil-military and operations is reflected in the fact that ISAF dealt with the police and civilian aid workers dealt with the rest of the justice system. In fact, none of the official unclassified reporting on any element of the police tied its effectiveness to its function in supporting civil justice, or attempted to assess whether any of the other elements of the justice system -- courts, lawyers, prisons -- were effective in supporting the police.

It was clear from a wide range of media reporting that the rest of the justice system was often grossly corrupt, that law enforcement officials had good reason not to challenge senior government officials and power brokers, that key elements of the justice system were not present or would not act in some areas, and that traditional law and insurgent courts played a major role in real world justice. In short, the police were often as incapable of playing a role in civil justice, as they were in fighting insurgents -- with the difference that even if they were properly trained and honest the other elements of the justice system meant they could not function effectively.

What was not clear was what aid – if any – the new government would get in dealing with any of these issues. Unclassified reporting focused almost exclusively on the ANA, and not paramilitary forces over the overall operation of the justice system, and future plans for training and aid were vague to non-existent.

The Uncertain Role of the Afghan Local Police

These problems in assessing the ANSF are further complicated by the fact that the Afghan Local Police are not part of the ANSF, although they were seen as a key potential layer of defense against the Taliban and other insurgents at the time of Transition.

The goal was to have 30,000 personnel in 154 districts by the end of December 2014, assigned to 1,320 checkpoints across 29 provinces. According to NSOCC-A, the ALP will cost \$121 million per year to sustain once it reaches its target strength. The United States has provided the ALP with equipment such as rifles, machine guns, light trucks, motor-cycles, and radios. According to NSOCC-A, between June 23, 2014, and October 22, 2014, the ALP had a retention rate of 92%. During that period, NSOCC-A reported 1% non-casualty attrition, while 7.4% of the force were killed or wounded in action...

The October 2014 Department of Defense report noted that the new government would reevaluated their role but summarized their status at the point of Transition as follows:¹⁰⁸

The Afghan Local Police have become an integral part of the ANSF's layered security plan. By the end of this reporting period, the number of ALP Guardians deployed in transitioned ALP districts had nearly reached 30,000 authorized by the Tashkil. ALP Guardians have deployed to 150 transitioned districts (up from 145 in March 2014) across 29 provinces, where they operate under MoI direction. GIRoA now manages more than two-thirds of the ALP units. The ALP continued to be the focus of insurgent attacks. In most cases, ALP Guardians stood their ground, protected their villages, and prevailed in firefights with insurgents. The ALP showed resiliency in the face of high-casualty attacks, with spikes in recruitment following such events.

The newly MoI-certified ALP program of instruction is integrated into the curriculum at the regional and provincial training centers. The four-week training program ensures a national standard, addresses some of the ethical concerns about the ALP cited by international organizations, and enhances the credibility of the ALP with both the MoI and the international community. The program is 140 hours long and now includes modules on human rights and ethics, logistics, and administrative processes. Thus far, nearly 4,000 Guardians have completed the program. The ANP Training General Command is working to allocate ALP training slots in order to ensure the training centers have a yearly ALP throughput capacity of over 5,000 Guardians.

The logistics capabilities of ALP headquarters continue to improve. The greatest sustainment limitation is insufficient communication with the districts. In order to identify logistical shortfalls, the ALP headquarters relies to a large extent on coalition advisors' abilities to connect to the ALP districts.

...The Afghan Local Police program requires greater district-level oversight from Kabul and the MoI to ensure ALP sustainment and to curtail the impact of predatory patronage networks that degrade popular support for the ALP. Major initiatives, such as Tashkil redistribution, saw little progress during this reporting period. The physical separation and lack of communication pose challenges in managing this program from Kabul. Additionally, the ALP headquarters has little input into district and provincial security plans and decisions because of the lack of ownership by provincial and district chiefs of police.

...Without proximate ANP or ANA forces as reinforcements, defensive ALP units are susceptible to coordinated attacks and overwhelmed by insurgents equipped with more powerful weapon systems, such as mortars and rocket-propelled grenades. ALP effectiveness this fighting season has been degraded by a chronic inability to provide ALP units with timely support for resupply, reinforcements, or maintenance.

...At the ALP headquarters level, most officers are effective at their jobs and show initiative to address issues affecting the ALP headquarters and ALP Guardians. However, provincial and district chiefs of

police are responsible for pay, employment, and sustainment of the ALP. Failures by some of these leaders resulted in critical sustainment issues over the reporting period that went unresolved until ALP headquarters staff assistance visits.

SIGAR reported in January 2015 that,¹⁰⁹

The Afghan Local Police (ALP) is under MOI authority and functions under the supervision of the district Afghan Uniformed Police (AUP). ALP members (known as Guardians) are selected by village elders or local power brokers to protect their communities against Taliban attack, guard facilities, and conduct local counterinsurgency missions. As of December 1, 2014, the ALP comprised 27,837 personnel, all but 800 of whom were fully trained, according to the NATO Special Operations Component Command- Afghanistan (NSOCC-A). The number trained decreased due to combat losses, tashkil (organizational-strength) redistribution, and attrition.

SIGAR also made it clear that the state of the ALP had not yet been determined, although they could be effective in their mission:¹¹⁰

The Afghan government has not determined the final disposition of the ALP or its funding source. DOD says U.S. policy on funding the ALP has not yet been determined.

According to an independent assessment conducted by NSOCC-A based on data provided by Eureka Research and Evaluation focus-group surveys in ALP districts, most Afghans surveyed perceive the ALP as an effective security element and stabilizing force...That position is consistent with survey results from March 2014 that public perceptions of ALP's value to community security are positive overall.

...The ALP were generally viewed as a more trustworthy and effective force than either the ANA or ANP. However, certain districts vehemently disapprove of ALP members and their management. Favorable views appear to be correlated to the extent of community involvement in the ALP selection process.

Areas where community leaders felt they had an operative role in implementing the ALP program and selecting ALP members tended to have a more favorable view of the security of their villages. Where the ALP was seen as a tool of a central authority, respondents reported lower levels of security... However, whether or not the community supported or respected the current ALP Guardians, they believed that if properly administered, the ALP program would work in their community.

NSOCC-A provided updates on the status of the recommendations from the March 2014 assessment:

- Support and supervision from the ANP: staff regularly inspect processes that support the AL and an initiative to pay 100% of the ALP via electronic funds transfer (EFT). Currently 46% of the ALP is paid via EFT.
- Transparent, locally owned recruitment processes: ALP was accepted more readily when village elders nominated local villagers as ALP Guardians as it was perceived that they will be more accountable to the people they already know.
- Balanced tribal representation: established ALP procedures require recruitment be done proportionately when multiple tribes live in an area.
- Regular information exchanges between community leaders and ALP commanders: the ALP leadership conducts summits for tribal elders and villagers to express concerns and to educate district and provincial-level security officials on the workings of the ALP.

Other ISAF Command Views in Mid to Late 2014

Senior US officers the and ISAF command did not publically challenge the President's deadline and plans to cut and eliminate most of the remaining US and allied troop presence during 2015-2016 -- although some key officers and former commanders did privately make it clear that their views were different.

Like Lt. General Anderson, however, several top commanders did make statements that provide additional insight as to the challenges the ANSF face even when these statements accept the coming deadlines and lack of conditions-based caveats to executing them according to schedule. General Joseph Dunford transferred command of ISAF to General John Campbell on August 26, 2014, and General Campbell gave a broad endorsement to the President's plans in a press conference on October 2nd.

It was an endorsement that said little about future plans for the Afghan forces, future funding, the limits to the US and allied advisory presence, and how the coming drawdown in the advisory effort would work. Nevertheless, General Campbell's comments provided the first really substantive public statement about the Transition and drawdown plans that either the US or ISAF had issued in months.¹¹¹

If I had one word to tell you what I've seen so far in the six weeks, it's transition, transition, transition. And that is transition from ISAF to the mission of resolute support. It's the political transition with a new president, the BSA signing the SOFA signing, and this really complete political transition.

We're currently with about 40,000 troops on the ground, just less than 40,000. We're moving to 12.5 by the end of this year. That's NATO forces and the United States. The number for the United States, you know, was 9,800. We continue to go there.

We're on a very good glide path to make that by the end of December, and I think that the BSA and the SOFA really has boosted the confidence of the Afghan people and -- also our coalition partners provide the necessary forces for the Resolute Support Mission. I've seen huge difference just in the attitude since the last week since the BSA and the SOFA and the inauguration came this week.

I had the opportunity to be there at the inauguration with Ambassador Cunningham. And really, the two things that struck me immediately from President Ghani that I did not see prior to that date was: one, the appreciation for the coalition forces; and number two: the appreciation for the ANSF. And President Ghani has embraced the Afghan security forces, the police and the army, that made an immediate impact on them and their morale. And again, I think that's going to be a great window of opportunity for Afghanistan as we move forward.

I do look forward to continuing to work with the NATO forces as we move toward this resolution support set. It's a fundamentally different mission, as we really work at train, advise, and assist at the corps level, and we'll be on four of the six corps, and then really at the ministerial level. And that's different from when I was here last time, when we were all the way down to kandak level.

...But I've been focusing on the security institutions, the ministry of interior, the ministry of defense, the national security adviser, NDS, and then working with both President Ghani and the CEO, Mr. Abdullah, so that's been my focus here the first six weeks.

I do think there's going to be some challenges as we move forward, working through the national unity government. I look forward to working with both President Ghani and Mr. Abdullah on that. And, again, I will take any questions on that as we go forward.

...We continue to have great success on the ground in many areas, and I think a lot of that has been taken away from the news through the last several weeks with Iraq and Syria, and I really do want to emphasize that you have men and women out there that continue to be in harm's way, that do great things for all of our countries, working with the Afghan security forces, and I'm proud to be part of that.

...we're absolutely on glide path right now. We've been on a glide path to get to the resolute support set, probably by the 1st of November, and we're on that glide path and we're actually -- in some places, we're ahead of schedule, so I really have no concerns on the retrograde piece. There's been a lot of very hard work done by all the units here....We've gone from -- when I was here last time, about 300 COPs [combat outpost] and FOBs [forward operating base]. We're just a little under 30 at this point in time. And so, I feel very confident that we have a good glide slope and we'll make the resolute support set by the end of December.

When General Campbell was asked, “do you believe that 9,800 is enough troops for Afghanistan? And can you tell us what their new mission will be?” he focused on recent reports of problems in the Afghan forces, rather than the adequacy of the planned advisory effort during 2015 and 2016:¹¹²

Afghanistan is fundamentally different than Iraq, in almost -- you can't compare those two. We now have a great window of opportunity after signing the BSA and the SOFA where the entire country of Afghanistan wants the coalition, not just the United States, but over probably 38, 39 countries, once we hit resolute support. You got to remember, we've had over 50 countries tied into this ISAF mission in the last 13 years. I don't think -- that's unprecedented. I don't think we've ever had that many -- that many countries stick together in a time of conflict.

So this is fundamentally different where we're at. And, again, President Ghani, by signing the BSA, by signing the SOFA, has said they are a sovereign country but they do continue to want the assistance that the coalition provides. And I think we're in a different place than we were with Iraq...The military here, the Afghan security forces, completely different than when I left Iraq, and they're completely different than when I was here just a couple of years ago. They've taken on the security mission from last June of '13. They had it mostly entirely by themselves for the summer of '14. I think they've done very well, supporting both the elections and through some of the major events.

The last couple of weeks, there has been an uptick with the Taliban trying to make a statement as they close out the fighting season...What you may be getting in the -- in the media, probably in the Western part of Ghazni in a place called Ajristan, where you heard about potential beheadings, 250 houses burning, 150 people killed, that's absolutely false...And we've worked very hard with the Afghans to make sure they get that message out to show that the -- the Afghan security forces can hold the terrain. There's nowhere that we have Afghan security forces that the Taliban can get the terrain and hold the terrain.

The Taliban may take over a district center or something, but only temporarily. Once the ANSF understand that piece of it, they go after that, they get the terrain back. So I'm very confident in their abilities.

They do have some shortfalls that we'll continue to work on, and that's what part of resolute support is. We'll work very hard on their aviation, on their intelligence, on their sustainment, those things that are very, very hard for any army, especially hard here in Afghanistan. We'll continue to work with them on that...We have at least two years here to continue to build on the security for the Afghan people, to continue to work with the ministries, the MOI and MOD.

You mentioned 9,800. That's just the U.S. contribution. We'll be at about 12.5, 12.7 with the NATO contribution. And we will have forces in the north, in the west, in the east, and in the south, and then in Kabul center.

So we're going to really a spoke and hub, and come 1 January, in the east, we'll have forces in Jalalabad, in Gamberi, in Bagram. In the north, they'll be in Mazar-e-Sharif, in the west, they'll be in Herat, and in the south, they'll be in Kandahar...We'll be covered down on four of the six corps, and two of the corps will continue to advise, but just less frequently than we can the other four corps.

...we're not out on patrol with the Afghans; they've taken over the fight. We're focused on the systems and processes that they have at the corps level. We're no longer with the brigades. We're no longer with the Kandaks.

Again, I said earlier in the opening statement in a place called Ajristan, which is western part of Ghazni, very remote area, that was part of our RC-East, continues to be part of our RC-East. I had issues when I was here -- a very remote location. For about the past week, there's been an uptick in activity out there, but nothing near like what the local media has provided here.

The district governor, the provincial governor, the district police, the provincial police made some phone calls back into the capital. They made phone calls to the press. They were exaggerated. We've had both our special operating forces that are partnered with the Afghan special operating forces, which are probably the very best in this part of the world, have been down in the Ajristan area for about the last

four days. All of the reports that I get back show probably six Afghan military killed, maybe 12 civilians. That was as of yesterday was the last update. I was out of the net most of today down in RC-South.

But again, there's no terrain down there in Ajristan that the Afghans do not control. And there are some very exaggerated reports. I very -- feel very confident that Ajristan, western part of Ghazni is not an issue.

And Helmand, for the last several week, there's been an uptick in the last four or five days. There's been a pretty substantial fight. And again, both the commandos, the 215th Corps and the police, I think you'll see in the next day or two with the Afghans coming out and reporting the success that they've had there.

The problem we've had in the past is we've encouraged the Afghans to go ahead and report this to show the success that they have. And quite candidly, they've been afraid to do that. And they've been inhibited in some places to -- to tell some of the good news stories. But I think, again, under President Ghani and Mr. Abdullah, you will see the police, the army, senior leadership, come out and speak with the media more and show you the great success that they're having.

There are casualties on both sides, but I think here in the next 24 to 48 hours, what you'll see in Helmand is that the Taliban do not own any of the ground that they've tried to get, and that they'll end the fighting season '14 here very discouraged, and that their leadership continues not even to be in Afghanistan and that their morale of the Taliban continues to be low.

They have, quite frankly, won the information war because I think -- all of you back there -- Taliban have made success, and they haven't. And so, we have not done a good job in telling that story. But I'm here to tell you in the six weeks I've been on the ground, I've been very, very confident of what the Afghan security forces can do. We'll continue to provide ISR close air support. Some of those things that we will build up their capabilities, but we're not there yet. And that's why we'll continue to do the train, advise, assist as part of resolute support in both '15 and into '16.

When General Campbell did provide a limited set of remarks that did address the problems in the ANSF, he did little describe the scale of current challenges or how they would be met:¹¹³

The gaps and seams that were identified early on, aviation, close air support, intelligence, logistics, how to sustain their force are the processes that we continue to work on.

We've developed eight essential functions as we move into resolute support that will continue to work with the Afghan forces. Those include the joint fires piece. It includes working with their force generation....And again, I'm very confident that the Afghan forces have the capability to withstand the fight internally inside here in Afghanistan. They're very confident as well.

But quite candidly, the last couple years, there's been some impediments to them, based on maybe some political decisions within their own country that prevented them from even going further...And now, with a new administration in, with President Ghani, who has embraced the military here, that will probably change some of the directives that were out there that may have inhibited the military. I believe that they'll continue to grow...The Afghan military is the most respected institution in Afghanistan. Every poll taken in the last two years, they're at the very, very top.

And again, I feel confident that there're some areas and challenges that we'll have to continue to work on, but there is no place that once the Taliban or any other insurgents take over, that the Afghan military can't take that back from them.

And the places that the Taliban and the insurgents are going after are going after are very remote locations where we don't have a lot of police, we don't have a lot of army, and they're trying to make these very high-profile attacks, spectacular attacks. And once we have the security forces in those areas, then the Taliban are quickly defeated.

Will we be in a position to provide air support, medevac to the Afghans in '15? The number of platforms that we have, the amount of ISR, the amount of CAS, the amount of medevac we'll have will be greatly diminished from what we have today, in proportion to where we're going with the 12.5.

We continue to work through the Afghans what we will be able to provide and what we won't be able to provide to the Afghans starting on 1 January. And I have to have that discussion both with President

Ghani, Mr. Abdullah. And I have to have that discussion with General Austin out of CENTCOM and General Breedlove, SACEUR.

General Campbell did note how uncertain the structure of the new government was and some of the issues in creating effective Ministries of Defense and the Interior,

...And we are working very hard with both the ministry of interior, the ministry of defense to strengthen the controls as we move into 2015 on how we leverage the funding....I just brought in Minister Atmar. He's the new national security adviser. I had Major Kevin Wendell in probably two days ago brief him on a change in business and how we will tighten those controls to give us better accountability and oversight of how we use the money.

I'll just -- in fact, I wrote down a couple of bullets here on the reporting requirements, new procedures to really minimize expenditure of the budget codes. There's a mandatory use of the electronic payroll system and the monthly reconciliation of the payroll submissions. There's a greater emphasis now on linking the payments to contracts. There's a simple thing like we're going to pay them in Afghani as opposed to dollars.

There is a new piece on contract transition and how we work that. We brought, again, the national security adviser in to give him a little bit of oversight on that. We're working now probably starting next week as we work through these commitment letters that I sign, and personally talk to the MOI and the MOD to make sure they understand how we will tighten up those controls.

And quite frankly, from Mr. Atmar, he was very appreciative of the increased scrutiny that we'll put on any oversight that we'll have both over the MOI and MOD. President Ghani has stressed many, many times about the issues of corruption. And we want to make sure that we continue to fall in line with that, learn from what we've done in the past, work with the SIGAR, work with both the MOI and MOD, and have a little bit better ability to see that.

Now, we're not going to be out in numbers that we were in the past, so we won't have the touch points out in the brigades, kandaks. We'll continue to have that at the corps, and we're actually increasing the numbers that we've ever had in the ministries. And because of that, I think that will really help us in really the central function number one which is plan, program, budget and execution -- really, the PPBE system which is, you know, really hard for U.S. to understand as well. But I think we've been working that very well with the Afghans.

We are trying to do something else that will help us, and that's really build up the civilian positions inside both ministries. The MOI is a little bit better than the MOD at this point, but to bring in young people that really understand the programming, the budgeting, and that execution, and to bring in that young talent as civilians so they continue to grow and have continuity.

The MOI has embraced that. I've had discussions with the MOD. I believe they will embrace it as well. And I think that also will help us with our transparency and the accountability oversight.

...And, again, I'm very comfortable at this point in time with the plan and the ramp of the drawdown and, quite frankly, the organization that's set up to leverage the folks that we'll have here, getting the right people with the right skill sets at the right level in the ministries. And, again, I feel comfortable that we're on the right -- the right path to do that.

I have to measure it in risk to the force and risk to the mission. And, again, some of that will change based on the new administration. Some of the policies that the new president puts out will -- will come into my mind as I take a holistic look on how to evaluate some of the gaps and seams that we identified and the goals and objectives that we wanted to get at in resolute support.

I think it's really, really early right now for me to be able to do that, because, again, we're just starting this political transition and we haven't even started resolute support yet. I think I have the ability to make those recommendations to the chain of command at the appropriate time, but right now, it's really way too early.

We're going to still try to figure out who the new governors are, who the new MOI or MOD, if they switched out, who within those ministries. So we've got to try to work toward that continuity and continue to work that base.

But, really, the advisers that we have, that's our new weapon system. And those are the folks that will be out there, engaged at the right levels to really work on the gaps and seams that we identified probably a year and a half ago with our Afghan partners here.

And I feel very confident that we have a good plan, but as any commander on the ground, you know, I reserve the right to be able to take a look at the risk to the force, risk to the mission, and then provide my assessments to my chain of command as we move forward.

He addressed the issue of rising Afghan casualties as follows

...there has been an uptick in the number of casualties that the Afghan security forces have taken. But that was expected because they're in the lead...There's much greater percentage rate on the police because that's really the first line of defense. The police are not trained. They're not equipped the same level that the Afghan army and the special operating forces are equipped. So they've probably taken the brunt of those casualties.

Helmand, again, for the last six weeks has been a pretty good fight, but I think, again in the next 48 hours you'll see reports from the Afghans that show that they've done very, very well there.

But the number of casualties for the Afghan security forces for the summer of '14 is just slightly higher, actually, than '13. But the last month or so, that percentage has gone up to kind of get it to where it was in '13. But that's because they've been in the lead almost completely this summer, more so than they were last year.

...I think the overall average of casualties, and this is probably both wounded and killed, is slightly higher, not very much higher, than the summer of '13. The last month or so it's spiked to reach that level, otherwise it would have probably been lower than '13...The number that's been floating around out there, and, again, sometimes hard to measure based on working through our Afghan systems, for overall casualties, this includes both wounded and killed, is in the neighborhood of 7,000 to 9,000 for '14. And, from '13, I think it's about the same number...So again, not -- not much higher than '13, in fact, the big spike here in the last couple weeks, because of the fighting done in Helmand and a little bit down in Ajristan.

When it came to the Afghan Air Force, a force that was originally only supposed to reach something approach full operational status in 2016, General Campbell limited his comments to the Mi-17,

...There's about 84 or so Mi-17s here in Afghanistan. The requirement's about 87, so we have three to go...We continue to work both with the Afghan air force and the special mission wing, which supports the special operating forces.

I had an opportunity to go on a flight line here a couple weeks ago and sit down both with the air force and then with the special operating -- or the special mission wing.

The capability that the special mission wing -- just think the comparison between -- that's their Task Force 160 -- and the ability they have to take Afghan soldiers, to fly very low and put them on an LZ to provide resupply is pretty incredible...And I think that they've been a force multiplier for the special operating forces. And for the conventional forces, the army and the police, they've been mostly moving forces and then providing resupply.

And I think that capability continues to build confidence in the Afghan security forces, in the Afghan people, but I've been really, really impressed...And they also have an ISR capability with an aircraft that provides them full motion video that they work with the special operating forces, and they've used that quite extensively in the last couple of days in Helmand.

...So the Mi-17s are a -- General Dunford used the word many, many months, a “game changer,” and I absolutely believe that as well, that they provide them a capability that gives them confidence, boots their confidence to continue to -- continue to fight.

Limited Adjustments to the 9,800 Ceiling and the US Combat Role

There has been some progress towards more realistic US force levels since the President made these statements, but the resulting increase is very limited and seems to be temporary at best. General Campbell did announce a new effort to determine whether Afghan forces would be ready for the last US forces to leave Afghanistan in 2016 in November 2013. He was quoted as saying in a phone interview that he was:¹¹⁴

“beginning now to take a hard look” at what effect delays in concluding a bilateral security agreement between the United States and Afghanistan and the months of uncertainty over the country’s presidential elections have had on the preparedness of the Afghan military. Afghan forces have been taking heavy casualties in recent months while they battle the resurgent Taliban... Do I come back and do I alert my leadership and say we are coming down to this number, we need to hold a little bit longer to take advantage of some of the things that President [Ashraf] Ghani has put in place and we need more NATO forces in certain locations for longer?...I’ve got to do that analysis and we’re just starting that now.”

Reliable press reports also indicated in late November 2014 that the US military had persuaded the White House to allow US forces to play a limited, but more active combat role when ANSF forces got into serious trouble and put some advisors forward into combat units. This same decision allowed the limited use of US fighters, bombers, UAVs, and UCAVs to provide combat support in “hunting the remnants of Al Qaeda.” A senior US military officer said on background that US combat systems could include fighter like the F-16, bombers like the B-1, and UCAVs like the Predator and Reaper.¹¹⁵

The decision was taken in part because of the collapse of Iraqi forces in a somewhat similar set of military challenges from the Islamic State, but the role of US forces was still to be kept very limited. A background briefing by a senior US official stated that,¹¹⁶

Safety of our personnel is the president’s first priority and our armed forces will continue to engage in operations in self-defense and in support of Afghan Security Forces ...the United States may provide combat enabler support to the [Afghan National Security Forces] in limited circumstances to prevent detrimental strategic effects to these Afghan security forces...We will no longer target belligerents solely because they are members of the Taliban,” the official said. “To the extent that Taliban members directly threaten the United States and coalition forces in Afghanistan or provide direct support to Al Qaeda, however, we will take appropriate measures to keep Americans safe.

These briefings also indicated that the US now counted on some 3,000-4,000 allied forces remaining in Afghanistan: Italy in the East, Germany in the North and Turkey in Kabul, and that the US would provide these forces with support and with airpower in an emergency. At the same time, they also indicated that such forces would be cut during 2015 and 20-16 in the same way as US forces.¹¹⁷

Secretary of Defense Chuck Hagel followed these reports up on December 6, 2014, by announcing in a joint press conference with Ashraf Ghani that that up to 1000 more US troops might stay in Afghanistan, raising the total to 10,800 troops in Afghanistan for the first few months of 2015 and then restart the drawdown – although Hagel carefully qualified the limits to the change and said it would “last for a few months only,”¹¹⁸

Are there (security) gaps? Are there continued challenges? And threats? Absolutely...The recent wave of Taliban attacks has made it clear that the international community must not waver in its support for a stable, secure and prosperous Afghanistan...We have not forgotten what brought America to Afghanistan over a decade ago...And we will take appropriate measures against Taliban members who directly threaten U.S. and coalition forces in Afghanistan or provide direct support to al Qaeda.

(President Obama) has provided U.S. military commanders the flexibility to manage any temporary force shortfall that we might experience for a few months as we allow for coalition troops to arrive in theater...But the president's authorization will not change our troops' missions or the long-term timeline for our drawdown."

General Campbell followed Secretary Hagel by indicating that the US was ready to provide more air support than it has previously planned. Secretary Hagel also stressed that the US would keep pursuing a "limited" counterterrorism mission in Afghanistan after 2014.¹¹⁹ However, these announcements were followed by background briefings that indicated that the key reason for the increase was that allies were slow in providing the full contribution of some 2,200 allied troops -- rather than 3,000-4,000 -- that the US and ISAF had previously counted upon.¹²⁰

There was some reporting in early 2015 that the US forces in Afghanistan had actually sharply stepped up operations against the leadership of the Taliban in spite of such statements. A report in the *New York Times* stated that General Campbell had ordered a mix of American military Special Operations units, such as Navy SEALs and Army Rangers, and paramilitary officers from the CIA to cooperate with commandos of the National Directorate of Security, Afghanistan's main spy agency in targeting key leaders, including one of the Taliban like Abu Bara al-Kuwaiti and Mullah Abdul Rauf Khadim, who had pledged allegiance to the Islamic State. The article quoted a "former Afghan official" as saying that. "It's all in the shadows now...The official war for the Americans — the part of the war that you could go see — that's over. It's only the secret war that's still going. But it's going hard."¹²¹

The Need for Transparency and to Decide on a Conditions-based Policy

Only time can determine how effective the US and ISAF assessment of the combat situation has really been, and how credible it post-2014 plans for the development of the ANSF will prove to be. The spring and summer campaign season of will be one critical test, and the outcome of the political struggle between Ashraf Ghani and Abdullah Abdullah may provide more tangible indicators of how effective Afghan governance will be during the course of 2015.¹²² Look back, however, one needs to be very careful, the momentum of past US efforts of this kind in Vietnam and Iraq carried both forces through the first year and beyond without giving them lasting success.

One thing is certain, the Administration may have talked about transparency, but it increasingly has tried to sell its policies without it. The clichés that President Obama issued after a newly elected President Ghani finally signed the bilateral security and status of forces agreements on September 29, 2014 did little more than disguise the real challenges to Transition.¹²³

Today we mark an historic day in the U.S.-Afghan partnership that will help advance our shared interests and the long-term security of Afghanistan. After nearly two years of hard work by negotiating teams on both sides, earlier today in Kabul the United States and the new Afghan Government of National Unity signed a Bilateral Security Agreement (BSA). This agreement represents an invitation from the Afghan Government to strengthen the relationship we have built over the past 13 years and provides our military

service members the necessary legal framework to carry out two critical missions after 2014: targeting the remnants of Al Qaeda and training, advising, and assisting Afghan National Security Forces. The signing of the BSA also reflects the implementation of the Strategic Partnership Agreement our two governments signed in May 2012.

Today, Afghan and NATO officials also signed the NATO Status of Forces Agreement, giving forces from Allied and partner countries the legal protections necessary to carry out the NATO Resolute Support mission when ISAF comes to an end later this year.

These agreements follow an historic Afghan election in which the Afghan people exercised their right to vote and ushered in the first peaceful democratic transfer of power in their nation's history. The BSA reflects our continued commitment to support the new Afghan Unity Government, and we look forward to working with this new government to cement an enduring partnership that strengthens Afghan sovereignty, stability, unity, and prosperity, and that contributes to our shared goal of defeating Al Qaeda and its extremist affiliates.

The situation did not become more reassuring when the US announced the formal end to Operation Enduring Freedom on December 29, 2014, and announced that it would begin its follow-on mission, Operation Freedom's Sentinel in 2015 – a statement made the same day as a Taliban statement that it had “defeated” the US and that “ISAF rolled up its flag in an atmosphere of failure and disappointment without having achieved anything substantial or tangible.”¹²⁴

The US made its announcement with all the usual rhetorical flourishes and statements about success, future commitments, and host government progress it made at the end of the Vietnam and Iraq conflicts. President Obama implied that it had ended America's longest war, although Secretary of Defense Chuck Hagel made it clear that relabeling the mission did not fully end America's military role:¹²⁵

Operation Freedom's Sentinel, the United States will pursue two missions with the support of the Afghan government and the Afghan people. We will work with our allies and partners as part of NATO's Resolute Support Mission to continue training, advising, and assisting Afghan security forces. And we will continue our counterterrorism mission against the remnants of Al-Qaeda to ensure that Afghanistan is never again used to stage attacks against our homeland.

The US had already withdrawn almost all of its combat forces from Afghanistan at the time the President and Secretary Hagel made their statements about Operation Enduring Freedom, and it ended the Operation without having issued any meaningful assessment of what some thirteen years of war had accomplished.

Both the President and the Secretary of Defense sharply understated the risks inherent in the current official US approach to Transition. Secretary Hagel did not mention the risks involved at all, and President Obama mixed claims that the war had succeeded in “devastating the core al-Qaida leadership, delivering justice to Osama bin Laden, disrupting terrorist plots and saving countless American lives,” and “helped the Afghan people reclaim their communities, take the lead for their own security, hold historic elections and complete the first democratic transfer of power in their country's history” with a short comment that, “Afghanistan remains a dangerous place, and the Afghan people and their security forces continue to make tremendous sacrifices in defense of their country.”¹²⁶

The US did not make any public attempt to provide meaningful strategic assessment of its future role and commitments in Afghanistan or the region, and did not provide any meaningful public analysis or metrics of the combat situation. It also did not issue any assessment of the

political and economic prospects for Afghan security, and did not make any attempt to link its posture in Afghanistan to what was happening in Pakistan.

No public plan existed at the end of 2014 for shaping and funding any element of the ANSF after 2014. Secretary Hagel's statement said that there are "two critical missions after 2014: targeting the remnants of Al Qaeda and training, advising, and assisting Afghan National Security Forces." Cuts in US military and intelligence personnel strongly indicate that the first mission will only have marginal support, and it is unclear what caveats will exist on US operations and whether the kind of caveats included the letter transferring responsibility for security and limiting US operations that the US and Afghanistan signed in June 2013 will have a major impact.¹²⁷

Somewhat ironically, the closest the US and ISAF came to providing any real detail on the future of the ANSF came in a supplement to the US Department of Defense's request for its FY2016 budget, and was issued on February 3, 2015 – long after the Department has decided to classify most data on readiness and force development. This document made it clear that the budget data were based on the FY2014 force structure of the ANSF, but did provide some picture of other changes taking place in the ANSF and the US advisory mission,¹²⁸

In January 2015, NATO and U.S. Forces shifted from a combat mission to Resolute Support, which leverages functionally based Security Force Assistance (SFA) to enhance capabilities from the ministerial level down to the individual Corps level. As part of the mission, Train, Advise, and Assist Commands (TAACs) will help to complete ASI and ANSF development as part of end-to-end advisory network. During the 2015 fighting season, this network will focus efforts on improving ANSF operational readiness toward long-term self-sustainment. Eight essential functions (EFs) underpin SFA-based efforts: EF1 - Plan, Program, Budget and Execute (PPBE); EF2 - Transparency, Accountability, and Oversight (TAO); EF3 – Civilian Governance of the ASI, including adherence to Rule of Law (ROL); EF4 – Force Generation (FORGEN); EF5 – Sustaining the Force (Sustain); EF6 – Plan, Resource and Execute Effective Security Campaigns and Operations (Camp & Ops); EF7 – Sufficient Intelligence Capabilities and Processes (INTEL); and EF8 – Strategic Communication (STRAT COMM). Each of these essential functions reinforces the foundational capabilities to sustain a credible, capable, and increasingly self-sufficient ASI and ANSF.

In January 2016, Resolute Support will continue to develop ASI capacity and operationalize the systems and processes critical to self-sustainment and long-term supportability. By the end of 2016, the goal is to ensure ASI systems and ANSF capabilities are better optimized, effectively integrated, and better sustained to support all operations. With the help of the International Community and a continued emphasis on anti-corruption, accountability, and fiscal discipline, GIRoA and the ASIs will be able to better budget, equip, and sustain the ANSF, all of which will increase Afghan national security, promote regional stability and security, and solidify Afghanistan's role as an effective Counter Terrorism (CT) partner. The activities supported by the FY 2016 budget will build on progress to-date and further develop self-sustaining systems and processes to ensure a stable and competent ANSF, able to leverage its own resources and assistance from the International Community effectively and efficiently.

...The FY 2016 budget request for the Afghanistan Security Forces Fund (ASFF) supports an end-strength of up to 352,000 Afghanistan National Security Forces (ANSF), composed of up to 195,000 Afghanistan National Army (ANA) and 157,000 Afghan National Police (ANP), and up to 30,000 Afghanistan Local Police (ALP), for a total of 382,000. This budget continues the crucial transition from Operation Enduring Freedom (OEF) to Operation Freedom's Sentinel (OFS) as part of the North Atlantic Treaty Organization (NATO) Resolute Support, focusing on the train, advise, and assist (TAA) mission to strengthen the Afghanistan Security Institutions (ASI) and the ANSF. While the mission will be Kabul-centric and more strategically focused, the goal is to better optimize the ANSF at the operational and tactical levels, increase its capabilities and systems, and set conditions for a professionalized and self-sustainable ANSF over time.

The FY 2016 budget builds on prior-year efforts to posture the ANSF for long-term supportability

through multiple lines of effort: setting the conditions to enhance ASI critical systems (e.g. budget, procurement, and logistics); refining maintenance training and compliance conditions; rebalancing sustainment and procurement activities to ensure effective integration and employment of ANSF capabilities; and instilling fiscal discipline with an emphasis on accountability and transparency. Stable resourcing is a critical component to the strategy in order to take the necessary steps and unified actions toward long-term sustainment. DoD and NATO cooperative support activities must be complementary in order to ensure success. A master performance framework synchronizes Resolute Support critical TAA goals, missions, and tasks. In concert with broader international capacity development efforts, the mission at the ministerial level will focus on the refinement of critical systems, processes and procedures to strengthen the functional capacities of the ASI. Additional emphasis will be placed on the continued development of intelligence and aviation enterprises as well as the Afghan National Army Special Operations Forces (ANASOF).

The ANSF capabilities have expanded rapidly since 2009, while insurgent territorial influence and kinetic capabilities have remained static. During the 2012 fighting season, the International Security Assistance Force (ISAF) led the fight against the insurgency, helping to put the Government of Islamic Republic of Afghanistan (GIROA) firmly in control of all of Afghanistan's major cities and 34 provincial capitals. The ANSF took the lead in the 2013 fighting season and consolidated control of Afghanistan's urban areas. Throughout 2014, Afghan security forces successfully provided security for their own people, fighting their own battles, and holding the gains made by ISAF. This was a fundamental shift in the course of the conflict, as the ANSF demonstrated an operational presence and the ability to gain and control key terrain.

...International contributions for FY 2016 are anticipated to remain constant from FY 2015 levels. Resolute Support funding will be provided in accordance with the "Revised Funding Arrangements for Non-Article 5 NATO-led Operations and Missions," and as defined in subsequent Resource Policy and Planning Board decisions related to specific funding arrangements. Donor nations are required to fund and absorb all costs associated with their participation; national costs associated with Resolute Support are not eligible for subsidy or pre-financing through NATO.

The total resource requirement to support the ANSF in FY 2016 is \$5.012 billion. This reflects a decrease from previous levels and the continued shift from building and equipping the ANSF, to enhancing and sustaining the capabilities, capacity, and readiness of the ANSF. ASFF will continue to support the majority of the ANSF requirement with \$3.762 billion in funding. International contributions of \$1 billion and an anticipated \$250 million from GIROA will fund the difference.

If adequately funded and supported by the Coalition, the ANSF will become increasingly self-sufficient and capable of independently challenging—and defeating—the insurgent threat. Through directed lines of effort to develop more effective and efficient financial and human resource management systems, ASI and the ANSF will be postured for long-term sustainment by the Afghan Government and less reliant on assistance and funding from the International Community.

...The FY 2016 Afghan National Army (ANA) budget request continues the transition from building and equipping to improving, readying, sustaining and professionalizing the fielded force. The FY 2016 equipment and transportation request includes equipment required for the continued development and maturation of the ANA as well as recapitalization of aged-out or items damaged beyond repair. The Afghan Air Force will continue to require more ground support equipment for their rotary and fixed wing aircraft as they grow to full operational capability. The funding request for maintenance test equipment, training aircraft and light air support aircraft will expedite the ability of the Afghan National Security Forces (ANSF) to operate independently of Coalition Forces. Equipment and transportation is 7 percent of the ANA budget and 5 percent of the FY 2016 ASFF budget request.

...This budget request continues the development of the ANP in order to employ a force that can conduct independent law enforcement, counter-terrorism, and counter-insurgency operations. It provides the ANP with the ability to train and sustain itself. It also focuses on developing specific areas of the ANP in order to improve effectiveness and ensure the long-term security and stability of Afghanistan. The ANP is responsible for providing internal security and enforcing the Rule of Law. The MoI has a task focused police force comprised of four pillars: Afghan Uniformed Police (AUP), Afghan Border Police (ABP), Afghan National Civil Order Police (ANCOP), and Afghan Anti-Crime Police (AACP). The

AUP provides a local police presence throughout the country. The ABP maintains border security of air and ground points of entry, which facilitates the development of legitimate commerce and increases licit revenue collection. ANCOP provides national level response capability that supports other police organizations in times of crisis. The AACP provides the expertise required to enable evidence-based convictions in place of confession-based convictions and improve regional judicial capability.

The MoI continues to develop the ANP support elements such as intelligence, logistics, and training organizations. The training and logistics base will ensure long-term sustainability by focusing on developing a professional and specialized police. Training includes basic policing, tactical training, counter-terrorism training, criminal investigation, and other more specialized training. The MoI also has two subsidiary security organizations: the ALP and the Afghan Public Protection Force (APPF). The ALP remains under the authority of the MoI while the jurisdiction of the APPF is still being developed. Neither organization is included in the approved ANP force structure.

In FY 2016, sustainment funding provides for pay, fuel, and maintenance requirements to enhance the ANP's operational readiness. There are no "new build" infrastructure requirements. Equipment and transportation enables the ANP to provide security, enforce the Rule of Law, conduct special investigations and perform special police functions. The training and operations include basic training, advanced training, leadership and management training, and training for enabler specialists.

Burying the only thing approaching a coherent description of the status of the ANSF away in an obscure budget document, assuming no changes would be need to reflect the rising threat or deal with the combat situation in 2015 and 2016, and classifying all meaningful readiness data, are scarcely a credible road to a successful Transition for the ANSF.

If the US does not abandon fixed deadlines, provide adequate military personnel and support, and shift to a condition-based approach to aiding the ANSF, it seems all too likely that US force levels will be too low, too short in duration, and too limited in their role to adequately support the transition of Afghan National Security Forces over the next few years. These are problems only a more realistic and conditions-based approach to the US advisory and support role can address, and no amount of spin and selling the war will be a substitute for providing such aid before some form of security crisis develops – a point where the size and cost of a US effort will be far higher, even if success is still possible.

VI. The “Threat” from Afghan Economic Challenges

It is difficult to put the “threat” posed by Afghan economics into anything approaching an accurate perspective. Most of the data on the Afghan economy and population are based on uncertain estimates. Many are little more than “guesstimates,” although this is sometimes disguised by computer models and other ways of generating data that appear to be far more precise than they are and are extrapolated down to the district level with little or no meaningful input data.

The failure to honestly express the uncertainty in most data on the Afghan population, economy, and impact of aid is one of the many areas where international organizations, donor countries, the Afghan government, and NGOs have lied by omission throughout the course of the war, and often issued data and estimates that exaggerate their accomplishments or serve their own interests. In fact, the need to provide honest assessment of uncertainty and the sources and limits to the data being issued is as important a priority as the need for transparency, and one where few governments and organizations can even begin to claim a meaningful degree of integrity.

There are enough data, however, to warn that the exaggerated progress claims that the Afghan government and many aid donors made through 2010 to 2011 disguised major problems in the Afghan economy. They sharply underestimated the strains that would follow the withdrawal of US and other ISAF forces, and cuts in outside spending. Chapter III has already shown that Afghanistan faces a major budget crisis for at least the next half-decade—a crisis that inevitably has a major impact on the more developed sector of an economy so dependent on government spending.

Drifting into Crisis at the Time of Transition

Work by SIGAR also warns that economic stress rose as Afghanistan has moved toward Transition, and reports many critical problems in the areas where the US and other donors have focused their aid efforts. SIGAR reported in January 30, 2015 that,¹²⁹

- Afghanistan is facing an economic crisis with the transition taking a heavier than expected toll on the economy and the pace of reforms. Private sector confidence has slumped and a fiscal crisis is under way, with the government failing to mobilize adequate revenue to meet its financing priorities. (Source: Islamic Republic of Afghanistan, *Realizing Self-Reliance: Commitments to Reforms and Renewed Partnership*, 12/2014)
- Afghanistan’s fiscal gap widened. Domestic revenues in Afghan FY 1393 (December 21, 2013–December 20, 2014) were 26% lower than Ministry of Finance (MOF) budget targets, and 7.6% lower than in the same period in FY 1392. Expenditures continued to far outpace revenues, and donor grants are not enough to close the fiscal gap.
- Afghanistan began FY 1394 without an approved budget. Acting Minister of Finance Omar Zakhilwal presented an \$8 billion, FY 1394 national budget to the Meshrano Jirga (upper house of parliament) in November. The upper house took no action before sending it to the lower house, where it was promptly rejected.
- The World Bank released its *Doing Business 2015* report this quarter, ranking Afghanistan 183rd out of 189 countries for an environment conducive to starting and operating a local business. Afghanistan ranked 164th (of 189) in 2014 and 168th (of 185) in 2013.

- Afghanistan acknowledged that, given its reliance on International Security Assistance Force (ISAF) expenditures, the military drawdown and the extended political transition were the biggest drivers of its economic slowdown.
- The World Bank and IMF reported that Afghanistan's banking and financial sector has not recovered from the 2010 Kabul Bank scandal. The sector suffers from inadequate regulation and oversight, limited institutional capacity, undercapitalization, and a lack of consumer confidence....Many Afghans distrust banks, preferring to borrow and save with family and friends, and to transfer money through informal, trust- or honor-based hawala networks which provide money or value transfer services
- The World Bank reported 2.65 million depositors in the Afghan banking system, but only 100,000 borrowers in a population estimated at 30 million. And though Kabul has roughly 10% of Afghanistan's population, 80% of all loans are made there.
- The State Department lists Afghanistan as a major money-laundering country whose financial institutions either engage in, or are vulnerable to, transactions involving significant criminal proceeds, all of which "continue to pose serious threats to the security and development of Afghanistan."
- Narcotics, corruption, and contract fraud are major sources of the country's illegal revenues and laundered funds. Afghanistan has weak or nonexistent supervisory and enforcement regimes, and weak political will to combat corruption.
- Treasury warned that if Afghanistan fails to aggressively enforce anti-money laundering/antiterrorist financing laws, its banking system will become isolated from the rest of the world and be unable to provide key financial services.
- U.S. efforts to minimize adverse impacts of the drawdown on Afghanistan's financial stability, government revenue, and economic growth, as well as a strategic focus on sustainable solutions, have not significantly helped Afghanistan stave off a fiscal crisis or wean its economy off the military presence or donor assistance.
- The World Bank believes development of Afghanistan's natural resources can underpin future economic growth in the face of declining external aid, although mining has so far contributed only a small share of the country's GDP...But it is uncertain when sector-generated revenues may be realized because of a lack of infrastructure financing as well as weak Afghan progress on regulatory and legislative frameworks.
- Although the Afghan budget projected annual mining revenues of \$13.2 million, in the first half of FY 1393 (2014), Afghanistan received just \$3.9 million in royalties and fees.
- Afghanistan's lack of security overshadows all other constraints on investment, according to the World Bank. USAID said mining regions are remote and often located in insecure areas that may be littered with mines and unexploded ordnance. Corruption, an uneducated workforce, lack of labor safety practices, and crude extraction methods are also inhibiting factors.
- Currently there is no excavation work under way at the Mes Aynak copper mine in Logar Province other than continuing archeological mitigation of damage to cultural relics in the area. This quarter, government officials said 86 security posts have been set up around the mine, which reportedly comes under frequent attack. There is also no reported change in contract negotiations for the Hajigak iron ore concessions (awarded in November 2011) this quarter. The World Bank reported hopes are also fading for Aynak and Hajigak-related energy investments.
- Afghanistan's efforts to develop its oil and gas reserves focus on the Amu Darya Basin and Afghan-Tajik Basin, both in northern Afghanistan. Afghanistan has only small-scale topping plants—early-stage refineries that can process only limited petroleum components of crude oil—and remains heavily dependent on imports for fuels. The country imports 10,000 tons of oil products a day from Turkmenistan, Uzbekistan, Russia, Pakistan, and Iran.
- Agriculture continues to be the main source of employment and subsistence for the Afghan population, accounting for 31% of GDP, according to the World Bank, and provides employment to about 59% of the labor force.

- Opium production is not calculated in official GDP figures, although it figures prominently in the economy. Farm-gate value of the opium economy is estimated at 3.3% of GDP by the World Bank and 4% by the UN Office on Drugs and Crime (\$853 million). Higher-priced opium exports are calculated at 7–8% of GDP by the World Bank and 15% by the UN.
- Afghanistan imports approximately 73% of its total energy supply. Electricity imports are expected to rise in the near term, according to a recent World Bank report, which also noted that limited access to electricity is one of Afghanistan's biggest constraints to private-sector development.
- Despite the requirement of Public Law 110-181 that federal agencies provide requested information or assistance to SIGAR, the State Department did not answer any of SIGAR's questions on economic and social-development this quarter, and failed to respond to SIGAR's attempts to follow up.
- The country has one of the lowest rates of electrification in the world, with only 25% of Afghans connected to the power grid. Of those who are connected, an estimated 75% live in urban areas, but urban dwellers comprise an estimated 37% of the Afghan population.
- The Kandahar-Helmand Power Project (KHPP) is intended to increase power supply and reliability in Kandahar and Helmand provinces. All components of this project are being closed out, except for a USAID technical support services contract with Black and Veatch to assist Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national utility, with its efforts to increase long-term sustainable hydropower from Kajaki Dam. Turbine parts have been sitting uninstalled at Kajaki since 2008 due to security threats. The deputy governor of Helmand Province reportedly said the government has no control over the district of Kajaki.
- Afghanistan's lack of transportation infrastructure hinders internal commerce, foreign trade, and economic growth. The World Bank said developing the transportation sector is imperative for economic development. Afghanistan's transportation infrastructure shortcomings constrain the service and agriculture sectors, currently the leading contributors to GDP. They also hold back the mining industry, whose future revenues the Afghan government and international donor community are counting on to offset declining aid.
- According to the most complete data available from the MOE...Afghanistan had a total of 13,858 general education (government) schools in 1392 (2013), with 7.98 million students enrolled. Of the enrolled students, 6.26 million were categorized as present, while 1.36 million students were considered absent. EMIS neither tracks open and closed schools at any given time, nor teachers and student attendance. Figures are not independently verified.

The Uncertain Impact and Future of Aid

There was a major flow of economic aid to Afghanistan during 2002 to the end of 2014. The USAID Economic Support Fund (ESF) alone had \$17.71 billion in appropriations out of a total of \$91.2 billion in military, civil, and counternarcotics aid funds, and an additional \$7.33 billion was appropriated in in other reconstruction funds and \$8.96 billion in funds for civil operations (A total of \$107.48 billion.) A total of \$16.38 billion in ESF was obligated, \$12.49 billion was spent, and \$4.74 billion is remaining.¹³⁰

If the total US aid effort is broken out by major function, the following totals were appropriated:¹³¹

- \$65.02 billion for security (\$4.20 billion for counternarcotics initiatives)
- \$30.65 billion for governance and development (\$3.81 billion for counternarcotics initiatives)
- \$2.86 billion for humanitarian aid
- \$8.96 billion for civilian operations

There are no accurate figures on total international civil aid and military spending in Afghanistan, The total patterns in US aid, and a rough break out of key other donor aid is show in **Figure VI.1**, but there has never been any meaningful accounting of the full range of either aid or military spending actually in Afghanistan by either countries or NGOs, and UNAMA has never acted on this part of it mission No donor country or member of ISAF has ever attempted meaningful accounting on how much spending actually reached its intended target or any meaningful measure of effectiveness based on valid data collection.

What is clear is that current aid pledges, and a backlog of past appropriations, could ease the strain of Transition in 2015 onwards. However, it is far easier to pledge aid than it is to actually deliver it and then make it effective – particularly in dealing with broad national economic problems. The international community has made significant pledges to sustain aid after 2014. The NATO summit in Chicago in February 2012 resulted in pledges to finance Afghanistan’s security spending, estimated at around \$4 billion annually over the following decade, although donors were assured that Afghanistan would make gradually increasing and substantial contributions toward security.

As has been touched upon earlier, a conference in Tokyo in July 2012 led to pledges for development aid of \$16 billion through 2015 and to sustain aid at similar levels through 2017, although such aid was linked to the progress in reforms under a Tokyo Mutual Accountability Framework.¹³² A series of additional conferences during 2012-2014 – including the London Conference at the end of 2014 -- broadly reaffirmed these commitments.

None of these conferences, or the supporting staff work, however, developed credible plans to show the timing of such aid, how it will be used, how the allocation of aid will be made and managed, how the Afghan government will improve its capability to use aid, how waste and corruption will be reduced, and how better audits and measure of effectiveness will be introduced. Much of the currently pledged economic aid is also tied to development and project aid, and not to dealing with the economic problems cause by Transition.

Similarly, the Afghan government, the World Bank, and IMF have regularly issued a series of reform plans that could increase Afghan revenues, cut Afghan expenditures, reduce waste and corruption, and use both domestic revenues and outside aid more effectively. They have also shown that Afghanistan could benefit from reduce the current barriers to business development. The World Bank and IMF have also issued estimates showing that the full implementation of such plans could sharply reduce the economic risks in Transition, and even avoid them in the best case.¹³³

Yet, all of these efforts remain largely conceptual. Major reform has not taken place. The real world budget and economic situation has continued to deteriorate. More and more aid activity has left the field and either concentrated in Kabul moved activity out of the country, The Afghan government has not been able to deploy competent (or in many cases, any) personnel to fully staff the administration of many of its programs at the provincial and the district level.

As has been noted in Chapter III. SIGAR reported in January 2015 that there no longer are any hard Afghan deliverables on reform, that USAID no longer reported on progress in meeting the Tokyo Conference goals for Afghan reform, and that Afghanistan entered 2015 without an approved budget.¹³⁴ It is also clear even from limited surveys of the Afghan people in November 2014, that economics were a major issue. A survey of some 2,051 Afghans by the Afghan Center for Socio-Research in Kabul found that,¹³⁵

- 21% of Afghans felt economics were the most serious problem the country faced versus 14% that focused on security. If the percentage that focused on infrastructure and social services was added to economics, the percentage rose to 37%. A total of 58% put economics as the first or second most serious problem versus 56% for security.
- A total of 39% of Afghan felt security was bad.
- A total of 60% felt jobs and economic opportunities were bad. The figure for roads, bridge, and infrastructure was 49%, 60% for electricity, 35% for food, 44% for medical care, 46% for the ability to afford the things they needed, and 47% for clean drinking water.
- It was telling that 60% of those in a limited survey in an agricultural country felt that support for agriculture, including the availability of seed, fertilizer and farming equipment was bad.

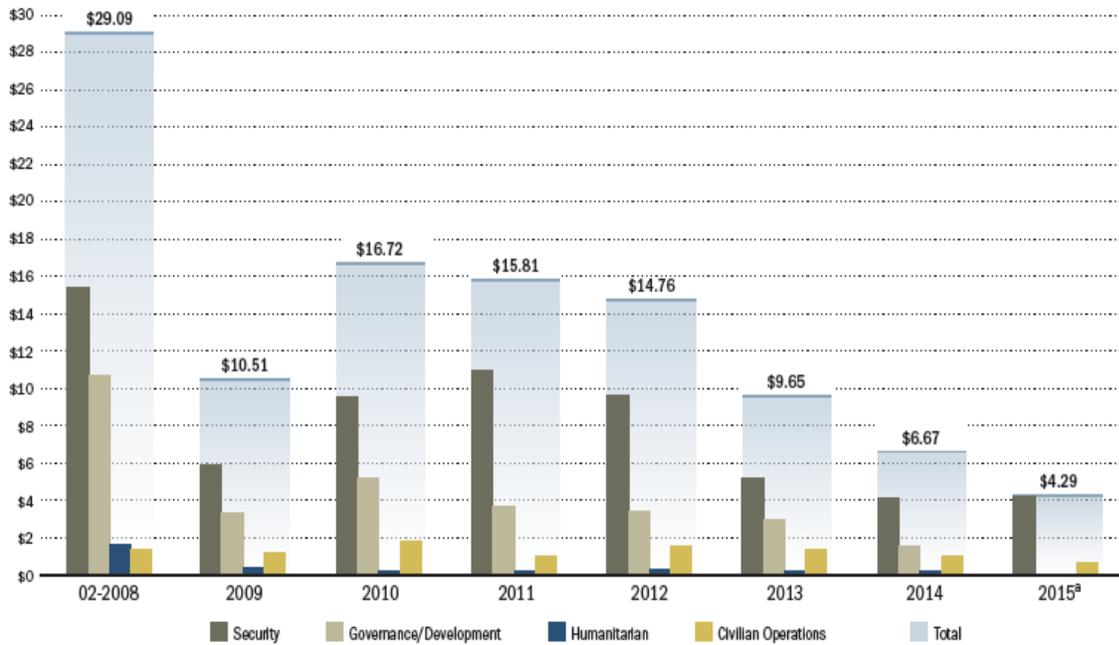
These results were also striking because that were part of a national sample. Any realistic picture of economic stress has to sample by income group and region to determine how the poor and less advantaged feel and their attitudes towards the government and insurgents – which have proved to be far more negative in the few cases where this has been attempted in nations with a serious insurgency.¹³⁶

It is also clear from recent World Bank and IMF reports that fantasies like the “New Silk Road” will not have a major impact on the Afghan economy at any point in the near future, and the same is true of mines and petroleum resources. The World Bank and IMF also make it clear that poverty has already been increasing, and that here is a serious risk of recession – an economic downturn that already is leading to capital flight and an Afghan brain drain, and has far more impact on a near-substance economy than a more developed one.

Figure VI.1: Illustrative Data on US and International Aid Spending – Part One

Declining Total US Aid Spending

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

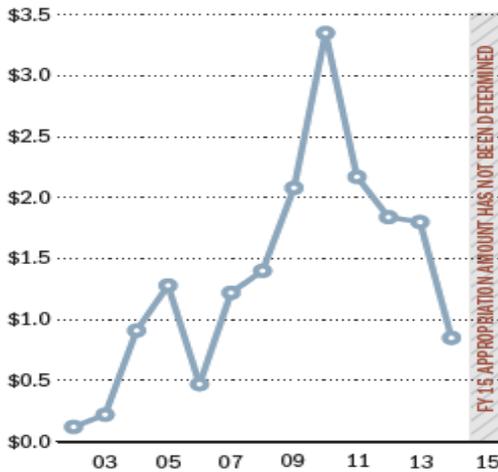


Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF. DOD reprogrammed \$1 billion from FY 2012 ASFF. Pub. L. 113-6 rescinded \$1 billion from FY 2012 ASFF. DOD reprogrammed \$178 million from FY 2013 ASFF. Pub. L. 113-235 rescinded \$764.38 million from FY 2014 ASFF. DOD transferred \$101 million from FY 2011 AIF and \$179.5 million from FY 2013 AIF to the ESF to fund infrastructure projects implemented by USAID.

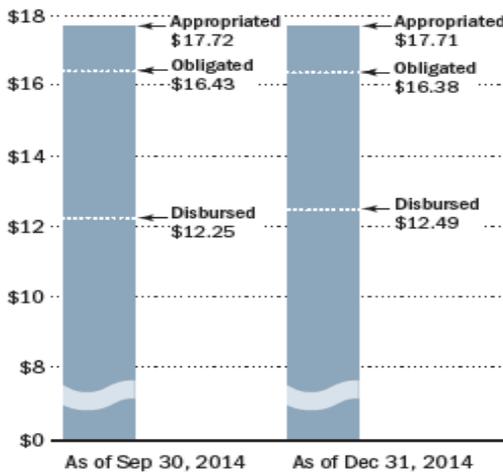
^a Final FY 2015 appropriation amounts for State and USAID accounts were still being determined when this report went to press.

Erratic and Declining US ESF Spending

ESF APPROPRIATIONS BY FISCAL YEAR (\$ BILLIONS)



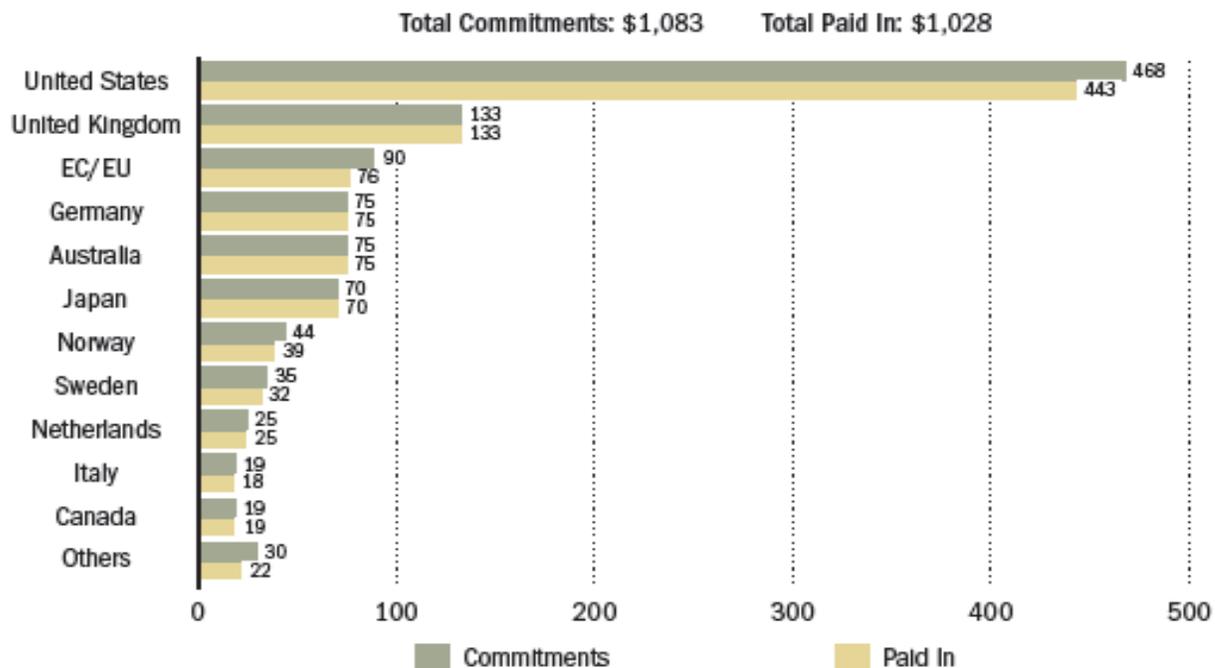
ESF FUNDS, CUMULATIVE COMPARISON (\$ BILLIONS)



Source: SIGAR, *Quarterly Report to Congress*, January 30, 2015, 79 & 86, <http://www.sigar.mil/pdf/quarterlyreports/2015-01-30qr.pdf>.

Figure VI.1: Illustrative Data on US and International Aid Spending – Part Two

ARTF CONTRIBUTIONS FOR FY 1393 BY DONOR, AS OF DECEMBER 21, 2014 (\$ MILLIONS)



Note: Numbers have been rounded. FY 1393 = 12/21/2013–12/20/2014.

Source: World Bank, "ARTF: Administrator's Report on Financial Status as of December 21, 2014 (end of 12th month of FY 1393)," p. 1.

SIGAR reports that most of the international funding of economic aid is administered through trust funds. Contributions provided through trust funds are pooled and then distributed for reconstruction activities. The two main trust funds are the Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOFTA).

- From 2002 to December 21, 2014, the World Bank reported that 34 donors had pledged more than \$7.98 billion in ARTF FUNDS, of which more than \$7.93 billion had been paid in. According to the World Bank, donors had pledged more than \$1.08 billion to the ARTF for Afghan fiscal year 1393, which ran from December 21, 2013 to December 20, 2014. The US had paid 30% of all ARTF aid, the UK 18%, Canada 8%, Germany 7% and others 37%.
- The LOFTA fund pays for the ANP salaries and build the capacity of the Ministry of Interior. Since 2002, donors have pledged nearly \$3.84 billion to the LOFTA, of which nearly \$3.77 billion had been paid in, as of September 30, 2014. The LOFTA's seventh phase began on January 1, 2015, and is initially planned to run through a six-month inception phase with an estimated budget of \$296.84 million. During the inception phase, LOFTA activities are to begin transitioning to the Afghan government. 2014—the most recent LOFTA data available. The US had paid 40% of all LOFTA aid, Japan 28%, the EU 13%, Germany 6%, and other 13%.

Source: SIGAR, *Quarterly Report to Congress*, January 30, 2015, 88-89, <http://www.sigar.mil/pdf/quarterlyreports/2015-01-30qr.pdf>.

The Impact of Economics on Governance and Security

This lack of effective governance, planning and management now makes projections based on reform largely moot, threatens to reduce popular support for the government, and cut its

already limited revenue base. It also can have a major impact on those Afghans who have benefited most from foreign military spending and aid in past years:

- At one level, some of those who have profited most from foreign spending, and the massive increase in corruption made possible by the lack of proper fiscal controls and measures of effectiveness, have already begun to stop investing in the country, moved more of their capital outside Afghanistan, and sometimes left the country. Few will be missed at the personal level, but their money will be and at least some departures have illegally taken money out of enterprises and contract efforts.
- At another level, Afghans who have developed legitimate enterprises, Afghans in the construction and service industries that have had foreign contracts or served foreign military and aid worker, Afghans in government, and Afghans in the security services all face major uncertainties as to whether the government and outside aid can sustain the more modern sector of the Afghan economy as well as government operations and security efforts. Some may now be motivated to leave the country or find ways of ensuring they have enough “black” income and capital to compensate for reductions in profits and salary. Major problems may occur in morale and motivation, compounded by a desire to avoid service in the field or other high-risk positions given a combination of a growing threat and uncertain income.
- Power brokers and warlords - the real core of Afghan political power and many aspects of its governance - may find it harder to fund their power base without added corruption, extortion, intimidation, and siphoning off revenues that should go to the government.
- A recession and decline in outside funding will increase the incentive to grow, process, and export narcotics at every level. This trend is already broadly apparent in the increase in acreage and output of opium.
- Young men with guns are not a normal sector for estimates of the behavior of the work force, but a broad decline in income and employment, coupled to uncertain security, makes them both a key aspect of the Afghan economy, and a potential source of violence, shifts to power brokers, and shifts to the insurgents.
- A decline in the more modern and market-oriented aspects of the economy may push farmers back towards subsistence farming as well as narcotics, increase the number of Afghans working at jobs with marginal productivity and who are unemployed, make young men more willing to accept money from the Taliban and other insurgents, and create growing unrest in both rural and urban areas. It is likely to push youth out of school and into marginal jobs and slow the overall rate of modernization and development.

There are many different metric and indicators that warn how serious these problems may become. As is the case with many of the other trends analyzed in this study, the full range of estimates and factors shaping the threat posed by the Afghan economy are too complex to do more than summarize in this analysis. They are, however, laid out in detail in a separate Burke Chair study shows the range of governance and economic challenges. (**The Civil Transition in Afghanistan**, http://csis.org/files/publication/140630_Gov_Econ_Transition_Afghanistan_0.pdf.)

Understanding the Broader Pressures on the Afghan Economy

Some key pressures on the Afghan economy, and the current threat they pose to Afghan Transition, are all too clear. As has been noted in the introduction to this study, Afghanistan is a state with deep ethnic, sectarian, cultural, and linguistic divisions. While estimates differ sharply from source to source, all agree that Afghanistan is still one of the poorest countries in the world. The CIA estimates it has a per capita income that is only around \$1,100, which ranks

a dismal 215th in the world, and high poverty and direct and disguised unemployment (past CIA estimates would put each figure at 35-40%).

A Population at Economic Risk

The UN World Food Program (WFP) puts the poverty percentage at more than 50%.¹³⁷ The WFP provides food aid to some 3.6 million Afghans and describes the Afghan economy and Afghan living conditions as follows:¹³⁸

Afghanistan faces enormous recovery needs after three decades of war, civil unrest and recurring natural disasters. Despite recent progress, millions of Afghans still live in severe poverty with a crumbling infrastructure and a landscape that is suffering from environmental damage. This rugged, landlocked country remains one of the poorest in the world, with more than half the population living below the poverty line.

Nearly one-third of Afghanistan's people are food-insecure, which means they cannot get enough nutritious food to support an active, healthy lifestyle. With an estimated total population of 27 million, Afghanistan still faces enormous challenges after more than three decades of war and civil unrest. Despite recent progress, millions of Afghans still live in severe poverty with limited access to food and other basic requirements.

According to the findings of the 2011/2012 National Risk and Vulnerability Assessment, 7.6 million people, roughly one-third of the population, are food-insecure, and a further 14 percent are considered to be borderline food-insecure. Insecurity is a major and growing concern. Insurgent activity and military operations have affected food security in some regions, undermined reconstruction efforts and restricted humanitarian interventions.

Environmental degradation is also a severe problem. War, uncontrolled grazing, pastureland encroachment, illegal logging and the loss of forest and grass cover have worsened drought conditions and reduced agricultural productivity.

The country suffers from one of the highest infant and maternal mortality rates in the world. Over half of children under 5 years are chronically malnourished (stunted) and one-fifth of Afghan women of childbearing age are underweight. Average life expectancy is 62 years, and adult literacy stands at just 28 percent. Nearly one-third of Afghanistan's people are food-insecure, which means they cannot get enough nutritious food to support an active, healthy lifestyle.

World Bank studies support these conclusions, and note that Afghanistan falls significantly below the level of grain production necessary to feed its people in years of bad rains. In 2011, for example, the overall deficit in wheat production was nearly 1.86 million tons out of a requirement of 4,687 million tons. Afghanistan is self-sustaining in wheat in a year of good rains like 2012, but had a deficit in every year from 2007-2011.¹³⁹

Demographic Pressure on Afghan Stability

Afghanistan is a state that has suffered from invasion, war, and crisis since the Soviet invasion of Afghanistan in December 1979 – a period of roughly 35 years. In spite of conflict and turmoil, the US Census Bureau estimates that the Afghan population more than doubled between 1979 and 2014 rising from 15.6 million in 1979 to 31.8 million in 2014, and is projected to rise to 36.6 million in 2020, 45.7 million in 2030 and 54.7 million in 2040.¹⁴⁰ UN, US Census Bureau, the CIA and other sources all agree that Afghanistan has an extremely young population. The CIA estimates that it has a rate of population growth where the Agency estimates that 392,000 men and 370,000 women annually reach the age where they enter a labor force estimated at only around 7.5 million.¹⁴¹

A World Bank study summarizes the demographic pressures created by this population growth as follows:¹⁴²

The country is facing huge demographic challenges that will add pressures to the labor market. The Afghan labor market is characterized by a young and fast-growing workforce. Decades of conflict, international migration and relatively high fertility rates make Afghanistan – together with Pakistan and Nepal – one of the youngest countries in South Asia. The proportion of population aged 15 or below is as high as 51.3 percent, meaning that more than one in every two Afghans is economically dependent.

Afghanistan's population pyramid is characterized by a wide base that will maintain a sustained rate of growth in the number of new labor-market entrants for decades to come. Between

2010/11 and 2015/16 alone, the labor force is expected to increase by 1.7 million people, and by an additional 4 million by 2025/26, not accounting for any return migration or changes in participation rates. This means that every year 400,000 to 500,000 will potentially seek jobs.

Afghanistan has one of the highest fertility rates in the world – 5.1 percent in 2011/12. Unless the fertility rate decreases, demographic pressures will continue to rise and reduce the demographic dividend. A high fertility rate, coupled with declining mortality rates, tends to produce a “youth bulge”. Normally, a youth bulge presents an opportunity for growth in the impending years, since it would lower the age dependency ratio, i.e., the population younger than 15 or older than 64 as a share of the number of people of working age.

A decreasing dependency ratio means that a higher proportion of the population contributes to productive, income-raising work, relative to non-active dependents (e.g., elderly and children) which would consequently increase domestic savings and GDP per capita growth. But, a youth bulge could also pose a risk to stability if young people are left without viable jobs or other economic opportunities.

While estimates of the total population in Afghanistan often differ by several million, it is still clear that this kind of population growth, along with war and political extremism, has severely affected the pattern of traditional life in much of the country as well as ethnic and sectarian relations.¹⁴³

Moreover, war and crisis have pushed substantial refugee and other parts of the Afghan population into urban areas. Some 5.8 million Afghan refugees have returned since 2002, often to dependence on outside aid for some of their income, and leaving something approaching 1.6 million Afghans in Pakistan and substantial numbers in Iran.¹⁴⁴ The formal count of internally displaced persons is roughly 800,000, but the reality is substantially higher.

Limited Progress in Human Development, and Uncertain Progress in Life Expectancy and Education

The UN Human Development Indicators provide additional insight into both Afghanistan's level of development and how it compares to other poor neighboring states. These data are shown in **Figure VI.2**. They show that Afghanistan has made progress in many areas, although its real per capita income is still lower than in the past.

They also show, however, that Afghanistan then ranked (175th in the world) well below two other very poor countries: Bangladesh (157th) and Nepal (146th). (Afghanistan improved to 169th in 2014).

Furthermore, the data in the supporting tables raise serious questions about the claims made by the Afghan government about increases in life expectancy, as well as similar claims by the US and various aid agencies – where some reports put the figure at 60 years rather than the 49-50 estimated by the UN and CIA.

SIGAR notes that,¹⁴⁵

USAID’s Afghanistan Mortality Survey (AMS) results are frequently used as evidence that U.S. intervention efforts have contributed to remarkable improvements in Afghanistan’s health system.

In a *Washington Post* op-ed published on May 30, 2014, Dr. Rajiv Shah, the Administrator of USAID, cited Afghanistan’s “largest increase in life expectancy” to highlight Afghanistan’s progress in health.

However, there is an enormous gap between USAID estimates and the estimates of other institutions.... Most institutions estimate a two- to five-year increase in life expectancy over six years, while the mortality survey finds a 20-year increase for the same time period. Reasons why USAID’s estimates differ from those of other institutions could include factors such as AMS inability to survey completely in insecure southern provinces, and Afghan cultural reluctance to speak about female and infant mortality with strangers

They also raise questions about the level of education in Afghanistan. There is no doubt that Afghanistan has made major progress over the days of the Taliban. The UN notes, however, that actual school years (3.1) fall far below the government’s goal of 8 years. The World Bank comparisons with other poor countries in the region in **Figure VI.3** also show also that Afghanistan ranks far below similar countries, and its education is biased heavily towards government employment.

SIGAR has also addressed this issue in its recent reporting:¹⁴⁶

The number of students attending school in Afghanistan is often cited as evidence of Afghanistan’s progress in education. For example, in a

Washington Post op-ed published on May 30, 2014, Dr. Rajiv Shah, the Administrator of USAID wrote, “Education is another bright spot [in Afghanistan.] Three million girls and 5 million boys are enrolled in school.” However, the reliability of EMIS—the only database at the MOE tracking education metrics—cannot be confirmed. Data is not available on time, and indicators such as net enrollment ratios, repetition rate, and dropout rate are unavailable. Insecurity limits visits to schools. In the most recent EMIS Statistical Analytical

Report from FY 1390, the MOE admitted that only 1,000 schools (7% of all general education schools) were visited for data verification in FY 1390.

Additionally, schools may be tempted to inflate their attendance figures because access to funding (such as EQUIP II School Grants) can be linked to enrollment levels. This quarter, SIGAR learned that USAID’s definitions of enrollment used in EMIS last quarter were double counting the number of students enrolled in Afghanistan. The previous definition of total enrollment added three figures: enrolled, present, and absent students. However, as USAID clarified this quarter, the number of enrolled students is actually the sum of present and absent students. Thus, the total enrollment figures reported last quarter counted each student twice.

...SIGAR is concerned about the accuracy of the data provided on Afghanistan’s educational system.

According to the most recent data available from the Ministry of Education’s (MOE) Education Management Information System (EMIS), Afghanistan had a total of 14,166 primary, lower-secondary, and upper-secondary schools in FY 1391 (March 21, 2012–December 20, 2012).

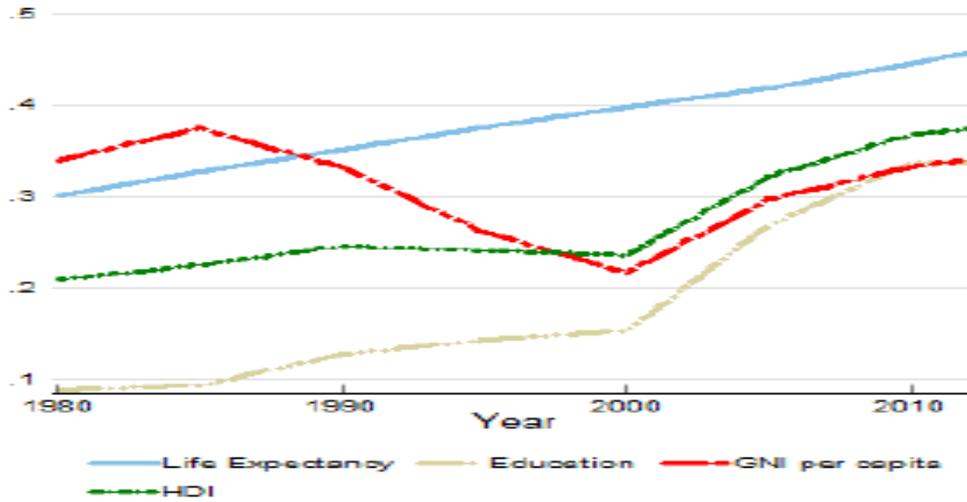
This quarter, USAID provided two inconsistent sets of MOE data for the number of students enrolled in 1391. Data generated from EMIS shows approximately 7.62 million students were enrolled in primary, lower-secondary, and upper-secondary schools in FY 1391. Of the enrolled students, 6.26 million were categorized as present, while 1.36 million students were considered absent.

Another unspecified MOE source showed higher enrollment numbers—7.78 million students (an additional 160,000 students over EMIS data) enrolled in primary, lower-secondary, and upper secondary schools in FY 1391, with 6.86 million students present and approximately 922,000 students absent.

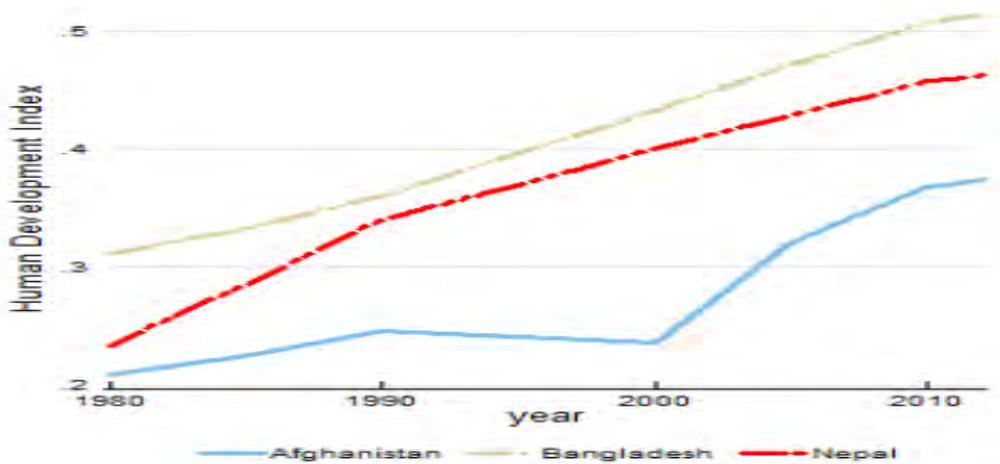
USAID also provided a third MOE source containing Afghanistan's total enrollment in general education for FY 1392—8.2 million students enrolled. This number was not broken down into the numbers of students present and absent. The number of days of attendance required for a student to be counted as "present" for the entire year was not known as this report went to press.

According to USAID, the MOE includes absent students in the enrollment total until three years have elapsed, because absent students are considered to have the potential to return to school. However, a MOE Education Joint Sector Review from September 2013 recommended the MOE revise its regulations and no longer consider permanently absent students to be counted as enrolled.

Figure VI.2: Afghanistan: The UN Human Development Assessment



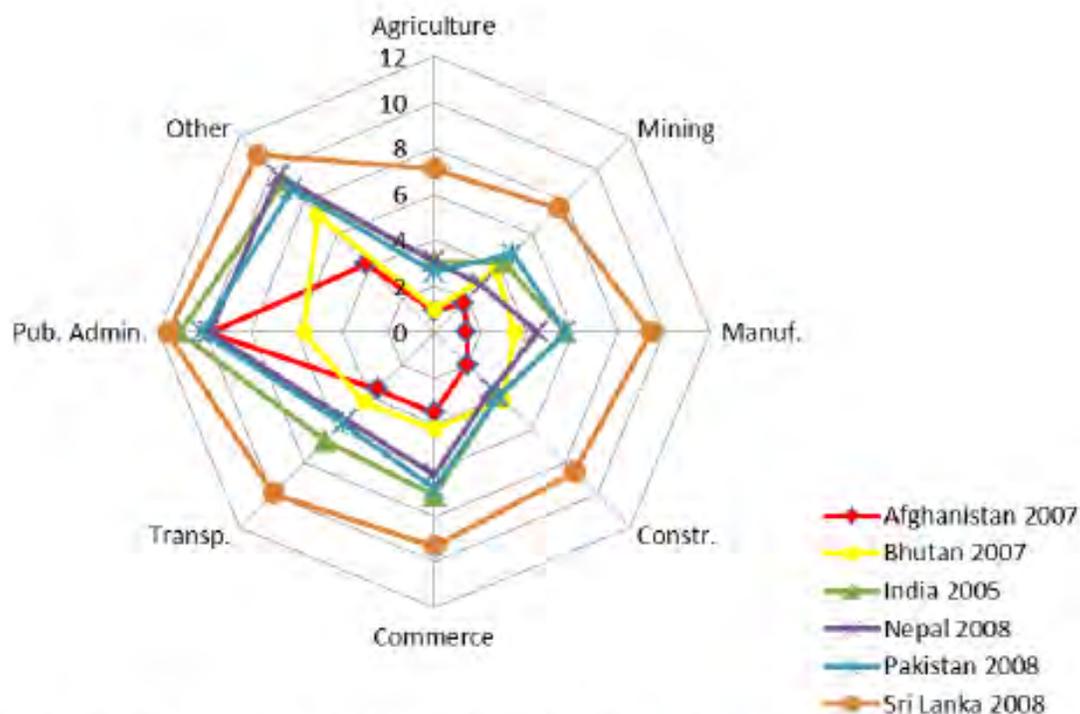
	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	39.2	2.3	0.8	1,002	0.209
1985	40.8	1.7	1.2	1,271	0.225
1990	42.3	2.5	1.5	0,948	0.246
1995	43.8	2.5	1.8	0,589	0.241
2000	45.3	2.5	2.1	0,435	0.236
2005	46.6	6.6	2.5	0,750	0.322
2010	48.3	8.1	3.1	0,953	0.368
2011	48.7	8.1	3.1	0,979	0.371
2012	49.1	8.1	3.1	1,000	0.374



	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US\$)
Afghanistan	0.374	175	49.1	8.1	3.1	1,000
Nepal	0.463	157	69.1	8.9	3.2	1,137
Pakistan	0.515	146	65.7	7.3	4.9	2,566
South Asia	0.558	—	66.2	10.2	4.7	3,343
Low HDI	0.466	—	59.1	8.5	4.2	1,633

Source: <http://hdr.undp.org/sites/default/files/Country-Profiles/AFG.pdf>, May 5, 2014.

Figure VI.3: World Bank Comparison of Education Quality in South Asia



Source: World Bank 2011 "More and Better Jobs in South Asia"

- Decades of conflict have had a long-lasting impact on the human capital stock of the country.
- Despite significant improvements in school enrollment rates and education achievement in younger (urban) cohorts, the education gap remains substantial by international standards, also taking into account country's level of development.
- In each sector of the economy, the education level of the Afghan labor force is the lowest among South Asia countries.
- Particularly challenging are education gaps in sectors crucial for future economic growth and development such as agriculture, mining, construction, commerce and manufacturing

Source: Claudia Nassif et al., *Islamic State of Afghanistan: Pathways to Inclusive Growth, Full Report*, Vol. 2, World Bank, March 2014, 43-44, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/000456286_20140618113748/Rendered/PDF/ACS82280WP0v2000Box385214B00PUBLIC0.pdf.

Uncertain Economic Growth and Over-Dependence Agriculture

While some official statements highlight Afghanistan's economic growth and imply that living standards have been steadily rising, World Bank and other reporting warn that Transition is occurring at a time when claims of GDP growth have been highly dependent on the exceptional agricultural output that occurred from highly favorable rains in 2012, and that the level of poverty has actually been increasing. This has led to a number of highly misleading statements about the Afghan economy, including some from the White House, State Department, and USAID.

Over-Reliance on Agriculture and Favorable Rains

The key trends in Afghan GDP Growth and the impact of agriculture and favorable rains on GDP growth are shown in **Figure VI.4**. A World Bank study notes that,¹⁴⁷

...there are indicators as to why growth has failed to produce more jobs and income for the poor. First, the volatility of agricultural growth likely affects prospects for poverty reduction since agriculture accounts for more than half of employment. Although agriculture grew by 45 percent in

2009, it actually contracted in 2008, 2010, and 2011, with limited irrigation and dependence on rain-fed crops contributing to volatility. Poor households in Afghanistan, especially those who subsist on agriculture, have only few risk-coping mechanisms and are more strongly affected by agricultural output contractions than richer, wage-earning households. In many cases, livelihood risks are being managed by disposing household assets or deferring expenditures for health and education services which, in turn, have negative dynamic effects for future income. This would not only explain why growth has not benefited the poor but could also explain the increase in inequality.

Second, the persistent high level of un- and underemployment implies that growth in Afghanistan did not produce sufficient employment opportunities, especially for the poor and underprivileged segments of the population. Finally, the increase in violence over the same period might have disproportionately affected the poor. A deteriorated security situation restricts public service delivery, the reach of humanitarian development efforts, and access to markets for the poor. Moreover, insecurity also restricts access to public services, especially for women and children who might refrain from visiting clinics or going to school

The Risks in Transition

It is still unclear that aid and military spending will be cut to the point where a major recession takes place, but a World Bank study that warned of the economic risks in Transition as early as 2011 noted:¹⁴⁸

Underemployment will increase because the activities affected by declining financial inflows (services, construction) are relatively labor-intensive. Unemployment and especially underemployment in Afghanistan—respectively estimated at 8% and 48%—are already high, even with today's rapid economic growth. Roughly 6–10% of the working population has benefited from aid-financed job opportunities, most of these in short-term employment. Declining aid, therefore, can be expected to exacerbate underemployment levels (with fewer casual labor opportunities and lower pay for skilled employees).

The impact of the decline will affect some groups more than others. Aid has not been evenly spread across the country. Because of the choices made by donors, and the predominant role of stabilization and military spending, the conflict-affected provinces have had significantly higher per capita aid than the more peaceful (and often poorer) provinces. As a result, the slowdown in aid will be felt more acutely in the conflict-affected areas and in urban centers. If aid declines gradually so that it can be partly offset

by growth of the security, mining, and civilian public sectors, the impact could be softened and spread over time. This would allow labor markets more time to adjust.

The impact of declining aid on economic growth may be less than expected. Why? Because most international spending “on” Afghanistan is not spent “in” Afghanistan, and much of what is spent in Afghanistan leaves the economy through imports, expatriated profits and outward remittances. Nevertheless, projections suggest that, under even favorable assumptions, real GDP growth may fall from 9% a year over the past decade to 5-6% during 2011–18. Given Afghanistan’s annual population growth of 2.8%, this would mean only limited improvement in average per capita income, continuing high rates of underemployment and little progress in reducing poverty. Only growth at the very maximum of the range of plausible scenarios would enable Afghanistan to achieve meaningful reductions in poverty and higher average per capita incomes. For example, with real GDP growth of 6% a year, average per capita income – currently one of the world’s lowest at \$528 dollars – would take 22 years or about a generation to double.

Much Depends on Agriculture and Rainfall

One of the key problems in assessing the economic impacts of Transition is that there is no clear basis for assessing the current distribution of the Afghan economy by sector, but the CIA estimates that 20% of the GDP comes from agriculture (excluding opium), 25.6% from industry, and 54.4% from services in 2011.¹⁴⁹

Much of this income in industry and services was dependent on outside aid and military spending, but the US and other sources have never been able to estimate how much military spending aid money has actually been spent in Afghanistan and on Afghans, as distinguished from total spending – where as much as 40% of even the aid money may have been spent outside the country or on foreign staff and contractors.

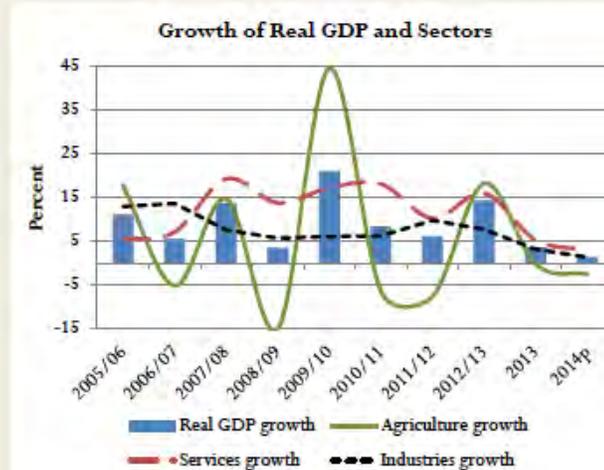
There are no reliable data on the labor force by occupation, but a CIA guesstimate dating back to 2008 makes a sharp contrast with the data on the role of each sector in the GDP: Agriculture is 78.6%, industry 5.7%, and service 15.7%.¹⁵⁰

A focus on such numbers may seem academic, but the data in **Figure VI.4** show all too clearly that the Afghan economy -- and much of the vulnerability of the Afghan population to cuts in military spending and aid – depends heavily on how the state of the Afghan economy during 2015 through roughly 2020 affects each of the major categories of the population discussed at the beginning of this chapter.

It also highlights the importance of estimating how many Afghans are largely self-supporting in subsistence agriculture in relying on the kind of macro-economic data that assesses the economy in the entire country. Some estimates put the total at around 80%, although the CIA puts urbanization at around 32%. Accordingly, there is only an uncertain basis for estimating the human impact of the economic shifts that will occur with Transition, particularly if the fighting produces more population shifts and internally displaced persons.

Figure VI.4: Afghan Economic Growth and Its Dependence on Agriculture and Rainfall- Part One

- Uncertainty since 2013 over the political and security transition, compounded by the protracted elections impasse in 2014, has led to a slump in investor confidence
- Growth, down sharply to 3.7% in 2013, has fallen further to 1.5% (proj.) in 2014, from average of 9.4 percent per year during 2003-12



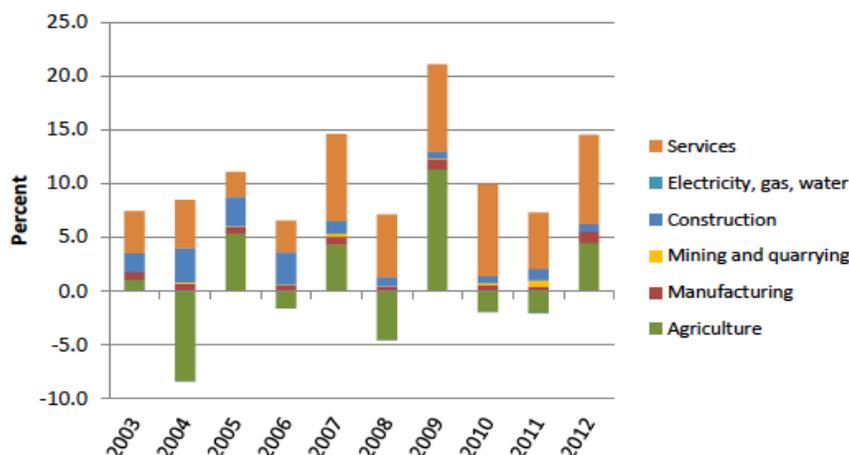
- **Real GDP growth (excluding opium production) was 14.4% in 2012, which represented a sharp uptick from 6.1% in 2011.**
- **This strong performance was in large part due to an exceptional agricultural harvest supported by favorable weather conditions.**
- **Agriculture accounts for about a quarter of GDP (excluding opium). As a result, economic growth is influenced heavily by the volatile agricultural sector.**

Source: World Bank, *Afghan Recent Economic Developments*, April 2014, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/04/23/000456286_20140423092911/R/endered/PDF/875740WP0Afgha00Box382171B00PUBLIC0.pdf, and World Bank, *Afghanistan Transition Economics Update*, November 27, 2014, <http://www.worldbank.org/content/dam/Worldbank/Feature%20Story/sar/Afghanistan/Af-WB-Transition-Presentation-Nov2014.pdf>.

Figure VI.4: Afghan Economic Growth and Its Dependence on Agriculture and Rainfall- Part Two

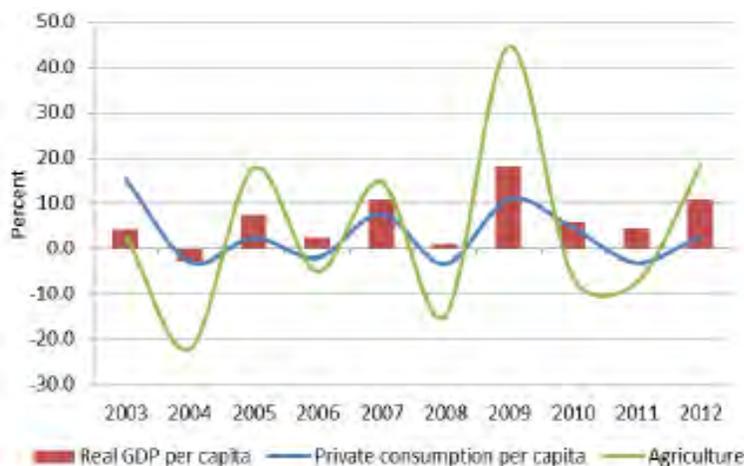
Agriculture, together with services, is still the largest contributor to economic growth. In spite of the structural shift in Afghanistan’s economy, agriculture remains one of the largest contributors to economic growth. In 2012, for instance, it contributed over half of the 14.4 percent of GDP growth, thanks to favorable weather conditions and an exceptionally rich harvest. Depending on the harvest in any given year, agriculture accounts for one-fourth to one-third of GDP.

Figure 1.8: Sector Contributions to Real GDP Growth (percentage points)



Source: World Bank staff calculations based on CSO data

Afghanistan’s economy is dominated by agriculture in more than one dimension. Aside from its direct contribution to GDP, agricultural production feeds into the economic growth process through its impact on aggregate demand and significance in manufacturing. In 2011/12, 49 percent of all households derived their income from agriculture; for 30 percent of all households agriculture constitutes the main income source. Not surprisingly, private aggregate demand is highly correlated with agricultural production (Figure 1.9). Moreover, 96 percent of the manufacturing sector depends on agricultural products for inputs (food and beverages, textiles, and leathers).



Source: CSO

Source: Claudia Nassif et al., *Islamic State of Afghanistan: Pathways to Inclusive Growth, Full Report, Vol. 2*, World Bank, March 2014, 23-24, 30-31, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/000456286_20140618113748/Rendered/PDF/ACS82280WP0v2000Box385214B00PUBLIC0.pdf.

Economic Stress and Poverty

Once again, it is important to note that poverty per se is only one of the pressures that will affect the success of Transition. As has been outlined at the start of this chapter, educated Afghans, Afghans in government and the more modern market-driven sector of the economy, and Afghans in the security services will be sharply affected by any cut in aid, military spending in country, and overall economic activity.

The economic pressure on this mix of wealthier Afghans will have a critical impact in increasing capital flight, the Afghan brain drain, and incentives for corruption, make it difficult to motivate and retain military personnel, and aid recruiting by the Taliban and other insurgents if they can find outside sources of money.

At the same time, a serious recession would also increase poverty levels in urban areas and rural areas whose economy relies on cash transactions. It will increase the incentive to grow and process narcotics, and inevitably affect education, government services, and the ability to maintain infrastructure. Almost inevitably, it will also reduce support for both the government and the war.

World Bank Assessments of Poverty

The World Bank gave the following warning in March 2014,¹⁵¹

Growth has so far failed to produce more jobs and income for the poor: First, the volatility of agricultural growth likely hampers prospects for poverty reduction since agriculture accounts for more than half of employment. Poor households in Afghanistan, especially those who subsist on less than richer, wage-earning households. This would explain why growth has not benefited the poor and also perhaps why inequality has increased. Second, the persistent high level of un- and underemployment implies that growth in Afghanistan did not produce sufficient employment opportunities, which might have reduced the poverty impact. Finally, the increase in violence over the same period might have disproportionately affected the poor. Deterioration in the security situation limits the possibilities for public service delivery, the outreach of humanitarian development efforts, and access to markets for the poor. Moreover, insecurity also restricts access to public services, especially for women and children who might refrain from visiting clinics or going to school.

...four main population segments that have been largely excluded from the growth process and are at risk of being disadvantaged in future:

- **The low-skilled workforce.** Literacy levels in the Afghan working population are extremely low, especially among adults and women. Both literacy and education level tends to correlate with lower levels of poverty in Afghanistan.
- **The rural poor.** Agriculture provides income for around half of Afghanistan's population; for 30 percent of households it constitutes the most important source of income. Agriculture is the main source of livelihood and subsistence for 70-80 percent of the rural population in Afghanistan. Employment in agriculture is characterized mainly by small family businesses that produce mainly for subsistence.
- **Youth.** The proportion of population aged 15 or below is as high as 51.3 percent, meaning that more than one in every two Afghans is economically dependent. Young people tend to be better educated on average, especially in urban areas. However, they are also less likely to find paid employment.
- **Women.** While almost every man in the age range of 25-50 is economically active, only one in every two women participates in the labor market. While the female participation rate does not appear very low within the South Asian cultural context, women in Afghanistan are much less engaged in wage-earning employment. At the same time, the fertility rate is very high, at 5.1

percent in 2011/12. Increasing the share of female labor market participation will key to reducing fertility and reducing demographic pressures in the future.

Given Afghanistan's annual population growth of 2.8 percent, this would mean only limited improvement in average per-capita income, continuing high rates of un- and underemployment, and little progress in reducing poverty. For example, at a rate of 4.8 percent GDP growth per year, it would take Afghanistan more than 20 years to increase real GDP per capita from its current estimated level to that of the South Asian region (2011), which is US\$786. Convergence to South Asian income levels would then become an even further distant goal. Only growth at the upper level of the range of plausible scenarios would enable Afghanistan to meaningfully reduce poverty and achieve higher per-capita incomes.

It warned of slowing growth in April 2014:¹⁵²

Economic growth slowed considerably in 2013 despite robust agricultural production as heightened uncertainty surrounding the political and security transition led to a slump in investor and consumer confidence. Agricultural output reached record levels for a second consecutive year in 2013 due to favorable weather conditions, with cereals production increasing 2.7 percent over the bumper crop of 2012. On the other hand, uncertainty surrounding the political and security transition led to a slump in investor and consumer confidence, thus resulting in a sharp slowdown in private investment and growth in the non-agricultural sectors.

Economic growth in 2013 is estimated at 3.6 percent, down sharply from strong growth of 14.4 percent in 2012. Uncertainty remains over the security outlook after most international forces withdraw in 2014 and over whether a cohesive and broadly accepted government will take hold within a reasonable period of time following the April 2014 elections. Growth is projected to remain weak in 2014.

A smooth political and security transition would help restore confidence in the economy and enable a pickup in growth in 2015. Revenue collection weakened in 2013, while Afghanistan's large security expenditure obligations and high aid dependence pose the risk of crowding out important civilian operating and development spending. After a decade of strong revenue growth, domestic revenues declined to 9.5 percent of GDP in 2013 from 10.3 percent in 2012 and the peak of 11.6 percent in 2011. In nominal terms, revenues amounted to Afs 109 billion in 2013, almost level with the pro-rated figure for 2012.

The decline in revenue collections is a result of the economic slowdown as well as weaknesses in enforcement in both tax and customs administration. In order to preserve fiscal sustainability, a concerted effort will be required going forward to improve revenue mobilization by strengthening tax and customs enforcement and by expediting introduction and implementation of the planned value-added tax. At the same time, given Afghanistan's extraordinary security expenditure obligations, safeguarding important civilian operating and development expenditures is a priority. As security expenditures have continued to grow, austerity measures in 2013 disproportionately affected civilian expenditures and the 2014 budget projects a considerable further increase in

And, it warned in October 2014 that,¹⁵³

Economic growth fell sharply in 2013 as uncertainty over the political and security transition led to a considerable slowdown in the nonagricultural sectors. Real (non-opium) GDP growth is estimated to have fallen sharply from 14.4 percent in 2012 to 3.7 percent in 2013. With uncertainty leading to a slump in investor and consumer confidence, growth weakened significantly across the board in the non-agricultural sectors, including manufacturing, construction and services.

Growth in the services sector, which accounts for about half of GDP, fell from 16 percent in 2012 to 5.3 percent in 2013, driven by a sharp slowdown in wholesale and retail trade and government services. Transport and communications, which accounts for half of the services sector, also experienced weaker growth, but fared somewhat better from the continued repatriation of international forces and increased number of broadband subscribers. Evidence on roads and building constructed suggests that the construction sector also experienced slower growth in 2013. Meanwhile, manufacturing growth declined from 7.3 percent in 2012 to 2 percent in 2013, driven in large part by the food and beverages sector.

Agriculture production was robust in 2013 but did not exceed the record levels of 2012. Total agriculture value added in 2013 was about flat (declining very slightly by 0.2 percent) from the record levels of 2012. Given favorable weather conditions, the cereals sector (which accounts for 43 percent of agriculture value added) grew by 2.3 percent in 2013, reaching the highest level achieved over the past decade. The fruits sector also grew by 2.3 percent, but livestock and other products declined by 1.7 percent and 4.5 percent respectively. Agriculture accounts for about a quarter of GDP and also has strong links to the rest of the economy, so that the robust agricultural output in 2013 would normally have buoyed overall GDP growth. However, with total agriculture production flat from the bumper level of 2012, it was not sufficient to counterbalance the overall slowdown in GDP growth in 2013

...The protracted political uncertainty has taken a further toll on Afghanistan's economy in 2014. A number of available short-term indicators on new firm registrations, imports, and fiscal and monetary trends indicate that the economic slowdown deepened during the first half (H1) of 2014. Private investment across all nonagricultural sectors appears to have dropped considerably in the first half of 2014 due to the increased uncertainty. Initial reports on the agriculture sector point toward another rich harvest in 2014, although overall agricultural production is expected to decline modestly. Economic growth could decline further to 1.5 percent in 2014.

...New investment activity dropped further across the board in the first half of 2014. The number of new firm registrations had already fallen in 2013 to its lowest level in five years, with a reduction in both local and foreign new fixed investments...This downtrend worsened during the first half of 2014, when only half as many new firms were registered compared to the same period of the previous year...The further decline in new firm registrations occurred across all nonagricultural sectors, with construction and services particularly hard hit ... Although no high frequency data are available on firm inventories and gross fixed capital formation, new firm registrations should be a relatively good proxy for business confidence and investment activity in the private sector. Decisions to establish new fixed investments in Afghanistan or to expand existing investments, horizontally (expanding existing products) or vertically (investing in the supply chain), are highly sensitive to confidence in market conditions and the political environment. The number of new firm registrations would particularly reflect new fixed investments and vertical investments in the economy. Though this is not a perfect proxy for level of economic activity, it can fairly reflect the level of confidence of both local and foreign investors.

Poverty is high and persistent in Afghanistan. According to the 2011-12 household survey, the poverty rate was 36 percent, meaning that about 9 million individuals (3 of every 8 Afghans) had consumption levels below the national poverty line. The national poverty rate remained substantially unchanged between 2007-08 and 2011-12. A number of factors could have contributed to this measured trend. First, the volatility of agriculture would affect measured trends, with the two years preceding the 2011-12 survey both featuring negative agriculture growth. Second, Afghanistan faces a daunting demographic challenge, with around 400,000 new entrants into the labor force each year and underemployment pervasive. Third, the high dependency ratio and low female labor force participation both serve as a drag on improving Afghanistan's poverty profile.

The IMF Risk Assessment Matrix

IMF reporting has tracked closely with the World Bank assessments, and the IMF has developed the risk assessment matrix shown in **Figure VI.5**.¹⁵⁴

Figure VI.5: IMF Risk Assessment Matrix for Transition in Afghanistan

Risk Assessment Matrix			
Nature/Source of Risk	Likelihood¹	Expected Economic Impact if Realized	Possible Mitigating Measures
Near-term risks			
Deteriorating political and security situation (regional and/or domestic). Disputed election results and/or the withdrawal of international troops lead to greater violence.	High	High - Political uncertainty is accompanied by higher violence levels leading to lower confidence and investment in the economy. - Worsening security results in lower growth and imports. - As imports account for half of government revenues, lower imports and growth lead to lower revenue and a higher fiscal deficit.	Continue to implement policies to maintain macroeconomic stability. If there is fiscal space, consider countercyclical policy.
Inadequate policy implementation , particularly in the fiscal and monetary sectors, and inconsistent exchange rate policy.	High	Medium - Slow growth or a decline in revenue leads to spending cuts and possible wage arrears and stagnating living standards. - Inconsistent monetary policy and/or intervention in foreign exchange market (i.e., an inappropriate mix of intervention and sterilization) results in exchange rate volatility and depreciation, capital flight, loss of reserves, and higher inflation.	Improve policy implementation through greater revenue mobilization, expenditure restraint, tighter monetary policy, and possibly more exchange rate flexibility.
Medium-term risks			
Inadequate policy implementation , deterioration in governance and in the investment and business climates lead to low growth.	Medium	High - Lower investment and slow growth or a decline in revenue leads to spending cuts and possible wage arrears. - Possible exchange rate volatility and depreciation, capital flight, loss of reserves, and higher inflation. - Low access to finance, ineffective resource allocation and intermediation by financial sector, and constrained access to global financial system, because of inadequate bank governance, legislative, institutional, and regulatory frameworks, and law enforcement to prevent and address economic crime.	Strengthen policy implementation to maintain macro stability and improve economic governance and the investment and business climates, including stronger legislative, institutional, and regulatory frameworks, and law enforcement.
Lower donor inflows to the budget and to finance development projects.	Medium	High - Lack of progress in implementing the Tokyo Mutual Accountability Framework or donors fatigue results in lower donor inflows, especially to the budget. - The decline in inflows leads to lower employment, public investment, confidence, and growth, stagnant living standards, and/or exchange rate pressures.	Take measures to mobilize additional revenue and reprioritize and reduce expenditure.
Deteriorating banking system soundness , associated with the stalling of banking supervision reforms.	Medium	Medium - Slower growth of financial sector, less access to finance, or decline in banking services (payments and lending). - Worse allocation of resources via banking sector, greater risk of inadequate governance, vulnerability to fraud and money laundering, and bank failure(s) and consequent need for government funds to cover bank losses. - Negative impact on economic development and growth and possible fiscal liability.	Recruit more supervisors, step-up training of existing supervisors, and ensure prudential regulations and enforcement actions are implemented promptly. Central bank to communicate its determination to strengthen banking supervision and publicize the measures taken.
Delays in developing natural resources and export capacity.	Medium	Medium - Lack of progress in developing natural resources results in lower fiscal revenue. - Fiscal pressure may ensue if these delays stymie revenue growth and the government does not cut spending. - Fiscal pressures may lead to exchange rate depreciation and higher inflation. - Lack of progress in developing natural resources could result in higher narcotics production.	Strengthen policy implementation to maintain macro stability and improve business climate, including a sound fiscal regime for natural resources.
Smooth security and political transitions.	Low	High - Smooth transitions result in higher confidence, investment, and growth.	Adjust the policy mix to take into account likely higher budget revenue, foreign exchange inflows, and investment by allowing for higher spending and possible exchange rate appreciation.

¹ Staff assessment of the likelihood of realization in the next three years.

Source: IMF, "Islamic Republic of Afghanistan: 2014 Article IV Consultation," May 2014, 10, <http://www.imf.org/external/pubs/ft/scr/2014/cr14128.pdf>.

Narcotics

There are other problems that will further complicate the economic “threat.” The history of counter-narcotics efforts in Afghanistan may not be an exercise in futility, but it is hard to describe it as anything else. Years of reporting of favorable trends were largely reversed well before the end of 2014. Moreover, much of this reporting followed the path of lying by omission that has distorted so much of the security and aid reporting on Afghanistan during the course of the war.

Most economic studies chose to ignore the impact of narcotics on the overall economy. Reports on narcotics per se generally focused on the farm gate price, and the theoretical motivation of farmers in terms of alternative crop prices, rather than the real world economics of opium as it entered the distribution and processing system, grew sharply in value, impacted on power brokering throughout the country, and involved a massive network of narco-traffickers.

The focus on the farmer to the exclusion of a massive criminal network involving key Afghan officials and power brokers, and massive amounts of corruption, was absurd. So was the focus on farm gate prices – although it reversed the kind of statistical exaggeration law enforcement officials use when they report the size of drug seizures in street prices – to the exclusion of the actual loss in value to narco-traffickers – common in the US.

As noted in the discussion of **Figure VI.4**, many estimates of Afghan agricultural output do not take account of the nation’s leading cash and export crop. The World Bank did, however, provide a far more realistic assessment of the economic importance of narcotics in a report issued in October 2014:¹⁵⁵

Both opium production and area under poppy cultivation increased considerably in 2013 –and is expected to remain at a high level in 2014. According to UNODC data, opium production increased by almost 50 percent to 5,500 tons in 2013, while the total area under poppy cultivation expanded by 36 percent to 209,000 hectares...Opium production in 2013 appears to have recovered from the decline in 2012 triggered by adverse weather and disease. While the total value of opium production at farmgate prices remained at about 4 percent of GDP (or \$950 million) in 2013 due to a decline in the farm-gate price, the export value of opiates (including drugs) increased from 11 percent of GDP in 2012 to 15 percent of GDP – or \$3.1 billion – in 2013. A number of factors could have contributed to the recent increase in poppy production, including (i) the introduction of new production technologies (e.g. irrigation); (ii) fewer livelihood opportunities or the expectation thereof; and (iii) the rollback of international forces and associated counternarcotic efforts from the provinces. Although opium’s importance in GDP has been declining over time (down from 13 percent of GDP in 2007 to 4.1 percent in 2013 at farm-gate prices), it is likely an important source of livelihood for a segment of the rural population.

SIGAR also provided an important assessment of the trends in opium growing and output in its October 2014 report,¹⁵⁶

Afghanistan is by far the world’s largest source of opium, producing over 90% of global supply...Opium production accordingly plays a key role in the political economy of Afghanistan. While occupying less than 3% of land under cultivation, opium is Afghanistan’s most valuable cash crop, and opiates—opium, morphine, and heroin—are its largest export, with an estimated value of \$3 billion at border prices.² Furthermore, the opium economy directly provides up to 411,000 full-time-equivalent jobs—more than the entire Afghan National Security Forces (ANSF)—and supports additional secondary-effect jobs in the licit economy...In the coming weeks, the United Nations Office of Drugs and Crime (UNODC) is expected to report further increases in the amount of opium poppy grown. Levels of cultivation have risen by more than 200,000 hectares (1 hectare, or ha, equals roughly 2.5 acres) since 2001...There is reason to believe that cultivation will continue to increase in 2015, after the NATO combat mission in

Afghanistan has drawn to a close.

...As Special Inspector General John F. Sopko told Congress earlier this year, “The narcotics trade is poisoning the Afghan financial sector and fueling a growing illicit economy. This, in turn, is undermining the Afghan state’s legitimacy by stoking corruption, nourishing criminal networks, and providing significant financial support to the Taliban and other insurgent groups.” In sum, Sopko warned, “the expanding cultivation and trafficking of drugs is one of the most significant factors putting the entire U.S. and international donor investment in the reconstruction of Afghanistan at risk.”

...despite the threat that the burgeoning opium economy poses to the Afghan state and reconstruction, counternarcotics has largely fallen off the Afghan agenda of both the U.S. government and the international community. It rarely appears in the declarations and communiqués from the conferences on Afghanistan reconstruction that have become a mainstay of the international effort. And there are only oblique references to the issue...

...UNODC estimates that opium poppy was grown on 209,000 hectares— more than half a million acres—in 2013, up 36% from 2012 and a “record high” for Afghanistan.¹¹ This was not the first time Afghanistan set records for opium production. In 1999, at the height of the Taliban regime, opium poppy cultivation had reached an “unprecedented level” of approximately 91,000 hectares...Another “unprecedented” level of 131,000 hectares of opium poppy was cultivated in 2004. This occurred shortly after then finance minister Ashraf Ghani warned of the dangers of the burgeoning opium economy...

Despite President Karzai’s declaration of a “*jihad* against opium” and redoubled U.S. efforts, another “unprecedented” peak of 193,000 hectares of poppy cultivation occurred in 2007... Nangarhar Province in eastern Afghanistan, declared “poppyfree” by the UN in 2008, “saw a fourfold increase in opium poppy cultivation between 2012 and 2013.” Farm-gate opium prices remain relatively high¹⁷ at around \$140 per kilogram.¹⁸ The Afghan economy remains fragile: economic growth has declined, real wages are falling, and inflation has increased. The security situation in many rural areas of the country is increasingly uncertain. In such conditions, opium production should be expected to rise.

Some of the key trends in Afghan narcotics activity are shown in **Figure VI.6** It is all too clear that any major economic downturn is likely to make Afghanistan even more dependent on drug growing and exports – as well as be seen as a threat by Afghanistan’s neighbors, raise questions about aid to Afghanistan in outside nations, and increase the already massive drug use by Afghans – a problem endemic in the Afghan security services.

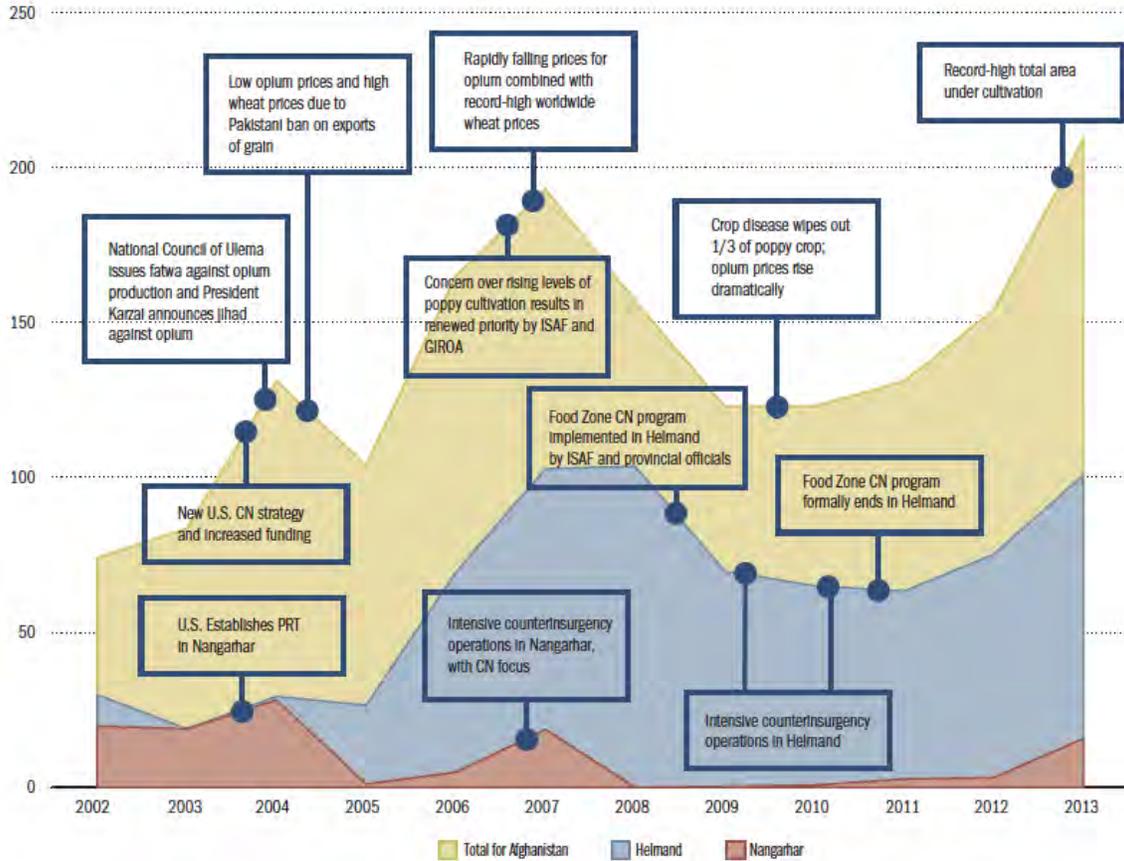
The survey of some 2,051 Afghans by the Afghan Center for Socio-Research in Kabul found that the percentage of Afghan that felt opium growing was acceptable in all cases had risen from a low of around 5% in 2005-2006 to 7% in 2009, 9% in 2010, and 15% in November 2014. The percentage that felt it was acceptable in all cases and acceptable if there was no other way to earn a living had risen from around 26% in 2005 to 31% in 2009, 36% in 2010, and 47% in November 2014.¹⁵⁷

That said, the US has already spent some \$7.8 billion in counternarcotics to little effect. Although UNDOC, the World Bank, IMF, and organizations like SIGAR all propose a new round of attention to such efforts, it seems all too likely that such efforts will have marginal impact at best until and unless Afghanistan can achieve a far higher degree of security and economic stability and create a climate where enforcement efforts can be more effective and less corrupt, and there are fewer incentives for narco-trafficking at every level of the Afghan economy. In fact, it is more likely that the economic pressure on Afghanistan will lead to an even heavier emphasis on drugs over at least the period from 2015-2018 than most of the reforms proposed by the Afghan government, IMF, and Work Bank will actually be implemented.

Figure VI.6: Afghanistan as a Narco-Nation – Part One

SIGAR Estimate of Key Trends in Cultivation and Effectiveness of Eradication

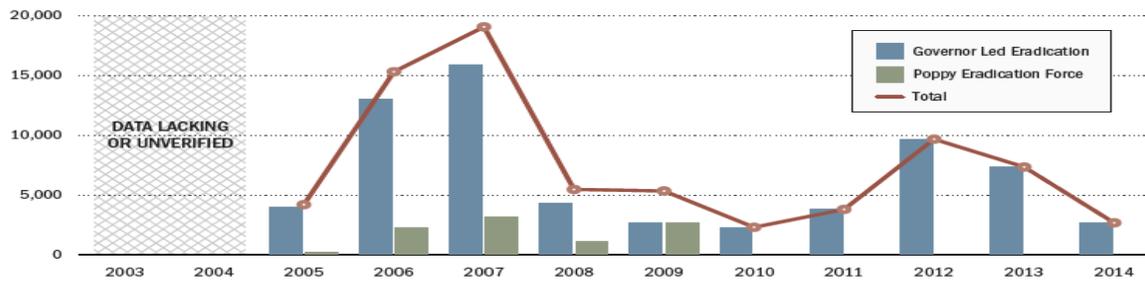
FLUCTUATIONS IN OPIUM-POPPY CULTIVATION AND KEY EVENTS IN AFGHANISTAN, 2002–2013 (THOUSANDS OF HECTARES)



Note: PRT = Provincial Reconstruction Team. CN = counternarcotics.

Source: SIGAR, Special Project Report 15-10-SP, *Poppy Cultivation in Afghanistan: After a Decade of Reconstruction and Over \$7 Billion in Counternarcotics Efforts, Poppy Cultivation Levels Are at an All-Time High*, 10/14/2014.

POPPY ERADICATION IN AFGHANISTAN (HECTARES)

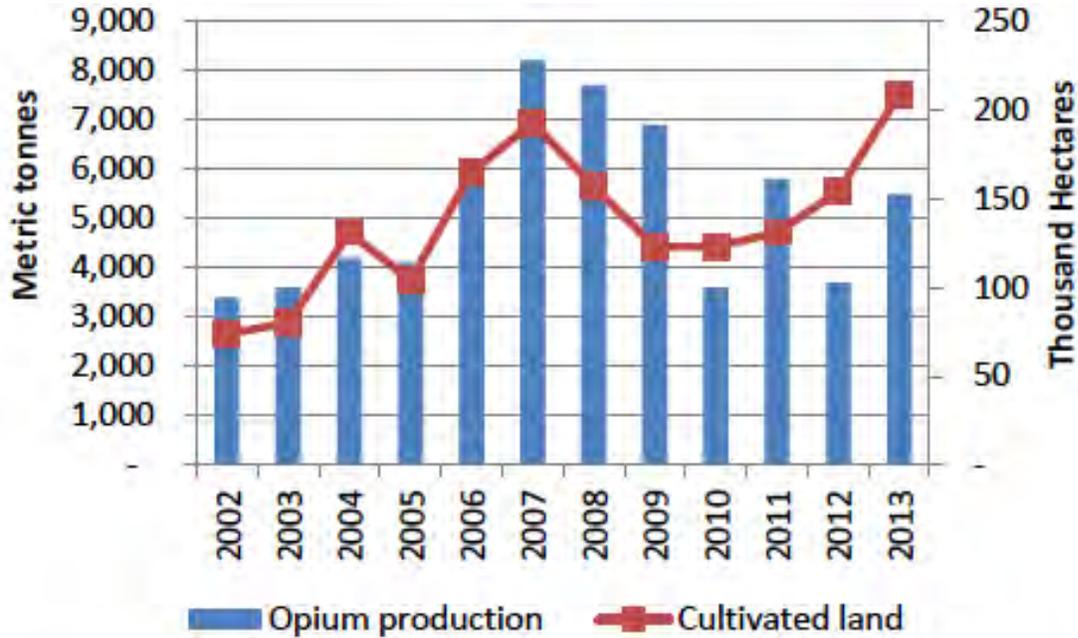


Source: UNODC, *Afghanistan Opium Survey 2003*, 10/2003, pp. 53, 96; UNODC, *Afghanistan Opium Survey 2004*, 11/2004, p. 77; UNODC, *Afghanistan Opium Survey 2010*, 12/2010, p. 45; UNODC, *Afghanistan Opium Survey 2013*, 10/2013, p. 35; UNODC, *Afghanistan Poppy Eradication Verification Report*, 8/2014, p. 4.

Source: SIGAR, *Quarterly Report*, October 30, 2014, 6, 10.

Figure VI.6: Afghanistan as a Narco-Nation – Part Two

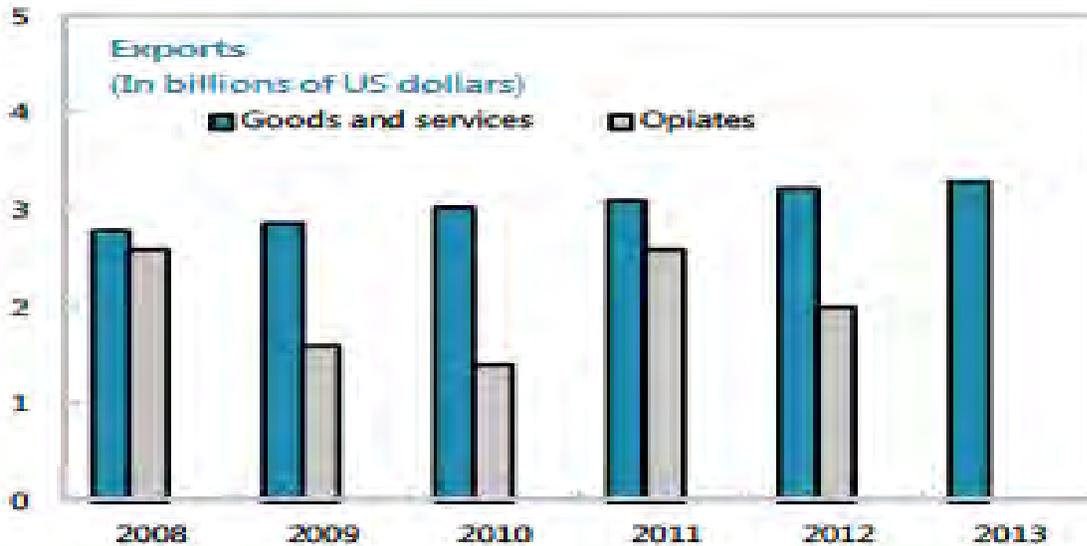
World Bank Estimate of Key Trends in Cultivation and Opium Output



Source: UNODC

Source: World Bank, *Afghanistan: Economic Update*, October 2014, 4.

IMF Estimate of Comparative Value of Opium versus Non-Opium Exports



Source: IMF, “Islamic Republic of Afghanistan: 2014 Article IV Consultation,” May 2014, 35.

A Major Trade Deficit and No Miracles from a “New Silk Road” or Mineral Extraction

Afghanistan also has a massive trade deficit – at least as measured in terms of the non-narcotics aspect of its economy. This deficit is summarized in **Figure VI.7**. It has not been critical in the past because of the volume of outside military spending and aid. However, the downward trend in imports in 2013 shown in **Figure VI.7** warns it could become a very serious problem if aid is not sustained or delivered on time, and it is difficult to see how Afghanistan could both begin to make a major reduction in its deficit and sustain its economy and security efforts before it can find a major new source of exports like mines or petroleum – developments unlikely to have a major impact before 2020.

Neither the World Bank nor IMF see any form of “New Silk Road” as having a significant near-term impact on the Afghan economy. Moreover, the efforts to create an Afghan “ring road” to meet even Afghan needs now present steadily growing maintenance and security problems. SIGAR reporting notes that:¹⁵⁸

Afghanistan’s lack of transportation infrastructure hinders internal commerce, foreign trade, and economic growth. The World Bank said restoring the transportation sector is imperative for economic development. Afghanistan’s infrastructure shortcomings particularly constrain the service and agriculture sectors, currently the leading contributors to GDP. They also hold back the mining industry, whose future revenues the Afghan government and international donor community are counting on to offset declining aid. This quarter, the United States continued its efforts to assist Afghanistan in developing ministry capacity, sustaining operations and maintenance, and complying with international Standards.

...While the United States has provided \$2.2 billion cumulatively for road construction and O&M and currently spends about \$5 million annually for O&M efforts, the World Bank said 85% of Afghan roads are in poor shape and a majority cannot be used by motor vehicles. Afghanistan does not currently have sufficient funding and technical capacity to maintain its roads and highways, according to the U.S. Department of Transportation (DOT). Moreover, the lack of a functioning roads authority has significantly affected road infrastructure across Afghanistan. Although the Cabinet and the President gave approval in August 2013 for the Ministry of Public Works (MOPW) to create a roads authority and road fund, the authority has not yet been established

SIGAR reporting sums up what seems to be a similar consensus on the prospects for mines and mineral extraction,¹⁵⁹

The United States, the Afghan government, and the international donor community count on development of Afghanistan’s natural resources to underpin future economic growth in the face of declining external aid. Although mining has contributed less than 2% to the country’s GDP to date, the Afghan government expects to eventually receive significant revenues from large-scale investments in the Aynak (copper) and Hajigak (iron-ore) mines, and from oil and gas fields in the Afghan-Tajik basin.

The World Bank estimates annual extractive-sector revenues could reach between \$0.7 billion and \$1.5 billion by 2022–2024...⁸ However, the United States Institute for Peace warned that revenue projections from mineral extraction are often difficult to make with any accuracy, given commodity-price fluctuations and uncertainty whether identified resources can be fully extracted. Moreover, the government will not necessarily receive the full value of Afghanistan’s mineral wealth in revenues.

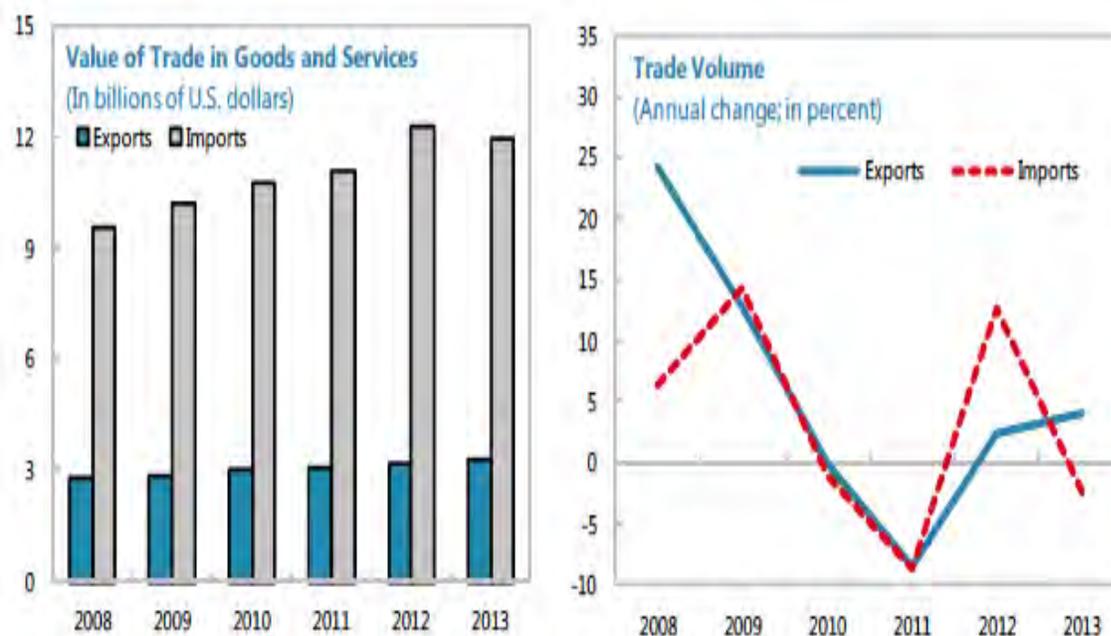
SIGAR has long cautioned that the Afghan government may not be able to earn substantial revenues from Afghanistan’s natural resources any time soon because of the considerable infrastructure investment required to develop them, especially given the difficult security environment. In addition, the Revenue Watch Institute gave Afghanistan a failing grade in 2013 for its minimal oversight of the mining-licensing process and of state-owned mining companies. It said lawmakers do not receive,

regular reports on licensing decisions, which cannot be appealed, and are denied access to certain major mining contracts deemed confidential.

Allegations that members of the executive and legislative branches benefit from contracts won by relatives cannot be confirmed; Afghanistan's Audit and Control Office does not specifically review resource revenues, and the reports it does prepare are not published. An Integrity Watch Afghanistan report this quarter compared Afghanistan's governance of its mining-industry to best practices in six countries in order to help highlight Afghanistan's opportunities and challenges.

It found that corruption is a major investor concern in Afghanistan, and that mining-sector transparency—in licensing process, tax and royalty data, distribution of funds, and public access to information—along with good governance were essential to sustainable development that benefits the public.

Figure VI.7: The Afghan Trade Deficit



Source: IMF, "Islamic Republic of Afghanistan: 2014 Article IV Consultation," May 2014, 33.

Economic Reform and the Need for Aid

The need for economic reform is all too clear, and **Figure VI.8** shows it affects the need to remove key barriers to private sector investment, as well as all of the other problems that have already been listed. It is striking that Afghanistan ranked only 183rd out of 189 countries the World Bank surveyed in terms of ease of doing business in its 2015 report. It is even more striking that it dropped from a ranking of 164th in 2014.¹⁶⁰

Ashraf Ghani, the World Bank, the IMF, and the donors at the London Conference have all called for Afghan economic reform and for improved efforts at Afghan revenue collection. Such steps, however, will take years to have a major impact and require an effective Afghan government to be in place. Here, some of the World Bank and IMF estimates that correctly assess the country's problems but then go on to make unrealistic assessments of what an Afghan government can do during wartime need to be kept in careful perspective. "Best cases"

in reform— even defined in real world terms as the more limited effort possible in an “Afghan good enough” scenario – are improbable possibilities and not probabilities.

As Chapter III has shown, Afghanistan will still require major amounts of outside aid well beyond 2020 if the war continues. The gap between Afghan government revenues and expenditures discussed in Chapter III has shown the real world limits of what Afghanistan can do on its own. SIGAR estimates that Afghanistan’s domestic revenues for the Afghan FY 1392 (December 21, 2012–December 20, 2013) missed Ministry of Finance budget targets by 11.9%. Domestic revenues paid for only 37% (\$2 billion) of Afghanistan’s total budget expenditures (\$5.4 billion) in FY 1392; donor grants covered the remainder.”¹⁶¹

A World Bank presentation at the London Conference -- that was held in early December 2014 -- focused on Afghan reform also concluded, however, that even if all the right measures were taken, and Afghanistan could average 5% economic growth, the financing gap between government revenues and spending would still remain series through 2025. In the short term, “revenues might only rise to 12.8% of GDP in 2018 (lower than prior projection of 14% of GDP for 2018).¹⁶²

As a result, the major source of economic stability during the critical period between 2015 and 2017, must be the volume of aid and its actual impact on the Afghan economy. This aid will be necessary to support the Afghan security forces, the ease the Afghan budget deficit, and to limit any recession.

Providing the needed amount of aid will not be an easy sell. The US and its allies have already funded both the vast majority of Afghan reconstruction and development efforts with what the World Bank has assessed was marginal success in a country it sees as extremely corrupt, badly governed, and still largely reliant on agriculture in areas unaffected by aid and outside spending.¹⁶³

In the case of the US, the US government has never issued an official estimate of the cost of the war, but Amy Belasco of the Congressional Research Service has estimated that the U.S. spent \$557.1 billion on the Afghan War as of FY 2011. Later requests for OCO funding totaled \$254 billion between FY2012 the FY2015 budget request, for a total of \$811.1 billion. In the process, the US alone appropriated approximately \$103.2 billion in reconstruction aid through FY2014, and still budgeted \$6.5 billion in civil and military aid in FY2014.

Some cuts have already taken place in US aid spending. SIGAR reported at the end of July 2014 that US aid would drop from a total appropriation of \$6,417 million in FY2014 to \$5,827 in FY2015. The money available to the Afghan security forces was cut from about \$5.2 billion to \$4.4 billion, although economic and governance aid rose from \$852 million to \$1.2 billion. Many other categories of aid were largely eliminated and counternarcotics funding was cut by more than 50%.¹⁶⁴

Getting the required aid will be almost certainly be impossible if Afghanistan cannot achieve stable political leadership and more effective governance. It will be equally hard, however, without effective plans, management, and coordination of the aid effort.

The US and other donors pledged at the London Conference to keep up a flow of military and civil aid after 2014, but there are no plans and reports that show the level of aid needed, how aid money would be spent and managed, what measures of effectiveness can be developed and reported, and that explore what would happen if the fighting continued to serious intensity or

Afghanistan faced a truly serious economic crisis after 2014-2015, as past aid money and military spending ran out.

Both the Afghan government and donors also need some form of international help in planning, coordinating, managing, auditing and evaluating Afghan needs and making the aid effort effective. The UN created the UN Aid Mission in Afghanistan (UNAMA) to perform these tasks, and made it, “responsible for the direction and oversight of all UN relief, recovery and reconstruction activities in Afghanistan. One of the main functions of UNAMA’s Aid Coherence Unit is to coordinate the humanitarian development activities of UN agencies and to promote aid effectiveness and good development practice. The UN Secretary-General’s reports to the Security Council provide an update on the implementation of the Kabul Process and aid coherence, and humanitarian assistance.”¹⁶⁵

In practice, UNAMA did a great deal of useful work in political and security areas, but never got the cooperation from donor countries or from the Afghan government to play a role in actually planning and coordinating aid, and never published plans and detailed reports on aid or its effectiveness. This will not be an effective approach to dealing with aid in the future, and it strongly argues that the World Bank rather than the UN could do a better job.

So far, the closest thing to a real world plan for dealing with the civil elements of Transition are World Bank reports like the one on the *Islamic State of Afghanistan: Pathways to Inclusive Growth*, but this report can only have meaning if the World Bank and Afghan government can find a meaningful path to cooperate and implement it.¹⁶⁶

Figure VI.8: World Bank Ranking of Ease of Doing Business in Afghanistan

(Afghanistan ranks only 183rd out of 189 Countries)

AFGHANISTAN		South Asia		GNI per capita (US\$)		700	
Ease of doing business rank (1-189)	183	Overall distance to frontier (DTF) score (0-100)	41.16	Population (m)	30.6		
x Starting a business (rank)	24	Registering property (rank)	183	Trading across borders (rank)	184		
DTF score for starting a business (0-100)	93.54	DTF score for registering property (0-100)	33.33	DTF score for trading across borders (0-100)	9.21		
Procedures (number)	3	Procedures (number)	9	Documents to export (number)	10		
Time (days)	7	Time (days)	250	Time to export (days)	86		
Cost (% of income per capita)	15.1	Cost (% of property value)	5.0	Cost to export (US\$ per container)	5,045		
Minimum capital (% of income per capita)	0.0			Documents to import (number)	10		
		Getting credit (rank)	89	Time to import (days)	91		
		DTF score for getting credit (0-100)	45.00	Cost to import (US\$ per container)	5,680		
Dealing with construction permits (rank)	185	Strength of legal rights index (0-12)	9				
DTF score for dealing with construction permits (0-100)	30.14	Depth of credit information index (0-8)	0	Enforcing contracts (rank)	183		
Procedures (number)	11	Credit bureau coverage (% of adults)	0.0	DTF score for enforcing contracts (0-100)	31.29		
Time (days)	323	Credit registry coverage (% of adults)	0.0	Procedures (number)	46		
Cost (% of warehouse value)	574			Time (days)	1,642		
		Protecting minority investors (rank)	189	Cost (% of claim)	25.0		
Getting electricity (rank)	141	DTF score for protecting minority investors (0-100)	10.00				
DTF score for getting electricity (0-100)	61.09	Extent of conflict of interest regulation index (0-10)	1.7	Resolving insolvency (rank)	159		
Procedures (number)	5	Extent of shareholder governance index (0-10)	0.3	DTF score for resolving insolvency (0-100)	23.60		
Time (days)	114	Strength of minority investor protection index (0-10)	1.0	Time (years)	2.0		
Cost (% of income per capita)	3,373.9			Cost (% of estate)	25		
		Paying taxes (rank)	79	Recovery rate (cents on the dollar)	26.4		
		DTF score for paying taxes (0-100)	74.39	Strength of insolvency framework index (0-16)	3		
		Payments (number per year)	20				
		Time (hours per year)	275				
		Total tax rate (% of profit)	35.8				

Source: World Bank, *Doing Business 2015: Going beyond Efficiency*, 167, <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB15-Full-Report.pdf>.

Developing Effective Conditions-Based Aid

If there is feasible policy recommendation for dealing with the economic threat in the near term, it is that the US needs to apply the same conditions-based approach to civil aid that it needs to provide to military support. However, the US cannot and should not issue a blank check, or repeat the same lack of planning and effective management that aid has had up to date. It needs to convince the American people, the Congress, and key allies that an effective mix of civil and military aid, and an adequate US military presence – is affordable, will be used effectively and with reasonable honesty, and that Afghanistan has sufficient strategic value to justify the required level of effort.

This requires a level of objectivity, honesty, transparency, credible planning, and risk-benefit analysis that US has failed to develop since 2001, and failed to provide in Vietnam, the Balkans, and Iraq.

It also requires a successful resolution to the divisive mess that has emerged out of the Afghan election, a credible degree of national unity, and Afghan leadership that is interested in meaningful leadership rather than power brokering and corruption. No case can be made for reversing current US policy without a shift in the quality of Afghan governance that now seems all too improbable.

As noted earlier, Afghanistan has not yet shown itself to be a meaningful partner in terms of effective leadership and unity. Afghanistan has not set forth meaningful plans for future aid needs for either maintaining economic stability or moving towards post-Transition economic stability development that it can show it can implement or fund. It has not shown it can reduce corruption to acceptable levels or provide the quality of governance needed to become the “other half” of an effective counterinsurgency effort.

Afghan leaders must take ultimate responsibility for both the success and failure of Afghan governance, security and civil programs, and do so with the clear understanding that the US commitment to Afghanistan will be steadily more dependent on their competence and integrity, and that Afghanistan is of limited strategic importance to the US. While no US political leader can openly say so, the risk of some form of Afghan failure now seems acceptable if Afghan leaders fail.

Much depends on the new Afghan President, the future degree of Afghan unity, how well Afghan forces do as US advisors phase down below a critical minimum in 2015, and whether Afghanistan proves able to deal with the economic impact of the coming cuts in aid and military spending.

At the same time, the US and its allies need to do more, and present clearly defined, practical, and fundable plans for providing the military and civil aid. They need to provide far more transparency with far more integrity. They need to develop a more functional organization to shape and coordinate aid and development. Most of all, the US needs to recognize that it cannot succeed in Afghanistan if the level and duration of its military advisory effort is so limited.

VII. Regional “Threats”: The Uncertain Impact of Pakistan

Throughout the Afghan conflict, Pakistan has been a classic example of the fact that the “threat” posed by allies and regional powers can be as serious as the “threat” posed by the host country. The polite rhetoric of alliance is rarely the reality. Ever since 2001, the US and Pakistan have been caught up in the tensions caused by the fact that they have had different objectives in Afghanistan and the region, and by the tensions caused by Pakistan’s tolerance of Taliban, Haqqani Network, and Al Qaeda sanctuaries in Pakistan. While public opinion polls show that many Pakistanis see the US as more of a threat than India, the private US official view of Pakistan is equally negative.

The US has seen Pakistan as a deeply divided and unstable country whose economy and social infrastructure have made it drift towards the status of a failed state. It has seen Pakistan as a nation whose military has kept its link to Afghan insurgent groups and had presented a constant threat of taking power. While Pakistan did make a peaceful transition to civilian political in a democratic election in May 2013, that election led to divisive and nearly paralyzing political tensions between Prime Minister Nawaz Sharif as two opposing political leaders -- Imran Khan and Tahir ul-Qadri –sought to push him out of power.

An Uncertain Process of Change

Some aspects of this situation may be changing. Prime Minister Nawaz Sharif was able to survive the immediate political threat posed by Imran Khan and Tahir ul-Qadri. Sharif’s initial attempts to negotiate with the Pakistani Taliban failed, and he took a progressively harder line towards it. Pakistan also acquired a new Chief of Staff – General Raheel Sharif – who took the extremist threat to Pakistan far more seriously than his predecessor. The Pakistani Army began to conduct steadily more intensive counterinsurgency campaigns in the areas where the Pakistani Taliban operated in western Pakistan. And, Pakistani and Afghan relations seemed to improve after the election of President Ghani and his discussions with Sharif.

Pakistani efforts to deal more realistically with its own terrorist and extremist threat were reinforced by a national tragedy. The Pakistani Taliban, or Tehreek-e-Taliban Pakistan (TTP), did much to alienate the nation’s civil and military leaders and public when it launched a bloody attack on a military school in Peshawar on December 16, 2014. The attack that killed over 145 people, most of which were young students.

As a result, Prime Minister Sharif and General Raheel Sharif, sharply stepped up Pakistani counter-insurgency and counter-terrorism activity against the Pakistani Taliban, and did so while requesting at least some support from US UCAVs. They reached out to Afghanistan, talked about securing the Durand line zone without focusing on past border disputes, and signaled India that Pakistan would put more emphasis on internal security and less emphasis on India.¹⁶⁷

It was still far from clear, however, that the Pakistani government would launch a major campaign against Afghan insurgents, or deny Al Qaeda, the Afghan Taliban, or other insurgent groups like the Haqqani Network de facto sanctuary in Pakistan. As of the end of December, the Pakistani government had not taken any steps to suppress the Quetta Taliban – the center of the Taliban’s operations and probable residence in Pakistan of its leader, Mullah Omar.¹⁶⁸

It was not clear how much Pakistani and Afghan relations would really improve, or lead to real military cooperation in their border area. As of late January 2015, Pakistan had not taken any action against the Afghan Taliban or other Afghan insurgent groups, still seemed to be tolerating its own Islamic extremists that focused on Kashmir and India, and the net effect of its offensives in Waziristan and western Pakistan on the fighting in Afghan was still to drive fighters across the border and into eastern Afghanistan.

It was equally unclear how much Pakistan and US relations would improve on any lasting basis. Pakistan has reacted to US efforts to improve its strategic ties to India – largely as a US counterbalance to China – by strengthen its ties to China and reaching out to Russia.

At the same time that Pakistan improved its dialogue with the US over Afghanistan, Pakistan's diplomats and military reached out to China, which Pakistan now saw as both a continuing ally and power that would play a greater role in the region as the US withdrew from Afghanistan and Central Asia. Pakistan had become a full member of the Shanghai Cooperation Council in September 2014, although India and Iran became members as well.¹⁶⁹

Before the meeting, Chinese diplomats had said that, “SCO members are determined to turn Afghanistan into a country with genuine peace, stability and development, and [will] make concerted efforts with international community in this endeavor.” During the meeting, they focused on supporting “an Afghan-led and Afghan-owned reconciliation and reconstruction process” that would make Afghanistan “self-reliant.” These were positions Russia also strongly supported during the meeting.

Chinese President Xi Jinping called on members at the meeting to, “focus on combating religion-involved extremism and internet terrorism, and consult to create an “anti-extremism” treaty. Xi also made it clear that China wanted to see regional states and the SCO deal with regional security, and end the need for extra-regional actors like the U.S. As Xi stated that members “should take it as our own responsibility to safeguard regional security and stability, enhance our ability to maintain stability, continue to boost cooperation on law enforcement and security, and improve the existing cooperation mechanisms.”

General Sharif visited Beijing in late January 2015, in a major effort to strengthen security ties and obtain support in modernizing Pakistan's forces. Pakistani news organizations covered the trip, and highlighted statements by Chinese officials that “Pakistan's concern is China's concern.” China welcomed the visit, at least in part because it saw Pakistan as a counterbalance to India's growing military strength and influence.¹⁷⁰

Even though Russia has sold India some \$18 billion worth of arms since 2006, Pakistan sees Russia as both a power that will stay in Central Asia and is seeking to find ways to expand its influence at the expense of the US because of the Ukraine crisis. Russia's Defense Minister Sergei Shoigu visited Islamabad in November 2014, and signed a military cooperation agreement. Pakistan is seeking to finalize plans to buy 36 Russian Mi-35 helicopters and is discussing efforts to better coordinate counter terrorism and narcotics activities. Pakistan also sought Russian assistance in providing energy exports.

Pakistan's fears the US was tilting to India were reinforced by President Obama's visit to India in late January 2015. Pakistan objected to US agreement that India should join the Nuclear Suppliers Group.¹⁷¹ Sartaj Aziz, Pakistan's national security adviser issued a statement after President Obama's visit that, “Pakistan is opposed to yet another country-specific

exemption from NSG rules to grant membership to India, as this would further compound the already fragile strategic stability environment in South Asia.”¹⁷²

Aziz had stated earlier, in an interview in which he had explained Pakistan’s interest in joining the SCO, that,¹⁷³

The next SCO summit due in September in Dushanbe is expected to adopt admission rules for new members, so we will exert more efforts to further our application for full-fledged membership in this organization. Since many states of the region are members of the Shanghai Cooperation Organization, it can play an important role in securing peace and stability in Afghanistan, which is to be one of the agenda provisions at the September summit. I think that Afghanistan is an example of how SCO members can cooperate in the interests of strengthening security in the region, of how the SCO mechanism can be used to achieve peace in a concrete country.

The key question linked with the forthcoming withdrawal of the International Security Assistance Force (ISAF) from Afghanistan is whether it will bring peace and revival to the country or will entail a new war. Pakistan would not like to interfere into this process, this is the competence of the Afghan people and the country’s new government,” he noted. “We can only offer assistance, certain support to national reconciliation in Afghanistan, so, on our part, we shall continue efforts in this direction.

Finally, it was not clear how Indian and Pakistan rivalry for influence in Afghanistan would play out. Furthermore, it was not clear how well Pakistan could deal with the broader threat of violence through much of the rest of Pakistan. Pakistan’s politics and security policies remained uncertain, and its new government had so far done little to improve the life of most of its people.

Strategic Differences

The course of the Afghan conflict has shown that US and Pakistan do have common interests, but they also have important differences in their strategic objectives. Both countries saw a common need to support the Afghan resistance against the Soviet Union after the Soviet invasion, although Pakistan’s military also saw this as an opportunity to strengthen Pakistani influence, secure what Pakistan regarded as its rear area against India, reduce any problems over its disputed border with Afghanistan, and support its then Chief of Staff, General Zia’s interest in aiding Islamist extremist elements in Afghanistan. The US, in contrast, focused on weakening the Soviet Union and reducing the threat it might pose to the Gulf.

Similar Pakistani strategic interests have affected Pakistani relations with Afghanistan ever since, and led to serious differences with a US that has given priority to defeating the Taliban and Afghan security and stability, while Pakistan has focused on its perceived local and regional strategic interests. These differences have been compounded by Pakistan’s past shift to military dictatorship, support of Islamist extremist terrorists in operation against India, focus on preparing for another conflict with India rather than dealing with its internal threats and problems, and the growing risks the US sees in the Pakistani-India nuclear and missile arms race.

Before 9/11 and the start of the US military intervention in Afghanistan, Pakistan was a key supporter of the Afghan Taliban. Its key military intelligence and special operations center – the Inter-Services Intelligence (ISI) branch – established close relations with both the Taliban and relations with Al Qaeda once Bin Laden relocated to Afghanistan. Pakistan’s then military dictator, Pervez Musharraf, was a top army officer who had toppled Pakistan’s then Prime Minister Nawaz Sharif in a military coup d’état in 1999.

Pakistan only agreed to support the US against the Taliban in 2001 after senior US officials effectively warned him that Pakistan would either side with the US or be seen as against it. The end result was the shell of an alliance where the US provided Pakistan with a massive aid package in return for military cooperation, overflight rights, and land transit for the supply of US and ISAF forces in Afghanistan.

Pakistan's military cooperation was always limited, and it used aid provided to deal with the Taliban threat to build up its capabilities with India. It came to treat Indian influence in Afghanistan as a major threat to Pakistan's "rear area," and gave the Taliban de facto sanctuaries and training areas in Pakistan while it at least tolerated significant command, propaganda, and fund raising operations by Al Qaeda central from within Pakistan.

This led to serious tension between the supposed "allies" on a number of occasions in the years that followed. The situation only marginally improved when Musharraf fell from power, following the assassination of Benazir Bhutto in December 2007, and the election of her husband –Asif Ali Zardari -- as Prime Minister. Pakistan's deeply divided politics limited what the government could do from 2007-2014, and the fact it had real elections did not cripple the power of its military.

Pakistan's Chief of Staff during this period, General Ashfaq Pervaiz Kayani – who first came to power in 2007 -- did not attempt to change Pakistan's strategic priorities. He did not challenge the Afghan insurgents based in Pakistan, or limit the role of the ISI in intervening in Pakistan.

The end result was that the US and Pakistan continued to issue the public rhetoric of alliance while actual relations deteriorated. There were clashes over security in the border area, and continuing Pakistani ties to Afghan insurgents. There were tensions over the US raid that killed Bin Laden and US UCAV strikers, tensions over the size and use of US aid, and occasional Pakistani suppression of ISAF use of its land supply routes to put pressure on the US.

This had a powerful impact on the public opinion in both nations. A BBC World Service Poll in 2014 found that, "16% of Pakistanis view U.S. influence positively, with 61% expressing a negative view, while 5% of Americans view Pakistan's influence positively, with 85% expressing a negative view, the most negative perception of Pakistan in the world." 174

As noted earlier, however, Pakistan and US relations have improved since Nawaz Sharif became Prime Minister on June 5, 2013. Senior US officers and officials also feel that General Raheel Sharif, who replaced Kayani as Chief of Staff on November 27, 2013, has been more forthcoming and focused on the internal threats Pakistan faces and the need to secure Pakistan's border areas with Afghanistan than his predecessors.

A Rising Tide of Internal Violence

Nevertheless, differing strategic interests, the Pakistani military and ISI's role in Afghanistan, and Pakistan's divisive and dysfunctional politics are only part of the problem that now shapes the Pakistani "threat" to Afghan and regional stability. In spite of all the Pakistani official rhetoric following the school shootings, it is not clear that Pakistan has abandoned the use of proxy extremist and terrorist groups in trying to pressure India over Kashmir, and its weak governance and uncertain development have triggered considerable internal instability and violence.

Here, historical perspective provides some additional insights. The annual US State Department Country Reports on Terrorism issued in April 2014 reported that Pakistan was making efforts to improve its counterterrorism programs but that no progress had been made in reduced the rising level of violence in 2013.¹⁷⁵

In 2013, Pakistan continued to confront terrorist groups, including al-Qa'ida (AQ), Tehrik-e Taliban Pakistan (TTP), the Punjabi Taliban, and Lashkar I Jhangvi (LJ), all of whom mounted attacks against police, military and security forces, or engaged in sectarian violence and criminal activities against all sectors of society. Pakistan did not confront Lashkare-Tayyiba, however, who continued to operate, rally, and fundraise in Pakistan with its front organizations.

...In 2013, terrorists used remote-controlled improvised explosive devices (IEDs) in bicycles, motorcycles, parked cars, rickshaws, donkey carts, and alongside roads, used vehicle-borne IEDs, suicide bombers (including females), targeted assassinations, rocket-propelled grenades, and other armed combat tactics in attacks on mosques, churches, markets, journalists, aid workers, government institutions and officials. AQ and HQN continued to plot against U.S. interests in the region, including U.S. diplomatic facilities. TTP posed a threat to both U.S. and Pakistani interests, and carried out numerous attacks against Pakistani armed forces, Pakistani civilians, and government institutions.

The May 2013 national elections brought in new civilian leadership, which was reviewing a new counterterrorism strategy at year's end. In the pre-election period, some terrorist groups forged alliances with certain political parties, including religiously-based political parties. Some violent extremists conducted election-related terrorist attacks against political parties, candidates, and government officials. Pakistan's government has pursued negotiations with TTP while also targeting the group militarily. Pakistan continued to support the Afghan peace process.

Karachi continued to suffer from political and ethnic violence inflicted by different groups, including militant organizations, fundamentalist religious groups, and the militant wings of political parties. Some militant groups worked to assert control over political parties and criminal gangs operating in the city and surrounding areas of southern Sindh. The security situation in Karachi was a priority concern for Pakistan's president, prime minister, parliament, Supreme Court, and the military and law enforcement agencies.

...During 2013, terrorist groups targeted the Pakistani government and military, engaged in sectarian violence, and perpetrated attacks against civilians. Terrorists organized armed assaults on police stations, judicial centers, border check posts, military convoys, and polio vaccination teams. Terrorists plotted against and attacked judges, prosecutors, police officers, defense lawyers, anti-TTP peace committee members, intelligence officers, and elected officials. In the months leading up to the May national elections, terrorists attacked and killed political party workers and candidates, bombed political rallies, and, after the elections, killed newly elected and appointed officials. Terrorists mounted an attack on a Pakistan military and Inter-Services Intelligence (ISI) office in Sukkur, and later stormed a prison, releasing several dozen imprisoned high-profile terrorists.

In separate incidents, terrorists assassinated a high-ranking Army general in the tribal areas, the Karachi Chief of Police, and the president's chief of security. Terrorists targeted Shia and other religious minorities in all areas of Pakistan, especially in Sindh, Khyber Pakhtunkhwa (KP), and Balochistan. Terrorists killed an international team of mountain climbers, including one U.S. citizen, on Pakistan's famed Nanga Parbat Mountain.

As of mid-December, over 1,025 civilians and more than 475 security forces personnel had been killed in terrorist-related incidents in Pakistan during the year. The presence of AQ, TTP, and other militant groups continues to pose a threat to U.S. citizens throughout Pakistan. The TTP claimed responsibility for the majority of the frequent attacks that targeted civilians and security personnel. Terrorist incidents occurred in every province.

Pakistan not only faces a threat from its Taliban, but broader threat of violence from a wide mix of extremist and separatist groups. The terrorism data base attached to the State Department report showed a sharp rise in in the number of terrorism incidents in Pakistan from

2005 onwards and nearly vertical rise from 2010 to 2013, rising from less than 800 incidents in 2010 to nearly 2,300 in 2014.¹⁷⁶

There are serious uncertainties in all terrorism statistics, and changes in the management of the database, and reporting made it difficult to make some of the comparisons provided in the text of the 2013 and previous year's report. **Figure VII.1** does show, however, that the 2013 report found Pakistan to be the second most violent of the ten countries, with the second highest level of terrorist attacks in the world. Pakistan had 1,404 attacks in 2012, with 1,848 killed, and 3,463 wounded. It had 1,920 attacks in 2013, with 2,315 killed, and 4,989 wounded. Only Iraq had more casualties, and attacks: Iraq had 2,495 attacks in 2013, and Afghanistan had 1,144 attacks. No other country exceeded 1,000, India was the fourth ranking country and had only 622 attacks.¹⁷⁷

The State Department country profile for Pakistan in the 2013 report, -- which was issued in April 2014 and which does not count the rise in violent terrorist killings in 2014 --notes that:¹⁷⁸

- The total number of terrorist attacks reported in Pakistan increased 36.8 percent between 2012 and 2013. Fatalities increased 25.3 percent and injuries increased 36.9 percent.
- The Tehrik-i-Taliban ranked as the fifth most violent terrorism group in the world in 2013, with 134 attacks and 589 killed.,
- No specific perpetrator organization was identified for 86.2 percent of all attacks in Pakistan. Of the remaining attacks, nearly half (49%) were carried out by the Tehrik-i-Taliban Pakistan (TTP). Attacks attributed to the TTP killed more than 550 and wounded more than 1,200 in 2013.
- Twenty other groups, including a number of Baloch nationalist groups such as the Baloch Republican Army, the Baloch Liberation Army, the Baloch Liberation Front, and the Baloch Liberation Tigers, carried out attacks in Pakistan, particularly in Baluchistan.
- More than 37 percent of all attacks in Pakistan took place in Khyber Pakhtunkhwa province, 28.4 percent took place in Baluchistan, and 21.2 percent took place in Sindh province. The proportion of attacks in the Federally Administered Tribal Areas (FATA) decreased from 19.6 percent in 2012 to 9.4 percent in 2013.
- The most frequently attacked types of targets in Pakistan were consistent with global patterns. More than 22 percent of all attacks primarily targeted private citizens and property, more than 17 percent primarily targeted the police, and more than 11 percent primarily targeted general (non-diplomatic) government entities.
- However, these three types of targets accounted for a smaller proportion of attacks in Pakistan (51.1%) than they did globally (61.7%). Instead, terrorist attacks in Pakistan were almost twice as likely to target educational institutions (6.4%) and more than three times as likely to target violent political parties (4.4%), organizations that have at times engaged in both electoral politics and terrorist violence

Independent analysts see the same trends. A study by Saira Yamin and Salma Malik of the US Institute for Peace found the patterns of violence that are shown in the **Second Part of Figure VII.1**. They concluded that:¹⁷⁹

- Over the past decade, Pakistan has experienced a significant rise in violence in terms of frequency, scope, and magnitude. The origins and intensity of violence vary regionally and involve both longstanding conflict actors and new groups.
- Violence is most concentrated along the Afghan border in the Federally Administered Tribal Areas (FATA) and the province of Khyber Pakhtunkhwa (KP). Other regions of Pakistan lying along the border with Afghanistan, including Baluchistan and Gilgit Baltistan, have also experienced a significant escalation in violence. This escalation is in part a result of the nexus between sectarian militants and terrorist outfits.

- In Sindh, most of the violence is concentrated in Karachi, which witnessed a tenfold increase in violence between 2006 and 2013. The security landscape there has become increasingly complex over the years with the addition of many types of actors, including sectarian militant groups, terrorist outfits, political parties, and criminal gangs.
- The scale, scope, and magnitude of violence in Baluchistan, the largest province in Pakistan in terms of territory, remain unprecedented and unabated. Sectarian and terrorist activities targeting the Shia Hazara community have compounded the effects of a high intensity conflict between a secessionist insurgency and the military that has been under way in the province since 2006. Baluchistan also provides safe haven to the Quetta Shura, a key Afghan Taliban group headed by Mullah Omar.
- For the past decade, Punjab has experienced the least violence of any province in Pakistan. However, the province is increasingly a breeding ground for terrorist and militant recruits engaged in violence in other regions.
- Given the diverse and broad spectrum of conflicts affecting Pakistan, it is important to analyze and address each conflict in its own context and plan for comprehensive states stabilization and peace building processes entailing both short and long-term measures.

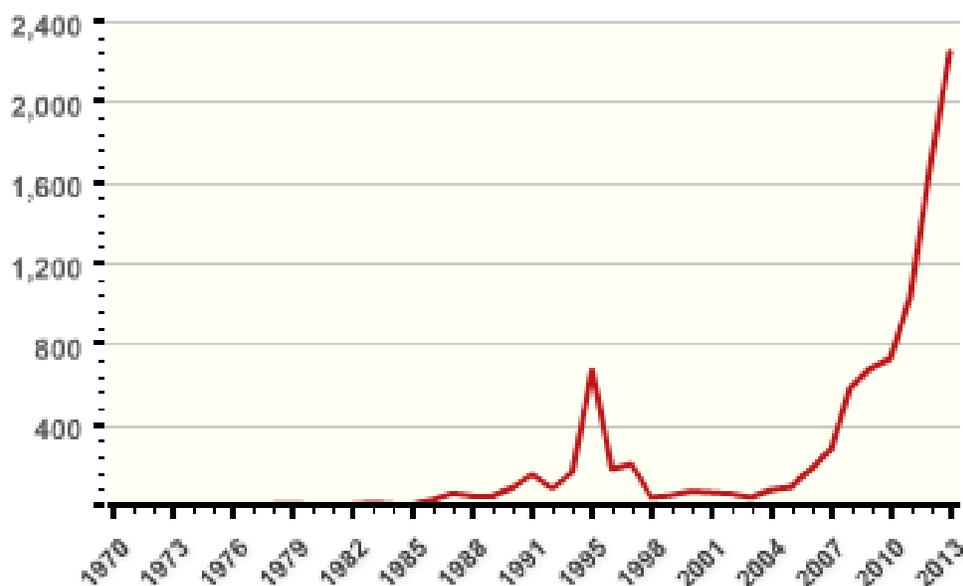
**Figure VII.1: The Broadening Patterns of Internal Violence in
Pakistan – Part One**

State Department Estimate of Ten Countries with Most Terrorist Attacks: State Department Statistical Annex for 2013

Country	Total Attacks	Total Killed	Total Wounded	Average Number Killed per Attack	Average Number Wounded per Attack
Iraq	2495	6378	14956	2.56	5.99
Pakistan	1920	2315	4989	1.21	2.60
Afghanistan	1144	3111	3717	2.72	3.25
India	622	405	717	0.65	1.15
Philippines	450	279	413	0.62	0.92
Thailand	332	131	398	0.39	1.20
Nigeria	300	1817	457	6.06	1.52
Yemen	295	291	583	0.99	1.98
Syria ²	212	1074	1773	5.07	8.36
Somalia	197	408	485	2.07	2.46

Source: Bureau of Counterterrorism, Statistical Annex, *Country Reports on Terrorism 2013*, US State Department, April 2014, 4. For trend graph through 2013, see <http://www.start.umd.edu/gtd/search/Results.aspx?chart=overtime&search=Pakistan>.

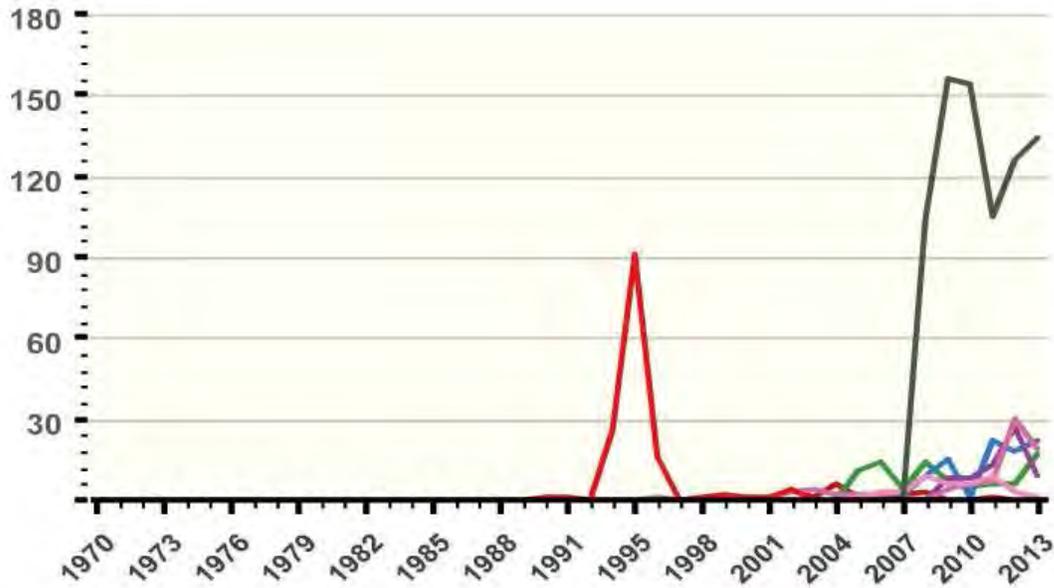
State Department Data Annex Trend Analysis of Pakistani Terrorist Incidents



Source: GTD, Global terrorism Data Base, "Pakistan," <http://www.start.umd.edu/gtd/search/Results.aspx?chart=overtime&search=Pakistan>.

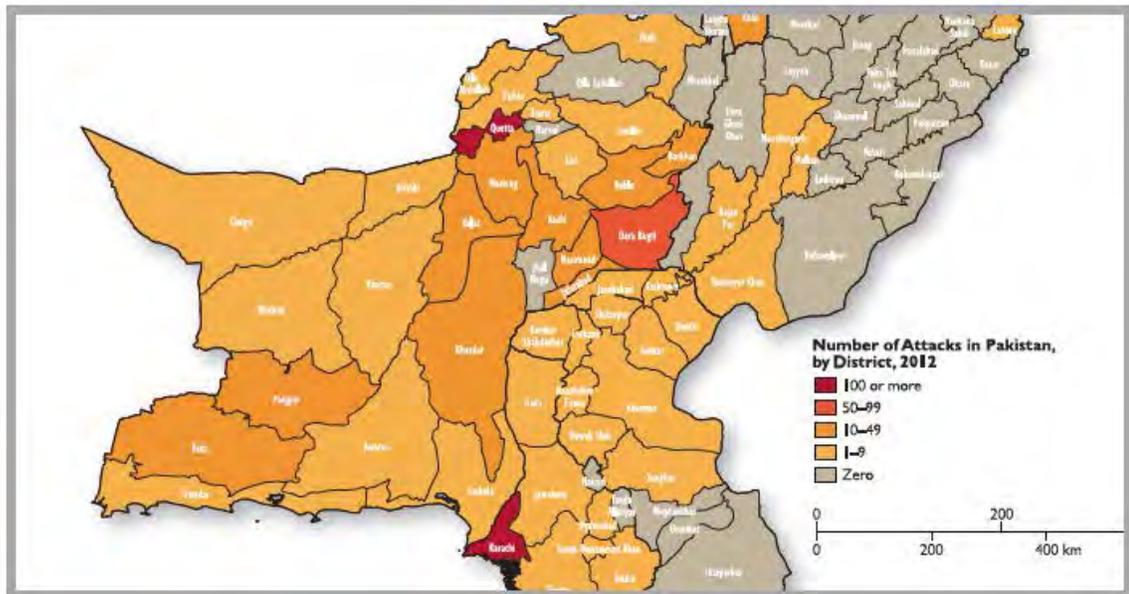
Figure VII.1: The Broadening Patterns of Internal Violence in Pakistan – Part Two

State Department Data Annex Trend Analysis of Perpetrators of Pakistani Terrorist Incidents



Source: GTD, Global terrorism Data Base, “Pakistan,”
<http://www.start.umd.edu/gtd/search/Results.aspx?chart=overtime&search=Pakistan>.

USIP Map of Terrorist Incidents



Source: http://www.usip.org/sites/default/files/PW93-Mapping_Conflict_Trends_in_Pakistan.pdf.

A US Ally that Has Also Been a “Threat”

While US officials, officers, and experts will not say so publically, many have seen Pakistan as much as of a threat as an ally for most of the conflict in Afghanistan. Many US officers and officials who have worked on Pakistan privately see Pakistan as a country whose military refused to take advantage of US efforts to help it in counterinsurgency warfare, and whose military is still committed to aiding Islamist extremist elements that threaten Afghanistan and Pakistan while increasingly fighting a domestic Islamist threat it has done much to generate.

They have seen Pakistan create a de facto sanctuary for the Taliban and Haqqani Network, somehow fail to detect Bin Laden’s presence near a key military base, and be “unable” to find Omar and the headquarters of the Taliban in Quetta. They do not believe that Pakistan made serious efforts to find Bin Laden, deal with the Al Qaeda presence on its soil, limit the flow of arms and volunteers into Afghanistan, capture or expel the Quetta Taliban, or conduct counterinsurgency campaigns that were not limited to threats against Pakistan.

They have equally little tolerance for Pakistani arguments that the US has illegally attacked targets in Pakistan territory. Nations must either secure their territory and borders or see outside states counter the enemy forces on their soil. Pakistan did not secure its borders or deny the Afghan Taliban and Haqqani Network effective sanctuaries on its territory.

At the same time, US officials note that Pakistan often publically attacked the US for the UCAV strikes shown in **Figure VII.2**, and did so even in those cases where they were targeted against extremist that were hostile to the Pakistan government and Pakistan had provided some of the targeting data. Pakistani officials and officers criticized the US for acting when Pakistan lacked the capacity or will to act on its own, and when the strikes targeted extremist elements threatening Afghanistan that the Pakistani government claimed it did not tolerate or support.

Figure VII.2: US Air and UCAV Strikes in Pakistan, Yemen, and Somalia: 2002-9/2014

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	to 9/2014
Pakistan	-	-	1	2	3	5	35	53	117	64	46	28	7
Yemen	1	-	-	-	-	-	-	2	4	10	41	26	16
Somalia	-	-	-	-	-	3	2	1	-	1	1	1	2

Source: *The Long War Journal* and *New York Times*, September 12, 2014, <http://www.nytimes.com/2014/09/12/world/middleeast/us-pins-hope-on-syrian-rebels-with-loyalties-all-over-the-map.html?smprod=nytcore-ipad&smid=nytcore-ipad-share>.

US officials and officers have seen Pakistan’s claims to having fought Islamic extremists and insurgents as having focused almost exclusively on insurgents that threatened Pakistan, while tolerating the presence of Al Qaeda leaders like Bin Laden, and the Afghan leaders, cadres, training camps and bases of Afghan insurgents. They have seen see the ISI as a threat that encouraged the Pakistani military to support Afghan insurgents and not as an ally. (It is interesting to note that Chinese experts also came to see the ISI as a major problem in allowing the training of Islamic extremist from China to take place in Pakistan.¹⁸⁰)

Tensions between the US and Pakistan approached an open break in 2011, when Admiral Mike Mullen, then Chairman of the US Joint Chiefs, publicly described the Haqqani network as “a veritable arm” of the ISI.¹⁸¹ No currently serving US senior official or official has publically gone so far making such charges, or as Carlotta Gall has in *The Wrong Enemy*, but several privately make it clear that they do not regard Pakistan as a meaningful ally and see its conduct as having sustained the threat in Afghanistan. It is also interesting to note that Chinese experts now see ISIS as a major problem in allowing the training of Islamic extremist from China to take place in Pakistan.¹⁸²

It also helps explain why there has been little – if any – past real world US tolerance of Pakistani arguments that the US has somehow failed to support a Pakistan making sacrifices for the US. The US sees Pakistan as serving its own interests in ways that have ended in supporting Islamic extremism and making the war in Afghanistan far worse. A CRS report issued in 2013 reflected the private views of many US officials in noting that, “Pentagon officials have for some time been frustrated by the allegedly feckless counterinsurgency efforts of the internally squabbling Islamabad government.

Bribery Rather than True Alliance

Many American officials and officers have come to see US aid to Pakistan as a necessary bribe to keep overflight and land transit rights – a bribe that totaled some \$26 billion in appropriations by the time of Transition.

They also feel that far too much of this aid has not gone to counter-insurgency and counter-terrorism forces, but has been used to build up Pakistani conventional warfare capabilities against India at a time when the steady increase in the nuclear armed missile forces on both sides, and steady increases in the number of Pakistani tactical nuclear weapons are sharply increasing the risks and costs of any future war.

As a Congressional Research Service report notes,¹⁸³

The Defense Department has characterized F-16 fighters, P-3C patrol aircraft, and anti-armor missiles as having significant anti-terrorism applications. The State Department has claimed that, since 2005, FMF funds have been “solely for counterterrorism efforts, broadly defined.”⁵⁴ Such claims elicit skepticism from some observers, and analysts who emphasize the importance of strengthening the U.S.-India strategic partnership have called U.S. military aid to Pakistan incompatible with U.S. strategic goals in the region.

Moreover, U.S. officials are concerned that Pakistan has altered some conventional U.S.-supplied weapons in ways that could violate the Arms Export Control Act. Such alleged modifications include expanding the capability of both Harpoon anti-ship missiles and P-3C naval aircraft for land-attack missions. The Islamabad government categorically rejects the allegations.⁵⁵ Indian observers were unsurprised by the claims; New Delhi’s leaders continuously complain that Pakistan diverts most forms of U.S. defense assistance toward India. Some more suspicious analysts even see purpose in such a dynamic: a U.S. wish to maintain Pakistan’s viability as a regional balancer to Indian hegemony

The same report lists aid and EDA related arms transfers, plus Pakistani arms purchases, whose value in counterinsurgency and counterterrorism is questionable at best:¹⁸⁴

- Eight P-3C Orion maritime patrol aircraft and their refurbishment (valued at \$474 million; four delivered, but three of these were destroyed in a 2011 Islamist militant attack on Pakistan Naval Station Mehran);
- 2,007 TOW anti-armor missiles (\$186 million);

- Six AN/TPS-77 surveillance radars (\$100 million);
- Six C-130E transport aircraft and their refurbishment (\$76 million);
- the *USS McInerney*, an ex-Perry class missile frigate (via EDA, \$65 million for refurbishment, delivered and now the *PNS Alamgir*);
- Up to 60 Mid-Life Update kits for F-16A/B combat aircraft (valued at \$891 million, with \$477 million of this in FMF; Pakistan's plans are to purchase 45 such kits, 8 have been delivered); and
- 115 M-109 self-propelled howitzers (\$87 million, with \$53 million in FMF).
- 18 new F-16C/D Block 52 combat aircraft (valued at \$1.43 billion);
- F-16 armaments including 500 AMRAAM air-to-air missiles; 1,450 2,000-pound bombs; 500 JDAM bomb tail kits for gravity bombs; and 1,600 Enhanced Paveway laser-guided bomb kits, also for gravity bombs (\$629 million);
- 100 Harpoon anti-ship missiles (\$298 million);
- 500 Sidewinder air-to-air missiles (\$95 million);
- six Phalanx Close-In Weapons System naval guns (\$80 million).
- 14 F-16A/B combat aircraft;
- 59 T-37 military trainer jets.

Some US officials and officers felt that significant portions of US aid had been wasted or effectively stolen by a government and military that rival Afghanistan in terms of corruption and a failure to meet the needs of its people. Once again, World Bank, IMF, and UN reporting raise deep concerns about the degree to which Pakistan is becoming a failed state.

Many US officials and experts privately see Pakistan as a nation whose politics have paralyzed effective action that still suffers from rising tensions with India, and has made little progress in the mix of economic and educational reforms that are critical to a stable future. There is a great deal of outside analysis that supports such conclusions. The key trends involved are summarized in a CSIS report called **Pakistan and Afghanistan: International Indicators of Progress** (http://csis.org/files/publication/140820_afghan_pakistan_indicators.pdf).

It is important to note, however, that Pakistan has considerable potential to make more effective use of aid. Pakistan is better off in many metrics of human development than India and Bangladesh, and far better off than Afghanistan, although the summary data on Domestic trends in Pakistan shown in **Figure VII.3** shows that it desperately needs economic growth, jobs, and social infrastructure, rather than arms.

It also is all too clear that even if US military aid was focused on Pakistan's need to fight terrorism and fully secure its FATA and other troubled areas, this alone could not bring Pakistani stability or security. This can only come with fundamental improvements in governance and security. Transparency International ranks Pakistan as the 127th most corrupt country in the world, and **Figure VII.4** shows that the World Bank ranks it only marginally higher than Afghanistan in the overall quality of governance.

**Figure VII.3: Pakistan and the Human Development Challenge
– Part One**

Trends in Key Elements of Pakistan's HDI: 1980-2012

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	57.9	3.6	1.8	1,320	0.337
1985	59.4	4.2	2.1	1,543	0.367
1990	60.7	4.4	2.3	1,689	0.383
1995	62	4.4	2.8	1,795	0.403
2000	63.1	4.4	3.3	1,826	0.419
2005	64.1	6.5	4.5	2,190	0.485
2010	65.2	7.3	4.9	2,505	0.512
2011	65.4	7.3	4.9	2,526	0.513
2012	65.7	7.3	4.9	2,566	0.515

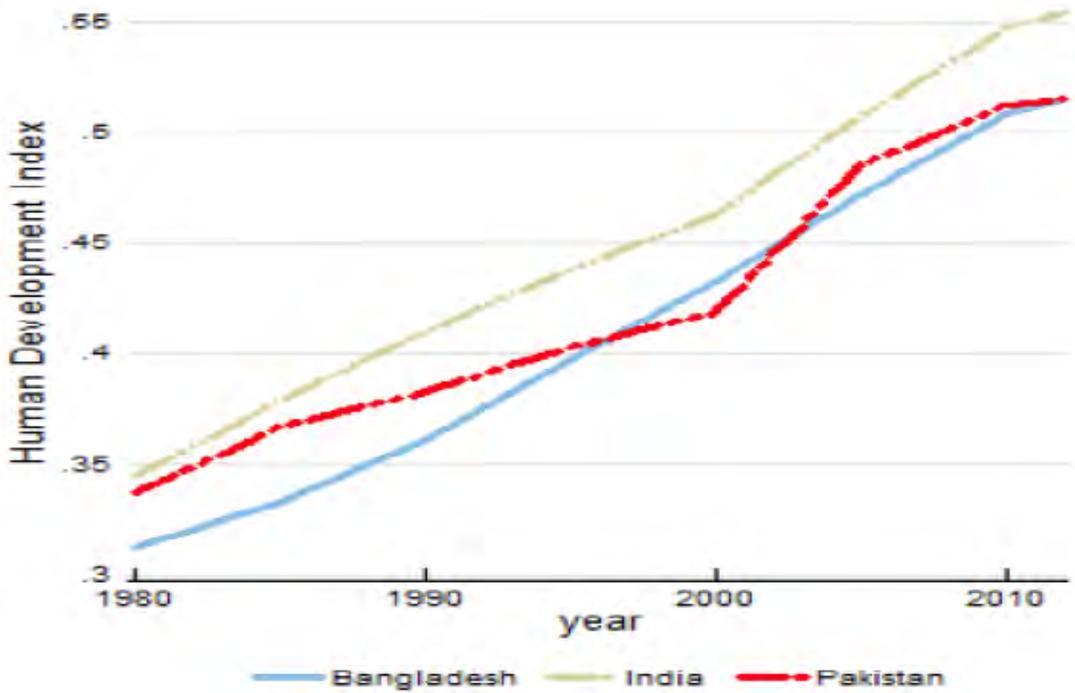
	Survey year	MPI value	Headcount (%)	Intensity of deprivation (%)	Population			Contribution to overall poverty of deprivations in		
					Vulnerable to poverty (%)	In severe poverty (%)	Below income poverty line (%)	Health	Education	Living Standards
Pakistan	2006/2007	0.264	49.4	53.4	11	27.4	21	37.9	30.8	31.2
India	2005/2008	0.283	53.7	52.7	16.4	28.6	32.7	35.7	21.8	42.5
Bangladesh	2007	0.292	57.8	50.4	21.2	26.2	43.3	34.5	18.7	46.8

Trends in Key Elements of Afghanistan's HDI: 1980-2012

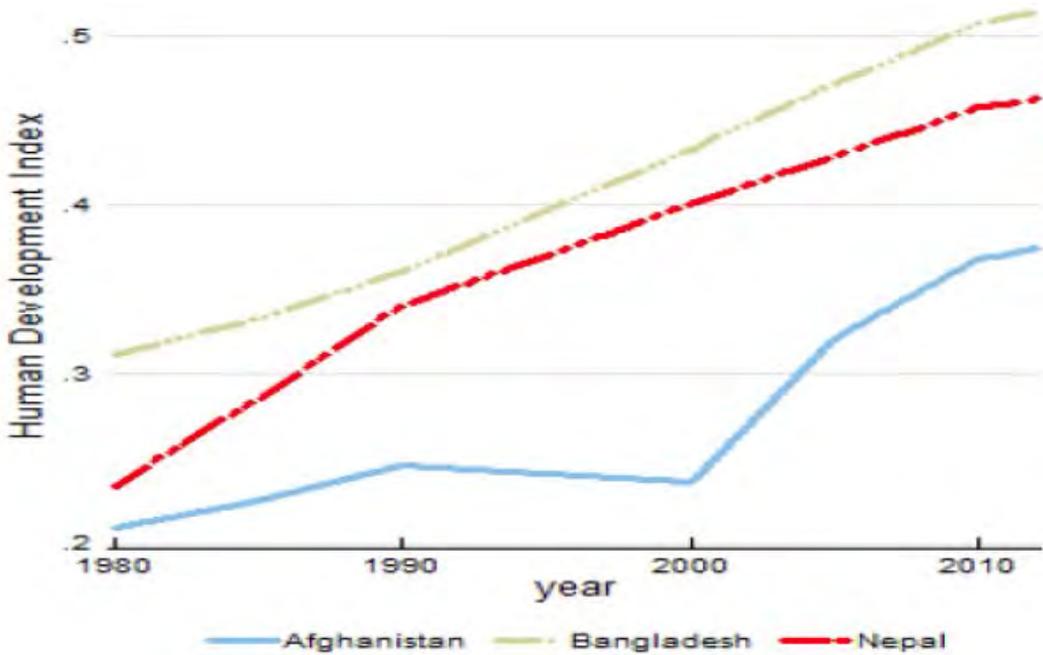
	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	39.2	2.3	0.8	1,002	0.209
1985	40.8	1.7	1.2	1,271	0.225
1990	42.3	2.5	1.5	0,948	0.246
1995	43.8	2.5	1.8	0,589	0.241
2000	45.3	2.5	2.1	0,435	0.236
2005	46.6	6.6	2.5	0,750	0.322
2010	48.3	8.1	3.1	0,953	0.368
2011	48.7	8.1	3.1	0,979	0.371
2012	49.1	8.1	3.1	1,000	0.374

Source: UN Human Development Reports, <http://hdr.undp.org/sites/default/files/Country-Profiles/PAK.pdf>, and <http://hdr.undp.org/sites/default/files/Country-Profiles/AFG.pdf>.

Figure VII.3: Pakistan and the Human Development Challenge – Part Two
Trends in Pakistan’ HDI 1980-2012



Trends in Afghanistan’s HDI 1980-2012



Source: UN Human Development Reports, <http://hdr.undp.org/sites/default/files/Country-Profiles/PAK.pdf>, and <http://hdr.undp.org/sites/default/files/Country-Profiles/AFG.pdf>.

Figure VII.4: The World Bank Assessment of Pakistan: High Violence and Corruption; Poor Governance



Source: World Bank, <http://data.worldbank.org/data-catalog/worldwide-governance-indicators>.

Equally Uncertain Afghan and Pakistani Relations

Many Afghan officials and officers have been at least as negative about relations with Pakistan as the most negative US exports. They saw the Pakistani campaign in Waziristan that began in the spring of 2014 as doing little more than pushing some insurgents back into Afghanistan, and making things worse in Afghanistan's troubled east. They also feel that Pakistan will launch growing efforts to control the border region once the US leaves.

President Karzai raised such charges to ridiculous extremes as he left office in September 2014. He accused both Pakistan and the US as being the cause of the fighting in Afghanistan, "One of the reasons was that the Americans did not want peace because they had their own agenda and objectives... Today, I tell you again that the war in Afghanistan is not our war, but imposed on us and we are the victims... No peace will arrive unless the US or Pakistan want it." He also had his National Security Council publically say that Pakistan was deliberating pushing fighters out of the FATA and to attack Afghan government targets in a de facto "declaration of war."¹⁸⁵

Karzai's words ignored some positive trends in Pakistan, which continued during the fall of 2014. Karzai's statement came only days after the new Pakistani military chief, Gen. Raheel Sharif, had made Lt. Gen. Rizwan Akhtar, a close ally the new head of the Inter-Services Intelligence agency. Akhtar had a reputation as a strong opponent of Islamist extremist forces and had led the paramilitary Sindh Rangers. He was to replace Lt. Gen. Zaheer ul-Islam, who had headed the ISI since 2012, and was a sign that the Army recognized at least some of the problems in the ISI.¹⁸⁶

Nevertheless, many US and other outside experts felt there was still some truth in the charges made by figures like Mohammad Umer Daudzai, then Karzai's Afghan Minister of the Interior. Daudzai stated that, "We know they have not given up their dream of controlling Afghanistan... They want Afghanistan to be their satellite." He spoke at a time when Afghanistan had already lost some 2,000 soldiers and police in the previous year – roughly twice the total in the same period in 2013. While some of these losses came as a result of the US and ISAF withdrawal, others were killed in the border area and Afghan intelligence officers felt that Pakistan's ISI and Army had sent in Advisors and commandos to train and aid the Taliban and Haqqani fighters.¹⁸⁷

President Ashraf Ghani took a far a more positive approach to Pakistan than Karzai. He visited Islamabad in mid-November 2014, after Pakistan's acting foreign minister, army chief and the head of the ISI had visited Kabul to deliver "messages of support and cooperation."¹⁸⁸ Both Afghanistan and Pakistan then emphasized options for cooperation rather than tensions between them, although Ghani still made it clear at a November 26, 2014 meeting of South Asian leaders in Kathmandu that "We will not permit anybody (India and Pakistan) to conduct proxy wars on our soil."¹⁸⁹

Pakistani and Afghan relation seemed to continue to improve after this visit. President Ghani reduced Afghanistan's ties to India and improved relations with Pakistan in early 2015. The BBC reported in January 2015 that,¹⁹⁰

The Afghan president is looked upon favorably by Pakistan's generals. This is in large part because he has avoided any anti-Pakistan rhetoric and his long stints in government never led to open hostility with Islamabad.

Even more remarkable is that Mr Ghani has so far not visited India - Pakistan's long-standing regional rival - despite organising trips to all of Afghanistan's other major neighbours, including China. He has even suspended construction of a \$400m tank and aircraft refurbishing plant funded by India, while agreeing to greater military co-operation and the training of officers by Pakistan.

An overwhelming fear of Indian influence in Kabul has made Pakistan's military and spy chiefs suspicious of Afghan leaders until now and led to them supporting the Afghan Taliban in the past.

Afghanistan has taken steps to quell Taliban influence which have so far not been replicated by Pakistan. About 1,500 Afghan troops have been battling Pakistani Taliban for more than a month in the north-eastern Afghan province of Kunar. Afghan officials say they have killed 183 insurgents and wounded another 122 in a month-long campaign that is still continuing.

It was the Pakistani Taliban based in Kunar which carried out the December bombing of the Peshawar army school that killed 150 people. The group has also been responsible for other attacks.

So far the Pakistan military have not carried out any transparent measures in trying to deter the Afghan Taliban from orchestrating attacks in Kabul and other cities, which continue unabated. Moreover, Pakistani arms dealers and smugglers are still providing logistics and war materials to the Afghan Taliban.

Once again, the horrifying Pakistani Taliban, or Tehreek-e-Taliban Pakistan (TTP), attack on a military school in Peshawar that killed 145 students, along with Ghani's pragmatism, may prove to be a catalyst in improving Afghan and Pakistani relations. As of the end of January 2015, however, it was still far too early to tell.

A wide range of expert and media sources reported the Pakistani campaign in the Waziristan area had continued to push Pakistani and foreign fighters across the border into Afghanistan – including Maulana Fazlullah, the commander of the Pakistani Taliban. While Pakistan accused Afghanistan of becoming a sanctuary for the Pakistani Taliban, Pakistani officers knew all too well that Afghan forces could not secure the border area. Pakistani forces also did not seriously try to secure the border as they advanced, and then fired into Afghanistan to try push fighters out of Pakistan.

At the time of Transition at the end of December 2014, Pakistan had still made no visible effort to halt the operations of Al Qaeda central in Pakistan, check the operations of the Haqqani network, or those of Mullah Mohammed Omar, the head of the Afghan Taliban.¹⁹¹ Few US experts then doubted that Ayman al-Zawahiri, the head of Al Qaeda “central” operated out of Pakistan, and he raised new questions about the Pakistani ties to al Qaeda when he announced a new Al Qaeda affiliate in India in September 2014.¹⁹²

Like Pakistani-US relations, much still depended on how serious Pakistan would become in making improvements in Pakistani and Afghan relations that ignored past disputes over the border and the Durand line, and focused on both countries' real security needs.

US Transition in Afghanistan Means US Transition in Pakistan

Pakistanis often accuse the US of abandoning it when Pakistan is not critical to US interests. At the same time, their public anger at the US is matched by more quiet US anger with Pakistan, and by a near total lack of real world US tolerance for Pakistani rhetoric about its role in counterterrorism, sacrifices, and the lack of continued US support. **Figure VII.5** shows a sharp decline in US aid has already taken place, and it seems likely that US relations with Pakistan

will be reduced to little more than diplomatic norms by the end of 2016 unless Pakistan proves to be sincere about ending its tolerance of Afghan insurgents and securing the border areas.

As noted earlier, the election of Nawaz Sharif as Prime Minister, and selection of General Raheel Sharif as Chief of Staff has improved US perceptions of Pakistan during 2014. In spite of its limits, the new Pakistani military campaign in the FATA area in 2014 was more serious than its predecessors and had some US quiet intelligence aid and support in the form of drone strikes.

The Pakistani Taliban's murder of some 150 teachers and civilians in a Pakistani military school at Peshawar changed at least some Pakistani attitudes towards its own terrorists and religious extremists. The Pakistani government gave the Pakistani military authority to arrest, try, and execute terrorists, and such arrests and executions have begun.

The Pakistani military did step up their operations in the FATA area, and the US officially recognized this shift. Secretary of State Kerry visited Pakistan to encourage these actions, military attacks on the Afghan insurgents based in Pakistan, and release some \$250 million in additional US aid as an incentive.¹⁹³

However, the Pakistani campaign in the FATA and Waziristan still had uncertain execution and success through the end of 2014. As has been noted earlier, Pakistan military operations sometimes displaced Taliban and Afghan insurgent elements rather than really defeated them, and also turned many civilians into IDPs. In spite of General Sharif's efforts, some US experts felt the Pakistani military was still far too slow to shift away from a conventional war strategy focused on India, and that Pakistan still focused on a rising nuclear and missile arms race at a time it badly needs United States assistance in reorienting its army for counterinsurgency efforts.¹⁹⁴

While Pakistani and US relations did improve in 2014, the limited steps forward that occurred by the end of December did not go enough to show Pakistan was a real ally. Without sustained shifts in Pakistan's effort to deal with its own terrorists and Afghan insurgents, and real improvements in Pakistan's security cooperation with Afghanistan, the US will not see Pakistan as a real strategic partner. The US will also have steadily less reason to provide more than limited aid and proper diplomatic relations.

There is still serious US doubt that that Pakistan can become a meaningful partner in counterterrorism, that the US can really change Pakistani behavior in Afghanistan or dealing with terrorism, that US aid will be used where Pakistan really needs it, or that Pakistan will be a meaningful strategic partner in the future. Actions like Pakistan's offensive against its own Islamist extremists are not seen as any substitute for ISI and other efforts that have been a constant source of problems since 2002.

In spite of some reporting to the contrary, there still is little belief among senior US military planners that US ties and to Pakistan affect the security of Pakistan's nuclear weapons, or that US bases and forces in Afghanistan can play any role in the unlikely event that Islamist extremists somehow acquire control of some weapons.¹⁹⁵ There is equally little belief that any form of US civil or military aid – or aid from any other power – will materially affect Pakistan's tensions with India, ties to China, or be decisive in limiting its decline towards becoming a failed state without far stronger political unity and effort than Pakistan has shown to date.

This does not mean the US will write off Pakistan, cancel all aid, give up on diplomatic efforts to bring an end to the India-Pakistan conflict, cease cooperation of some kinds in counterterrorism and military aid if Pakistan does not become serious in dealing with Afghan insurgents. At least for the next few years, the US will take account of the fact that Pakistan will continue to play an important role in shaping the success of Transition in Afghanistan given the critical role that Pakistan plays as a trade route, giving the United States and NATO air-sea-land access to Pakistan, and in providing a sanctuary to the Taliban and other Afghan rebels.

Once again, the acid test for both the US and Afghanistan will be whether Pakistan directly takes on the Afghan Taliban, the Haqqani Network, and the elements of Al Qaeda that still remain in Afghanistan, and whether it establishes good relations with the new President and government of Afghanistan. Any major continued flow of US aid will require Pakistan to deal with its overall extremist and terrorist threats, and see its government actually make good on decades of promises regarding reform. The Sharif government has made a start in such efforts, but unless this start it proves to be serious, the US will have no real reason to help a Pakistan that will not help itself.

Figure VII.5: US Aid to Pakistan: FY2002 to FY2014

Direct Overt U.S. Aid and Military Reimbursements to Pakistan, FY2001-FY2012 (available funds via appropriations, with disbursements in parentheses, rounded to the nearest millions of dollars)

Program or Account	FY2002							FY2013		FY2014 (req.)
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	(est.)	Total	
I206	28	14	131	139	—	*	—	n/a	312	—
CN	32 (25)	49 (37)	54 (72)	47 ^d (25)	43 (n/a)	39 ^e (n/a)	1	n/a	265 (159)	*
RMF	971 (971)	297 (297)	298 (298)	300 (300)	294 ^e (83)	295 (148)	296	n/a	2,751 (2,097)	300
IMET	7 (7)	2 (2)	2 (2)	2 (2)	5 (5)	4 (0.4)	5	n/a	27 (18)	5
INCLE	224 (140)	24 (10)	22 (33)	88 ^e (35)	170 ^e (16)	114 (29)	75	n/a	717 (263)	74
NADR	33 (28)	10 (6)	10 (1)	13 ^e (5)	24 (3)	25 (14)	20	n/a	135 (57)	18
PCF/PCCF	—	—	—	400 (125)	700 (160)	800 (376)	452	n/a	2,352 (661)	0
Security Aid Total	1,295	396	517	989^e	1,236	1,277	849	n/a	6,559	397
CSH/GHCS	105 (43)	22 (25)	30 (18)	34 (31)	30 (21)	28 (19)	—	n/a	249 (157)	—
DA	161 (93)	95 (29)	30 (32)	—	— (45)	— (19)	—	n/a	286 (218)	—
ESF	1,639 ^e (1,419)	394 ^d (269)	347 (86)	1,114 (209)	1,292 ^e (672)	919 (658)	905	n/a	6,610 (3,313)	766
Food Aid ^f	133 (133)	—	50 (50)	55 (55)	124 (124)	51 (51)	96 (96)	63 (63)	572 (572)	—
HRDF	6	11 (1)	—	—	— (1)	— (1)	—	n/a	17 (3)	—
IDA	70 (53)	50 (9)	50 (6)	103 (27)	232 (245)	145 (127)	54 (54)	n/a	704 (521)	—
MRA/ERMA	38 (38)	4 (4)	— (10)	60 (61)	91 (49)	43 (45)	12 (12)	n/a	248 (219)	—
Economic Aid Total	2,152	576	507	1,366^e	1,769	1,186	1,067	63	8,686	766
CSF ^g	4,947	731	1,019	685 ^e	1,499	1,118	688	n/a	10,687	
Grand Total	8,394	1,703	2,043	3,040^e	4,504	3,581	2,604	63	25,932	1,163

Sources: Susan B. Epstein and K. Alan Kronstadt, *Pakistan: U.S. Foreign Assistance*, CRS, July 1, 2013; and U.S. Departments of State, Defense, and Agriculture; U.S. Agency for International Development.

VIII. Regional “Threats”: Strategic Minimalism in Central Asia

Central Asia has not presented a threat to US interests or the security and stability of Afghanistan, but the US withdrawal from Afghanistan, and competing US strategic interests in other areas, do call for strategic triage. US forces have effectively left Central Asia, but the US has not announced a strategy to deal with Central Asia in the future and adjust to the growing tension with Russia that has resulted from its invasion of the Ukraine.

The war in Afghanistan no longer requires the US to seek basing and transit rights through Central Asia, and the days in which the Central Asian “front-line” states provided easy over-flight support and Kyrgyzstan, Tajikistan, and Uzbekistan hosted coalition forces, provided airbase facilities, and, Kazakhstan and Uzbekistan supported military action in Iraq are long over.

Uzbekistan ended U.S. basing rights to support operations in Afghanistan in 2005 after United States criticized the government for killing civilians and Kyrgyzstan notified the US it would not extend its basing agreement and use of the “Manas Transit Center” after mid-2014 and move operations to other locations in June 2013. The US and its allies have no clear need for the Northern Distribution to move supplies into and out of Afghanistan after the end of 2014.¹⁹⁶

As for US strategic and economic interests in Central Asia, the near vacuum in current US strategic statements seems to reflect the fact that in spite of all its usual diplomatic activity and rhetoric, the US increasingly sees Central Asia as of marginal interest to the US. The US will not maintain a military presence in Central Asia, and limited interest in regional trade. It has even less to gain in the real world from US investment in pipelines and mines, developing the region’s natural resources, or from encouraging the now largely discredited myth of a “New Silk Road.”

Making Central Asia a Routine US Diplomatic Interest

The recent and current levels of US aid to Central Asia are shown in **Figure VIII.1**. They seem to approach the practical limit of what aid may do to serve US interests, if not exceed them.

Figure VIII.1: U.S. Foreign Assistance to Central Asia, FY1992 to FY2015

(millions of current dollars)

Central Asian Country	FY1992 thru FY2010 Budgeted ^a	FY2011 Actual ^b	FY2012 Actual ^b	FY2013 Actual ^b	FY2014 Estimate ^b	FY2015 Request ^b
Kazakhstan	2,050.4	17.57	19.29	12.526	9.761	8.347
Kyrgyzstan	1,221.71	41.36	47.4	47.11	45.287	40.05
Tajikistan	988.57	44.48	45.09	37.47	34.479	26.89
Turkmenistan	351.55	11.01	9.2	5.468	5.473	4.85
Uzbekistan	971.36	11.34	16.73	11.378	11.278	9.79
Regional	130.44	23.15	8.22	17.105	25.928	23.8
Total	5,714.03	148.91	145.92	131.057	132.206	113.727
As a percentage of aid to Eurasia	14%	26%	34%	37%	40%	54%

Sources: State Department, Office of the Coordinator of U.S. Assistance to Europe and Eurasia; State Department, Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs for FY2015, March 4, 2014 (Account Tables added March 21, 2014).

- Includes funds from the Aid for Europe, Eurasia, and Central Asia (AEECA) account and Agency budgets. Excludes some classified coalition support funding.
- Includes funds from the Aid for Europe, Eurasia, and Central Asia account (AEECA) and other "Function 150" programs through FY2012; since FY2013, aid to Central Asia has been included in the Economic Support Fund and other "Function 150" programs. Does not include Defense or Energy Department funds or funding for exchanges. Country totals for FY2013-FY2015 do not include NADR, which is not broken out in the account tables cited above.

Source: Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," CRS, March 21, 2014, 76.

Unstable and Unpleasant Regimes

The US now has little incentive to tie itself closely to any current Central Asian government. **Figure VIII.2** shows, the authoritarian character of the regimes in all of the Central Asian states, and this and their internal tensions make relations with existing regimes uncertain at best. The US should continue to make human rights an issue in each country, and an important aspect of its annual State Department Country Reports on Human Rights, but it is all too clear that deeper US involvement and more US aid will not make any Central Asia regime give human rights a new precedence over its perceived desire to maintain itself in power, or move that state towards added stability.

Figure VIII.2: The Uncertain Regimes of Central Asia

State Department Country Reports on Human Rights for 2013, summarized by Jim Nichol of the US Congressional Research Service

- *Kazakhstan*: the president and his Nur Otan Party dominated the political system. Significant human rights problems included severe limits on citizens' rights to change their government and restrictions on freedom of speech, press, assembly, religion, and association. There was lack of due process in dealing with abuses by law enforcement and judicial officials. Other reported abuses included: arbitrary or unlawful killings; detainee and prisoner torture and other abuse; arbitrary arrest and detention; prohibitive political party registration requirements; restrictions on the activities of NGOs; sex and labor trafficking; and child labor. Corruption was widespread, although the government took modest steps to prosecute some officials who committed abuses.
- *Kyrgyzstan*: the constitution established a parliamentary form of government intended to limit presidential power and enhance the role of parliament and the prime minister. Some security forces appeared at times to operate independently of civilian control in the South and committed human rights abuses. Significant human rights problems included abuses related to continued ethnic tensions in the South; denial of due process and lack of accountability in judicial and law enforcement proceedings; law enforcement officials' use of arbitrary arrest; and various forms of mistreatment, torture, and extortion against all demographic groups, particularly against ethnic Uzbeks. The following additional human rights problems existed: harassment of NGOs, activists, and journalists; pressure on independent media; restrictions on religious freedom; pervasive corruption; discrimination and violence against ethnic and religious minorities; child abuse; trafficking in persons; and child labor. The central government allowed security forces to act arbitrarily, emboldening law enforcement officials to prey on vulnerable citizens, and allowing mobs to disrupt trials by attacking defendants, attorneys, witnesses, and judges.
- *Tajikistan*: an authoritarian president and his supporters, drawn mainly from one region of the country, dominated the political system. The government obstructed political pluralism. Security forces reported to civilian authorities. Significant human rights problems included torture and abuse of detainees and other persons by security forces; repression of political activism and the repeated blockage of several independent news and social networking websites; and poor religious freedom conditions. Other human rights problems included arbitrary arrest; denial of the right to a fair trial; corruption; and trafficking in persons, including sex and labor trafficking. Officials in the security services and elsewhere in the government acted with impunity. There were very few prosecutions of government officials for human rights abuses.
- *Turkmenistan*: an authoritarian president and his Democratic Party controlled the government. Significant human rights problems included arbitrary arrest; torture; and disregard for civil liberties, including restrictions on freedoms of speech, press, assembly, and movement. Other continuing human rights problems included citizens' inability to change their government; interference in the practice of religion; denial of due process and fair trial; arbitrary interference with privacy, home, and correspondence; and trafficking in persons. Officials in the security services and elsewhere in the government acted with impunity. There were no reported prosecutions of government officials for human rights abuses.
- *Uzbekistan*: the authoritarian president dominated political life and exercised nearly complete control over the other branches of government. Significant human rights problems included torture and abuse of detainees by security forces; denial of due process and fair trial; and widespread restrictions on religious freedom, including harassment of religious minority group members and continued imprisonment of believers of all faiths. Other continuing human rights problems included: incommunicado and prolonged detention; arbitrary arrest and detention; restrictions on freedom of speech, press, assembly, and association; governmental restrictions on civil society activity; restrictions on freedom of movement; and government-organized forced labor. Authorities subjected human rights activists, journalists, and others who criticized the government, as well as their family members, to harassment, arbitrary arrest, and politically motivated prosecution and detention. Government officials frequently engaged in corrupt practices with impunity.

CIA World Factbook

- *Kazakhstan*: authoritarian presidential rule, with little power outside the executive branch... Non-Muslim ethnic minorities departed Kazakhstan in large numbers from the mid-1990s through the mid-2000s and a

national program has repatriated about a million ethnic Kazakhs back to Kazakhstan. These trends have allowed Kazakhs to become the titular majority again. This dramatic demographic shift has also undermined the previous religious diversity and made the country more than 70 percent Muslim. Kazakhstan's economy is larger than those of all the other Central Asian states largely due to the country's vast natural resources. Current issues include: developing a cohesive national identity; managing Islamic revivalism; expanding the development of the country's vast energy resources and exporting them to world markets; diversifying the economy outside the oil, gas, and mining sectors; enhancing Kazakhstan's economic competitiveness; developing a multiparty parliament and advancing political and social reform; and strengthening relations with neighboring states and other foreign powers.

- *Kyrgyzstan*: Kyrgyzstan became a Soviet republic in 1936 and achieved independence in 1991 when the USSR dissolved. Nationwide demonstrations in the spring of 2005 resulted in the ouster of President Askar Akaev, who had run the country since 1990. Former Prime Minister Kurmanbek Bakiev overwhelmingly won the presidential election in the summer of 2005. Over the next few years, he manipulated the parliament to accrue new powers for the presidency. In July 2009, after months of harassment against his opponents and media critics, Bakiev won re-election in a presidential campaign that the international community deemed flawed. In April 2010, violent protests in Bishkek led to the collapse of the Bakiev regime and his eventual fleeing to Minsk, Belarus. His successor, Roza Otunbaeva, served as transitional president until Almazbek Atambaev was inaugurated in December 2011, marking the first peaceful transfer of presidential power in independent Kyrgyzstan's history. Continuing concerns include: the trajectory of democratization, endemic corruption, poor interethnic relations, and terrorism.
- *Tajikistan*: Tajikistan became independent in 1991 following the breakup of the Soviet Union, and experienced a civil war between regional factions from 1992 to 1997. Tajikistan endured several domestic security incidents during 2010-12, including armed conflict between government forces and local strongmen in the Rasht Valley and between government forces and criminal groups in Gorno-Badakhshan Autonomous Oblast. The country remains the poorest in the former Soviet sphere. Tajikistan became a member of the World Trade Organization in March 2013. However, its economy continues to face major challenges, including dependence on remittances from Tajikistanis working in Russia, pervasive corruption, and the major role narco-trafficking plays in the country's informal economy with impunity. There were very few prosecutions of government officials for human rights abuses.
- *Turkmenistan*: defines itself as a secular democracy and a presidential republic; in actuality displays authoritarian presidential rule with power concentrated within the presidential administration... President for Life Saparmurat Nyazow died in December 2006, and Turkmenistan held its first multi-candidate presidential election in February 2007. Gurbanguly Berdimuhamedow, a deputy cabinet chairman under Nyazow, emerged as the country's new president; he was chosen as president again in February 2012, in an election that the OSCE said lacked the freedoms necessary to create a competitive environment.
- *Uzbekistan*: authoritarian presidential rule with little power outside the executive branch... Independent since 1991, the country has lessened its dependence on the cotton monoculture by diversifying agricultural production while developing its mineral and petroleum export capacity and increasing its manufacturing base. However, long serving septuagenarian President Islam Karimov, who rose through the ranks of the Soviet-era State Planning Committee (Gosplan), remains wedded to the concepts of a command economy, creating a challenging environment for foreign investment. Current concerns include post-Karimov.

Source: U.S. Department of State, *Country Reports on Human Rights Practices for 2013*, February 27, 2014; Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," CRS, March 21, 2014, 40-41; CIA World Factbook, country sections as listed, <https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html>.

Investment, Trade, and Strategic Linkage: The Real Silk Road Doesn't Go Through Afghanistan or Serve UN Interests

The strategic geography of Central Asia is shown in **Figure VIII.3**. Its key feature is that the Central Asian states are former FSU states caught in the middle between Russian and China,

and whose key infrastructure is based on links to Russia and China, and growing trade to the north.

To the extent there is any new major link from Central Asia to the south, it consists of road and potential rail links that India is partially funding and that go from Iran's port of Chah Bahar to Mashhad in northeastern Iran, with links to Ashkabad and Mary in Turkmenistan, and potentially to Shindand and Herat in Afghanistan. These improved road links, and any rail links, seem likely to have only marginally increased impact on Afghanistan's economy and Central Asian independence from Russia even when *and if* they are completed.¹⁹⁷

The US should encourage Central Asia cooperation with Afghanistan, but should not exaggerate the probable result or assume that any such efforts somehow will weaken Russian and Chinese influence in Central Asia. For example, Kazakhstan did announce that it would increase its support of Afghanistan in December 2014, but it had also formally recognized the referendum that annexed the Crimea to Russia in March 2014. It seems unlikely that Kazakhstan is going to choose the US over Russia in a crisis, and much more likely that it will focus on its own interests in its immediate region.

The US should also encourage Central Asia trade, pipelines, and other measures that would make such states less dependent on Russia, and potentially encourage cooperation between Pakistan and India in securing such pipelines. The US has no reason, however, to offer any investment incentives or guarantees to US or any other firms in supporting such efforts, and the timescales and political tensions that affect the real-world creation of such pipelines make any arguments about ending or containing Iran's nuclear weapons efforts moot.

US trade and investment may grow as a result of natural market forces, but scarcely seem likely to achieve the kind of volume that will give the US major strategic leverage. The occasional efforts of Central Asia states to use the US and play it off against Russia seem unlikely to give the US any serious strategic leverage in either the region or in dealing with Russia, and the US needs to focus its tensions with Russia on resolving the Ukraine crisis, and securing the Baltic States, Poland, and other members of NATO. The US role in Central Asia is more likely to be a strategic irritant to Russia in an area of the "near abroad" of marginal practical interest to the US that will play out negatively in other more important areas.

Figure VIII.3: The Strategic Geography of Central Asia



Source: Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," CRS, March 21, 2014, 78.

As for the US volume of trade shown in **Figure VIII.4**, it justifies normal US diplomatic support, but scarcely any subsidies, guarantees, or special strategic emphasis.

The reality is that Afghanistan and Pakistan are not going to be critical trade partners with Central Asia states, and the volume of Afghan trade with Central Asia will only have a limited impact in aiding Afghan development and stability. The central focus of trade and transit is not a new Silk Road based on rail or road transit through Afghanistan. It will be trade and transit from Central Asia to Russia and China with steadily improving links to the north of Afghanistan.

Minimal Strategic and Security Interests

It is also unclear what the US can gain by playing off Central Asian states against Russia and China. Simply adding to the tension that already exists does not serve any clear purpose, and letting Central Asia remain a growing Russian and Chinese sphere of influence might actually ease tension in any areas where the US has no reason to become deeply involved.

Russian efforts to recreate a Soviet bloc level of economic and political influence seem tenuous at best, and China is a natural competitor for economic influence. Organization like the Shanghai Cooperation Organization may help produce stability and development, but seem unlikely to create some firm bloc that will threaten US interests.

The US does have an incentive to offer low-level cooperation in counterterrorism and in helping Turkmenistan, Uzbekistan, and Kyrgyzstan work with Afghanistan, but it scarcely seems to have a reasons to provide them with serious aid to meet their own strategic needs, and it is far from clear that any amount of aid or US strategic involvement will have a material impact on how they treat developments in Afghanistan after Transition occurs at the end of 2014.

In practical terms, the US should see Central Asia as a region with uncertain authoritarian leaders and that is primarily of interest to China and Russia. It can virtually count on Russia and China to intervene in dealing with extremism and terrorism, to compete to some extent in terms of trade and influence, and have each state in the region try to play Russia, China, and other states off against each other in an effort to serve its own interests.

Once again, it is important to stress that this kind of strategic triage does not mean the US should write off the region, or fail to encourage development and democracy. It does mean that Central Asia should be treated as a region where a limited US role seems suitable and where the US can best serve its interests by shifting as much of the strategic burden as possible to other states and the Shanghai Cooperation Organization.

Figure VIII.4: US Imports and Exports from Central Asia in 2013

(Millions of Current Dollars)

County	U.S. Imports from	Main Categories of U.S. Imports	U.S. Exports to	Main Categories of U.S. Exports	Total Turnover
Kazakhstan	1,390.4	petroleum refinery products, iron & steel, inorganic chemicals	1,095.7	civilian aircraft, railroad rolling stock, other engine equipment, poultry	2,486.1
Kyrgyzstan	3.5	paper, textiles, fish, coffee, liquor	106.1	automobiles, poultry	109.6
Tajikistan	0.7	measuring devices, dried food	52.6	poultry, communications equipment, civilian aircraft	53.3
Turkmenistan	31.1	agricultural products, linens, fabrics, petroleum refinery products	260.8	poultry, industrial valves, oil & gas field machinery, turbines, air & gas compressors, civilian aircraft	291.9
Uzbekistan	26.6	inorganic chemicals, spices, dried foods	320.9	poultry, petroleum refinery products, pharmaceuticals, turbines, air & gas compressors, industrial furnaces, civilian aircraft	347.5

Source: U.S. Department of Commerce, U.S. International Trade Data; Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," CRS, March 21, 2014, 44.

IX. Regional “Threats”: The Real US Strategic Interest in India

The US has a strong strategic interest in India’s emergence as a successful and major part of the world’s economy, and as a strong and secure voice for democracy in Asia. It shares a common interest in fighting terrorism and religious extremism, and in India’s security. India is also a potential counterweight to China, and an increasingly important player in a multipolar world.

At the same time, the US has no strategic interest in tilting towards India at the direct expense of Pakistan, and should not give up on diplomatic efforts to bring an end to the India-Pakistan conflict. It is important to note, however, that years of past efforts, and attempts to create some kind of broad regional security negotiations, have had no more success than the repeated direct negotiating efforts between the two countries.

As **Figure IX.1** and **Figure IX.2** show, the India-Pakistan arms race continues, and so does the destabilizing impact of having both nations deploy more nuclear weapons and nuclear-armed missiles. Their competition for influence in Afghanistan also remains yet another divisive and disruptive aspect of an already uncertain Transition.

Limiting the US Role in Easing India-Pakistani Tensions and the Role in Afghanistan

It is one thing to encourage peace and another to commit major diplomatic resources with there is little practical chance such US efforts will achieve it. The US should only make peace efforts a major US diplomatic effort *if* (a.) India and Pakistan reach a point of confrontation where giving such action such priority becomes vital in spite of the chances of success, or if events should create a major new opportunity in which to act, and one where the US can do so while avoiding any serious strategic risks or military involvement in the tensions between the two states.

For all of the reasons discussed earlier, the US is also unlikely to be able to play more than a largely diplomatic role in limiting the continuing Indian and Pakistani struggle for influence in Afghanistan if this accelerates after 2014. The US expects Afghanistan’s neighbors to take a more active role, and sometimes to compete with each other and the government in Kabul.

It is not surprising, therefore, that the US has moved a long way in real world terms from the statement Secretary of State Hillary Clinton and Minister of External Affairs S.M. Krishna issued at the U.S.-India Strategic Dialogue in June 2012,¹⁹⁸

The two leaders stressed the importance of sustained international commitment to Afghanistan as it assumes full responsibility for governance, development and security. They intend to explore opportunities to work together to promote Afghanistan’s development, including in areas such as agriculture, mining, energy, capacity building and infrastructure. Noting the importance of women’s economic empowerment for Afghanistan’s economic success, they plan to work to further increase their ongoing vocational training and empowerment initiatives.

To support their efforts in Afghanistan, they agreed to hold a trilateral dialogue with the Government of Afghanistan. They welcomed the announcement at the 2012 NATO Summit in Chicago of progress in the security transition process and the participants’ commitment to supporting Afghanistan’s security

and development needs into the “transformation decade” (2015-2024). The two leaders discussed the vision for enhanced regional connectivity through South and Central Asia. They reiterated the importance of taking concrete steps to promote expanded private investment and trade in Afghanistan.

They acknowledged the critical importance of improving Afghanistan’s integration and linkages within the South and Central Asia region . . . They acknowledged that success in Afghanistan requires, in addition to building up Afghanistan’s capacity to defend itself, an Afghan-led and Afghan-owned reconciliation process. They reiterated that success in Afghanistan and regional and global security require elimination of safe havens and infrastructure for terrorism and violent extremism in Afghanistan and Pakistan.

The US also has many higher priorities than India-Pakistani relations or their role in Afghanistan. It will support efforts at “regional solutions” and development in the abstract, but do little above the level of working diplomacy unless the chance of real progress is far greater than it seems today. It will be more than happy to leave “bright ideas” that do not have such support in the inbox of conference building measures and diplomatic indifference.

Focusing on the Real US Strategic Interest

The key US strategic interest in India that remains is the possibility that India may emerge as a major counterweight to China, and that its increasing air and sea power in the Indian Ocean will help stabilize and secure maritime and air traffic throughout the Indian Ocean Region. Some US policymakers hope for a close strategic and military relationship to achieve this, but the history of such efforts to date indicates that India will pursue its own strategic interests in ways that may help bring broader stability in Asia but will not make the US a direct strategic partner in dealing with China or other regional security issues.

If one looks beyond the issue of the war in Afghanistan, this indicates the US should be careful about the extent to which it should try to form a direct and meaningful strategic partnership with India. While former US Secretary of Defense Leon Panetta may have described it as a “linchpin” of US strategy in Asia in 2012, India has so far seemed more determined to treat the US as one more country that can sometimes serve India’s interests than as a partner.¹⁹⁹

A report by the US Congressional Research Service puts the issue as follows:²⁰⁰

...although considerable enthusiasm for deepened security engagement is found in both capitals—and not least in the U.S. Congress—there is also a persistent sense that this aspect of the bilateral relationship lacks purpose and focus. Some observers argue that the potential of the relationship has been oversold, and that the benefits either hoped for or expected may not materialize in the near future. While Obama Administration officials variously contend that India is now or will be a net provider of security in its region, many independent analysts are skeptical that this aspiration can be realized, at least in the near-term.

Nongovernmental analyses of the course and pace of U.S.-India security relations are oftentimes incompatible or even conflicting in their assumptions and recommendations. Such incompatibility is frequently the result of the differing conclusions rooted in short-term versus long-term perspectives. The Obama Administration—along with numerous pro-India analysts in Washington—has tended to emphasize the anticipated benefits of long-term engagement as opposed to a short-term approach that seeks gains derived through more narrow transactions. This latter tack can have the effect of raising and then thwarting expectations in Washington, as was the case with the ultimate failure of U.S. defense firms to secure the multi-billion-dollar contracts to supply new combat aircraft to India. At the same time, frustrations among many in the United States have arisen from the sense that India’s enthusiasm for further deepening bilateral security cooperation is limited, and that New Delhi’s reciprocity has been insufficient.

Looking ahead, there is widespread concurrence among many officials and analysts that the security relationship would benefit from undergirding ambitious rhetoric with more concrete action in areas of mutual agreement. In their view, defining which actions will provide meaningful gains, even on a modest scale, appears to be the central task facing U.S. and Indian policy makers in coming years.

A Good Strategic Ally Does not Necessarily Make a Good Military Partner

Indian forces and arms imports do not yet reflect major ties to the US in spite of considerable US efforts to sell such arms and strengthen US and Indian military ties. US estimates indicate that India ranked second in the world new arms transfer agreements during 2008-2011, with \$21.3 billion (in current dollars), or 10.3% of the value of all developing-world arms-transfer agreements. Many came from Russia, although a report by the Congressional Research Service notes that.²⁰¹

India, while the principal Russian arms customer, during recent years has sought to diversify its weapons supplier base, purchasing the Phalcon early warning defense system aircraft in 2004 from Israel and numerous items from France in 2005, in particular six Scorpene diesel attack submarines. In 2008 India purchased six C130J cargo aircraft from the United States. In 2010, the United Kingdom sold India 57 Hawk jet trainers for \$1 billion. In 2010 Italy also sold India 12 AW101 helicopters. In 2011, France secured a \$2.4 billion contract with India to upgrade 51 of its Mirage-2000 combat fighters, and the United States agreed to sell India 10 C-17 Globemaster III aircraft for \$4.1 billion. This pattern of Indian arms purchases indicates that Russia will likely face strong new competition from other major weapons suppliers for the India arms market, and it can no longer be assured that India will consistently purchase its major combat systems. Indeed, India in 2011 had eliminated Russia and the US from the international competition to supply a new-generation combat fighter aircraft, a competition won by France.

A 2014 estimate by the Stockholm International Peace Research Institute (SIPRI) indicated that India was spending some \$11 billion a year on arms and had some \$39 billion in outstanding arms orders. It also estimated that Russia had provided 79% of India's arms imports during 2008-2012, Britain had provided 6%, Uzbekistan had provided 6%, Israel 4% and the US only 2% -- although SIPRI also felt that India wanted to reduce its future dependence on imports from Russia.²⁰²

India's current order of battle reflects this lack of dependence on the US. The CRS estimates that:²⁰³

- The Indian army, comprised of 1.13 million active duty personnel, operates some 3,300 main battle tanks (the vast majority of them Russian-built T-72s and outdated T-55s, but also including at least 444 modern T-90s, along with 124 indigenously designed *Arjuns*); 3,000 towed artillery tubes; 1,500 armored infantry fighting vehicles; and 232 multirole helicopters.
- The Indian air force (IAF) flies 798 combat-capable aircraft. Of these, 698 are ground attack jets, more than one-third of which are deteriorating Russian-built MiG-21s, but also including 153 late-model Su-30 MKI *Flankers*, as well as 52 French-built *Mirage* and 106 Anglo-French *Jaguar* aircraft (the MiG-21s are to be phased out by 2017). The 64-plane fighter fleet is entirely MiG-29 *Fulcrums*. The IAF also possesses modest airborne early warning (AEW) and in-flight refueling capabilities, the latter provided by six Russian-made Il-78 *Midas* tankers. Russian-built Il-76 platforms have been fitted with advanced Israeli-supplied suites to provide three *Phalcon* airborne AEW planes.
- India's navy has grown rapidly in recent years, currently operating 21 principal surface combatants (1 aircraft carrier, 10 guided-missile destroyers, 10 missile frigates) and 15 tactical submarines, one of which is a nuclear-powered acquisition from the Russian Navy. There are more than 60 patrol and coastal combatants, nearly half of them missile-capable corvettes (the coast guard operates another 63 smaller patrol boats). The IN also has a significant amphibious capacity: 17 landing ships (the largest acquisition

from the U.S. Navy) can carry 4,000 troops or 88 tanks. The navy is developing an indigenous nuclear-powered attack submarine (INS *Arihant*) to be armed with nuclear-tipped cruise missiles, as part of its “sea-based strategic deterrence.

The same CRS analysis shows that India’s major arms import agreements had little US content as of 2013.²⁰⁴ More recent work by SIPRI, IHS Jane’s, and the 2014 edition of the IISS *Military Balance* all indicate that this remains the case. The US also needs to be careful about arms transfers to India for the same reason it needs to be careful about arms transfers to Pakistan. It does not want to be seen as either taking sides or exacerbating the arms race between the two states, or become caught in the middle politically and strategically between two powers whose political efforts at accommodation are offset by a steady rise in their nuclear forces.

Moreover, India’s long history of seeking outside aid in creating what is probably the least competent and most wasteful defense industry per dollar in the world, and in playing off one arms supplier against another, is not a game the US has great incentive to play. The US needs to be very careful about arms deals with India, and to avoid deals that do more to profit India’s defense industry than India’s security.²⁰⁵

Finally, it is one thing for the US to encourage India’s rise as a counterweight to China in a multipolar world, and another to create links that China may see as a conspiracy to contain it and reason for confrontation with the US, and India may see as some form of US commitment to supporting it in boundary claims and other India disputes with China.

Figure IX.1: The India-Pakistan-China Conventional Balance

		China	India	Pakistan
Number of Troops	Army	1,600,000	1,129,900	550,000
	Navy/ Marine	235,000	58,350	23,800
	Air Force	398,000	127,200	70,000
	Reserves	510,000	1,155,000	
	Strat Missile Forces	100,000		
	Paramilitary	660,000	1,403,700	304,000
	Total Troops:	3,503,000	3,874,150	947,800
Army	MBT	6,840	2,874	2,501
	LT TK/ RECCE	1,023	110	
	APC	4,502	336	1,390
	AIFV	3,450	1,455	
	Artillery	13,054	9,702	4,472
	Total Land Forces:	28,869	14,477	8,363
Navy & Coast Guard	Amphibious	240	40	4
	Aircraft Carrier	1	1	
	Mine Warfare/ Countermeasures	53	8	3
	Patrol and Coastal Combatants	216	84	33
	Principle Surface Combatants	69	24	12
	Submarines	70	14	8
	Support	212	55	14
	Total Naval Forces	861	226	74
Air Force, Navy & Army Aviation	Fighter	890	78	199
	Bomber	120		
	Fighter/Grnd Attack	759	748	174
	Transport	393	278	37
	Training	1,056	281	143
	Support Helicopters	71	105	63
	ISR	51	11	40
	Total Air Forces:	3,340	1,501	656

Source: Adapted From IISS, *The Military Balance, 2014*, Chapter Six: Asia.

Figure XI.2: The India-Pakistan Nuclear Delivery System Balance

India

Combat Missile Units

- 1 gp with *Agni I*
- 1 gp with *Agni II*
- 1 gp (reported forming) with *Agni III*
- 2 gp with SS-150/250 *Prithvi I/II*

Missile Strength

Strategic: 54

- IRBM/ICBM:** *Agni V* (in test)
- IRBM:** 24+: ε12 *Agni I* (80–100 msl);
- 12 *Agni II* (20–25 msl); some *Agni III* (entering service);
- Agni IV* (in test)
- SRBM 30+:** ε30 SS-150 *Prithvi I*/SS-250 *Prithvi II*;
- Some SS-350 *Dhanush* (naval testbed)
- LACM** *Nirbhay* (likely nuclear capable);

Pakistan

Strategic 60

- MRBM** ε30 *Ghauri/Ghauri II (Hatf-5)/Shaheen-2; (Hatf-6- in test)*
- SRBM** ε30 *Ghaznavi (Hatf-3 - PRC M-11)/Shaheen-1(Hatf-4);*
- LACM** *Babur (Hatf-7 - in development);*
- Ra'ad (Hatf-8- in development)*
- ARTY • MRL** *Nasr (Hatf-9 - likely nuclear capable in development)*

Aircraft

- 1-2 sqn of F-16A/B or *Mirage 5* may be assigned a nuclear strike role

Space

Satellites ISR 3: 1 *Cartosat 2A*; 2 *RISAT*

Aircraft

- Mirage 2000H* or *Su- 30MKI*) may be tasked with a strategic role in development)

Source: Adapted from IISS, *The Military Balance, 2014*, Chapter Six: Asia.

The Need to Focus on Other Aspects of US Relations with India

There is a case to be made for close diplomatic US relations with India, close cooperation in counterterrorism in fighting extremism, US efforts to help India emerge as a modern economic power, and for maintaining what has become a regular US and Indian Strategic Dialogue.

President Obama provided a more realistic focus for US relations with India in a speech to a Joint Session of Indian Parliament in 2010, and one that focused more on common interests as the core strategic partnership:²⁰⁶

... India is not the only emerging power in the world. But the relationship between our countries is unique. For we are two strong democracies whose constitutions begin with the same revolutionary words—"We the people." We are two great republics dedicated to the liberty and justice and equality of all people. And we are two free market economies where people have the freedom to pursue ideas and innovation that can change the world. And that's why I believe that India and America are indispensable partners in meeting the challenges of our time.

The President repeated these themes during his visit to India in early 2015 – although in the context of a visit that had all the impact on Pakistan, China, and India discussed in Chapter VIII.²⁰⁷

...the United States are not just natural partners. I believe America can be India's best partner. I believe that. (Applause.) Of course, only Indians can decide India's role in the world. But I'm here because I'm absolutely convinced that both our peoples will have more jobs and opportunity, and our nations will be more secure, and the world will be a safer and a more just place when our two democracies -- the world's largest democracy and the world's oldest democracy -- stand together. I believe that.

America wants to be your partner in igniting the next wave of Indian growth. As India pursues more trade and investment, we want to be first in line. We're ready to join you in building new infrastructure -- the roads and the airports, the ports, the bullet trains to propel India into the future. We're ready to help design "smart cities" that serve citizens better, and we want to develop more advanced technologies with India, as we do with our closest allies

We believe we can be even closer partners in ensuring our mutual security. And both our nations have known the anguish of terrorism, and we stand united in the defense of our people. And now we're deepening our defense cooperation against new challenges. The United States welcomes a greater role for India in the Asia Pacific, where the freedom of navigation must be upheld and disputes must be resolved peacefully. And even as we acknowledge the world as it is, we must never stop working for the world as it should be -- a world without nuclear weapons. That should be a goal for all of us.

I believe that if we're going to be true global partners, then our two nations must do more around the world together. So to ensure international security and peace, multilateral institutions created in the 20th century have to be updated for the 21st. And that's why I support a reformed United Nations Security Council that includes India as a permanent member.

While the President was careful to emphasize common values and civil issues, his visit did improve US and Indian strategic relations. As then secretary of Defense Chuck Hagel said in a separate statement,²⁰⁸

By finalizing the renewal of our 10-year framework for the U.S.-India Defense Relationship, we will continue to build on the growing momentum in our defense cooperation over the last decade. This renewed framework will support stronger military-to-military engagement, including deeper maritime cooperation and increased opportunities in technology and trade.

By establishing a new military education partnership, we will help shape the next generation of military leaders in both our nations, fostering relationships that will draw our defense establishments closer together for years to come.

And by agreeing under the Defense Technology and Trade Initiative (DTTI) to focus on four "pathfinder" projects; form a working group to explore aircraft carrier technology sharing and design; and explore possible cooperation on development of jet engine technology, we will begin to realize the enormous potential of the U.S.-India defense industrial partnership. We have further strengthened this partnership with an agreement that will allow us to continue science and technology collaboration for the next 15 years.

Taken together, the president's announcements signal a new depth and sophistication in our defense and security cooperation, ensuring that it continues to be one of the strongest pillars of our nations' broad strategic partnership - a partnership that will help forge security and stability in Asia and across the globe.

At the same time, there seems to be an equal case for avoiding policies that appear to try to create a formal military alliance with India, particularly one that focuses India's development as counterbalance to the emergence of China. The US has gradually become a military supplier to India, and became its largest supplier after 2011, selling some \$13.9 billion worth of arms compared to \$5.34 billion for Russia, \$1.96 billion for France, and \$55.6 million from Israel.²⁰⁹ Russia, however, has still supplied some 70% of India's major weapons imports, India wants to become a major arms producer, and India has always been reluctant to depend on any given outside power.

It seems doubtful that the US can create a direct military partnership with India as distinguished from being a broad strategic partner in areas of common interest – as well one more outside power that India seeks to exploit for its own strategic interests. It is also all too possible that any direct military partnership would increase tension between China and the US, and Pakistan and the US, without increasing regional stability.

Much will depend in the near term on how Narendra Modi and the Bharatiya Janata party approach Indian strategy in the future. Modi made it clear it he wanted better strategic relations during his May 2014 campaign, and for all the near silence on India in the 2014 QDR and the President's West Point speech, the US clearly sees India as a critical power in Asia and the Indian Ocean Region in ways that go far beyond its limited strategic interest in Afghanistan, Central Asia, and South Asia per se.

The US might do best to continue to respond Indian initiatives of the kind that Modi discussed in broad terms in his speech to the UN and visit to the US in September 2014, and in the statement he issued on the US and Indian strategic partnership.

Modi's speech at the UN stated that,²¹⁰

I am prepared to engage in a serious bilateral dialogue with Pakistan in a peaceful atmosphere, without the shadow of terrorism, to promote our friendship and cooperation. However, Pakistan must also take its responsibility seriously to create an appropriate environment. Raising issues in this forum is not the way to make progress towards resolving issues between our two countries. Instead, today, we should be thinking about the victims of floods in Jammu and Kashmir. In India, we have organized massive flood relief operations and have also offered assistance for Pakistan Occupied Kashmir.

The world is witnessing tensions and turmoil on a scale rarely seen in recent history. There are no major wars, but tensions and conflicts abound; and, there is absence of real peace and uncertainty about the future. An integrating Asia Pacific region is still concerned about maritime security that is fundamental to its future. Europe faces risk of new division. In West Asia, extremism and fault lines are growing. Our own region continues to face the destabilizing threat of terrorism. Africa faces the twin threat of rising terrorism and a health crisis. Terrorism is taking new shape and new name. No country, big or small, in the north or the south, east or west, is free from its threat. Are we really making concerted international efforts to fight these forces, or are we still hobbled by our politics, our divisions, our discrimination between countries. We welcome efforts to combat terrorism's resurgence in West Asia, which is affecting countries near and far. The effort should involve the support of all countries in the region. Today, even as seas, space and cyber space have become new instruments of prosperity, they could also become a new theatre of conflicts.

Like the speech by President Obama and Modi during President Obama's January 2015 visit to India, Modi's statement on the US-Indian "Strategic Partnership" -- 'Chalein Saath Saath: Forward Together We Go' -- deserves even close attention,²¹¹

As leaders of two great democratic nations with diverse traditions and faiths, we share a vision for a partnership in which the United States and India work together, not just for the benefit of both our nations, but for the benefit of the world.

We have vastly different histories, but both our founders sought to guarantee freedoms that allow our citizens to determine their own destiny and pursue their personal aspirations. Our strategic partnership rests on our shared mission to provide equal opportunity for our people through democracy and freedom.

The currents of kinship and commerce, scholarship and science tie our countries together. They allow us to rise above differences by maintaining the long-term perspective. Every day, in myriad ways, our cooperation fortifies a relationship that matches the innumerable ties between our peoples, who have produced works of art and music, invented cutting-edge technology, and responded to crises across the globe.

Our strategic partnership is a joint endeavor for prosperity and peace. Through intense consultations, joint exercises, and shared technology, our security cooperation will make the region and the world safe and secure. Together, we will combat terrorist threats and keep our homelands and citizens safe from attacks, while we respond expeditiously to humanitarian disasters and crises. We will prevent the spread of weapons of mass destruction, and remain committed to reducing the salience of nuclear weapons, while promoting universal, verifiable, and non-discriminatory nuclear disarmament.

We will support an open and inclusive rules-based global order, in which India assumes greater multilateral responsibility, including in a reformed United Nations Security Council. At the United Nations and beyond, our close coordination will lead to a more secure and just world.

Climate change threatens both our countries, and we will join together to mitigate its impact and adapt to our changing environment. We will address the consequences of unchecked pollution through cooperation by our governments, science and academic communities. We will partner to ensure that both countries have affordable, clean, reliable, and diverse sources of energy, including through our efforts to bring American-origin nuclear power technologies to India.

We will ensure that economic growth in both countries brings better livelihoods and welfare for all of our people. Our citizens value education as a means to a better life, and our exchange of skills and knowledge will propel our countries forward. Even the poorest will share in the opportunities in both our countries.

Joint research and collaboration in every aspect—ranging from particles of creation to outer space -- will produce boundless innovation and high technology collaboration that changes our lives. Open markets, fair and transparent practices will allow trade in goods and services to flourish.

Our people will be healthier as we jointly counter infectious diseases, eliminate maternal and child deaths, and work to eradicate poverty for all. And they will be safer as we ensure the fullest empowerment of women in a secure environment.

The United States and India commit to expand and deepen our strategic partnership in order to harness the inherent potential of our two democracies and the burgeoning ties between our people, economies, and businesses. Together we seek a reliable and enduring friendship that bolsters security and stability, contributes to the global economy, and advances peace and prosperity for our citizens and throughout the world.

We have a vision that the United States and India will have a transformative relationship as trusted partners in the 21st century. Our partnership will be a model for the rest of the world.

This scarcely means the US should ignore India's critical role in establishing a broader balance of security in Asia, and the value of India's growing security ties to a US ally like Japan, Both

countries have set the right tone in dealing with security issues since the statement the White House issued after the two leaders met on September 30, 2014,²¹²

The Prime Minister and the President stated their intention to expand defense cooperation to bolster national, regional, and global security. The two leaders reaffirmed that India and the United States would build an enduring partnership in which both sides treat each other at the same level as their closest partners, including defense technology transfers, trade, research, co-production, and co-development.

To facilitate deeper defense cooperation, they welcomed the decision to renew for ten more years the 2005 Framework for the U.S.-India Defense Relationship and directed their defense teams to develop plans for more ambitious programs and activities. The two leaders also agreed to reinvigorate the Political-Military Dialogue and expand its role to serve as a wider dialogue on export licensing, defense cooperation and strategic cooperation.

The leaders welcomed the first meeting under the framework of the Defense Trade and Technology Initiative in September 2014 and endorsed its decision to establish a Task Force to expeditiously evaluate and decide on unique projects and technologies which would have a transformative impact on bilateral defense relations and enhance India's defense industry and military capabilities.

The President and Prime Minister welcomed cooperation in the area of military education and training, and endorsed plans for the United States to cooperate with India's planned National Defence University. They also decided to expand military-to-military partnerships including expert exchanges, dialogues, and joint training and exercises. They also committed to enhancing exchanges of civilian and military intelligence and consultation.

The leaders agreed to intensify cooperation in maritime security to ensure freedom of navigation and unimpeded movement of lawful shipping and commercial activity, in accordance with accepted principles of international law. To achieve this objective, the two sides considered enhancing technology partnerships for India's Navy including assessing possible areas of technology cooperation. They also agreed to upgrade their existing bilateral exercise MALABAR.

The leaders reaffirmed their deep concern over the continued threat posed by terrorism, most recently highlighted by the dangers presented by the ISIL, and underlined the need for continued comprehensive global efforts to combat and defeat terrorism. The leaders stressed the need for joint and concerted efforts, including the dismantling of safe havens for terrorist and criminal networks, to disrupt all financial and tactical support for networks such as Al Qaeda, Lashkar-e Taiba, Jaish-e-Mohammad, the D-Company, and the Haqqanis. They reiterated their call for Pakistan to bring the perpetrators of the November 2008 terrorist attack in Mumbai to justice.

They pledged to enhance criminal law enforcement, security, and military information exchanges, and strengthen cooperation on extradition and mutual legal assistance. Through operational cooperation through their law enforcement agencies, they aimed to prevent the spread of counterfeit currency and inhibit the use of cyberspace by terrorists, criminals, and those who use the internet for unlawful purposes, and to facilitate investigation of criminal and terrorist activities. The leaders also committed to identify modalities to exchange terrorist watch lists. President Obama pledged to help India counter the threat of improvised explosive devices with information and technology. The leaders committed to pursue provision of U.S.-made mine-resistant ambush-protected vehicles to India.

The President and Prime Minister looked forward to easing travel between their two countries, as India introduces visa-on-arrival for U.S. citizens in 2015 and works toward meeting the requirements to make the United States' Global Entry Program available to Indian citizens.

There are good reasons the two leaders issued a statement focused on climate change and other civil aspects of US and Indian relationships in September – and stressed this focus in an Op Ed that Obama and Modi placed in the *Washington Post* just after Modi's visit.²¹³ These same reasons explain the broad themes in their joint press conference on January 27, 2015.²¹⁴ Strategic partnerships do not have to have an overt military focus, and sometimes work better if they define security in much broader terms and focus on other areas.

X. Regional “Threats”: Iran, China, Russia, and Other External Powers

The US needs to be equally careful about extending its strategic tensions and problems with states outside Afghanistan, Central Asia, and South Asia into Afghanistan and the region. Iran has never confronted the US at more than the most marginal levels in Afghanistan, and the US has much to gain if Russia and China are forced to engage more deeply at the security and economic level in Afghanistan and deal with the broader threat of violent Islamic extremism. The interests of other states like Turkey do not conflict with US interests, and having bodies like the Shanghai Cooperation Council expand their role may help both Afghanistan and Pakistan.

The US does need to be careful, but Iran has so far played a stabilizing role in northwest Afghanistan, is a key route for grain and food shipment into Afghanistan, and has a strong interest in trying to stabilize western Afghanistan and counter its narco-trafficking. Unless US and Iranian tensions in the MENA region lead to Iranian actions that threaten Afghan stability, this may well be a case where both the US and Iran can benefit from acting in parallel at a time they cannot formally cooperate.

As has been noted earlier, the US has no clear strategic incentive to compete with Russia and China, and may well benefit if it makes it clear it is not attempting to use the region to contain them. Russia and China have an obvious interest in regional and Afghan stability, and China is the most likely nation to place major investments in Afghan mines if Afghanistan becomes more secure. Both countries are reluctant to expand their security and aid roles in Afghanistan, and have tended to try to put the focus on action by the “international community.”

The US withdrawal of most of its forces from Afghanistan also seems likely to force Russia and China to expand both their regional counter-terrorism role and their role in supporting Afghanistan to protect their own strategic interests – which are far more direct than those of the US. They also seem far more likely to try to expand their influence and role in states actually in the Indian Ocean than to try to create some kind of direct route south in seeking ports or other facilities – if indeed these should become a goal.

These are not trends that can be taken for granted, or where the interest of key state like Iran, China, and Russia may not change over time in ways that may change US priorities. At least for the present, however, the US seems to have more to gain from open or tacit cooperation than anticipating problems. It also seems probable that all three states – as well as other outside regional powers – will be natural competitors with each other in many ways, even though they will cooperate in others. At least in the near term the resulting checks and balances may again serve US interests – as well as those of Afghanistan and the other states in the region.

XI. US Strategy: Conditions-Based Commitments or Limit the US Role in Afghanistan and the Region

The US now seems all too likely to fill the present strategic vacuum in its policies towards Afghanistan, Pakistan, and Central Asia by default. It will end most of its combat presence in the region by the end of 2014, and end virtually all of its military commitments in the region by the end of 2016. It will then focus on a set of limited strategic goals – using diplomacy and sharply cut levels of aid – with the possible exception of encouraging India’s emergence as a major regional power and counterweight to China.

Is Strategy by Default a Good Strategy?

There are good reasons to limit the US strategic role in the region. The US needs to use its resources far more carefully, it must apply strategic triage to its military commitments, and the region seems to offer limited opportunity and limited cost-benefits. As the current US involvement in Yemen and Iraq makes all too clear, the legacy of 9/11 has shifted to other threats in other areas and countries.

The case for minimal involvement seems strongest in Central Asia. Central Asia is a marginal US strategic interest at best, and one that may well be left to the internal competition between Central Asian states as well as the competition for influence and bring some form of stability and security between Russia, China, and its other neighbors. To paraphrase the US film “Wargames,” the best way for the US to win any new Great Game in Central Asia is not to play it.

Pakistan is not yet a real ally, and unless it shows it is willing to come to grips with the presence of Al Qaida central and Afghan insurgents, it will become steadily less useful or necessary as an ally as the US withdraws from Afghanistan. More broadly, it is unclear what the US has to gain from more than correct diplomatic relations until – and if – Pakistan achieves effective political stability, focuses on its rising internal violence, creates meaningful reasons to provide military and economic aid, and shows it will secure its border with Afghanistan.

If this should happen, it would both strengthen the role US ties to Pakistan and significantly lower the cost of conditions-based support to Afghanistan. It should be stressed, however, that this is now only a possibility and the US should only act if it becomes a strong probability or a reality.

The US has reason to see India as a potential counterweight to China, but has not seen its past efforts to build closer strategic relations produce significant results or benefits. The US is also focusing on “rebalancing to Asia” on Pacific states, and less on the Indian Ocean. It is unclear that the US has a role to play beyond encouraging India military and economic development and better Indian and Pakistani relations – a role that is largely diplomatic. The best options lie in encouraging India to make the right choices on its own, and not in some dramatic US intervention.

The US also has little current reason to try to increase its direct military role in the region, and once needs to be careful about the seemingly unending calls from area experts for the US to play a major role in trying to shape regional cooperation or play a major role in ending the

military tensions between India and Pakistan. While the US does want to see peaceful and stable relations between the two states, neither seems likely to make more progress because of outside efforts that each state will make on its own.

The US cannot intervene if there is another round of fighting, or use more than diplomacy to try to ease the region's nuclear and missile arms race. The US also little reason to maintain a major role military or aid role in the region beyond its maritime and air presence in the Indian Ocean or to make major expenditures in military aid.

This form of strategic triage may not reflect the policy choices desired by US and European area specialists. Area experts and diplomats tend to focus on their own areas of interest. But if the US is to make different choices, they need to make a much better and more realistic case for different options. They also need to take full account of the challenges the US faces in strategic triage given Russian actions in the Ukraine, and challenges in the Middle East because of events in Iraq, Syria, Iran and other states.

The Afghan Dilemma

As the previous chapters make clear, however, there still is an urgent need for an honest debate over the current US approach to Transition. It may ending in imposing a relatively a high cost in aid while enforcing deadlines and an approach to military support that poses unacceptable risks to Afghanistan's chances of success. The key practical issue is the cost benefits to the US in shifting to a more pragmatic and conditions-based approach to Afghanistan, and the case is unclear.

While the US is formally committed to maintaining a military presence in Afghanistan through 2016, the previous analysis warns that the currently planned US presence and aid effort is probably to be too small and too short to help Afghanistan through Transition. The same is true of the lack of clear plans to ensure the effective use of US military and civil aid present equal problems, as do the prospects for Afghan unity and ability to make the necessary reforms.

The Case for Conditions-Based Involvement

There is a case for more serious US involvement in Afghanistan. Strategic triage indicates that Afghanistan is a marginal US strategic interest. However, the US cannot ignore the issue of ethical and moral responsibility. The previous analysis has shown that the US played a critical role in Afghanistan's present lack of readiness to deal with the security aspects of Transition, and that there are critical weaknesses in the US approach to Afghanistan that raise key uncertainties as to Afghanistan's ability to fight and support its economy during 2015-2018.

The marginal cost of an effective US presence and aid effort also seems relatively marginal by past warfighting standards. Even doubling the official US military presence would raise the totals to around 2,000 personnel. Creating an effective US civilian presence would only require minimal increases if the US and its allies made a major effort to speed up the transfer of aid to the Afghan government and could get workable terms for effective Afghan action.

While no clear cost data are available, it seems likely that the annual cost could be kept under \$20 billion, and if the US effort is to be effective at all, it seems unlikely that it would have to be extended beyond some point in 2018-2020 – two to four years above the current schedule for a near total US withdrawal.

Current developments like the progress in the Ghani Abdullah government and Pakistan's willingness to fight a real war against its terrorists could also strengthen the case for the US to stay longer. This would, however, at least require the new Afghan government to remain unified, and be far proactive in political reform and in making Afghan forces effective. It would also require the government and aid to be successful in fundamental adjustments in the Afghan economy to far lower levels of outside spending, effective governance, and economic planning.

The Case against Conditions-Based Involvement

At the same time, there is also a case for pursuing the current policy of rigid deadlines and US force withdrawals. Past military involvement is not a reason for future strategic commitments. The Taliban, Haqqani Network and other insurgents in Afghanistan and Pakistan may present limited security challenges, but – as the war against the Islamic State shows – so do many other extremist threats whose challenges are more immediate and serious.

Afghanistan and Pakistan are no longer *the* key centers of terrorist threats to the US. The US has already said it will not maintain bases in Afghanistan, and US planners have never seriously believed that a forward US presence could somehow effectively secure Pakistani nuclear weapons against internal upheavals in Afghanistan.

There is little serious US or allied public support for the war. As for the political cost of a “defeat” in Afghanistan, the world already effectively sees the US as having lost in Afghanistan and is far more concerned with US involvement in Iraq, Syria, Yemen, and other regions. The world has already largely discounted the impact of US withdrawal from Afghanistan and the US has already paid most of the political cost of failure. If that failure actually occurs, the current plan for withdrawal will allow the US to shift much of the blame to the almost inevitable failures in Afghan politics and forces. To be blunt, ending the conflict in this way will cost the US little and will free it to better pursue its interests in other areas.

Moreover, America's European allies face the same challenges, and no one now seems to give much credence to the idea that Afghanistan is a critical test of NATO. Once NATO ministers have papered over NATO's departure with suitable rhetoric and vague promises, it is increasingly unclear that that the last NATO country will even bother to shut the door on the way out.

It is also important to stress that the time window for shift to a conditions-based US effort is becoming a steadily increasing problem, and seems unlikely to extend much beyond 2015. The US has also already cut its presence to point where US policy towards the Afghan conflict must be tied to Afghan success in the field from 2015 onwards, and to the success of the Afghan government. There also is little reason for the US to pursue and fiancé a condition-based option unless the new Afghan government makes the necessary changes for such a policy to be successful. Afghans need be held accountable and promises cannot be treated as a substitute for performance.

Choosing Between the Options

Unfortunately, public relations spin and strategic momentum have all combined to help make outside efforts to fully assess the marginal cost of shifting the US position impossible to determine. In spite of all the Obama Administration's talk about transparency, there has been

a fundamental lack of any real information. Worse, many of the data that have been issued raise critical questions about the integrity and honesty of those who issued them.

Most critically, the US is still pursuing fixed cuts in its forces at fixed time windows. It is doing so without having never publically examined the implications of such decision, having made public choices about strategic triage, or having announced meaningful public plans, cost-benefit analysis, and risk assessment to justify its current policy choices. It is also doing so in spite of a warning from President Ashraf Ghani that this may pose an unacceptable risk.²¹⁵

A major shift towards a conditions-based US effort would require the Obama Administration to be willing to make a fundamental shift in US plans and to provide adequate advisors and enablers for as long as it takes on a conditions-based timetable. It would also require far more leadership and transparency in dealing with the Congress and the American people than the US has shown in the past.

At least one press report surfaced in February 2015 that the President might do this, and that he might keep more US forces and keep them longer than the end of 2016. The report also indicated that General Campbell might be given more discretion in his use of forces, and “keep regional training hubs open longer than planned or reorganize plans to close bases including Kandahar Airfield.” It was far from clear, however, that the President was ready to provide anything like a “conditions-based presence” that would respond to the actual needs of Afghan forces, and that any plan existed to provide a meaningful matching civilian component to the military mission.²¹⁶

Given the past history of US warfighting, the unfortunate outcome may be that the US will pursue its present policies by default, or only try to change them when and if they conspicuously fail in ways that present a major political embarrassment and there is a clear domestic political reason to try to salvage the cost of past mistakes. At best, this means trying to act under far worse circumstances than exist before and at the moment of Transition. At worst, it is a recipe for expensive failure.

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About the Authors

Anthony H. Cordesman holds the Arleigh A. Burke Chair in Strategy at CSIS. He has traveled frequently to Afghanistan and Iraq to consult for MNF-I, ISAF, US commands, and US embassies on the wars in those countries, and he was a member of the Strategic Assessment Group that assisted General Stanley McChrystal in developing a new strategy for Afghanistan in 2009. He frequently acts as a consultant to the State Department, Defense Department, and intelligence community and has worked with US officials on counterterrorism and security in a number of Middle East countries. He has worked extensively in Saudi Arabia and the Persian Gulf.

Before joining CSIS, Cordesman served as director of intelligence assessment in the Office of the Secretary of Defense and as civilian assistant to the deputy secretary of defense. He also served in other government positions, including in the State Department and on NATO International Staff. In addition, was director of policy and planning for resource applications in the Energy Department and was national security assistant to Senator John McCain. His numerous foreign assignments have included posts in the United Kingdom, Lebanon, Egypt, and Iran, as well as with NATO in Brussels and Paris. He is the author of a wide range of studies on energy policy, national and international security, and the Middle East, and his most recent publications include *The Iranian Sea-Air-Missile Threat to Gulf Shipping* (CSIS/Rowman & Littlefield, 2015), *Iran's Rocket and Missile Forces and Strategic Options* (CSIS/Rowman & Littlefield, 2015), *The Indian Ocean Region: A Strategic Net Assessment* (CSIS/ Rowman & Littlefield, 2014), *Iraq in Crisis* (CSIS/Rowman & Littlefield, 2014), *The Gulf Military Balance* (CSIS/Rowman & Littlefield, 2014), and *Iran—Sanctions, Energy, Arms Control, and Regime Change* (CSIS/Rowman & Littlefield, 2014).



Aaron Lin is a researcher with the Burke Chair in Strategy at CSIS and a graduate student at the Elliott School of International Affairs at George Washington University. His studies have taken him to China and Singapore. Before coming to CSIS, he was an intern in the Special Projects Division of the National Consortium for the Study of Terrorism and Responses to Terrorism.

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