Afghanistan: The Uncertain Impact of a Year of Transition

Anthony H. Cordesman

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Photo: Paula Bronstein/Getty Images
Key Lessons of “Failed State” Wars
Key Failures in USG Efforts

1. Policy level comes to focus on spin, lack of objective analysis and transparency, compartmentation. Congress goes for partisan and member advantage.

2. Denial of complexity, need for net assessment. Focus on hostile forces rather than overall security situation.

3. Lack of meaningful integrated civil-military planning

4. Poor accounting and conditionality, lack of measures of effectiveness, focus on past waste rather than future needs and effectiveness.

5. Military reverts to focus on tactical success, short-term civil buy offs.

6. Focus on force generation rather than combat effectiveness. Rush in too late, leave too early; don’t provide combat advisors, erratic programs and funding, lack of conditionality

7. Civil side pursues illusions of progress, tries to reform everything, then reverts to project aid that often ignores security and fighting.

8. We lie when we say we’ll focus on letting them do it their way, helping them evolve their civil and security systems on their terms.

9. Efforts at improving fiscal management, counter corruption, rule of law, police reform reflect our goals and culture, often do more harm than good

10. High rotation rates, new policies: Every year is the first year. Fail to develop and retain core expertise in economic planning, state politics, governance reform, and security reform.

11. Erratic swings in funding. Emphasis on budget execution rather than effectiveness

12. We “take note of lessons” after the crisis, fail to learn from the past.
The Four Threats That Drive Serious Terrorism and Insurgency (In Order of Priority)

• 1. Host Country Government and Security Forces: Authoritarianism, failure to cope with internal divisions, poor governance and corruption, failed economy development and equity, population pressure and youth bulge, repression and violence by internal security forces, traditional and corrupt military.

• 2. The Overt “Threat”: Moderate and peaceful beginnings shift to extreme and violent movements that feed on the civil-military divisions and failures of the host country governments.

• 3. The U.S. Threat to the U.S.: Relearn counterinsurgency yet again. Separate military (tactical) and civil (project-oriented development) efforts. Threat oriented and downplay Host Country problems. No meaningful overall civil-military plan or net assessment. Rapid rotations with limited expertise. Cycle of denial, flood resources, rush to generate Host country forces, then leave too soon. “Take note” of lessons, then ignore.

• 4. Other Nations: Allied, Neutral, Hostile: Allied limits to engagement, national caveats, demands; neutral interference for competing national interests, hostile action because anti-U.S., support overt threat, opposing national interests.
Uncertain Outside Claims of Success versus Very Different Afghan Perceptions
The Uncertain State of “Progress”

- UN Human development data reflect progress, but also serious limits to that progress, and input data are very uncertain.

- World Bank estimates poverty increasing.

- Security remains a key problem.

- Far too much US, NGO, and other reporting accepts “best case” estimates and polls without validating data or methodology.

- Data on Progress in life expectancy, education, medical services raise major questions about quality of data.

- Critical near term challenges in revenues, job creation, electric power, agriculture, and roads.

- Need to maintain and recover. No major near-term development options before 2020.

- More than a decade of war has gone on with no meaningful estimates of the effectiveness of aid and only suspect accounting.

- Military and aid spending has often been driving factors in increase in corruption and distorting economy to dependence on outside spending.
### ISAF/RS Contributions

**Infrastructure [Slides 25-28]**

<table>
<thead>
<tr>
<th></th>
<th>Taliban 2001</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadways/Paved Roads</td>
<td>18,000km/60km</td>
<td>42,150km/1,235km</td>
</tr>
<tr>
<td>Access to Reliable Electricity</td>
<td>6%</td>
<td>28%</td>
</tr>
<tr>
<td>TV/Radio Stations</td>
<td>None/3</td>
<td>50/150</td>
</tr>
<tr>
<td>Internet Users</td>
<td>None</td>
<td>6,000,000+</td>
</tr>
<tr>
<td>Cell Phone Subscribers</td>
<td>25,000</td>
<td>22,000,000+</td>
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</table>

**Vehicles & Equipment [Slides 18-20]**

<table>
<thead>
<tr>
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<th>Taliban 2001</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Aircraft</td>
<td>51</td>
<td>106</td>
</tr>
<tr>
<td>Ground Fighting Vehicles</td>
<td>600</td>
<td>21,017</td>
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<tr>
<td>Ground Support Vehicles</td>
<td>UNK</td>
<td>81,141</td>
</tr>
<tr>
<td>Howitzer</td>
<td>UNK</td>
<td>176</td>
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</table>

**Human Capital [Slide 24]**

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<tr>
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<tbody>
<tr>
<td>Schools</td>
<td>1,000</td>
<td>14,000+</td>
</tr>
<tr>
<td>Teachers</td>
<td>20,000</td>
<td>186,000+</td>
</tr>
<tr>
<td>Students in Primary &amp; Secondary Schools % Who Are Females&lt;br&gt;&lt;br&gt;&lt;900,000&lt;br&gt;Almost None</td>
<td>8 M +&lt;br&gt;36%</td>
<td></td>
</tr>
<tr>
<td>Students Enrolled in Universities</td>
<td>UNK</td>
<td>150,000+</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>12%</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Indicators of Progress [Slides 5-6, 21-23]**

<table>
<thead>
<tr>
<th></th>
<th>Taliban 2001</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (USD per Capita)</td>
<td>$186.00</td>
<td>$688.00+</td>
</tr>
<tr>
<td>Access to Clean Water</td>
<td>22%</td>
<td>64%</td>
</tr>
<tr>
<td>Passenger Cars (p/1000)</td>
<td>0.5</td>
<td>20</td>
</tr>
<tr>
<td>Commercial Overflights &amp; Landings (Daily)</td>
<td>None</td>
<td>756</td>
</tr>
<tr>
<td>Refugees</td>
<td>&gt;3.5 M</td>
<td>&lt;2.7 M</td>
</tr>
<tr>
<td>Healthcare Access/Facilities</td>
<td>9%/498</td>
<td>60%/2507</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>43</td>
<td>64</td>
</tr>
</tbody>
</table>

Source: http://www.rs.nato.int/troop-numbers-and-contributions/index.php
Major Declines in Perception Things Are Going Right:
North, Northwest, and East

The regions of the country that report the lowest levels of optimism are the Central/Kabul (27.8%) and North West (30.5%) regions. Of all regions in Afghanistan, these two regions also experienced the greatest decrease in optimism since 2014). Within these regions, the provinces that experienced the greatest declines are Farah (down 35.2 percentage points to 28.9%), Kabul (down 32.3 percentage points to 22.5%), Sari-i-Pul (down 30.7 percentage points to 23.4%), and Nangarhar (down 30.3 percentage points to 30.0%). Notably, these provinces were among those that reported the highest rates of optimism in 2014. This year, the provinces that report the highest levels of optimism about the overall direction of the country are Helmand (62.1%), Khost (58.7%), and Paktika (54.7%).

Security and Economy as Key Reasons Things Are Going Wrong

### Declining Confidence in Security versus Other Causes

#### REASONS FOR RIGHT DIRECTION: BY YEAR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Good Security</td>
<td>31</td>
<td>34</td>
<td>39</td>
<td>44</td>
<td>38</td>
<td>39</td>
<td>41</td>
<td>24</td>
<td>33</td>
<td>29</td>
</tr>
<tr>
<td>Reconstruction / Rebuilding</td>
<td>21</td>
<td>39</td>
<td>32</td>
<td>36</td>
<td>35</td>
<td>40</td>
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<td>33</td>
<td>36</td>
<td>32</td>
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<tr>
<td>Schools for Girls Have Opened</td>
<td>16</td>
<td>19</td>
<td>19</td>
<td>21</td>
<td>15</td>
<td>10</td>
<td>13</td>
<td>12</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Peace / End of the War</td>
<td>29</td>
<td>16</td>
<td>21</td>
<td>9</td>
<td>12</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Having Active ANA and ANP</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>11</td>
<td>13</td>
<td>12</td>
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<td>10</td>
</tr>
<tr>
<td>Improvement in Education</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>16</td>
<td>13</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Good Government</td>
<td>9</td>
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<td>9</td>
<td>12</td>
<td>9</td>
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<td>5</td>
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<td>10</td>
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<td>Economic Revival</td>
<td>7</td>
<td>9</td>
<td>5</td>
<td>6</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Democracy / Elections</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>10</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>7</td>
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#### REASONS FOR RIGHT DIRECTION: BY REGION

<table>
<thead>
<tr>
<th>Reason</th>
<th>Central / Kabul</th>
<th>East</th>
<th>South East</th>
<th>South West</th>
<th>West</th>
<th>North East</th>
<th>Central / Hazarajat</th>
<th>North West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction / Rebuilding</td>
<td>32</td>
<td>25</td>
<td>28</td>
<td>24</td>
<td>32</td>
<td>42</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>Good Security</td>
<td>31</td>
<td>30</td>
<td>20</td>
<td>34</td>
<td>23</td>
<td>31</td>
<td>40</td>
<td>27</td>
</tr>
<tr>
<td>Don’t Know</td>
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<td>6</td>
<td>7</td>
<td>17</td>
<td>12</td>
<td>17</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Peace / End of War</td>
<td>6</td>
<td>16</td>
<td>13</td>
<td>13</td>
<td>14</td>
<td>9</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Good Government</td>
<td>14</td>
<td>12</td>
<td>13</td>
<td>8</td>
<td>6</td>
<td>9</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Having Active ANA and ANP</td>
<td>8</td>
<td>14</td>
<td>18</td>
<td>16</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>7</td>
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<tr>
<td>Improvement in Education System</td>
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<td>11</td>
<td>21</td>
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<td>7</td>
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<tr>
<td>Schools for Girls Have Opened</td>
<td>9</td>
<td>3</td>
<td>12</td>
<td>8</td>
<td>16</td>
<td>7</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Economic Revival</td>
<td>8</td>
<td>10</td>
<td>7</td>
<td>6</td>
<td>11</td>
<td>9</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Democracy / Elections</td>
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<td>10</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Afghan Perceptions of Key Challenges

Percentage of adult population considering selected issues to be the most important for their country, Afghanistan (2009 and 2012)

Since 2009 Afghanistan has made some tangible progress in reducing the level of corruption in the public sector.

While 59 per cent of the adult population had to pay at least one bribe to a public official in 2009, 50 per cent had to do so in 2012, and whereas 52 per cent of the population paid a bribe to a police officer in 2009, 42 per cent did so in 2012.

However, worrying trends have also emerged in the past three years: the frequency of bribery has increased from 4.7 bribes to 5.6 bribes per bribe-payer and the average cost of a bribe has risen from US$158 to US$214, a 29 per cent increase in real terms.

Education has emerged as one of the sectors most vulnerable to corruption, with the percentage of those paying a bribe to a teacher jumping from 16 per cent in 2009 to 51 per cent in 2012.

In general, there has been no major change in the level of corruption observed in the judiciary, customs service and local authorities, which remained high in 2012, as in 2009.
## Biggest Problems

### BIGGEST PROBLEMS: NATIONAL LEVEL BY REGION

<table>
<thead>
<tr>
<th>Problem</th>
<th>Central/Kabul (%)</th>
<th>East (%)</th>
<th>South East (%)</th>
<th>South West (%)</th>
<th>West (%)</th>
<th>North East (%)</th>
<th>Central/Hazarajat (%)</th>
<th>North West (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insecurity</td>
<td>55</td>
<td>47</td>
<td>41</td>
<td>28</td>
<td>38</td>
<td>40</td>
<td>53</td>
<td>37</td>
</tr>
<tr>
<td>Corruption</td>
<td>17</td>
<td>26</td>
<td>25</td>
<td>36</td>
<td>24</td>
<td>26</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Unemployment</td>
<td>34</td>
<td>14</td>
<td>13</td>
<td>16</td>
<td>21</td>
<td>20</td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td>Poor Economy</td>
<td>13</td>
<td>20</td>
<td>14</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Education</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>8</td>
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<tr>
<td>Taliban</td>
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<td>4</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>7</td>
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<tr>
<td>Poverty</td>
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<td>4</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>8</td>
</tr>
</tbody>
</table>

### BIGGEST PROBLEMS: LOCAL LEVEL

- **Unemployment**: 33% (2014), 31% (2015)
- **Electricity**: 23% (2014), 20% (2015)
- **Roads**: 18% (2014), 18% (2015)
- **Water**: 16% (2014), 17% (2015)
- **Education/Schools/Literacy**: 12% (2014), 11% (2015)
- **Healthcare/Clins/Centers/Hospitals**: 11% (2014), 10% (2015)

### Biggest Problems Facing Youth

<table>
<thead>
<tr>
<th>Problem</th>
<th>Central / Kabul (%)</th>
<th>East (%)</th>
<th>South East (%)</th>
<th>South West (%)</th>
<th>West (%)</th>
<th>North East (%)</th>
<th>Central / Hazarajat (%)</th>
<th>North West (%)</th>
<th>Overall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>72</td>
<td>74</td>
<td>65</td>
<td>64</td>
<td>76</td>
<td>75</td>
<td>68</td>
<td>73</td>
<td>71</td>
</tr>
<tr>
<td>Illiteracy</td>
<td>24</td>
<td>37</td>
<td>27</td>
<td>33</td>
<td>21</td>
<td>23</td>
<td>25</td>
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<tr>
<td>Poor Economy</td>
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<td>15</td>
<td>14</td>
<td>17</td>
<td>18</td>
<td>32</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>No Higher Education Opportunities for Youth</td>
<td>23</td>
<td>8</td>
<td>12</td>
<td>4</td>
<td>10</td>
<td>20</td>
<td>14</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Becoming Drug Addicts</td>
<td>14</td>
<td>11</td>
<td>26</td>
<td>22</td>
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<td>11</td>
<td>6</td>
<td>9</td>
<td>14</td>
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<tr>
<td>Lack of Youth's Rights</td>
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<td>3</td>
<td>4</td>
<td>3</td>
<td>10</td>
<td>5</td>
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</tr>
</tbody>
</table>

A Nation Under Acute Population Pressure and with Critical Ethnic and Sectarian Divisions
Afghanistan Country Profile: (CIA World Factbook, May 2015)

- **Population:** 31,822,848 (July 2014 est.)
- **Youth Bulge:** 64.2%: 0-14 years: 42% (male 6,793,832/female 6,579,388); 15-24 years: 22.2% (male 3,600,264/female 3,464,781)
- **Entering Labor Force Annually:** 392,116 male; 370,295 female (2010 est.)
- **Ethnic Divisions:** Pashtun, Tajik, Hazara, Uzbek, other (includes smaller numbers of Baloch, Turkmen, Nuristani, Pamiri, Arab, Gujar, Brahui, Qizilbash, Aimaq, Pashai, and Kyrghyz) note: current statistical data on ethnicity in Afghanistan is not available, and data from small samples are not a reliable alternative; Afghanistan's 2004 constitution recognizes 14 ethnic groups: Pashtun, Tajik, Hazara, Uzbek, Baloch, Turkmen, Nuristani, Pamiri, Arab, Gujar, Brahui, Qizilbash, Aimaq, and Pashai (2015)
- **Sectarian Divisions:** Sunni Muslim 80%, Shia Muslim 19%, other 1%
- **GDP vs. Labor Force:** agriculture: 24.6%, industry: 21.8%, services: 53.5% (data exclude opium production (2012 est.) versus agriculture: 78.6% industry, 5.7%, services: 15.7% (FY08/09 est.)
- **Urbanization:** 26.3% (3.96% per year)
- **GDP:** $61.69 (PPP 2014) $21.71B (2014 Official Exchange Rate)
- **Per Capita Income:** $2,000 (2014 in $2013) (in the world)
- **Budget:** revenues: $4.91 billion; expenditures: $5.037 billion (2013 est.)
- **Taxes & Other Revenues:** 22.6% of GDP
- **Exports vs. Imports:** $6.39 billion versus $2.785 billion
- **Direct Unemployment:** 35% (2008)
- **Poverty Level:** 36% (2008)
- **Transparency International Global Corruption Ranking:** 172nd worst of 175 countries
Census Bureau Estimate of Demographic Pressures on Afghanistan

Afghanistan Total Population (in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (millions)</th>
<th>Population Growth Rate (percent)</th>
<th>Total Annual Births (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>8.2</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1955</td>
<td>8.9</td>
<td>NA</td>
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<tr>
<td>1960</td>
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<td>1965</td>
<td>11.0</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1970</td>
<td>12.4</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1975</td>
<td>14.1</td>
<td>-5.9%</td>
<td>0.7</td>
</tr>
<tr>
<td>1980</td>
<td>15.0</td>
<td>0.8%</td>
<td>0.6</td>
</tr>
<tr>
<td>1985</td>
<td>13.6</td>
<td>-1.9%</td>
<td>0.7</td>
</tr>
<tr>
<td>1990</td>
<td>14.1</td>
<td>3.5%</td>
<td>1.0</td>
</tr>
<tr>
<td>1995</td>
<td>19.4</td>
<td>-1.3%</td>
<td>1.2</td>
</tr>
<tr>
<td>2000</td>
<td>22.5</td>
<td>3.4%</td>
<td>1.1</td>
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<td>2005</td>
<td>26.3</td>
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<td>1.2</td>
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<td>2010</td>
<td>29.1</td>
<td>2.3%</td>
<td>1.3</td>
</tr>
<tr>
<td>2015</td>
<td>32.6</td>
<td>2.4%</td>
<td>1.3</td>
</tr>
<tr>
<td>2020</td>
<td>36.6</td>
<td>2.2%</td>
<td>1.4</td>
</tr>
<tr>
<td>2025</td>
<td>41.1</td>
<td>2.0%</td>
<td>1.4</td>
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<tr>
<td>2030</td>
<td>45.7</td>
<td>1.8%</td>
<td>1.4</td>
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<tr>
<td>2035</td>
<td>50.2</td>
<td>1.7%</td>
<td>1.4</td>
</tr>
<tr>
<td>2040</td>
<td>54.7</td>
<td>1.5%</td>
<td>1.4</td>
</tr>
<tr>
<td>2045</td>
<td>59.3</td>
<td>1.4%</td>
<td>1.4</td>
</tr>
<tr>
<td>2050</td>
<td>63.8</td>
<td>1.4%</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, International Data Base (IDB),

CIA estimates Youth Bulge is 64.2% of population: 0-14 years: 42% (male 6,793,832/female 6,579,388); 15-24 years: 22.2% (male 3,600,264/female 3,464,781)

Different Estimates of Afghanistan’s Demographic Pressure

<table>
<thead>
<tr>
<th>Source</th>
<th>Estimate (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghan CSO</td>
<td>27.0 (2013)</td>
</tr>
<tr>
<td>Census Bureau</td>
<td>31.823 (2014)</td>
</tr>
<tr>
<td>CIA</td>
<td>32.6 (mid 2014)</td>
</tr>
<tr>
<td>United Nations</td>
<td>32.007 (2015)</td>
</tr>
<tr>
<td>World Bank</td>
<td>29.82 (2012)</td>
</tr>
</tbody>
</table>

Population Estimates in Millions

---|---|---|---|---|---|---|---|---|---|---|---
United Nations Data | 7.5 | 8.8 | 11.0 | 13.2 | 11.7 | 20.6 | 28.4 | 31.3 | 35.7 | 43.5 | 50.8 | 56.6
U.S. Census Bureau Data | 8.2 | 9.8 | 12.4 | 15.0 | 13.6 | 22.5 | 29.1 | 31.8 | 36.6 | 45.7 | 54.7 | 63.8

Sources: [http://www.census.gov/population/international/data/idb/informationGateway.php](http://www.census.gov/population/international/data/idb/informationGateway.php) and [http://esa.un.org/unpd/wpp/unpp/panel_population.htm](http://esa.un.org/unpd/wpp/unpp/panel_population.htm)

Source: Dr. Abdullah Toukan, 23.9.15
World Bank Estimate of Afghanistan’s Youth Bulge by Age Group and Sex: 2000-2013

Source: Dr. Abdullah Toukan, 23.9.15

Source: Dr. Abdullah Toukan, 23.9.15
AFGHANISTAN Central Statistics Organization (CSO) Estimated Population 2012-2013

The population estimation has been done on the basis of the data obtained from the 1381-1384 (2003-05) Household Listing (HHL).

Data Source: Estimated Population Data
Provided by: Central Statistics Organization (CSO) Afghanistan

The accuracy of the data represented in this map remains subject to the source. IMAP or USAID/EPA do not accept any responsibility for the accuracy of these figures.

The boundaries used in this map do not imply any endorsement by IMAP or USAID/EPA.

For copies or questions contact: afghanistan@immap.org

http://afghanag.ucdavis.edu/country-info/e-afghan-ag-maps-1
Key Civil Challenges
The Uncertain State of Progress

• UN Human development data reflect progress, but also serious limits to that progress, and input data are very uncertain.

• World Bank estimates poverty increasing.

• Security remains a key problem.

• Far too much US, NGO, and other reporting accepts “best case” estimates and polls without validating data or methodology.

• Data on Progress in life expectancy, education, medical services raise major questions about quality of data.

• Critical near term challenges in revenues, job creation, electric power, agriculture, and roads.

• No major near-term development options before 2020.

• More than a decade of war has gone on with no meaningful estimates of the effectiveness of aid and only suspect accounting.

• Military and aid spending has often been driving factors in increase in corruption and distorting economy to dependence on outside spending.
The Human Development Challenge

**Early Childhood Development**

ECD is very weak in Afghanistan and the country has one of the highest levels of stunting: 1 in 2 children under the age of 5 is stunted.

- Giving all children a strong start in life through nutrition, care and stimulation and expanding access to pre-school.
- Establish a robust ECD and nutrition program in Afghanistan.

**Access and learning in Schools**

8 million students are enrolled in schools (female students make only 37% of this number) and an estimated 4 million children are out of school in Afghanistan.

- Enhance conditions for access and learning for all by building strong and accountable education system.
- Improve access and equity as demand for education increases.

**Access and Quality Health Care**

Only 57 percent of the population have access to health services. Afghanistan has some of the highest infant and maternal mortality rates: under 5 mortality rate is 97 per 1,000 births and maternal mortality is 327 per 100,000 births.

- Improve conditions for access to affordable, quality health services by building strong and accountable health system.
- Improve indicators on infant, U5 and maternal mortality and continue to provide basic health care services.

**Employability and Skills**

Out of 200 thousand high-school graduates each year, only 60,000 of them are enrolled at universities and 30,000 of them are enrolled in TVET. The remaining directly enter the labor market as unskilled workers.

- Promoting employability and productivity of the workforce through skills-building and facilitating labor market transition.
- Link TVET and higher education to market needs to improve skills and employability of graduates.
Exaggerated State Department and USAID Claims of Success – I

Afghanistan has made real progress in many areas, although more as a result of improved security and massive in-country spending and subsides to its budget than through development or successful aid.

Dealing with Transition requires realism as to Afghanistan’s real situation and needs. After more than a decade of war in Afghanistan and Iraq, the State Department and USAID has never developed credible measures of the effectiveness of aid, or of how much spending actually reaches Afghanistan and the needed aid effort.

Claims are made without any public explanation or transparency as to the uncertainties in the data and controversies over the claims being made. Best case data for trends in Afghanistan are taken out of context, and credit is taken for developments unrelated to aid or only affected by it to a limited degree. World Bank economic update reports in 2011 and 2012 that state aid has has only a marginal impact on most Afghans and the Afghan economy are ignored. The impact of civil efforts on an ongoing war and any assessment of needs and priorities of Transition is ignored.

Key issues in developing honest estimates of progress and the ability to sustain it include:

- Economic growth and increases in GDP/GNI per capita; Five-Fold Increase in Per Capita GDP: Claims take credit for the impact of favorable rains which are a driving force in the Afghan GDP and stopped in 2012. GDP per capita data ignore gross uncertainties in population estimates and PPP estimates of tends in economy. No assessment of impact of narcotics share of economy, macro-economic impact of corruption and capital outflows.

- Agriculture: Extremely high impact assessments for programs limited in scope, implied gains in output that are largely a matter of favorable rains. No estimate of uncertainty in the data

- Education: Uncertainties in population, existence of ghost or ineffective schools and teachers, quality of Afghani government reporting, tendency to exaggerate time and years of schooling, uncertain reporting on education by sex.
Exaggerated State Department and USAID Claims of Success –II

• Democracy and governance: Estimates only cover output of aid programs. Have stopped reporting on effectiveness of governance by by district. Ignore ISAF and NGO estimates of scale of corruption. Do not explicitly assess shortfalls in government personnel in the field and its impact. Ignore far more negative World Bank assessments.

• Infrastructure: Take credit for construction, but do not address corruption, effectiveness, or sustainability – already a critical problem with roads.

• Stabilization: Ignore UNAMA assessments of trends in civilian killed and wounded, do not map areas of relative success.

• Dramatic Growth in Afghan Government Revenue Collection: some reporting ignores recent negative trends, serious shortfalls in projections. Failure to assess corruption and government’s ability use revenues effectively. No public assessment of current and projected gaps between revenues and needed post-Transition expenditures.

• Exceptional Advances for Women: Real gains and their sustainability are overstated. No mapping of critical problem areas, and areas where legal protection does not exist in real world. Failure to note regressive aspect of Afghan law.

• New Silk Road, Promoting Regional Connections: Exaggeration of current and future economic impact, problems in sustaining current roads, political and security problems with Pakistan.

• Electric power: Generation capacity is tied estimates of consumers where credibility of data are unclear. Failure to create real world prices and sustainable problems is understated.

• Medical services and life expectancy: Use of controversial best case data. No attempt to resolve widely differing estimates of life expectancy.

If You Don’t Have Real Education Numbers, Fake a High Estimate

SIGAR July 2014 Report to Congress (That ignores major uncertainties in population data, and later SIGAR reporting on “ghost” schools, teachers, and corruption.)

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.
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.
Corruption Challenge

• Transparency International ranks 172nd worst of 175 countries rated. Has led corruption rankings for years.
• Affects all aspects of governance including security services and financial sector.
• Focus on budget expenditures rather than fiscal controls and measures of effectiveness makes far worse.
• World Bank, IMF, aid donors, intelligence community makes no attempt to quantify effects.
• Same is true of analysis of interaction between real world economic effect of narco-trafficking, power brokers.
• Unstable government jobs and politics, declining security makes worse, adds to capital flight and brain drain to foreign countries.
• Coupled to broad failures in court system, rule of law, policing.
• Major barrier to investment, ease of doing business, development.
• Often makes Taliban and insurgents seem better than government in the field.

For more details see SIGAR, Quarterly Report, July 30, 2015. pp. 153-160
UNDP Ranking of Human Development Indicators in Afghanistan in 2015: 169th worst of 187 Countries

<table>
<thead>
<tr>
<th>Human Development Index</th>
<th>Index</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Health</td>
<td>60.95</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>3.21</td>
<td></td>
</tr>
<tr>
<td>Income/Command Over Resources</td>
<td>1,903.66</td>
<td></td>
</tr>
<tr>
<td>Inequality</td>
<td>0.321</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>0.705</td>
<td></td>
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<tr>
<td>Poverty</td>
<td>58.81</td>
<td></td>
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<tr>
<td>Employment and Vulnerability</td>
<td>52.2</td>
<td></td>
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<tr>
<td>Human Security</td>
<td>0.656</td>
<td></td>
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<tr>
<td>Trade and Financial Flows</td>
<td>45.26</td>
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<tr>
<td>Mobility and Communication</td>
<td>-2.6</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>0.29</td>
<td></td>
</tr>
<tr>
<td>Demography</td>
<td>30.55</td>
<td></td>
</tr>
</tbody>
</table>

Life expectancy at birth
Mean years of schooling
Gross national income (GNI) per capita (2011 PPP $)
Inequality-adjusted HDI (IHDI)
Gender Inequality Index
Population in multidimensional poverty (%)
Employment to population ratio
Homeless population (% of population)
International Trade (% of GDP)
Net migration rate (per 1000 population)
Carbon dioxide emissions per capita (tonnes)
Population total (millions)

UN Human Development Progress Lags by Comparison With Other Poor States: 1980-2012
(175th out of 187 Rated Countries)
UN Human Development Progress by Category: 1980-2012
Still Very Low Education Levels Compared to Other Countries

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.

Uncertain Politics and Large Areas of Failed Governance
Failed Governance

• Karzai heritage of corruption, power brokering, indifference to security issues, alienation of U.S.
• Nominal democracy which is often really government by power broker.
• U.S. heritage of unworkable constitution, election process, dysfunctional legislature without real local representation and fiscal powers.
• Over-centralized with provincial and district officials not elected, police chiefs not local, often corrupt or incompetent, and no funds of their own.
• Deeply divided and sometimes corrupt security services, including police and border police.
• Near paralysis over ethnic divisions and Ghani vs. Abdullah since June 14, 2014 election.
• Failure at election reform is pushing Ghani and Abdullah towards new election deadline, expiration of power sharing agreement.
• Corrupt ministries, some times incapable of planning and executing budgets, no measures of effectiveness and few real world data.
• Tokyo reforms in economy and governance in limbo.
• Ghani development plan not approved or funded.
• Dependent indefinitely on outside aid.
• Civil service centered in “Kabulstan,” not country.
Uncertain Politics

• October 15, now scheduled for long-delayed parliamentary and district council elections, but Independent Election Commission may not have had full government support.

• Spokesman for Abdullah Abdullah, the government’s chief executive, criticizes because electoral reform Abdullah Abdullah had not occurred. “The current election commission has no legitimacy because it was their weak management of the previous election that brought us on the brink of chaos,” said Javid Faisal, a spokesman for Mr. Abdullah. “Reforming the election process is a precondition to any election, and a part of the larger reform is the changing of current commission officials.” President Ghani did not comment.

• U.S. helped broker Afghan unity government after Mr. Ghani and Mr. Abdullah fought over results of corrupt election in 2014, and political agreement expires in October 2016. Agreement requires the government to hold local elections by the time it completes two years in office that October.

• Government is supposed to have convened grand assembly of elders from across the country by October to amend the Constitution and create the position of prime minister for Mr. Abdullah, but has not occurred.

• Reforming the electoral process a key condition for political agreement. Abdullah has said he will not compromise on, and has called for existing election commission to be replaced before any vote is held.

• Unclear where money and security for new election would come from.
Overall Satisfaction with Government Sharply Declining

Uncertain Faith in Democracy

Satisfaction with Democracy

Perception that 2014 Presidential Election was Free and Fair

World Bank Rankings of Governance Shows Very Uncertain Trends

World Bank Rankings of Failed Governance in Afghanistan - I

The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators. The outer, thinner red lines show the indicate margins of error.

Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues
The Worldwide Governance Indicators are available at: www.govindicators.org

Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

### World Bank Rankings of Failed Governance in Afghanistan - II

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Country</th>
<th>Year</th>
<th>Percentile Rank (0 to 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice and Accountability</td>
<td>Afghanistan</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Political Stability and Absence of Violence/Terrorism</td>
<td>Afghanistan</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Government Effectiveness</td>
<td>Afghanistan</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Regulatory Quality</td>
<td>Afghanistan</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Rule of Law</td>
<td>Afghanistan</td>
<td>2004</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Control of Corruption</td>
<td>Afghanistan</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014</td>
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</table>

State Department: Uncertain Legitimacy and Leadership

“Presidential and provincial elections occurred on April 5, 2014, with a second presidential runoff-round held on June 14. Reports of fraud marred the elections and led to an audit of all ballot boxes. Protracted political negotiations between the presidential candidates resulted in the creation of a national unity government. On September 21, the independent election commission named Ashraf Ghani the president-elect and Abdullah Abdullah the runner-up in the runoff election.

In accordance with a political agreement signed by both candidates, Abdullah took the newly created post of chief executive officer, and Ghani and Abdullah formed a national unity government. Parliamentary elections were last held in 2010 and were marred by high levels of fraud and violence according to national observers, the Office of Security and Cooperation in Europe, and other international election-monitoring organizations. Authorities generally maintained control over the security forces, although there were instances in which security forces acted independently.”

In the June 14 runoff election, the IEC estimated a turnout of nearly eight million voters, including 38 percent women. Although there were again reports of ballot shortages, the IEC more effectively dispatched contingency ballots where needed. The ANSF was largely successful in securing most areas, and there was better coordination between the ANSF and IEC staff than in the first round of voting. While insurgent attacks caused slightly more casualties than during the first round, there were a third fewer significant security incidents.

After the June 14 runoff election, allegations of fraud led to a dispute over the accuracy of the preliminary results announced by the IEC on July 7, which showed Ghani in the lead with 56.4 percent to Abdullah's 43.5 percent. Following a protracted standoff, the two candidates agreed to an unprecedented 100 percent audit of the ballot boxes and committed to forming a national unity government with the runner-up being chief executive officer in the government. The IEC completed the election audit in September and named Ghani the winner on September 21.

The 2009 Party Law granted parties the right to exist as formal institutions for the first time in the country’s history. The law requires parties to have at least 10,000 members from a minimum of 22 of the country’s 34 provinces.

Political parties were not always able to conduct activities throughout the country, particularly in regions where antigovernment violence affected overall security. Violence against participants in the political party system was common, even during nonelection periods. As of August 15, there were 58 political parties registered with the Ministry of Justice. In 2012 the Council of Ministers approved a regulation requiring political parties to open offices in at least 20 provinces within one year of registration and provides that parties failing to comply are to be removed from the ministry’s official list.

According to justice ministry officials, a deregistered party would be able to meet and continue “informal” political activities, but candidates for political office would not be able to run under the party’s name. During a 2013 nationwide review of provincial political party offices, the Ministry of Justice found various political parties not in compliance with the regulation but did not publicly announce the deregistration of any party. Provincial party members continued to assert the ministry’s monitoring process was inconsistent, with some parties reporting regular interactions with ministry officials and others having none at all.’ leadership played key roles in the campaigns.

- See more at: http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper
Despite a constitutional requirement for elections 30–60 days prior to the expiration of the *Wolesi Jirga* (lower house) term, the continuing disagreement between President Ashraf Ghani and Chief Executive Officer Abdullah Abdullah on election reforms has delayed the scheduling of parliamentary elections.

Although the lower house’s term expired on June 22, 2015, no elections were held. On June 19, Ghani announced that the lower house would continue its work until elections are held and the results are known. The president also said a date for elections would be announced within one month. On July 4, the lower house of parliament rejected Masoom Stanekzai as minister of defense. Stanekzai, who has been acting minister of defense since May and before that served as the head of the secretariat for the High Peace Council, received only 84 of the 107 votes necessary for confirmation. The Ministry of Defense (MOD) has been without an approved minister for nine months.

The 2014 presidential elections, which international monitors noted experienced substantial fraud, highlighted Afghanistan’s continuing need for electoral reforms. As the United Nations Secretary-General observed in June, “comprehensive electoral reforms will be crucial for restoring the faith of the Afghan people in the democratic process.”

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his rival, Chief Executive Officer Abdullah, after the troubled presidential elections. The September 2014 agreement that led to formation of the national-unity government called for (1) immediate establishment of a special commission for election reform with the aim of implementing reform before the 2015 parliamentary elections and (2) distribution of electronic identity cards to all Afghan citizens as quickly as possible. However, according to State, the Afghan government has made only incremental progress on electoral reform during the quarter.

On March 21, the Office of the President announced that Ghani had established the Special Electoral Reform Commission (SERC). According to the statement, Ghani formed the SERC to bring “fundamental reform” to the Afghan electoral system, strengthen rule of law and the democratic process, and prevent violations of electoral laws and regulations. It was not until July 16 that Ghani’s office announced the full SERC appointments. The SERC began its work on July 22.

Between April 27 and June 7, Ghani, with the agreement of Abdullah, appointed 18 provincial governors. As of June 23, the national-unity government has appointed new governors for 21 of 34 provinces.

In February, Ghani established the National Procurement Commission (NPC) to centralize procurements of large contracts under a presidential commission consisting of a core group of Afghan officials with “impeccable credential[s] for honesty.” SIGAR is one of two U.S. government bodies to attend the NPC meetings as neutral observers. Ghani’s effort to reduce MOI and MOD procurement-related corruption has slowed procurement and created what CSTC-A has labeled the “[Afghan fiscal year] 1394 Procurement Crisis.” Of the 648 MOD requirements, only 266 have been submitted to the MOD acquisition agency and only 31 contracts have been awarded. The MOI is experiencing a similar backlog with 925 defined requirements, 209 of which have been submitted to the MOI procurement directorate, and 47 contracts have been awarded.

International donors and the Afghan government agreed at the December 2014 London Conference that the TMAF should be refreshed to cover the period after 2015. The Afghan government and donors are discussing and drafting updated goals and indicators for the refreshed framework. The goal is for the refreshed framework to be approved at the Senior Officials Meeting scheduled for early September in Kabul.
The Corruption Challenge
Corruption Remains a Critical Factor in 2015 - I

About two-thirds (66.0%) of respondents who had contact with the municipality report paying bribes (some, most, or all of the time), up from 55.1% last year and above the previous high of 58.2% in 2011. Over half (53.3%) of Afghans say they paid a bribe to the police, up from 45.1% in 2014, almost matching the previous high of 53.7% in 2011. The overall trend since 2007 is a steady increase in reported corruption.

# Corruption Remains a Critical Factor in 2015 - II

<table>
<thead>
<tr>
<th>EXPOSURE TO CORRUPTION</th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>2009 (%)</th>
<th>2010 (%)</th>
<th>2011 (%)</th>
<th>2012 (%)</th>
<th>2013 (%)</th>
<th>2014 (%)</th>
<th>2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality/District</td>
<td>46</td>
<td>43</td>
<td>41</td>
<td>43</td>
<td>56</td>
<td>51</td>
<td>58</td>
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The Challenge of Corruption

- 172nd most corrupt country out of 177 ranked by Transparency International in 2014. Budget openness is minimal.
- Bad rating on World Bank’s “Control of corruption index”. Improvement is driven by aid donors.

Who Takes Bribes: The ANA Got Worse

Prevalence of bribery, by public official receiving the bribe, Afghanistan (2009 and 2012)

The likelihood of bribes being paid to a particular type of public official depends on how frequently citizens interact with them.

But since different types of official have different types of exposure to citizens, it is important to estimate the probability of a certain type of official receiving a bribe when he or she is contacted, independently from the frequency of interaction. This is measured by means of the prevalence of bribery in relation to each type of public official.

According to this indicator, four types of official (prosecutors, teachers, judges and customs officials) are the most likely to receive bribes when dealing with citizens.

While there has been little change in prevalence rates since 2009 in relation to prosecutors, judges and customs officials, the vulnerability to bribery of teachers has increased dramatically in the past three years.

Other officials particularly vulnerable to bribery in Afghanistan are tax/revenue officials and police officers, while there has also been a notable increase in the vulnerability of members of the Afghan National Army.
State Department Reports Growing Afghan Government Corruption in 2014 – I

The law provides criminal penalties for official corruption. The government did not implement the law effectively, and there were reports officials frequently engaged in corrupt practices with impunity. There were some reports of low-profile corruption cases successfully tried at the provincial level. The government made several commitments to combat corruption, including former president Karzai’s 2012 decree, but little progress was made toward implementation at year’s end. At the beginning of 2013, the Attorney General’s Office created a monitoring department, as required by the decree, and it began accepting referred cases. There was no progress on the cases reported as of year’s end.

A June 2013 law organizing the judiciary weakened the Control and Monitoring Department of the Supreme Court. The department had been considered effective in dealing with corruption within the judiciary in the districts and provinces. The new law eliminated some of the department’s key positions and its authority to conduct investigations, make arrests, and prosecute violators.

Reports indicated corruption was endemic throughout society, and flows of money from the military, international donors, and the drug trade continued to exacerbate the problem. Reports indicated many citizens believed the government had not been effective in combating corruption. Credible foreign reporting indicated the equivalent of tens of millions of dollars was smuggled out of the country each year. Corruption and uneven governance continued to play a significant role in allowing the Taliban to maintain its foothold in the east-central part of the country and to exert influence in the southern, eastern, and some northern provinces, particularly in remote areas.

Prisoners and local NGOs reported corruption was widespread across the justice system, particularly in connection with the prosecution of criminal cases and “buying” release from prison. There were also reports of money being paid to reduce prison sentences, halt an investigation, or have charges dismissed outright. The practice of criminalizing civil complaints was commonly used to settle business disputes or extort money from wealthy international investors.

During the year there were reports of “land grabbing” by both private and public actors. The most common type occurred when businesses illegally obtained property deeds from corrupt officials and sold the deeds to unsuspecting “homeowners,” who would then be caught in criminal prosecutions. Other reports indicated government officials grabbed land without compensation in order to swap the land for contracts or political favors. Occasionally, provincial governments illegally confiscated land without due process or compensation to build public facilities.

State Department Reports Growing Afghan Government Corruption in 2014 – II

Corruption: During the year there were significant developments in the case of Kabul Bank, which had been the country’s largest private financial institution prior to its collapse in a bank fraud scandal that began to unfold in 2010. Reportedly, nearly 57 billion Afghanis ($983 million) of misappropriated funds were disbursed to politicians, ministers, and politically well-connected shareholders of the bank.

In March 2013 the Kabul Bank Special Tribunal sentenced former chairman Sherkhan Farnood and former chief executive officer Khalilullah Ferozi to five years in prison for “breach of trust” and ordered them to make restitution. The attorney general appealed the verdict. The remaining 19 persons accused in the case, including minor bank officials and public officials, were convicted and sentenced to prison terms and fines generally considered disproportionately heavy in comparison with the sentences received by Farnood and Ferozi. The indictment of Farnood and Ferozi, which was sent to the Special Tribunal in 2012, also included the crimes of embezzlement and money laundering, both of which would allow for confiscation of the defendants’ property. The conviction on breach of trust, however, did not allow authorities to confiscate assets or impose any penalties for failure to repay the funds.

On October 1, President Ghani issued a decree ordering the appellate court to render a decision on the pending appeal in Farnood and Ferozi’s case, that police arrest those who were convicted in the case but had not been incarcerated, and that the Supreme Court review the case and determine whether the scope of the case should be expanded. The decree also outlined steps to pursue the return of ill-gotten gains the fraud’s perpetrators sent out of the country. The decree resulted in the indictment of 17 individuals, and on November 18, the tripling of Farnood and Ferozi’s sentences to 15 years in prison by the appellate court. The Attorney General’s Office subsequently froze the assets of 10 companies and eight individuals involved in the bank’s collapse. At year’s end, however, the majority of assets in the Kabul Bank case had not been recovered.

Impunity continued in the prosecution of some high-profile corruption cases, including those involving the national Military Hospital. There were reports the Attorney General’s Office was unwilling or unable to pursue corrupt officials and that high-level officials who were arrested on corruption-related charges were released subsequent to political pressure. In addition there was anecdotal evidence accusations of corruption on the part of others were used by corrupt officials to damage their opponents’ reputations or to deflect attention from their own misdeeds. There were reports the Attorney General’s Office compelled international contractors to settle claims made by local subcontractors, regardless of the merits of the commercial disputes involved, and detained foreign employees of the contractors as leverage in the disputes (see section 1.d.).

Provincial police benefited financially from corruption at police checkpoints and from the narcotics industry. ANP officers reportedly paid higher-level Ministry of Interior officials for their positions and to secure promotions. The justice system rarely pursued corruption cases, especially if they involved police, although authorities arrested and detained a provincial chief of police on drug-trafficking charges. The Ministry of Interior continued to be affected by widespread corruption, poor performance, and abuse of power by officers. From January 2013 to June 2014, police were defendants in more than two thousand cases on charges of neglect of duty, bribery, theft, assault and battery, and murder.

In addition to official impunity problems, low salaries exacerbated government corruption. The international community worked with the national and provincial governance structures to address the problem of low salaries, but implementation of grade reform remained slow.

Credible sources reported local police in many areas extorted a “tax” and inflicted violence at police checkpoints for nonpayment. Truck drivers complained they had to pay bribes to security forces, insurgents, and bandits to allow their trucks to pass. Police reportedly extorted bribes from civilians in exchange for release from prison or to avoid arrest. Citizens paid bribes to corrections and detention officials for the release of prisoners who had not been discharged at the end of their sentences.

The government made efforts to combat corruption within the security sector. Before the 2010 elections, the Ministry of Interior trained and deployed provincial inspectors general, who remained on duty after the elections. Their training continued. Merit-based promotion boards continued, with at least three candidates competing for each job; the process of instituting pay reform and electronic funds transfer for police salaries also continued.

The High Office of Oversight oversees and develops the government’s ability to mitigate corruption in line with commitments made at the 2010 London and 2012 Kabul conferences, and as directed by the 2012 presidential decree on good governance. Overall, the oversight office continued to be ineffective, with reports of corruption within the office itself.

Governors with reported involvement in the drug trade or records of human rights violations reportedly continued to receive executive appointments and served with relative impunity.

Financial Disclosure: … While collection and publication occurred, there was only limited progress on the verification of such declarations by domestic and international experts independent of the government. There is no legal penalty for any official who submits documentation with omissions or misrepresentations, undermining a key tool to identify possible wrongdoing.
Since 2003, levels of distrust and corruption have increased to the point where corruption is endemic across Afghanistan.

In a survey of the population that was reported in October 2013, 80 percent of Afghans described corruption as a major problem, with 73 percent reporting that corruption was “a part of daily life” and 65 percent saying it was worse than the year before. Almost two-thirds (62 percent) of those polled felt GIRoA, as a whole, was corrupt to some degree. When asked why, the most common reasons cited were that GIRoA was a generally weak government and officials took bribes.

In the same poll, Afghans were questioned about various governance bodies and whether they abused their authority and power. More than half of respondents felt that every level of government and every office abused its power. Notably, President Karzai, who was viewed as corrupt by “only” 38 percent of respondents, experienced a rise in the number of people who felt he abused his authority, to the highest level since an August 2011 poll.
## Transparency International Scorecard from Bad to Suspect in 2015

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Transparency International Warning of Growing Corruption in Governance and the Afghan Security Forces in 2015 - I

Afghanistan’s GI ranking in Band E places it in one of the highest risk categories for corruption in the defence and security sector. The highest risk area is Finance, which fell in Band F (critical risk of corruption). Ineffective audit and prosecutorial authorities, a lack of civilian oversight over the defence and security sectors, and a challenging environment for civil society enable organised crime and the abuse of power by military and security personnel. At the same time, the current government has significantly stepped up oversight over procurement contracts and the development of anti-corruption training for select personnel. But serious risks remain; to reduce corruption risk and state fragility, reforms are urgently needed across the following areas:

Strengthen civilian control over the defence and security sector:

The Afghan government, together with international actors, is working to increase its cadre of external auditors, which has shown a nascent capability for auditing MOD funds, though implementation of audit findings has been weak to non-existent. However, a major issue facing auditors is that the majority of defence spending is still off-budget (i.e. external to central government allocation), and provided by the international community. Overall, the transparency and accountability of this off-budget international community funding, to the Afghan people, is less transparent than on-budget spending and because a large portion of aid is channelled through an off-budget system, the Afghan government, including auditors, the legislature and people have no control or oversight over these funds. At the same time, the Afghan government’s failure to provide parliament with detailed accounts of their defence on budget expenditure does not build confidence in donors that more on-budget spending will be wisely managed.

• The MOD needs to demonstrate urgently that on-budget defence spending will be transparent and accountable to both national and international taxpayers. A detailed defence budget and acquisition plans should be available to the National Assembly, with as much information as possible made public.

• The MOD should provide a public account of how they have addressed the findings of audits conducted by the Supreme Audit Organisation and make a clear commitment to acting upon all future audit findings. Defence and Finance Committees should be sufficiently resourced to review external audit results and a mechanism to allow dialogue between audited entities and the SAO should be created. This might include in the short term increased support from international experts, training, or exchanges with equivalent institutions in other countries.

• The Audit Law should be strengthened to ensure clear penalties for non-compliance. With large spending by the executive on security and weak independent oversight capability, there is an urgent need for stronger more effective civil society oversight to ensure the defence sector is held to account.
Transparency International Warning of Growing Corruption in Governance and the Afghan Security Forces in 2015 - II

The Afghan government should support an enabling environment by removing ambiguous and problematic terms from the new Access to Information Law. The MoD should take a proactive stance towards information disclosure, including establishing an effective Public Information Office to provide timely responses, especially to journalists.

• The government should provide a clear political signal of support to civil society and their role in building a high integrity culture, including taking a strong stance against cases of intimidation, harassment and violence against journalists and CSOs.

Reduce military predation and build the integrity of the armed forces: Commitments by the President to employ merit-based recruitment and the introduction of anti-corruption training are important first steps in addressing integrity challenges. However, a culture of impunity and a lack of merit-based appointments and promotions continue to weaken the ability of the ANDSF to respond effectively to insecurity.

• The MoD should strengthen its internal audit capacity and investigative powers, including monitoring conduct violations, payroll and attendance (i.e. to tackle ghost soldiers), and field procurement.

• Asset registration, verification, and publication, as required by Afghan law and UNCAC commitments, should be prioritised, especially for defence and security officials.

• Stronger and more transparent responses to acts of corruption involving senior leadership and political figures are needed. The AGO should act and report on cases of defence corruption. A case tracking and public reporting system should be established. Assistance to the Major Crimes Task Force should be bolstered and its independence guaranteed.

• Whistleblowing should be protected and encouraged, in law and in practice.

• Progress on Train-the-Trainer courses at the National Defence University should be continued to ensure that integrity building and human rights are central to training and career progression.

The Role of the International Community

Addressing corruption in Afghanistan is essential to ensuring extremist groups do not increase their territorial reach or establish safe havens from which they can plan acts of global terrorism. In the last decade, the Taliban and now Daesh have repeatedly drawn attention to the Afghan government’s inability to control corruption and exploit this narrative in their recruitment. The country has some active political participation from among the youth, which needs to be effectively channeled
The Budget Challenge
Budget Execution Has Been a Major Problem

• Operating expenditures:
  • Increased during the first six months of 2013, as more spending moved on-budget. Yet execution rates remain low, particularly for the development budget.
  • Increased to Afs 82.1 billion in the first six months in 2013, compared to Afs 75.4 billion over the same period in 2012.
• Development expenditures declined to Afs 23.7 billion in the first half of 2013, compared to Afs 27 billion in the first half of 2012.
• Low budget execution continues to be a problem in Afghanistan, particularly affecting development expenditures in 2013.
• Budget execution was only 36.4% of the operating budget and 17% of the development budget in the first half of 2013, compared to 50% and 24%, respectively, in the first half of 2012.
• Among ministries with development budgets of more than $50 million, only three (ministries of health, finance, and rural development) have executed more than 20% through the first half of 2013.

Source: World Bank, Afghanistan Economic Update, October 2013, pp.. 9-10
A Budget and Economy Driven by Aid, Military Spending, and Narcotics

Outside Aid Spending Drives GDP After 2003/2004

Only 10% of Afghan Budget is Self-Funded

• 64% is US aid
• 26% is from other donors
• 10% is Afghan funded

Afghanistan’s aid dependence is predominantly a fiscal issue. While most civilian and military aid has been delivered in the form of development projects outside of the government’s budget system, on-budget aid is an important financing source. While domestic revenues increased to an impressive 11.4 percent of GDP in 2011, Afghanistan can today only finance about 40 percent of its total expenditures on its own.

Moreover, expenditures are expected to increase, as the government will assume more financial responsibilities over the military apparatus and the operation and maintenance of public assets which were built outside of the budget and have not yet been factored into the budget. Finally, Afghanistan will need to continue to invest in expanding public service delivery and physical infrastructure in order to safeguards the gains of the reconstruction process and further support the growth process. Public investment will continue to play a dominant role in Afghanistan’s economy, at least until the security situation and the investment climate improves.

Current projections see a financing gap of 20 percent of GDP in 2025, on the assumption that the government manages to increase domestic revenue to 17 percent. This renders government operations unsustainable without additional external financing. Continued, strong donor engagement in Afghanistan will therefore be of paramount importance to Afghanistan’s future development, if not its survival as a state.

Macroeconomic stability has relied heavily on large aid flows. Afghanistan’s export base is currently very small and the country receives little foreign direct investment. At the same time, the country is highly dependent on food and oil imports. Consequently, the balance of payment showed a persistently high deficit in the current accounts. So far, the high level of aid have helped to keep the overall balance of payments in surplus and even contributed to a sizable accumulation of international reserves over the years. However, with aid declining, an alternative source of financing will be required to balance payments for imports.

The implications of the transition process, therefore, give urgency to Afghanistan’s need for a growth model that provides not only high numbers of jobs but also high levels of fiscal income and foreign exchange earnings to finance Afghanistan’s development process. aged 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.
In 2013, the Afghan government’s domestic revenue was only about $2 billion, while its overall budget expenditures were $5.4 billion. Donor grants made up the difference, funding 63% of the budget. Afghanistan’s current budget, approved in January 2014, is about $7.6 billion, with donor grants expected to fund about $4.8 billion, or still more than 60% of the total. U.S. FY 2014 appropriations for Afghan reconstruction are $7.5 billion—by coincidence, almost the same as Afghanistan’s current national budget of $7.6 billion. But most of that U.S. aid, as well as most of other international donors’ assistance, goes through programs and funds that are not part of the Afghan budget.
World Bank Estimate of Growing Financing Gap

Core Government Expenditures as % of GDP

Financing Gap in domestic Revenues as % of GDP

Transition Financing  Critically Dependent on No Increase in Security Costs

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<td>Non-discretionary development</td>
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<td>Domestic revenues</td>
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<td>External loans/credits</td>
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<td><strong>Total financing</strong></td>
<td><strong>6,565</strong></td>
<td><strong>5,307</strong></td>
<td><strong>7,277</strong></td>
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</table>

* 2013Bgt figures are initial budgeted figures.
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’s Fiscal Crisis.

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 has one of the lowest rates of domestic revenue collection in the world, averaging 9% of GDP from 2006 to 2013, compared to an average of around 21% in low-income countries, according to the IMF. Expenditures are expected to continue rising—to 30.5% of GDP in FY 1395 (2016) versus 27.3% in FY 1393, according to World Bank projections—largely due to increased spending on security, service delivery, essential infrastructure, and operations and maintenance (O&M). The fiscal gap is large and growing. Donor assistance narrows this gap, but does not close it.
The World Bank said the uncertainty surrounding the 2014 security and political transition likely increased economic rent seeking and tax evasion. Although budget austerity measures were introduced in the second half of 2014—overtime, salary increases, bonuses, and other benefits to civil servants were reduced, as were new discretionary development projects—the cost of security and mandatory social benefits caused overall expenditures to increase. As a result, Afghanistan began 2015 (Afghan FY 1394) with weak cash reserves and significant arrears, while revenue-collection reforms stalled in parliament in the first quarter.

The World Bank warned that Afghanistan could face budget shortfalls this year similar to last year’s $690 shortfall of $537 million.

The FY 1394 budget projected domestic revenues of approximately $2.2 billion, about 30% more than collected in FY 1393, which the World Bank found “ambitious,” cautioning that the government has smaller cash reserves from which to draw should revenues not be realized. With a sluggish economy and weak growth forecast, further austerity-measure options are limited, meaning that the government could require even more fiscal help.

“Revenue mobilization from domestic resources has become critical,” according to the ADB; one-third is lost to “weak governance and poor tax and customs administration.” Ten percent of 500 large businesses registered with the Afghan government are reportedly evading taxes. Three large companies are said to owe about $248 million in back taxes.

Total collected domestic revenues—a figure that excludes donor grants—stood at $577 million in the first four months of FY 1394, about $40 million (7.5%) above the same period in FY 1393, but missing the government’s target by $36 million (-5.9%).

Domestic revenues paid for less than half (48%) of Afghanistan’s total budget expenditures of $1.2 billion through 2025. Domestic revenues—tax and nontax revenues, and customs duties—declined in 2014 for the third consecutive year, falling to 8.4% of GDP, largely due to weak tax and customs enforcement and compliance.

Revenues were 11.6% of GDP in 2011. They have been rising slightly in 2015. Covering the budget-financing gap without donor assistance would thus require Kabul to collect roughly 30% of the country’s entire economic output as revenue for the government.

The fiscal gap is large and growing. Donor assistance either narrows or closes this gap.

Source: SIGAR, Quarterly Report to Congress, July 30, 2015, pp. 164-165
Aid has since fallen, but international donors who supplied more than 60% of the country’s national budget in 2013 still covered a “financing gap” equivalent to 7.7% of the country’s GDP. Much of the reconstruction effort, however, is “off-budget,” representing donor-funded programs and projects that the Afghan government does not control or fund.

As donors honor commitments to place more Afghan aid on-budget or simply transfer projects to Afghan control, the pressure on the budget will increase. The IMF and the World Bank “conservatively” estimate that Afghan maintenance of such donor-supplied capital stock—roads, buildings, utility infrastructure, equipment, and such—will cost 15% of Afghanistan’s GDP. Supporting such costs on the Afghan budget without donor support would require more than doubling the government’s revenue share of GDP, a major challenge.

The Afghan government has estimated its annual development-aid need at $3.9 billion a year between 2013 and 2020. At various international conferences, the United States and other donors have pledged continuing aid through the “Decade of Transformation” ending in 2025, at which time Afghanistan is expected to achieve financial self-sufficiency. Afghanistan in turn has promised to achieve agreed-upon benchmarks under the Tokyo Mutual Accountability Framework (TMAF) as a condition for further donor assistance.

The ANSF’s current authorized size is 352,000. To lessen the cost of sustaining it, the North Atlantic Treaty Organization (NATO) plans to reduce the force to 228,500 by 2017, if security conditions permit. The estimated cost of sustaining this smaller force is $4.1 billion annually. NATO expects that the Afghan government would pay at least $500 million annually beginning in 2015.

However, according to the latest Department of Defense (DOD)-commissioned independent assessment by the Center for Naval Analyses (CNA), “in the likely 2015–2018 security environment, the ANSF will require a total security force of about 373,400 personnel.” CNA cautions that “a force of lesser size than 373,000 would, in our assessment, increase the risk of instability of Afghanistan and make success less likely for the U.S. policy goal.” The CNA estimates that a 373,000-strong ANSF would cost roughly $5–6 billion per year to sustain.
Afghanistan’s aid dependence is predominantly a fiscal issue. While most civilian and military aid has been delivered in the form of development projects outside of the government’s budget system, on-budget aid is an important financing source. While domestic revenues increased to an impressive 11.4 percent of GDP in 2011, Afghanistan can today only finance about 40 percent of its total expenditures on its own.

Moreover, expenditures are expected to increase, as the government will assume more financial responsibilities over the military apparatus and the operation and maintenance of public assets which were built outside of the budget and have not yet been factored into the budget. Finally, Afghanistan will need to continue to invest in expanding public service delivery and physical infrastructure in order to safeguard the gains of the reconstruction process and further support the growth process. Public investment will continue to play a dominant role in Afghanistan’s economy, at least until the security situation and the investment climate improves.

Current projections see a financing gap of 20 percent of GDP in 2025, on the assumption that the government manages to increase domestic revenue to 17 percent. This renders government operations unsustainable without additional external financing. Continued, strong donor engagement in Afghanistan will therefore be of paramount importance to Afghanistan’s future development, if not its survival as a state.

Macroeconomic stability has relied heavily on large aid flows. Afghanistan’s export base is currently very small and the country receives little foreign direct investment. At the same time, the country is highly dependent on food and oil imports. Consequently, the balance of payment showed a persistently high deficit in the current accounts. So far, the high level of aid have helped to keep the overall balance of payments in surplus and even contributed to a sizable accumulation of international reserves over the years. However, with aid declining, an alternative source of financing will be required to balance payments for imports.

The implications of the transition process, therefore, give urgency to Afghanistan’s need for a growth model that provides not only high numbers of jobs but also high levels of fiscal income and foreign exchange earnings to finance Afghanistan’s development process. Aged 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.
Afghanistan’s “Failed” Custom’s Service

Afghan government agencies do not have the accurate trade data they need to determine what customs revenue should be. President Ghani told a U.S. audience in March 2015 that Afghanistan’s Central Statistics Organization reported imports from Pakistan at $800 million, while Pakistan told Afghan authorities that the value of their exports to Afghanistan was $2.5 billion. Tolo News reported Afghanistan Customs Department (ACD) data could be off by up to $1 billion—about 4.8% of the country’s GDP.

State said the United States has almost no ability to monitor and assess Afghan customs collections due to ongoing reductions in U.S. personnel. State has not directly monitored operations at Afghanistan’s border crossings or their customs assessment and collection locations since the DHS and BMTF departed, and does not correlate the United States’ diminishing presence with an increase or decrease in Afghan revenue collections. Officials at USAID’s ATAR project, which is designed in part to improve and streamline Afghanistan’s customs institutions and practices, said mounting security risks hamper its ability to deliver technical assistance and visit the ACD’s main offices in Kabul, ACD regional customs facilities, and other customs-collection sites, as well as the Afghanistan National Customs Academy.

Non-Afghan nationals are particularly restricted in their movement; Afghan nationals can travel as security permits. ATAR personnel reported that corruption is pervasive at ACD; they have encountered numerous obstacles to monitoring and improving the Afghan custom collection process. In addition, USAID reported that X-ray scanners do not function and need repair, efforts to standardize the automated customs data system are incomplete, ATAR’s electronic customs payment activity has not begun, and the customs academy, which trains customs officers, operates only in the morning.

USAID and ATAR representatives do not have access to ACD computer systems or databases, nor do they produce annual estimates of lost revenue due to smuggling, theft, and corruption. Instead they must rely on customs-collection information provided to them by the ACD. USAID and State both said that the scope of customs revenue lost to corruption is unknown. CSTC-A, which funds the Ministry of Interior’s (MOI)

Afghan Border Police, constructed 15 border-crossing points from 2011–2015. However, CSTC-A is unaware of any specific funding stream to support efforts to safeguard inspection equipment at Afghanistan’s border crossings, customs assessment, and collection facilities; does not track the exact amount of its funding that MOI applies to each border crossing point; and has no visibility on the use or condition of border crossing point facilities—CSTC

Source: SIGAR, Quarterly Report to Congress, July 30, 2015, pp.. 167
Massive Near-Term (Transition) Financing Gaps

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 non-wage 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.
Afghanistan needs to move toward fiscal sustainability to reduce its dependence on donor support. This will entail revenue mobilization, and better expenditure management including better prioritization and service delivery to assure security and development. 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.
Economic Challenges
Economic Challenges

• Massive current dependence on outside war spending and aid

• “New Silk Road” is dead, and “Ring Road” is uncertain; mineral wealth is no miracle solution to economic challenges. Very little real growth other than aid and military spending driven – cyclical impact of rainfall.

• Still at war and highly aid dependent. Major barriers remain to “doing business.”

• Unclear who will plan and manage aid and revenues in government. No clear structure for managing aid, revenue flows, outside plans and focus.

• The goal of 50% Afghan control ignores the roll back of aid/NGO presence; government ability to use and manage is insufficient.

• Tokyo reforms in limbo. New reform plans not tied to clear plans for execution.

• Failure of UNAMA, uncertain role of World Bank and outside help in development planning, post-Transition economic stability.

• Key problems in transport, agriculture, power sector. Rising poverty, acute population pressure, uncertain employment level

• Service sector was dependent on flow of outside money. may leave, export capital, collapse.

• Major barriers to private development

• At least some risk of major recession and collapse of the market-driven sector.
Afghanistan's economy is recovering from decades of conflict. The economy has improved significantly since the fall of the Taliban regime in 2001 largely because of the infusion of international assistance, the recovery of the agricultural sector, and service sector growth.

Despite the progress of the past few years, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs. Criminality, insecurity, weak governance, lack of infrastructure, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth.

Afghanistan's living standards are among the lowest in the world. The international community remains committed to Afghanistan's development, pledging over $67 billion at nine donors' conferences between 2003-10. In July 2012, the donors at the Tokyo conference pledged an additional $16 billion in civilian aid through 2015.

Despite this help, the Government of Afghanistan will need to overcome a number of challenges, including low revenue collection, anemic job creation, high levels of corruption, weak government capacity, and poor public infrastructure. Afghanistan's growth rate slowed markedly in 2014.

Newly elected President Ashraf GHANI is dedicated to instituting economic reforms. However, the drawdown of international security forces that occurred in 2014 will negatively affect economic growth, as a substantial portion of commerce, especially in the services sector, has catered to the ongoing international troop presence in the country.
The Economist Threat to Counterinsurgency Economics

1. The economic factors that divided and sometimes shattered a nation are largely ignored.

2. The specific economic forces driving given factions, areas, and terrorist-insurgency threats are not measured or taken into account. (Sects, ethnic groups, regional tensions, conflict/war zones, IDP-refugee impacts, etc.)

3. Reliance on classic national wide metrics for developed nations at peace: GDP, GDP per capita, Inflation, debt, Balance of Payments, etc.

4. Fail to address major uncertainties, limits to data.

5. Focus on classic nation-wide development as if war and causes of war did not exist, and need to reconstruct and construct basic services and functions did not exist.

6. Economic aid becomes project aid without valid national analysis and plans. Fails to alter dominant military focus on fighting, conflict termination, departure, (possibly short-term stability) and not national stability.

7. Largely ignore demographic pressures, youth needs, corruption costs and impacts, critical problems in governance and budget planning and execution.

8. Live in “now”, rather than economic history, examine best-case, not real futures.


10. Focus on getting money and spending, not auditing use of money and measuring effectiveness.
## IMF Summary Data on Afghanistan in 2015

<table>
<thead>
<tr>
<th>Subject Descriptor</th>
<th>Units</th>
<th>Scale</th>
<th>Country/Series-specific Notes</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>Percent change</td>
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<td>Afghanistan Volume of exports of goods and services</td>
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<td>Afghanistan General government gross debt</td>
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<td>5.702</td>
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IMF Estimate of Key Economic trends in Afghanistan: 2000-2013

Source: Dr. Abdullah Toukan, 23.9.15

(Source: IMF World Economic Outlook)
The extremely high level of current annual aid (estimated at $15.7 billion in 2010) is roughly the same dollar amount as Afghanistan’s GDP and cannot be sustained. Aid has funded the delivery of essential services including education and health, infrastructure investments, and government administration. There have been substantial improvements in the lives of Afghans over the last 10 years as a result of this effort. But these inflows, most outside the Afghan budget, have been so high that inevitable waste and corruption, aid dependency and use of parallel systems to circumvent limited Government absorptive capacity have impeded aid delivery and the building of a more effective Afghan state.

The level of public spending -- both on and off budget -- that has been financed by such high aid flows will be fiscally unsustainable for Afghanistan once donor funds decline. Lesser amounts, matched by more effective aid delivery could, in the end, lead to some more positive outcomes. The key issue is how to manage this change and mitigate the adverse impacts, and put aid and spending on a more sustainable path for the longer-term. International experience and Afghanistan’s history after the Soviet military withdrawal in 1989 demonstrate that violent fluctuations in aid, especially abrupt aid cutoffs, are extremely damaging and destabilizing.

Large financial inflows outside the Afghan budget and fragmented aid in a situation of weak governance have been major sources of rents, patronage, and political power. This has inadvertently exacerbated grievances and conflicts as the relative strength of elite groups in Afghan society shifted. As aid declines, reliance on the opium economy and other illicit activities could increase. Ensuring that increasingly constrained public funds are well used reinforces the need to maintain and improve upon the significant progress made by the Finance Ministry in establishing public financial management systems and a robust Afghan budget process.

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.

Economic growth is much slower under less favorable scenarios. The growth projections are based on a set of assumptions (scenarios) related mainly to security, sources of growth, aid levels, and changes in investment climate. If the assumptions in the less favorable scenarios come to pass —for example, if agriculture performance is poor, if major mining investments (Aynak for copper and Hajigak for iron ore) do not materialize, or if aid declines precipitously over the period — then growth could drop to 3-4%. Deteriorating security and governance would lead to further economic decline. The underdeveloped financial sector and low rates of financial intermediation leave little scope for helping Afghan businesses adjust to slowing growth. Conversely, the decline could be partly mitigated by reducing aid in a gradual, planned manner and by increasing the amount of aid that is actually spent within Afghanistan that would result if more aid channeled through the Afghan budget.
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 direct poverty impact of declining international spending might be limited if aid becomes more equally distributed across provinces and the composition shifts toward development programs rather than short-run stabilization activities. Aid disproportionately devoted to the more conflict-affected provinces has had only a modest impact on poverty. Households in the conflict-affected provinces were less poor on average to begin with, so this concentration of aid inadvertently increased inequality amongst provinces and between groups. National programs delivered through the Government, such as NSP [National Solidarity Program], have benefitted Afghans more equitably.

The worst impact of transition will be on the fiscal situation with a projected financing gap of 25% of GDP by 2021/22. Even assuming ambitious targets for robust growth in domestic revenue are met (with a projected rise from 10% of GDP to more than 17% of GDP a decade from now), there will be an unmanageable fiscal gap. This gap arises primarily as a result of operations and maintenance (O&M) spending and the wage bill for security that together will be 17.5% of GDP by 2021. The civilian wage bill will increase to 9%, the non-security operation and maintenance (O&M) expenditure to 4%, other operating spending to 2.5%, and the core development budget to 10% of GDP.

Every South Asian economy except Afghanistan’s grew faster in 2014 than in 2013. Afghanistan’s real growth in gross domestic product (GDP), excluding opium, slowed significantly, from 3.7% in 2013 to a World Bank estimated 2% in 2014 due to increasing political and security uncertainties. This has led to a slump in investor and consumer confidence in non-agricultural sectors, which the World Bank expects to continue through 2015. With agricultural output expected to contract this year, the World Bank estimates 2.5% growth in 2015, based on “highly fluid” projections.

Afghan growth prospects, according to the Asian Development Bank (ADB), depend on the stability of the political, security, and business environments. The Department of Defense (DOD) reported that the Afghan economy cannot grow quickly enough to cover its security costs.

Taking a best case scenario, DOD wrote that even if 2018–2020 growth averaged 9% (the 2003–2012 average) and all the gains went to fund Afghanistan’s Ministries of Defense and Interior, it would only cover 20% of total security costs at current force levels. Therefore, the government will need to reduce security costs in order to ensure economic sustainability.

DOD said many security-related resources are wasted due to “lack of control mechanisms in business processes, massive corruption, and lack of long-term partnerships with the private sector.”

The World Bank said the most important perceived constraint for private investment in Afghanistan is lack of security, which directly impacts growth and poverty by damaging human capital, constraining productive economic activities, increasing social unrest, promoting unequal access to basic services, and increasing political instability.

Indicative of the risky market conditions and political developments in Afghanistan, private investment declined in 2014. New-firm registrations were down 26% across all economic sectors, following a 36% drop in 2013, according to the World Bank.

Continued insecurity, instability, and systemic corruption will further negatively affect private investment and dampen growth.

Consumer price inflation, for both food and non food items, dropped to 4.6% in 2014 compared to 7.4% in 2013, mostly due to strong domestic agricultural production and lower global food prices, as well as declining housing, internet, and oil prices.
World Bank: Afghanistan’s Economic growth and Human Development Indicators

Economy: The political and security transition continues to take a heavy toll on Afghanistan’s economy. Economic growth is estimated to have fallen further to 2 percent in 2014 from 3.7 percent in 2013 and an average of 9 percent during 2003-12. Political uncertainty combined with weak reform progress dealt a further blow in 2014 to investor and consumer confidence, already in a slump from uncertainty building since 2013. The economy also faces headwinds from the drawdown in aid, affecting growth in non-agricultural sectors (manufacturing, construction, and services). The agricultural harvest in 2014 was strong for the third year in a row, but was up only marginally from the bumper year of 2012. Agriculture benefited from robust cereals production thanks both to well distributed, timely rainfall and an increase in irrigated area for wheat cultivation. The growth outlook for 2015 remains weak.

Afghanistan’s fiscal situation is precarious. Domestic revenues fell from a peak of 11.6 percent of GDP in 2011 to 8.4 percent in 2014, because of the economic slowdown and weaknesses in tax and customs enforcement. The decline in revenue collection took place across all sources, including tax revenues, customs duties, and non-tax revenues. As a result, in spite of measures to restrain expenditures, the authorities faced a financing shortfall in excess of $500 million in 2014, managed by drawing down cash reserves, accumulating arrears, and exceptional donor assistance. The authorities curtailed civilian operations and maintenance (O&M) and discretionary development expenditures, although overall expenditures increased in 2014 because of higher security and mandated social benefit spending. Restoring fiscal stability will require accelerating revenue enhancing reforms, additional discretionary assistance, and prioritizing expenditures. The government began 2015 with a weak cash reserve position and significant arrears (around $200 million). Afghanistan thus faces a financing gap in 2015 that could be as large as last year, against the backdrop of a weaker cash position. In response to these challenges, the Government agreed to introduce a set of revenue-enhancing measures and further consolidate expenditure within the framework of an IMF-Staff Monitored Program (SMP). However, there are a number of downside risks that could undermine the impact of these measures such as the weak economic outlook or a deteriorating security environment.

Education: In 2001, after the fall of the Taliban, net enrollment was estimated at 43 percent for boys and a dismal 3 percent for girls. Moreover, there were only about 21,000 teachers (largely under-educated) for a school-age population estimated at more than 5 million — or about 240 students for every marginally trained teacher. Since 2002, school enrollment has increased from 1 million to 8.2 million; girls’ enrollment increased from 191,000 to more than 3.75 million. Majority of the teacher force—195,000—have received teacher training either through Teacher Training Centers or In-service Teacher Training. Efforts are ongoing to continuously upgrade teacher qualifications and overall access to equitable and quality education in Afghanistan. In the same period, the number of teachers had grown from 20,000 to more than 187,000.

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Over the past decade, Afghanistan has made enormous progress in reconstruction, development, and lifting per capita income. The authorities have taken steps to lay the foundation for economic stability and growth, to reduce poverty, and to achieve social and development objectives despite a very difficult security situation and the challenges associated with building political and economic institutions. However, security conditions, political uncertainty, and weak institutions continue to constrain growth and weigh on social outcomes. The international community has delivered substantial financial support and pledged to continue doing so over the medium term.

Afghanistan is one of the poorest countries in the world and relies heavily on donor grants to fund development and security spending. Per capita income for 2014 is estimated at about US$660, and the country ranks well below its neighbors on most human development indicators despite its progress toward meeting its social and development objectives and the Millennium Development Goals. For example, child mortality has been reduced and school enrollment increased, albeit from very low levels—the enrollment rate for primary school is less than 40 percent.

At the same time, achievements in some areas are below expectations: more progress is needed in reducing the number of children under the age of five that are underweight; in increasing access to potable water and sanitation; and improving literacy rates for men and women aged 15 to 24. Overall, the low implementation rate of the development budget impedes more rapid progress toward poverty reduction. Despite these drawbacks, Afghanistan became one of 20 fragile and conflict-affected states that have already met one or more the Millennium Development Goals (MDGs).

...Afghanistan has completed the first-ever democratic transfer of power in the country’s history in September 2014, with the conclusion of protracted presidential elections and establishment of the unity government. This peaceful transfer of power raised hopes and signaled Afghan people’s desire for change. Moreover, international community and key donors reaffirmed their partnership and commitment to Afghanistan’s future in the London Conference in December 2014. They welcomed the new government’s commitment to macroeconomic stability and reforms that will promote sustainable and inclusive growth.

Political and security uncertainties associated with presidential elections and the drawdown of international troops weighed on economic performance in 2014. They weakened confidence and growth declined to 1.5 percent in 2014. Inflation declined to 1.4 percent year-on-year in December 2014 due to lower international food prices and weak domestic demand. International reserves and the exchange rate remained broadly stable while the external current account and budget were financed by donor grants.
Fiscal and banking sector vulnerabilities emerged in 2014. Weak growth, declining imports, and lower tax compliance resulted in a decline in domestic revenue collection, while higher social and development expenditures added to spending. As a result, the treasury’s cash position was depleted and arrears were incurred. A deterioration in the banking sector’s asset quality exposed vulnerabilities and weaknesses, with eight of 16 banks rated as weak (reflected in CAMEL ratings of 4 or 5).

The new government is resolved to address economic vulnerabilities and push ahead with critical reforms in financial sector and revenue mobilization as well as improving governance. IMF staff had productive discussions with the new government on their policy framework and reform plans. These discussions culminated in announcement of a staff-level agreement on a nine-month Staff Monitored Program (SMP) on March 20, 2015.

The SMP is designed to support the authorities’ reform agenda with a framework to address economic vulnerabilities and facilitate engagement with the international community to sustain donor support. The SMP will aim to address fiscal and banking vulnerabilities and preserve buffers (low debt and a comfortable international reserves position), maintain low inflation and strengthen competitiveness and therefore laying the basis for high growth.

Under the SMP, fiscal policy will focus on mobilizing domestic revenue to finance projected expenditure and rebuild the treasury’s cash balance. Monetary policy will aim to preserve low inflation, and exchange rate policy will protect international reserves and strengthen competitiveness. Structural reforms will focus on:

(i) revenue mobilization, expenditure control and repayment of arrears;

(ii) financial sector reform to deal with weak banks, promulgate and implement the new banking law, amend the central bank law, strengthen banking supervision, and address weaknesses in state banks; and

(iii) better economic governance by strengthening anti-corruption, anti-money laundering and countering the financing of terrorism.

Substantial grant financing from donors will be needed over the medium term to finance Afghanistan’s development and security needs, support the move toward fiscal sustainability, and enhance confidence in the Afghan economy.
IMF Estimate of Imports vs. Exports
Challenge of Post Transition Trade Balance

World Bank Trend Graph
CIA reports $6.39 billion in imports in 2012 versus $376 million in exports (17:1)

Pakistan 32.2%, India 27%, Tajikistan 8.5%, US 6.2% (2012)

Afghanistan’s Imbalance of Trade

In its latest analysis, the World Bank found that Afghanistan’s trade deficit narrowed in 2014—to $8 billion (38% of GDP) compared to $8.3 billion (41.9%) in 2013. The decline of official imports was 19.5% higher than in 2013, due mostly to higher agricultural output that boosted exports of dried and fresh fruits.

While the World Bank said lower consumer and business confidence led to 20% lower demand for imports, it also estimates that most of the decline of official imports is probably due to poor recording and increased smuggling since 15–20% of all Afghan trade is thought to be unrecorded and smuggled. Despite the trade deficit’s narrowing, it remains large and is fully financed by donor assistance.

Although Afghanistan routinely sustains a large trade deficit, donor aid helped the country maintain an estimated current account balance of 5.7% of GDP in 2014.

Without it, the IMF estimates Afghanistan would have a current-account deficit equivalent to 36% of its GDP—about $7.3 billion—similar to those of Mozambique (-35%) and Liberia (-32%).

During 2012–2014, Afghanistan exported around $3.3–4 billion worth of goods and services annually, not including illicit narcotics, according to IMF estimates.

The World Bank said Afghanistan exports only a small number of products and has few trade partners, making it highly dependent on a few commodities for earnings, and consequently more vulnerable to unstable prices and trade shocks.

The IMF estimated Afghanistan’s 2014 imports at more than $10.6 billion of goods and services, with more than $8 billion paid for by official donor grants. Treasury has informally projected Afghanistan’s real import capacity, without a significant foreign presence driving demand, at less than $2 billion annually, excluding illicit narcotics revenues.

Source: SIGAR, Quarterly Report to Congress, July 30, 2015, pp. 168-169
Economic Stability and Development Challenges
This year the majority (57.5%) of Afghans say they believe their country is moving in the wrong direction.

When asked about the reasons for their pessimism, the second most common response (after insecurity) is unemployment (25.4%). Other economic reasons for pessimism include a bad economy (12.4%) and high prices (3.4%).

The survey has found that economic issues are cross-cutting. Afghans often cite economic concerns when asked about a range of topics, including the problems in their local area, problems facing youth and women, problems facing Afghanistan as a whole, and even perceived causes of crime.

Among Afghans who say that the nation is moving in the right direction, 43.1% cite positive reasons related to the economy, particularly reconstruction and rebuilding (31.8%) and economic revival (7.9%).

Construction of roads and public infrastructure has been driven by foreign aid. In urban areas, the housing market has grown rapidly from a rise in Afghan private sector investment.

When asked about their reasons for optimism about the direction of the country, notably few Afghans cite reasons of more job opportunities (2.4%), low prices (0.9%), or more factories (0.2%).

Poverty by Region: Declining Perception of Indicators

AVERAGE MONTHLY INCOME

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Monthly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central / Kabul</td>
<td>251</td>
</tr>
<tr>
<td>East</td>
<td>194</td>
</tr>
<tr>
<td>South East</td>
<td>150</td>
</tr>
<tr>
<td>South West</td>
<td>194</td>
</tr>
<tr>
<td>West</td>
<td>117</td>
</tr>
<tr>
<td>North East</td>
<td>130</td>
</tr>
<tr>
<td>Central / Hazarajat</td>
<td>91</td>
</tr>
<tr>
<td>North West</td>
<td>142</td>
</tr>
</tbody>
</table>

ECONOMIC INDICATORS: BETTER HOUSEHOLD SITUATION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2007-2012 (Average)</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Well-Being</td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td>Job Opportunities</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Availability of Products in Market</td>
<td>25</td>
<td>11</td>
</tr>
</tbody>
</table>

Declining Perception of Development

Nine Major Challenges that are not War Related

- Past reporting on GDP growth has been dishonest in that it took figures shaped by the agriculture sector, and gains determined by peak rainfall, and implied these were the result of development and aid.
- Transition and cuts in military and aid spending may have a critical impact on both the service and industries sector during transition. The lack of a comparable estimate of the impact of the narcotics sector is analytically absurd.
- In spite of these problems, there seems to have been real progress in human development in spite of gross exaggeration of improvement in medical services, and in students actually in school versus expected years of schooling.
- This still, however, has left Afghanistan far behind other poor Asian state like Bangladesh and Nepal.
- Transition will make the major barriers to doing business in Afghanistan – which ranks only 164th out of 189 countries – far more serious.
- There are no credible estimates of just how dependent Afghanistan has been on outside military spending and aid, but the World Bank and CIA warn that Afghan imports were 17 times its exports in 2012.
Formidable Development Challenges

Poverty and Demography

- Poverty high and persistent (36% of population in 2012)
- About 400,000 new entrants into labor force each year
- Low human development, despite decade of progress

Aid Dependence

- Economic activity, service delivery, security highly reliant on aid

Security and Fragility

- Undermine progress toward job creation and self-reliance
- Continued progress on service delivery critical for social cohesion

Corruption and Governance

- Progress in fighting corruption and building institutions critical
Possible Options; Key Issues for Attention

Restore fiscal stability by creating fiscal space

• Improve revenues, secure additional on-budget assistance, prioritize expenditures to safeguard progress on development outcomes
• Fiscal space even more important with revenues lower than previously projected
• Security spending pressures may require rethinking financing options

Restore confidence and create private sector jobs

• Investor confidence down; jobs needed for 400,000 new workers per year; poverty high and persistent at 36% and 50% considered vulnerable

Strengthen social cohesion and service delivery

• Fragility and conflict remain pervasive; women’s labor force participation, literacy, infant mortality remain lacking despite improvements of the past decade

Corruption and Governance

• Fighting corruption and strengthening governance critical across the board

Tokyo Conference and Development Challenges: The Financing Gap

- **Persistent financing gap:**
  Aid will decline as share of GDP, but a persistent financing gap will remain through 2025 (with considerable needs for security, O&M, and improving low levels of development)

- **Economic Growth:**
  Projected at 5 percent per year given smooth political and security transition

- **International community:**
  Recognized need for more on-budget assistance to mitigate impact of declining aid

- **Government:**
  Recognized need to improve revenues, prioritize spending, and strengthen absorptive capacity and PFM systems

---

While initial progress in producing development outcomes was very encouraging in the immediate post-Taliban era, recent trends point to rising insecurity, deteriorating governance, a stagnant poverty rate, and mounting challenges to employment:

- **The security situation deteriorated after 2009** and the level of violence remains high. Annually, between 2,000 and 3,000 civilians are harmed or killed in violent incidences related to the ongoing insurgency.

- **Economic growth has not been pro-poor.** Poverty levels are high, with 36 percent of the population living below the national poverty line in 2011/12 and more than 50 percent vulnerable to becoming poor. Recent data suggests that overall poverty levels have not declined between 2007 and 2011, despite rapid growth in this period. At the same time, inequality measured by the Gini coefficient appears to have increased somewhat.

- **Unemployment is relatively low,** at 8.2 percent in 2011/12 but underemployment is a serious issue, with 16.8 percent of the employed population working less than 40 hours per week. At the same time, labor participation is low, at 60 percent, due mainly to a very low participation of women in the labor market.

- **The governance deficit relative to other low-income countries is still very large.** Reforms in areas that could have improved rule of law and control of corruption have been very slow. Corruption is pervasive and widespread. In 2012 Transparency International ranked Afghanistan 174th out of 176 countries, joint last with North Korea and Somalia. But most concerning is that the governance situation appears to have regressed, especially in areas such as control of corruption, rule of law and political stability.

- **In addition, the country is facing huge demographic challenges.** The Afghan labor market is characterized by a young and fast-growing workforce. Decades of conflict, international migration and staggeringly high fertility rates make Afghanistan – together with Pakistan and Nepal – one of the youngest countries in South Asia. 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. These trends pose significant risks to social cohesion in a situation that is already characterized by strong political, regional, and ethnic tensions.
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: CSO
World Bank Estimate of Afghan GDP Growth 2010-2016
(In Constant $US 2010 Dollars)

Status in 2013
- GDP = $20.5 billion
- Population = 29.82 million
- GDI per capita = $680
- Poverty % of Population = 36%
- Life expectancy = 61 years
- Improved water = 61%

Country: Afghanistan
Created from: Global Economic Prospects
Created on: 05/05/2014
World Bank Estimate of Afghan GDP Growth 2004-2013
(Annual % Growth in Constant $US 2010 Dollars)
World Bank Estimate of GDP Growth in Comparison with Rest of South Asia

PRT/DST Impact
Map of regional commands and PRTs in Afghanistan

Source: Special Inspector General for Afghanistan Reconstruction, "U.S. Civilian Uplift is Progressing but Some Key Issues Merit Further Examination as Implementation Continues" (2010), figure 2.
### Reported achievements and challenges of civilian representatives
aligned against their 7 objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indications of achievement</th>
<th>Complications to achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve security</td>
<td>• Shaped some military operations.</td>
<td>• Struggled to pursue civilian objectives independently of military objectives.</td>
</tr>
<tr>
<td></td>
<td>• Assisted military spending of the Commander’s Emergency Response Program.</td>
<td>• Relyed on military commander for resources.</td>
</tr>
<tr>
<td></td>
<td>• Provided some oversight to military-funded projects, as possible.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Communicated and advocated for Afghan concerns during U.S. military planning.</td>
<td></td>
</tr>
<tr>
<td>Implement reconstruction</td>
<td>• Improved some Afghan quality-of-life indicators, such as education and health.</td>
<td>• Had few resources—financial or personnel—to oversee projects.</td>
</tr>
<tr>
<td></td>
<td>• Provided short-term political and security support through quick-impact projects.</td>
<td>• Inconsistently focused on sustainability of projects.</td>
</tr>
<tr>
<td></td>
<td>• Projects and programs sometimes used as access to powerful Afghans; projects enabled civilian representatives to have a role in dispute resolution.</td>
<td>• Contributed to increased Afghan desire for more long-term, large infrastructure.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Focused security-linked projects on insecure areas at the expense of secure areas.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Long-term development now minimal.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Faced funding requirements that created disincentives to development and fueled corrupt practices among Afghans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Unable to develop effective alternative to services provided by the Taliban, notably justice and courts.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provided skills training to Afghan counterparts that often went underused.</td>
</tr>
<tr>
<td>Objective</td>
<td>Indications of achievement</td>
<td>Complications to achievement</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Professionalize government</td>
<td>• Communicated military actions and priorities to Afghans.</td>
<td>• Faced time constraints so that time spent advising Afghans reduced time spent advising military; objectives conflicted.</td>
</tr>
<tr>
<td></td>
<td>• Built trusted relationships with Afghans, often due to specific skills or traits of the representative.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Provided disincentive for bad behavior and mitigated overt corruption.</td>
<td>• Faced too few resources and were spread too thin to build system of governance; minimal contact with civilian representatives in ministries or U.S. Embassy.</td>
</tr>
<tr>
<td></td>
<td>• Began localized reconciliation programs to address fundamental political grievances.</td>
<td>• Faced unclear policy on support to formal government—Afghan governor—and informal local officials—shuras.</td>
</tr>
<tr>
<td></td>
<td>• Built some government capacity, primarily with existing technocrats.</td>
<td>• Unable to adjust the Afghan power dynamics often relied on by nontechnocrats.</td>
</tr>
<tr>
<td>Build trust among and with Afghans</td>
<td>• Promoted Afghan government publicly to Afghan constituents.</td>
<td>• Had limited time, incentives, or resources to address micro-conflicts or to disaggregate them from the larger counterinsurgency.</td>
</tr>
<tr>
<td></td>
<td>• Urged Afghan leaders to pursue U.S. objectives, often military.</td>
<td></td>
</tr>
<tr>
<td>Promote democratic principles</td>
<td>• Supported elections, the results of which Afghans generally accepted.</td>
<td>• Raised expectations from Afghan constituents for Afghan government capability. Afghans disillusioned with government unable to deliver like the United States did.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Discredited by some Afghan constituents solely due to alignment with Afghan officials.</td>
</tr>
<tr>
<td>Provide oversight, intelligence, and reporting</td>
<td>• Increasingly developed civilian-military campaign plans.</td>
<td>• Alienated some conservative Afghans with democracy promotion programs, such as women promotion programs.</td>
</tr>
<tr>
<td></td>
<td>• Reported weekly through U.S. government.</td>
<td></td>
</tr>
<tr>
<td>Demonstrate commitment to the Afghan government and buy political time</td>
<td>• Galvanized international partners to increase civilian representatives and civilian programs in Afghanistan.</td>
<td>• Struggled with few resources to develop metrics and measurements or to gather data.</td>
</tr>
<tr>
<td></td>
<td>• In the United States, demonstrated civilian agencies’ commitment to national security objectives.</td>
<td>• Received minimal guidance or policy feedback from embassy or Washington agencies.</td>
</tr>
</tbody>
</table>

Source: Aggregated responses from authors’ survey and interviews with civilian representatives and Afghan officials, May to September 2015.
Mixed results of civilian representatives

"Do you believe that the Provincial Reconstruction Teams' increased service delivery in the province/district fulfilled this goal of increasing stability and reducing the insurgency's strength?"

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>53%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Number of responses: 20 18

Short-term gains were temporary

"Please rate the effect of PRT project implementation on the coordination among Afghan groups (tribes, communities, line ministries, genders)."

| "Improved and was sustained" | Number of responses | 14 |
| "Improved and was temporary" | 50% | 21 |
| "Did not improve" | 12% | 5 |
| "No coordination occurred" | 5% | 2 |

Afghans may have had heightened expectations due to civilian representatives

Perception among U.S. civilian representatives

"At the end of your tour, did you believe Afghans had an increased demand for service delivery based on PRT/DST projects/programs?"

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>79%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Number of responses: 34 9

Sustainability was lacking

"Do you believe that the PRTs/DSTs sustanably increased service delivery in the province/district after your tour?"

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Number of responses: 8 33

The Taliban provided a justice system, but little else

"Did the Taliban or other anti-government elements provide service delivery to Afghans in your province or district?"

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Number of responses: 32 16
Poverty Challenge
Poverty vs. Economic Pressure

- Poverty data are national, dated, based on extremely uncertain inputs, and often do not reflect real-world levels of poverty and economic stress.
- No data to help locate key districts under stress.
- Acute pressure to leave for cities creates urban slums and pockets of poverty for which no clear data exist.
- Data are not precise but population pressure clearly increasing work force faster than real jobs are being created; major impact on disguised unemployment -- particularly for younger Afghans.
- No meaningful data on income distribution, but corruption, power brokering, misuse of aid have created acute problems, visible signs of elite benefiting at people’s expense.
- Lack of security, narco-trafficking, power brokers all add to economic stress.
- Little security for educated, technically competent. Strong reasons to become corrupt or leave.
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 subsistence 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.

The report identifies 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.
World Bank: Limited Growth in GDP per Capita and Personal Consumption
World Bank Estimate of Worsening Afghan Poverty Trends

The national poverty rate in Afghanistan was around 36 percent in 2011-12, the same level measured in 2007-08...

Furthermore, the results showed that inequality edged up. In particular, the Gini coefficient increased to 31.6 in 2011-12 from 29.7 in 2007-08, while the growth rate of per capita expenditure of the richest 20 percent of the population was three times as high as that of the poorest 20 percent...

...In addition, the bottom forty percent of the population commands only 21 percent of total consumption and more than 50 percent of the population is still vulnerable to becoming poor.

...A number of factors could be contributing to the measured trends. First, the volatility of agricultural production would affect measured poverty trends since agriculture accounts for more than half of employment. It is worth noting that 2010 and 2011, the two years preceding the 2011-12 survey, both featured negative growth in the agricultural sector. Second, pervasive underemployment likely affects the poverty impact of growth. Afghanistan faces a daunting demographic challenge, with around 400,000 new entrants into the labor force expected in the next few years.

...Finally, the high dependency ratio, low levels of female labor force participation, and low labor productivity all contribute to shaping Afghanistan’s poverty profile. High economic dependency due to demographic pressure is further aggravated by extremely low levels of female labor force participation (19 percent) and the overwhelming prevalence of vulnerable forms of employment in informal and low productivity jobs (81 percent).
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)

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).

... 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 disproportionally 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.
Notwithstanding agriculture’s importance to the economy, Afghanistan is not able to fully meet its food needs. Before the conflicts, Afghanistan was self-sufficient in cereals – and in some years was able even to be a small exporter. Today, however, and despite the large area devoted to cultivation of the primary staple (wheat), Afghanistan remains a highly food-insecure country (Table 1.3). High year-to-year fluctuations in domestic cereal production make the country dependent on food imports and have exposed the economy to external food-price shocks. For example, wheat demand in 2011 stood at 4.69 million tons, while national production was only 3.46 million tons, leaving a food deficit of more than 1.20 million tons. Adding to this a seed demand of 626,000 tons, the overall wheat deficit in 2011 was nearly 1.86 million tons.

### Cereal Production in Afghanistan (thousands of tons)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tr>
<td>Total wheat production</td>
<td>4,343</td>
<td>2,767</td>
<td>5,064</td>
<td>4,532</td>
<td>3,456</td>
<td>5,008</td>
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<tr>
<td>Estimated wheat demand</td>
<td>4,330</td>
<td>4,416</td>
<td>4,505</td>
<td>4,595</td>
<td>4,687</td>
<td>4,362</td>
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<tr>
<td>Seed demand and losses</td>
<td>734</td>
<td>677</td>
<td>806</td>
<td>753</td>
<td>626</td>
<td>1,067</td>
</tr>
<tr>
<td>Surplus/shortfall</td>
<td>-721</td>
<td>-2,326</td>
<td>-247</td>
<td>-816</td>
<td>-1,857</td>
<td>-422</td>
</tr>
</tbody>
</table>

*Sources: World Food Program (2012); Agriculture Commodity Price Bulletin (year 8, vol. 7), and Agriculture Prospects Report, July 2012*
Business, Investment, Mining, and LoC Challenges
Growth and Development Challenges

• Massive current dependence on outside war spending and aid

• “New Silk Road” is dead, and “Ring Road” is uncertain; mineral wealth is no miracle solution to economic challenges. Very little real growth other than aid and military spending driven – cyclical impact of rainfall.

• Still at war and highly aid dependent.

• Unclear who will plan and manage aid and revenues in government. No clear structure for managing aid, revenue flows, outside plans and focus.

• The goal of 50% Afghan control ignores the roll back of aid/NGO presence; government ability to use and manage is insufficient.

• Failure of UNAMA, uncertain role of World Bank and outside help in development planning, post-Transition economic stability.

• Key problems in transport, agriculture, power sector. Rising poverty, acute population pressure, uncertain employment level

• Service sector was dependent on flow of outside money. may leave, export capital, collapse.

• Major barriers to private development

• At least some risk of major recession and collapse of the market-driven sector.
Afghanistan’s economy remains largely agrarian. Manufacturing contributed very little to economic growth over the past decade with the economy dependent primarily on agricultural output. The service sector is relatively unsophisticated and mainly informal.

Structural changes observed over the past ten years have come from reconstruction and recovery activities financed predominantly by donors.

Private-sector investment, hampered by persistent and increasing violence, has been very small. Growth over the past decade was driven mainly by demand from public sector activities.

There have been some important achievements. However, development challenges are still very large. In spite of strong economic growth, poverty remains pervasive and has not decreased in the past five years.

With 400,000-500,000 young people entering the labor market annually, Afghanistan faces an unprecedented demographic challenge. Without drastic changes in the country’s security situation to enable greater private investment, labor market pressures will continue to rise, and in turn increase the risk of conflict and violence.

Enhancing the impact of growth on poverty and shared prosperity in the post-transition period will require steps to ensure that growth is strong and steady, accompanied by greater job creation.
### World Bank: Afghanistan’s Near Bottom Ease of Doing Business

<table>
<thead>
<tr>
<th>REGION</th>
<th>South Asia</th>
<th>DOING BUSINESS 2015 RANK</th>
<th>183</th>
<th>DOING BUSINESS 2014 RANK***</th>
<th>182</th>
<th>CHANGE IN RANK</th>
<th>▼ -1</th>
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<tr>
<td>INCOME CATEGORY</td>
<td>Low income</td>
<td>DOING BUSINESS 2015 DTF** (% POINTS)</td>
<td>41.16</td>
<td>DOING BUSINESS 2014 DTF** (% POINTS)</td>
<td>41.21</td>
<td>CHANGE IN DTF** (% POINTS)</td>
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<td>POPULATION</td>
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<td>CITY COVERED</td>
<td>Kabul</td>
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<tr>
<td>GNI PER CAPITA (US$)</td>
<td>700</td>
<td></td>
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</tbody>
</table>

#### Rankings

<table>
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<tr>
<th>TOPICS</th>
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<th>DB 2014 Rank</th>
<th>Change in Rank</th>
</tr>
</thead>
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<tr>
<td>Starting a Business</td>
<td>24</td>
<td>17</td>
<td>▼ -7</td>
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<tr>
<td>Dealing with Construction Permits</td>
<td>185</td>
<td>182</td>
<td>▼ -3</td>
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<tr>
<td>Getting Electricity</td>
<td>141</td>
<td>146</td>
<td>▼ 5</td>
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<tr>
<td>Registering Property</td>
<td>183</td>
<td>182</td>
<td>▼ -1</td>
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<tr>
<td>Getting Credit</td>
<td>89</td>
<td>86</td>
<td>▼ -3</td>
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<tr>
<td>Protecting Minority Investors</td>
<td>189</td>
<td>189</td>
<td>No change</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>79</td>
<td>75</td>
<td>▼ -4</td>
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<tr>
<td>Trading Across Borders</td>
<td>184</td>
<td>183</td>
<td>▼ -1</td>
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<tr>
<td>Enforcing Contracts</td>
<td>183</td>
<td>183</td>
<td>No change</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>159</td>
<td>158</td>
<td>▼ -1</td>
</tr>
</tbody>
</table>

✓ = Doing Business reform making it easier to do business. ▼ = Change making it more difficult to do business.

IMF Estimate of Business Problems

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

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.
Going Forward: Restore Confidence and Creating Private Sector Jobs

Restore fiscal stability through improved revenues, securing adequate on-budget grant assistance, and prioritizing spending

Restore investor confidence and create private sector jobs by addressing financial sector, land, and business climate impediments and by unlocking the potential of agriculture, services, and extractive industries

Strengthen social cohesion and service delivery by promoting social inclusion, targeted rural and urban programs, and improving efficiency of service delivery

Prioritize regional integration to establish Afghanistan’s role as a regional economic partner in trade and transit, energy and water, and labor migration

High level commitment to tackle corruption, strengthen governance, and safeguard public financial management is critical across the board
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High level commitment to tackle corruption, strengthen governance, and safeguard public financial management is critical across the board.
World Bank: Natural Resource Development – a Double-Edged Sword

...considering the current level of violence and political developments, it is likely that it will take many years to fully restore peace and stability even in the best-case scenario. Any growth-enhancing policies therefore need to be realistic and aim at supporting sectors and economic activities that show the best potential for conflict resilience and, in turn, provide the largest impetus for conflict reduction.

Agricultural development meets this requirement as it would directly improve income for the majority of households in Afghanistan. And as the large volatility in agriculture output demonstrates, the sector still has potential to grow even within the existing parameters of insecurity and violence. The large international interest and successful outcome of the recent tenders for the exploration and production in Amu Darya, Aynak, and Hajigak indicate a similar “conflict resilience” for extractive industries. However, international experience shows that not only does natural resource exploitation have limited job creation potential, but that it also carries large risks, especially for governance, social cohesion, and conflict. With the development of the extractive industries, Afghanistan is now adding another stress factor to its already-vulnerable country context. In fact there is ample empirical evidence that natural resource endowment can be detrimental to the development prospects of a country – even under more favorable circumstances than those found in Afghanistan.

The phenomenon of countries endowed with natural wealth producing low development outcomes is described as the “natural resource curse” which is usually a result of (i) a decline in the competitiveness of other economic sectors due to an appreciation of the real exchange rate as resource revenues enter an economy (the “Dutch disease” effect), (ii) volatility of revenues from the natural resource sector due to exposure to global commodity market swings, (iii) governmental mismanagement of resources, and/or (iv) weak institutions, rent-seeking behavior, and redistributive struggles.

Most critical for Afghanistan is the notion that natural resources can undermine governance and spur conflict by challenging livelihoods, threatening the environment, and raising disputes over rights to control the resources; feelings of relative deprivation arise from the distribution of revenues from resource exploitation or providing financing to insurgent groups. In this sense, the development of extractive industries poses a serious threat to Afghanistan’s weak governance environment.
Natural Resources in Afghanistan
Meaningful Mining Resources Can Only Come After Transition

SIGAR July 2014 Report to Congress

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 2022–2024.608 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.
So Much for the New Silk Road: A Collapsing Road System

SIGAR July 2014 Report to Congress

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.
“Layered Defense” – From “New Silk Road” to LOC Survival

Source: Google, Search “Map of Afghan Road System,” Accessed April 8, 2014
Critical Importance of Uncertain LoC Security and $7-9 Billion in Added Investment Funds
Narco-Economy Challenge
The Uncertain Realities of a Narco-Economy

- Lack of proper attention leads to widely different estimates of overall impact on economy.
- Limited analysis of actual economic impact. Generally excluded from development plans, overall assessment of agriculture and service sectors, and comparative economics of aid.
- US government literature sharply downplay political impact, effects on corruption and security services.
- Focuses on farm gate prices (4%+ of GDP) and not overall impact on economy once processed and/or begins transit to export markets (13%+ of GDP).
- Focus on eradication, seizures, and alternative crops although UNDOC reporting shows such programs have have a negligible effect on overall cultivation and production.
- No explicit analysis of impact on corrupt power brokers, and financing of Taliban and other threat elements.
- SIGAR raises critical questions about value of counterdrug aid effort.
- Do not examine problems of population pressure and low agricultural incomes on reasons for cultivation. CIA estimates Agriculture is a far lower percent of GDP than labor force: Distribution of GDP is: agriculture: 24.6%, industry: 21.8%, services: 53.5% and data exclude opium production (2012 est.) Distribution of labor force is agriculture: 78.6% industry, 5.7%, services: 15.7% (FY08/09 est.)
- Cannabis largely excluded from economic analysis.
Drugs in a Rural Economy

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).
Shifting Back Towards a Narco-Economy

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.
World Bank Estimate of Opium Economy

Opium Production in Afghanistan

In terms of production and share of GDP, opium’s importance has been declining since 2007, when it reached a record production of 8,200 tons. Nowadays, production is closer to 3,700 tons (UNODC, 2012), which amounts to 3.3 percent of GDP in farm-gate value, or 10 percent in export value – compared to 13 percent of GDP by farmgate value in 2007. However, measuring opium production as part of the national income is not straightforward. While the nominal difference between opium-GDP and non-opium-GDP is relatively small – an average of US$500 million each year – non-opium and opium GDP growth can differ by more than 5 percentage points in some years. However, average opium GDP growth has been only slightly higher than non-opium GDP growth: 9.4 percent compared to 9.2 percent, which suggests that between 2003 and 2012 opium has not been an important driver of economic growth.

That said, opium is still Afghanistan’s single most important cash crop and therefore has significant implications for income and consumption of rural, poor households. The average cash income of poppy-growing households is 52 percent higher than that of households that had never grown poppy. Poppy-growing households also tend to be farther away from markets. This, in turn, adds to the complexity of finding the right approach to reducing opium production, which ultimately hinges on the development of alternative and competitive agricultural supply chains.
Drug production and trafficking are macro-relevant in Afghanistan. Production includes opium, heroin, morphine, and cannabis. In 2013, the farm-gate value of potential opium production was estimated at 4 percent of GDP. The potential net value of opiates and the value of opiates potentially available for export were estimated at 15 percent and 14 percent of GDP, respectively.\textsuperscript{1} The combination of high opium prices and Afghanistan’s significant involvement in its cultivation exposes the country to risks of economic instability, as a number of factors could trigger a shock to production and prices which would transmit to the formal economy, including through farmers’ incomes. These include climate and water supply, eradication campaigns, external demand, change in policies (e.g., Taliban’s ban in 2000), border controls, and conflicts in neighboring countries.

There could be significant distorting effect of the drug industry on the formal economy.\textsuperscript{2} Resources devoted to drug cultivation and trafficking are diverted from other productive opportunities, decreasing activity in other sectors of the economy. It is also possible that spillovers from the drug sector may increase activity in other sectors.
IMF Estimate of Value of Opium vs. Other Exports
The Drug Outcome of the Surge: Change in Poppy Cultivation 2012-2013

SIGAR Estimate Total Area Under Poppy Cultivation: 2002-2013

[Nature of diagram with text explaining various factors affecting poppy cultivation]

Source: UNODC, Afghanistan Opium Survey 2013, December 2013

*The Food Zone Program was a concentrated alternative livelihood agricultural program implemented by the United States and the United Kingdom in coordination with Afghan provincial officials. The program cost $56 million and paired alternative crop development with intensive poppy eradication efforts.

**Provincial Reconstruction Teams (PRTs) are units consisting of military forces, diplomats, and economic development and reconstruction subject matter experts. PRTs are intended to improve stability in an area and build host nation legitimacy by providing security to citizens and delivering public services.
Main global trafficking flows of opiates

Sources: UNODC, responses to annual report questionnaire and individual drug seizure database.

At current levels, world heroin consumption (340 tons) and seizures represent an annual flow of 430-450 tons of heroin into the global heroin market. Of that total, opium from Myanmar and the Lao People’s Democratic Republic yields some 50 tons, while the rest, some 380 tons of heroin and morphine, is produced exclusively from Afghan opium. While approximately 5 tons are consumed and seized in Afghanistan, the remaining bulk of 375 tons is trafficked worldwide via routes flowing into and through the countries neighboring Afghanistan.

The Balkan and northern routes are the main heroin trafficking corridors linking Afghanistan to the huge markets of the Russian Federation and Western Europe. The Balkan route traverses the Islamic Republic of Iran (often via Pakistan), Turkey, Greece and Bulgaria across South-East Europe to the Western European market, with an annual market value of some $20 billion. The northern route runs mainly through Tajikistan and Kyrgyzstan (or Uzbekistan or Turkmenistan) to Kazakhstan and the Russian Federation. The size of that market is estimated to total $13 billion per year.
According to the limited information available, global prevalence of the use of opioids (0.7 per cent of the world’s adult population, or 32.4 million users) and the use of opiates (0.4 per cent, or 16.5 million users worldwide) has remained stable, whereas global opium poppy cultivation in 2014 reached the highest level since the late 1930s. This was mainly attributable to the fact that opium poppy cultivation reached historically high levels in the main country in which opium poppy is cultivated, Afghanistan, where potential production of opium also continued to increase.

Global opium production reached 7,554 tons in 2014, also the second highest level since the late 1930s, though global seizures of opium, heroin and illicit morphine decreased by 6.4 per cent from 2012 to 2013.
Afghan Opiate Flow to Europe, Russia, and Asia

Afghanistan has dominated the worldwide opium market for more than a decade. In 2009, the total quantity of opium produced in that country was 6,900 metric tons, accounting for 90 per cent of global supply. Afghan heroin feeds a global market worth some $55 billion annually, and most of the profits of the trade are made outside Afghanistan. Afghanistan and its neighbors are affected by trafficking as the drugs are moved to their key destination markets of Western Europe and the Russian Federation. About a third of the heroin produced in Afghanistan is transported to Europe via the Balkan route, while a quarter is trafficked north to Central Asia and the Russian Federation along the northern route.

Afghan heroin is also increasingly meeting a rapidly growing share of Asian demand. Approximately 15-20 metric tons are estimated to be trafficked to China, while a further 35 metric tons are trafficked to other South and South-East Asian countries. Some 35 metric tons are thought to be shipped to Africa, while the remainder supplies markets in other parts of Asia, North America and Oceania. Every year, approximately 375 tons of heroin flow from Afghanistan to the rest of the world and Southern Afghanistan acts as the primary heroin manufacture and export point towards Iran and Pakistan. Approximately 160 tons of heroin was trafficked through Pakistan in 2009, putting an estimated $650 million in the pockets of drug traffickers. 115 tons of heroin was estimated trafficked into Iran towards Turkey and Western Europe. The other path from Afghanistan is the northern route which carried an estimated 90 tons of heroin on different paths through the Central Asian States to the Russian Federation and beyond. Reports also indicate a growing importance of these northward trafficking routes for Afghan opiates flowing into China.

Besides opiates, reports show a growing prevalence of cannabis production in Central Asia. The hashish trade has grown in recent years, and total production today may rival that of Europe's traditional supplier, Morocco. All of Afghanistan's neighbors are reporting increases in cannabis seizures, and cannabis production has been reported in 20 of Afghanistan’s 33 provinces. With entrenched smuggling networks, widespread insecurity and a drug-based economy, Afghanistan is ideally placed to become a major player in the global hashish market.
The total area under opium poppy cultivation in Afghanistan was estimated to be 224,000 hectares (200,000-250,500) in 2014, which represents a 7% increase from 2013, which was a 36 percent increase over 2012.

In 2014, 98% of total opium cultivation in Afghanistan took place in the Southern, Eastern and Western regions of the country: in the Southern region, 67% was concentrated in Day Kundi, Hilmand, Kandahar, Uruzgan and Zabul provinces; in the Western region, 22% was concentrated in Badghis, Farah, Hirat and Nimroz provinces; in the Eastern region, 9% was concentrated in Nangarhar, Kunar, Laghman and Kapisa provinces. These are the most insecure provinces, with a security risk classified as “high” or “extreme” by the United Nations Department of Safety and Security (UNDSS), and they are mostly inaccessible to the United Nations and NGOs. Day Kundi is the only province in the South where security is generally good, with the exception of Kejran district.

Hilmand remained the country’s major opium-cultivating province (103,240 hectares), followed by Kandahar (33,713 hectares), Farah (27,513 hectares), Nangarhar (18,227 hectares), Nimroz (14,584 hectares), Uruzgan (9,277 hectares), Badghis (5,721 hectares), Badakhshan (4,204 hectares), Zabul (2,894 hectares), Laghman (901 hectares), Kunar (754 hectares), Hirat (738 hectares), Day Kundi (587 hectares), Ghor (493 hectares), Kapisa (472 hectares), Kabul (233 hectares) and Sari Pul (195 hectares).
In 2014, estimated potential opium production in Afghanistan amounted to 6,400 tons (5,100-7,800 tons), an increase of 17% from its 2013 level (5,500 tons). Average opium yield amounted to 28.7 kilograms per hectare in 2014, which was 9% more than in 2013 (26.3 kilograms per hectare).

The increase in production was mainly the result of an increase in opium cultivation and yield. The 27% increase in yield in the Southern region, in particular, caused an increase in overall production. However, as in the previous year, adverse weather conditions in parts of the Western and Southern regions affected poppy plants, thereby reducing the yield in comparison to the relatively unaffected 2011 yield (44.5 kilograms per hectare). In the Southern region, for example, the yield survey showed a reduction of more than 39% from its 2011 level.

The Southern region continued to produce the vast majority of opium in Afghanistan in 2014, representing 69% of national production. The Western region was the country’s second most important opium-producing region (16%). The rest of the country contributed 15% of total opium production.
Trends in Counternarcotics Activity: 2008-2014

INTERDICTION OPERATIONS, 2008–2014

DRUG SEIZURES, 2008–2014 (KILOGRAMS)

Note: Fiscal year.

Drug Eradication Has Had a Negligible and Dropping Impact: 1998-2014

Global potential opium production continued to increase in 2014, reaching 7,554 tons, its second-highest level since the late 1930s (see figure 40). Opium production in Afghanistan accounted for an estimated 85 per cent of that total (6,400 tons) and, at 410 tons of heroin of export purity, 77 per cent of global heroin production (estimated at 526 tons). The remaining 116 tons (heroin of unknown purity) were produced in the rest of the world, but because the conversion ratios were updated in 2014, potential heroin production in 2014 is not comparable with production in previous years.

...According to the limited information available, at 0.7 per cent and 0.4 per cent of the population aged 15-64 respectively, the global prevalence of use of opioids and opiates has remained stable, representing 32.4 and 16.5 million users. Due to a 7 per cent increase, from 209,000 ha in 2013 to 224,000 ha in 2014, opium cultivation in Afghanistan is now at its highest level since estimates became available, although the increase was actually greater from 2012 to 2013 (36 per cent). The 63 per cent reduction in poppy eradication in Afghanistan, from 7,348 ha in 2013 to 2,692 ha in 2014, may be a contributing factor.

Global potential opium production continued to increase in 2014, reaching 7,554 tons, its second-highest level since the late 1930s (see figure 40). The majority of the opium and illicit morphine seized in 2013 was concentrated around poppy cultivation areas in Afghanistan and its neighboring countries, while heroin seizures covered a wider area. Since 2002, Afghanistan, Iran (Islamic Republic of) and Pakistan have consistently accounted for more than 90 per cent of the global quantity of opium seized each year and this pattern continued in 2013 when, with a 13 per cent increase from the previous year, the Islamic Republic of Iran remained the country with the largest quantity of opium seized (436 tons). Globally, heroin seizures increased by 8 per cent from 2012 to 2013, whereas illicit morphine seizures decreased by 26 per cent. The largest drop in illicit morphine seizures was observed in Afghanistan, where they fell from 44 tons seized in 2012 to 24 tons in 2013.
As of September 30, 2015, the United States has provided $8.4 billion for counternarcotics efforts in Afghanistan since 2002... The U.S. track record in combating narcotics production in Afghanistan is not encouraging. U.S. spending on counternarcotics since 2002 already exceeds $8 billion, yet Afghanistan remains the world's leading producer of opium. Limiting opium cultivation and curtailing drug use are becoming even more formidable challenges with a rising number of heroin users in China increasing the demand for Afghan opium.

The United Nations Office on Drugs and Crime (UNODC) reported this quarter that opium production decreased 48% this year compared to last year. The drop would be significant, but UNODC cautions that its reporting methodology changed between 2014 and 2015, possibly “making the extent of changes appear greater than it actually was.” The 2014 opium production was estimated at 6,400 tons (14.1 million pounds); 2015 results are estimated at 3,300 tons (7.3 million pounds). Cultivation levels also decreased from 224,000 hectares in 2014 to 183,000 hectares in 2015, but the number of poppy-free provinces declined in 2015, with Balkh losing its status.

Despite the reduced opium production levels, cultivation remains significant and eradication levels have little impact on curtailing production or cultivation.

In cooperation with the University of Salzburg (Austria), UNODC has developed an environmental suitability model and a socioeconomic vulnerability model for opium cultivation. The former includes four variables: land use (land cover), water availability, climatic conditions and quality of soil. The socioeconomic vulnerability model considers nine indicators: governance (recognition of governor authority), stability (conflict incidents), location (peripheral versus central regions), accessibility (travel time to nearest city of more than 50,000 inhabitants), education (access to schools), awareness (of agricultural assistance and initiatives designed to convince farmers not to cultivate opium poppy), alternative (off-farm) employment opportunities, credit availability and poverty.

These models were applied to Afghanistan, where a comparison with the actual areas under opium poppy cultivation in 2014 showed that many of the hotspots for opium poppy cultivation were located in the areas identified as potentially high-risk areas in the resulting environmental and socioeconomic risk maps. At the same time, the results of the risk assessment identified a number of additional areas, particularly in the south-eastern and northern parts of the country, that are potentially vulnerable to large-scale opium cultivation but have so far not turned out to be significant opium-producing regions.

The risk maps also show that the risk factors behind opium cultivation vary from region to region, with the principal ones being environmental suitability, socioeconomic vulnerability, security/rule of law issues (as insecurity continues to be highly correlated with opium cultivation) and opium prices. For example, in selected areas of Badakhshan Province (north-eastern Afghanistan), the role played by environmental conditions, particularly climate, in deterring farmers from cultivating opium appears to have had more of an impact than the socioeconomic factors that can push farmers to cultivate opium. In selected areas of Nangarhar Province (southern Afghanistan), there was a comparatively low risk of opium cultivation resulting from socioeconomic vulnerability, yet there was still an increase in opium cultivation in 2014. This implies that other drivers play a role in opium cultivation, thus requiring more of a political response as opposed to purely development-related measures.

Although certain areas of the Provinces of Farah and Balkh (northern Afghanistan) have similar levels of risk of opium cultivation, despite great variations in their levels of socioeconomic vulnerability and environmental suitability, their respective outcomes in terms of opium cultivation are completely different: the area around Balkh is poppy-free, while Farah is one of Afghanistan’s main poppy-producing provinces.

Many factors influence the decision to cultivate illicit crops. Income generation, particularly differences in the income derived from licit and illicit crops, is just one element in a complex mix of monetary and non-monetary incentives, but it can explain some of the fluctuations in illicit cultivation.

In Afghanistan, for example, the ratio of income per hectare from opium cultivation to income per hectare from wheat cultivation, which can be interpreted as an indicator of the appeal of cultivating opium poppy, was close to 10:1 during the 2004-2007 period ($5,200 per ha under poppy cultivation versus $545 per ha under wheat cultivation in 2007). During that period, the area under poppy cultivation in Afghanistan increased by 47 per cent. By 2009, the ratio of income from opium cultivation to income from wheat cultivation per hectare had declined to 3:1 ($3,600 vs. $1,200); in parallel, the area under opium poppy cultivation in Afghanistan had fallen by 36 per cent between 2007 and 2009. In subsequent years, the ratio increased again to 4:1 ($3,800 vs. $1,000 in 2014), even reaching a proportion of 11:1 in 2011, prompting a strong increase in opium poppy cultivation. During the period 2009-2014 as a whole, the area under opium poppy cultivation rose by 82 per cent.

The importance of income generation is also reflected in the socioeconomic surveys conducted by UNODC in individual countries to identify the reasons why farmers cultivate illicit crops. The Afghanistan Opium Survey 2014, for example, revealed that the main reasons for cultivating opium were the high price of opium (44 percent of all responses), followed by the ability of opium poppy to reduce poverty, i.e. provide “basic food and shelter” (20 per cent), and to “improve living conditions” (13 per cent). There have been a few instances in which the income generated by alternative agricultural products (such as palm oil in the Andean countries; saffron and, in some years, black cumin, grapes, apricots, pomegranates and almonds in Afghanistan; and potatoes, red cabbage, tomatoes and Japanese apricots in Thailand) turned out to be higher than that from illicit crops, yet some farmers still opted for illicit cultivation.

Possible explanations provided by experts and in evaluation documents included the following: (a) farmers were not convinced that such price differentials would last for a prolonged period of time; (b) there were risk considerations in taking the licit harvest to traders in the next town (as opposed to traders coming to villages and purchasing illicit crops directly from the farmers); (c) farmers were forced by the insurgency to continue planting illicit crops; (d) the initial funds needed for the investment in licit crops were rather large and yielded returns only after a certain period of time; and (e) there was a lack of recognized land titles, which fostered a tendency towards farmers taking a short-term approach in their decision-making processes.
Things Did Improve in 2015?

AFGHANISTAN DRUG REPORT 2015: PRESS RELEASE

Kabul, 9 December 2015: "Successes and significant challenges in countering narcotics"

The Ministry of Counter Narcotics is pleased to announce the publication of the Afghanistan Drug Report (ADR) 2015. The report outlines substantial reductions in opium cultivation and production alongside incremental increases in total seizures as detailing drug use rates and treatment capacity in Afghanistan. It also maps alternative livelihood/development interventions and explores alternative development models in other countries. The report was completed with technical support from UNODC.

Key finding of the Report include the following:

• Poppy cultivation decreased by 19% from an estimate of 209,000 ha in 2014 to 183,000 ha in 2015 - this is the first year that the area under opium cultivation has decreased since 2009. Eradication increased by 29% whilst total opium production decreased by 48% in the last year to 3300 tonnes.

• Estimates show between 1.9 million to 2.4 million adult drug users which is equivalent to 12.6% of the adult population - more than double the global drug use rate of 5.2%. There are only 123 treatment centers in the country which is sufficient for treating 10.7% of the opium and heroin users.

• There was a welcomed increase in total drugs seized from 119,960 Kg in 2013/14 to 128,079 Kg in 2014/15. However, it is worth noting that this increase was mostly due to a 81% increase in hashish seizures whilst seizures of heroin, morphine and opium decreased by 32, 25, and 14 per cent respectively.

• The Afghanistan Drug Report makes use of the MCN Afghanistan Drug Reporting System, a central repository of narcotics-related data collected within the country that was launched in June of this year and serves as the location for all CN data in the country.

• The Alterative Development sections of the report were informed by discussions with counterparts from other countries including Colombia, Peru and Thailand on key success factors.

Key recommendations in this report include the need for better coordination between CN-focused agencies, mainstreaming of counter narcotics efforts in all development planning, the need for sustained support to enforcement agencies to carry out eradication, seizures and arrests of those involved in the illicit drug trade, increased provision of treatment facilities for drug dependents - especially in rural areas, the development of an Afghan-led National Drug Prevalence Survey and the need for strong political will, sufficient resources and coordination for the development, roll-out and monitoring evaluation of comprehensive Alternative Development interventions across the country.

It is our sincere wish that this report will inform policy making to ensure that counter-narcotics objectives remain a key element of national development planning and regional and international discourse and cooperation.

Things Did Improve in 2015 – Largely Because of Water Shortfalls

In 2015, estimated potential opium production in Afghanistan amounted to 3,300 tons (2,700-3,900 tons), a decrease of 48% from its 2014 level (6,400 tons). Average opium yield amounted to 18.3 kilograms per hectare, which was 36% less than in 2014 (28.7 kilograms per hectare).

Figure 2: Potential opium production in Afghanistan, 1994-2015 (Tons)

The low production is a result of a reduction in area under cultivation, but more importantly of a reduction in opium yield per hectare. Yield decreased in all main opium poppy cultivating regions. The strongest decrease occurred in the Southern region, where the average yield decreased by 45% from 29.5 kilograms per hectare in 2014 to 16.1 kilograms per hectare in 2015, followed by the Western region (-20%; from 20.4 in 2014 to 16.3 kilograms per hectare in 2015) and in the Eastern region (-8%; from 39.6 in 2014 to 36.5 kilograms per hectare in 2015).

The low yield in the Southern and Western regions had a strong impact on the decline in the national production. There have been no wide-spread reports of a disease affecting the quality of poppies. Reports from the field (Nimroz province) pointed towards a lack of water, which may have affected field quality and thus yields. This has been confirmed by satellite imagery and field photographs from the Western and Southern regions, which showed overall poor quality of the fields (low plant density).
Warfighting and Violence Challenge
Afghanistan is Still Very Much at War

- Taliban not popular, but with so many Afghan government challenges, people focus on survival.
- No evidence that the “surge” has defeated Taliban. Won’t know the balance of power until US and ISAF military are largely gone and a new government is in place – i.e., 2015 campaign season.
- Pakistan sanctuaries and ISI are still in place.
- US and allies rushing to meet 2014 deadline – about 2-4 years before ANSF is fully ready to assume all security responsibilities.
- ANSF is an awkward mix of army, national police, local police. Cutting force mix early is very dangerous.
- Money has been the most important single aspect of transition in past cases, keeping government forces active, supplied, sustained.
- Next most important is proving high-level enablers and training/advisory presence in the field. 9,500-13,500 seem minimal. Costs uncertain, but transition below $4 billion annually uncertain. May need $6-7 billion.
Key Developments: End 2015

- Taliban holds roughly 30 percent of districts across the nation, according to Western and Afghan officials.
- Taliban now holds more territory than in any year since 2001, when the puritanical Islamists were ousted from power after the 9/11 attacks.
- Top American and Afghan priority is preventing Helmand, largely secured by U.S. Marines and British forces in 2012, from again falling to the insurgency. Gen. John F. Campbell, the commander of U.S. and allied forces in Afghanistan, told his Afghan counterparts that he was as guilty as they were of “just putting our finger in the dike in Helmand.”
- As of last November, about 7,000 members of the Afghan security forces had been killed this year, with 12,000 injured, a 26 percent increase over the total number of dead and wounded in all of 2014.
- Number of ANSF killed increased 27%
- Attrition rates and Deserters soaring. injured Afghan soldiers say they are fighting a more sophisticated and well-armed insurgency than they have seen in years.
- U.S. Special Operations troops increasingly being deployed into harm’s way to assist their Afghan counterparts.

Resolute Support’s mission is train, advise and assist -- train, advise and assist for the Afghan ministries, so that's at the ministerial level, and then down to the Afghan national army corps. And so we do train, advise and assist in four out of their six corps.

And to explain that a little better, that's -- that's advising with contact roughly five times a week. That's what we call level one train, advise and assist. And again, we do that at four out of the six corps.

In the other two corps, and I'll explain more about this later, we do what we call expeditionary advising. So expeditionary advising is sending out teams that are based here in Kabul to connect with those two corps and conducted advising on-site for a period of days or a period of weeks.

Our assessment of their performance in 2015 is that they had mixed results. Whenever they conducted deliberate planned operations, they actually did fairly well. One of the important things is that they applied and learned lessons from one operation to the next. They got better. And the things that they struggled with in one operation, we saw improvements on in the next one, particularly in their ability to integrate their air and integrate their artillery.

Now, where they had trouble and they didn't do so well was in response to crisis situations. When they responded to a crisis, it took longer. It required more time to get forces in position, and then it required more time to stabilize the situation. They did get somewhat better at crisis response, but that remains one of their weaknesses and one of the areas they're going to have to continue to focus on into 2016.

The Taliban throughout 2015 did make some temporary gains. But what they were not able to do is they were not able to hold ground and they were not able to govern. And in almost every case, the Afghan security forces were able to retake the ground that the Taliban took, whether it was a roadway or a district center or key terrain. The Afghan security forces bounced back and retook that...And perhaps the best example of that is the fact that the Afghan security forces retook the city of Kunduz, which is a city of over 300,000 people, in just seven days.

...We have traditionally referred to the fighting season here in Afghanistan as starting in May and ending roughly in the November timeframe when the snow in the mountain passes makes it difficult to travel back and forth across the mountains. That's really an outdated term and it's outdated for a couple of reasons. One is that the -- the fighting really takes place year-round. And I'll point to the fact that the Afghan security forces didn't wait to the start of the declared fighting season to begin their operations. They started security operations in January of this year and have continued that
Excerpts from Briefing by Brigadier General Wilson Shoffner: January 19, 2016 - II

throughout the year... Looking at 2016, there are four fundamental things that the Afghan security forces have got to do to be effective.

The first is to implement a force readiness cycle, and the concept here is a three-phase cycle where the forces will go through a training phase where they're getting ready for combat operations, and then an operational phase where they're in the fight, and then they'll come out of that and they're go into a reset phase.

During the reset phase, soldiers will take leave, equipment will go into maintenance and the unit gets itself reset so that it can begin the cycle again, starting with that training phase.

The second is to reduce checkpoints. President Ghani has made this a major point of emphasis. They've got too many checkpoints and they've got too many of their forces strung out on checkpoints. There's an old military saying that “if you defend everywhere, you defend nowhere,” and this is particularly true in Afghanistan. If they have too many forces on checkpoints, then what they don't have is the ability to maneuver. What they don't have is the ability to respond to security crises when they arise. So what we need them to do is to reduce the number of checkpoints and move to strong points, which are well defended and which will provide them enough available combat power so that they can respond when needed.

They've also got to make some tough leadership choices. They've got some leaders that need to be replaced, they've got some leaders that are corrupt that need to go. The Afghan security forces are making these changes. They've made a lot of them in 2015. Those new leaders are going to need some time to get established, and they're going to need some time to form their units, but that's ongoing.

I can tell you that in the 215th Corps, the corps commander has been switched out, two of the brigade commanders in the 215th Corps have been changed out, as have several members, key members, of the staff. These are important changes, and those new leaders are still going through the process of establishing themselves. We're very, very impressed with the new 215th Corps Commander, General Moeen. He leads from the front, he is personally invested in turning around 215th Corps, and we are confident that if he has the support from the rest of the leaders in that formation, that he'll be able to do that.

Recruiting is another area of emphasis. Currently, the Afghan national army has a shortfall of about 25,000 overall. They've established the goal of closing that gap over the next six months, and that'll be a significant accomplishment, but something that's got to be done so that they have the combat power to continue into 2016.
On recruiting Afghan security forces in total, it -- the problem is primarily in the Afghan national Army. The Afghan national police are doing better at recruiting and the -- and the national police a little bit different than the army in terms of how they operate. In the Army, it's a national army. One of the challenges is that parts of the country aren't well represented in the army, and that's an issue that they got to -- they've got to address. They -- as I said, it's a six-month campaign to meet that shortfall.

Part of their challenge in manning is not just recruiting, but it's addressing the attrition issue. So the way to look at this is the holistic issue of properly manning the force, so if they can address the attrition issue, that's getting the leadership to make sure that soldiers are paid, that they're fed and that they get their proper leave and they're treated properly, that'll go a long way to retaining the soldiers that they have.

One of the things that they're struggling with is what we would call re-enlisting, and that is getting soldiers to recontract. Once they fix their challenges in re-contracting, that'll help significantly as well. So it's going to take a combined effort with the -- fixing the re-contracting, addressing attrition and recruiting as many as they can before the fighting season in 2016 starts to demand more and more of their forces.

Afghan security forces continue to build capacity. In fact, just last week, they had their first four A-29 Super Tucano close air support aircraft that arrived. This -- these are the first four of 20 that they'll have in the Afghan air force. This will be a significant increase in their capability to provide their own close air support. Those aircraft should start going into service roughly in the April timeframe.

...Afghan special forces are increasingly capable. Our assessment is that they're the best in the region and they continue to improve. A couple of notable achievements here recently. In the last 45 days, Afghan security forces conducted two raids at night using only Afghan forces and Afghan aircraft, and on two separate occasions raided Taliban prisons freeing Afghan security forces that had been held captive there, in some cases, for over two years.

...the problems in 215th Corps were several. They -- they had problems with equipment maintenance. They had problems with units that had been attrited. They had problems with poor leadership. What we have found when units have an issue with attrition, it typically is traced back to poor leadership.

And there are three fundamental things that have to happen in a unit. Soldiers have got to be paid on time. They've got to be fed on time. And they've got to be given leave when they deserve leave. And if one of those things or a combination of those things doesn't happen, then the soldiers will leave. Now, sometimes they'll come back, but that obviously is no way to run an organization.
Excerpts from Briefing by Brigadier General Wilson Shoffner: January 19, 2016 - IV

And so the fix for that is not sophisticated. It's pretty simple. It's having good leaders. It's having good leaders that take care of their soldiers. And so, that's why it is so important that we get the right leadership in 215th Corps. So, the leaders have been replaced. They're now going through the process of fully manning those units. And once they're manned, they'll go through a retraining period. But again, leadership is the key there.

With regard to Marjah and Helmand, central Helmand remains a contested area. It's been a contested area for several years and it remains so. And that includes central Helmand and the Marjah district as well. I'd like to provide a little bit of context for Helmand and what's been happening there since about the October timeframe. So, in October, the Taliban began an offensive in Helmand primarily focused on the central part of the province, aimed at securing their support bases there in Helmand. In early November, the Afghan security forces began a counter-offensive to counter the Taliban's gains. In the early part of January, a U.S. special forces team was conducting train, advise and assist of an Afghan special forces element in the Marjah area as part of that counter-offensive.

...I want to take just a minute to explain the train, advise and assist role that our forces have there.

So when we're conducting train, advise and assist, on the conventional side we do that at the corps level. And as I mentioned earlier, that's with the expeditionary advising that's going on in Helmand. With the Afghan special forces, that's conducted down to the tactical level. And so that's what was going on in this case.

I would compare the train, advise and assist role to perhaps a coach and a football team. And so the analogy would be that the coach is there for every practice, he's there for every game, but he's not on the field. He's not throwing the football, he's not making tackles, but he's there and he's coaching, and that's what our forces do in the train, advise and assist role, they coach. And that's what was going on here.

So when our forces are conducting train, advise and assist, they'll assist with planning, they'll assist in integrating intelligence support, they'll assist in integrating air support. They can assist with helping with transportation, but increasingly, the Afghans have been providing the transportation on their own.

What they do though is they separate from the Afghan element prior to that Afghan element going on the objective, and so the U.S. train, advise assist forces are not on the objective. They'll separate, they'll go to an overwatch position or they'll go to a command and control location where they can monitor the execution of the operation.

...Afghanistan has 404 districts in total. We assess that right now, the Taliban have control of only nine of those districts. We assess they have influence in about 17 others. The area in and around Marjah remains a contested area, and that's as far as I'll go there.

...What I'd just to put Helmand in context, you know, Afghanistan is a country of a little over 33 million people. In Helmand province, there are about 890,000. So Helmand population-wise constitutes less than three percent of the population in the entire country. It is an important area. It's important to President Ghani. It's the Afghan security forces' main effort. And clearly, it is part of the Taliban's goal to have control of the Helmand area. But I do think it's important to keep it in perspective with regard to the security situation around the country.

In Nangarhar, the Afghan security forces have had significant success against Daesh. There was an attack -- the first high-profile attack we've seen in Jalalabad city last week. But back to Daesh, what we've seen with Daesh in Afghanistan, we currently characterize them as operationally emergent. I'll define that as not having the ability to orchestrate or control operations in more than one part of the country at a time. We're not seeing Daesh elements in Iraq or Syria orchestrating events here in Afghanistan.

What we are seeing is Daesh attempting to establish a base of operations in Nangarhar province. They've largely been pushed back to the southern parts of Nangarhar province. That area is very, very rugged, it's very mountainous, it's on the border with Pakistan, and that's where most of the Daesh in Nangarhar currently is. We have seen Daesh in other parts of the country. What we've seen in other parts of the country are small pockets that mainly consists of low-level recruiting and propaganda; we haven't seen it organized. We're not seeing a significant amount of money coming into Afghanistan to support Daesh.

....if somebody's using supplies that are there for personal gain or in any way benefiting from what's happening in terms of the way soldiers and units are resupplied, that would be corruption....And another area where we see corruption is in the pay, and one of the efforts we have underway is to help reform the -- what is called the Afghan pay and performance systems. So this is a way in which Afghan soldiers are paid. Currently, most soldiers in the army are paid based on manual rolls. That's handwritten rolls and the paymasters in the units are given cash to make the payments.

And so really, there's two issues there. The first is, if you don't have proper accountability, you don't know who you have and you can't ensure that you're paying the soldiers that are actually there. And the second, if you're handing cash to the paymasters, that leads itself to corruption.

So there are two efforts underway. One is to automate the database, and so we're going from those manual rolls to a computer-based automated system that is auditable, that is transparent so it can be accessed from anywhere, and it's also accurate.

Once you have that automated database, then electronic payments can be made to those soldiers using electronic funds transfer. This is taking a little bit longer than it would in the West. Not every soldier has a bank account and there isn't an automatic teller machine, an ATM, at every corner. There is a program underway in the Afghan national police called Mobile Money, which is a check to bank pilot that has been fairly successful. And ultimately, we're going to try to go to that for the Afghan national army.
The Uncertain Structure of Security

- Data on Afghan Surge show had little or no lasting impact.
- NATO/ISAF stopped most meaningful reporting on security trends after fiasco in which misestimated Enemy Initiated Attacks, had to admit no favorable trend existed even for largely meaningless metrics.
- After McChrystal left, reverted to only counting data national on tactical trends with no meaningful net assessments of insurgent vs. government influence and control.
- No maps or assessments of insurgent control or influence versus limited data for worst areas of tactical encounters.
- No maps or assessments of areas of effective government control and support and areas where government is not present or lacks support.
- Shift from direct clashes to high profile and political attacks makes it impossible to assess situation using past metrics, but HPAs sharply up.
- UN casualty data and State Department START data on terrorism highly negative.
- No reason for insurgents to engage NATO/ISAF or ANSF on unfavorable terms before combat NATO/ISAF forces are gone.
Afghanistan faces a continuing threat from both the Afghan insurgency and extremist networks, including the Taliban, al Qaeda, the Haqqani Network, and other insurgent and extremist groups, which continue to attempt to reassert their authority and prominence. Favorable weather in the winter prolonged the 2014 fighting season and allowed critical facilitation routes, which would normally have been snow-covered, to remain open. The ANDSF prevented the insurgency from gaining the control of key terrain through both defensive and offensive operations. Although some checkpoints were temporarily seized, insurgents failed to retain any territory or achieve their strategic objectives during this reporting period.

The convergence of insurgent, terrorist, and criminal networks is pervasive and constitutes a threat to Afghanistan’s stability. Revenue from opium trafficking continues to sustain the insurgency and Afghan criminal networks. Additionally, some areas of Afghanistan have seen a recent increase in extortion and kidnappings by low-level criminal networks.

The Afghanistan-Pakistan border region remains an extremist safe haven providing sanctuary for various groups, including al Qaeda, the Haqqani Network, Lashkar-e Tayyiba, Tehrik-e-Taliban Pakistan, and the Islamic Movement of Uzbekistan. These extremist sanctuaries remain a security challenge for both Afghanistan and Pakistan and pose a threat to regional stability.

The Taliban-led insurgency does not currently represent an existential threat to the Afghan government but continues to test the ANDSF as the coalition draws down, often using indiscriminate, high-profile attacks that harm innocent civilians. Despite an uptick in violence before the fighting season, the ANDSF have proven largely capable of defending against direct insurgent attacks.

Collectively, terrorist and insurgent groups continued to present a formidable challenge to Afghan, U.S., and coalition forces during the reporting period. In 2014, the insurgency modified its tactics, launching direct attacks against ANDSF checkpoints and smaller garrisons to test the responsiveness of Afghan and coalition forces. However, the overall capability of insurgents remained static while the ANDSF continued to improve and adapt to the drawdown of U.S. and coalition support.

Al Qaeda activities remained more focused on survival than on planning and facilitating future attacks. The organization has a sustained presence in Afghanistan of probably fewer than 100 operatives concentrated largely in Kunar and Nuristan Provinces, where they remain year-round. In the border districts between Kunar and Nuristan provinces, al Qaeda received support from local Taliban and at least tacit support from the local populace. Outside these provinces, the number of al Qaeda fighters fell during the winter, in line with seasonal norms; however, these fighters began to infiltrate back into provinces, including Ghazni, Zabul, and Wardak in the spring.

The resilient Taliban-led insurgency remains an enduring threat to U.S., coalition, and Afghan forces, as well as to the Afghan people. The Taliban has been weakened by continued pressure, but has not yet been defeated. Politically, they have become increasingly marginalized. Continued doubts about whether the Taliban’s leader, Mullah Mohammed Omar, is still alive may have caused some disagreement within the organization. Other senior Taliban leaders disagreed on the prioritization of their political and military efforts.
Although the Taliban spread its footprint across the country, it suffered considerable casualties and did not accomplish any of its major strategic or operational objectives in 2014. Early in the reporting period, insurgents emphasized high-profile attacks against soft targets—particularly in Kabul—in order to undermine perceptions of improved security and increased public confidence in the Afghan government. These strikes garnered considerable media attention, while requiring minimal resources and entailing little risk; however, many of these attacks killed innocent bystanders. These attacks slowed precipitously in January and February 2015. Insurgents continued to seek to conduct high-profile attacks in other population centers— as well as against remote outposts— to garner media attention, to project an image of robust capability, and to expand perceptions of insecurity.

Many Taliban fighters suffered from acute resource shortfalls. Numerous Taliban fighters continue to fight and die at high rates while their senior leaders remain in safe havens in Pakistan. The absence of coalition combat units on the battlefield has also weakened one of the principal propaganda lines for the Taliban armed struggle: that they seek to rid Afghanistan of “malevolent foreign influences.” Now they are fighting almost exclusively against their fellow Afghans.

The Taliban officially announced the beginning of the fighting season as April 24, 2015, stating it would target foreigners and Afghan government officials. In preparation for the fighting season, insurgents sought to prepare the battle space by attempting to secure safe havens and facilitation routes throughout the country. Yet insurgents had to contend with independent and advised offensive ANDSF operations over the reporting period, specifically ANDSF shaping operations in northern Helmand, as well as Pakistani military operations that likely disrupted some Pakistan-based insurgent sanctuaries. Additionally, the insurgency mounted coordinated attacks but was generally overmatched when engaged by ANDSF; it could not capture or destroy well-defended targets and was unable to hold key terrain. Nevertheless, the insurgency remained determined, maintained or consolidated its influence in traditional rural strongholds, and carried out attacks with a similar frequency to a year ago. Although of limited tactical effect, these attacks allowed the Taliban to reap potential publicity gains. The Afghan government will continue to struggle to compete with the Taliban in the information space.

Of the groups involved in the Taliban-led insurgency, the Haqqani Network remained the greatest threat to U.S., coalition, and Afghan forces and continues to be a critical enabler of al Qaeda. The Haqqani Network and affiliated groups share the goals of expelling U.S. and coalition forces, overthrowing the Afghan government, and re-establishing an Islamic Emirate of Afghanistan. The Haqqani Network led the insurgency in the eastern Afghan provinces of Paktika, Paktiya, and Khost, and demonstrated the capability and intent to support and launch high-profile, complex attacks across the country and in the Kabul region. Recent Pakistani military operations have caused some disruption to the Haqqani Network; however, it has still been able to plan and conduct attacks. In response to several dangerous threat streams against U.S., coalition, and Afghan personnel— particularly in Kabul—U.S. and Afghan special operations forces increased security operations against the Haqqani Network during this reporting period. These operations disrupted several dangerous threats streams that sought to inflict significant casualties on the force.

The coalition and the Afghan government watched closely ISIL’s attempt to expand its reach to Afghanistan and Pakistan. The potential emergence of ISIL has sharply focused the ANDSF, NDS, and Afghan political leadership. All are collaborating closely in order to prevent this threat from expanding. Thus far, U.S. forces have seen some evidence of limited recruiting efforts, and a few individuals formerly associated with other militant groups have “rebranded” themselves as members of “ISIL of Khorasan Province.” This rebranding is most likely an attempt to attract media attention, solicit greater resources, and increase recruitment. Yet ISIL’s presence and influence in Afghanistan remains in the initial exploratory phase. The Islamic Movement of Uzbekistan has publicly expressed support for ISIL as the leader of the global jihad; however, the Taliban has declared that it will not allow ISIL in Afghanistan.

The insurgency remained resilient during this reporting period. Security incidents declined to relatively low levels during this winter, but have begun to increase in line with previously observed seasonal trends (see Figure 4). RS leaders expect to see a continued increase of reported incidents until mid to late summer.

Headquarters, RS has become increasingly reliant on ANDSF operational reporting, as the ANDSF have increased their responsibility for providing security, and coalition unit presence alongside Afghan units has diminished. The ANDSF have developed a working system to compile and consider national security trends, which RS staff monitors. Due to the different collection and input methods, the data’s quality differs than during previous years when Afghan forces were typically partnered with coalition forces. A large proportion of Afghan reporting must be translated from Dari into English, which introduces reporting delays and translation errors. Yet overall, the data collected and compiled by the ANDSF is still considered useful and valid when compared to previous years’ metrics.

Very few of the incidents from this reporting period involved coalition forces. In line with historical trends, direct fire and improvised explosive device attacks made up the majority of security incidents. Insurgents also continued to conduct high-profile and complex attacks against individuals, population centers, and remote outposts.

Conflict-related violence increased in Afghanistan as the ANDSF sought to contain insurgent activity whose intensification resulted in record-high levels of civilian casualties, according to the United Nations Assistance Mission in Afghanistan (UNAMA).

For example, the UN reported a 45% increase in armed clashes the week after the start of the Taliban spring offensive on April 24, 2015, and a 23% increase in civilian casualties over the same period in 2014.99 According to the UN, more than 10,000 civilians were killed or injured during 2014, as compared to 8,615 in 2013, and a UNAMA representative predicted an increase in civilian casualties this year in Afghanistan.

Insurgents continued to demonstrate their willingness to target civilians even during the holy month of Ramadan. On July 12, 2015, a vehicle-borne explosive device detonated at an Afghan security forces checkpoint near a village bazaar in Khowst killed 27 civilians and wounded at least 10.

On July 13, 2015, explosives set off at a mosque in Baghlan wounded more than 40 civilians gathered for dinner and for government-sponsored distribution of oil and rice.

...While fewer security incidents were reported than last quarter, as reflected in Figure 3.26, there were fewer days in the latest reporting period, so the incidents-per-day average was higher this period than in the same periods in 2014 or 2013.

The UN reported the southern, southeastern, and eastern regions continued to endure most of the security incidents. But even the relatively safe northern and northeastern regions saw security incidents increase by 12% compared with the same period in 2014. 5 A UNAMA representative reported that Kunduz Province experienced 250 civilian casualties, the highest of the northeast-region provinces.

The UN recorded 5,033 security incidents from February 15, 2015, through April 30, 2015. The count included 160 assassinations and 40 attempted assassinations, and an increase of 21.3% in abductions over the same period in 2014. Armed clashes (54%) and IED events (28%) accounted for 82% of all security incidents. Although the Taliban announced their main targets would be “foreign occupiers” as well as government offices and Afghan security forces, the UN reported that less than 1% of the incidents were directed against Coalition bases. During one incident, a June 9, 2015, rocket attack on Bagram Airfield, however, a Department of Defense (DOD) civilian was killed.

The majority of the Taliban offenses were directed against the ANDSF and Afghan government officials and facilities.109 A spokesman for an Afghan advocacy group for NGOs reported 26 humanitarian aid workers had been killed this year, and an additional 17 wounded and 40 abducted. One attack targeted a Czech aid group in Balkh, killing nine workers.
Afghanistan faces a continuing threat from both the Afghan insurgency and extremist networks, including the Taliban, the Haqqani Network, and to a lesser extent al Qaeda, and other insurgent and extremist groups, which continue to attempt to reassert their authority and prominence. During the reporting period, the ANDSF prevented the insurgency from gaining lasting control of key terrain through both defensive and offensive operations. Although some checkpoints and district centers were temporarily seized, insurgents failed to achieve their strategic objectives for the fighting season with the notable exception of the Taliban briefly seizing the provincial center in Kunduz in late September and early October 2015. However, even in Kunduz, the ANDSF, with coalition assistance, were able to re-take the city only days after the Taliban’s initial attack.

Pervasive insurgent, terrorist, and criminal networks constitute a threat to Afghanistan’s stability. Revenue from opium trafficking continues to sustain the insurgency and Afghan criminal networks. Additionally, some areas of Afghanistan have seen an increase in extortion and kidnappings by low-level criminal networks.

The Afghanistan-Pakistan border region remains a sanctuary for various groups, including al Qaeda, the Haqqani Network, Lashkar-e Tayyiba, Tehrik-e-Taliban Pakistan, the Islamic State of Iraq and the Levant – Khorasan Province, and the Islamic Movement of Uzbekistan. These extremist sanctuaries remain a security challenge for both Afghanistan and Pakistan and pose a threat to regional stability.

The Afghan government’s relationship with Pakistan remains a critical aspect of enhancing security and stability in Afghanistan. Since the beginning of President Ghani’s tenure, leaders from both countries have made a concerted effort to improve relations and better address mutual security interests. Although there was modest improvement in the relationship and a sense of rapprochement early in 2015, several events have cooled progress. Bilateral tensions have increased over the last six months due to a series of high-profile attacks in Kabul in August 2015, an increase in cross-border firing incidents between the ANDSF and the Pakistani military throughout the late summer and early fall, and a Tehrik-e-Taliban Pakistan attack against a Pakistani Air Force base in Peshawar in September 2015.

Despite these challenges, Afghanistan and Pakistan have maintained regular contact at the most senior levels of government and in the military and RS advisors continue to leverage the ability of the coalition to encourage more robust bilateral communication at all levels. This is especially important as Pakistani military clearing operations in the Federally Administered Tribal Areas (FATA) have increased militant presence in Afghanistan, requiring greater transparency and cooperation among RS and the Afghan and Pakistani militaries. For instance, through the RS Tripartite Joint Operations Center, Afghan and Pakistani liaison officers meet monthly at the one-star level. In addition, during this reporting period, ANDSF and Pakistani military officials conducted meetings at the corps commander-level to discuss reestablishing Joint Border Coordination Centers to enhance tactical-level coordination, which has decreased since the ANDSF assumed full security for Afghanistan.

In their first fighting season against an Afghan-led counterinsurgency, the Taliban-led insurgent threat remains resilient. Fighting has been nearly continuous since February 2015. As a result, both ANDSF and Taliban casualties increased during the reporting period and 2015 overall when compared to the previous reporting period and 2014 respectively. The levels of violence in typical insurgent strongholds, such as Helmand and Kandahar, were as expected, but the ANDSF were also forced to confront insecurity at a higher level than expected in other parts of the country, such as Kunduz.
The Afghan government retains control of Kabul, major transit routes, provincial capitals, and nearly all district centers. The ANDSF are generally capable and effective at protecting the major population centers, or not allowing the Taliban to maintain their hold for a prolonged period of time. At the same time, the Taliban have proven capable of taking rural areas and contesting key terrain in areas such as Helmand while continuing to conduct high-profile attacks (HPA) in Kabul. From January 1 to November 16, 2015, there were 28 HPAs in Kabul, a 27 percent increase compared to the same time period in 2014. These attacks achieve one of the Taliban’s main objectives of garnering media attention and creating a sense of insecurity that undercuts perceptions of the Afghan government’s ability to provide security.

The increase in violence over the reporting period, and the fighting season overall, when compared to last year was reflected in public perceptions of security as well. According to recent polling, only 28 percent of Afghans say that security in their local area is good compared to 35 percent during the same time period in 2014 and 45 percent in 2013.

Collectively, terrorist and insurgent groups continue to present a formidable challenge to Afghan, U.S., and coalition forces. In 2015, the insurgency modified its tactics, launching direct attacks against ANDSF checkpoints and smaller garrisons to test the responsiveness of Afghan and coalition forces. However, the overall capability of insurgents remained static while the ANDSF furthered their ability to execute effective operations and U.S. and Pakistani counterterrorism pressure degraded terrorist groups.

Following Pakistani military operations in North Waziristan, many foreign fighters, including some al Qaeda leaders, were displaced into Afghanistan. Al Qaeda activities remain focused on survival, regeneration, and planning and facilitating future attacks; they remain a threat to the United States and its interests. The organization has a sustained presence in Afghanistan primarily concentrated in the east and northeast.

The resilient Taliban-led insurgency remains an enduring threat to U.S., coalition, and Afghan forces, as well as to the Afghan people. Since the July 2015 announcement of former Taliban leader Mullah Omar’s death in 2013, Mullah Mansour appears to have largely consolidated his position as emir, and those disagreements that do persist among senior leadership do not immediately threaten the Taliban’s operational capability. Nonetheless, the extent to which Mansour will be able to silence internal dissent remains to be determined.

During the reporting period, insurgents had to contend with independent and advised ANDSF offensive and counter-offensive operations, as well as Pakistani military operations that likely disrupted some Pakistan-based insurgent sanctuaries. Additionally, although the insurgency mounted larger coordinated attacks, they were generally overmatched when engaged by the ANDSF. The insurgents could not capture or destroy well-defended targets and were unable to hold key terrain for extended periods of time. Nevertheless, the Taliban-led insurgency remained determined, maintained or consolidated its influence in traditional rural strongholds, dominated the information space, and carried out attacks with an increased frequency compared to a year ago.

Over the last six months, the Taliban conducted attacks across the country including checkpoint overruns and coordinated attacks in Kandahar, Helmand, Faryab, Uruzgan, Ghazni, and provinces surrounding Kabul. The Taliban suffered significant casualties and, with the exception of temporarily seizing Kunduz city, were unable to accomplish their major strategic and operational objectives for fighting season 2015. Although the Taliban briefly occupied the provincial capital of Kunduz, they were unable to hold the territory for an extended period of time. The Taliban did, however, prove adept at executing attacks and threatening rural districts throughout the entirety of the fighting season, forcing the ANDSF into a more reactive rather than proactive posture. Insurgents continued to emphasize high-profile attacks against soft targets – particularly in Kabul – to undermine perceptions of improved security and to decrease public confidence in the Afghan government. These HPAs garnered considerable media attention, while requiring minimal resources and entailing little risk; of note are the four insurgent attacks in Kabul between August 7 and 10, 2015. These attacks gained both national and international attention and caused major public outcry due to the short timespan in which they occurred and the high number of civilian casualties.
Many Taliban fighters suffered from acute resource shortfalls during 2015 and lower-level Taliban fighters continued to fight and die at high rates while their senior leaders remained in safe havens in Pakistan. The absence of coalition combat units on the battlefield has also weakened one of the principal propaganda lines for the Taliban’s armed struggle: that they seek to rid Afghanistan of “malevolent foreign influences.” They are now fighting almost exclusively against fellow Afghans.

Of the groups involved in the Taliban-led insurgency, the Haqqani Network remains the greatest threat to U.S., coalition, and Afghan forces and continues to be the most critical enabler of al Qaeda. Haqqani Network leader Siraj Haqqani’s elevation as Taliban leader Mullah Mansour’s deputy has further strengthened the Haqqani Network’s role in the Taliban-led insurgency. The Haqqani Network and affiliated groups share the goals of expelling U.S. and coalition forces, overthrowing the Afghan government, and re-establishing an Islamic Emirate of Afghanistan. Similar to the previous reporting period, the Haqqani Network led the insurgency in the eastern Afghan provinces of Paktika and Khost, and demonstrated the capability and intent to support and launch high-profile, complex attacks across the country and in the Kabul region. Pakistani military operations early in 2015 caused some disruption to the Haqqani Network; however, it has still been able to plan and conduct attacks. During this reporting period, U.S. and Afghan special operations forces increased security operations against the Haqqani Network and disrupted several dangerous threat streams that sought to inflict significant casualties against U.S., coalition, and Afghan personnel, particularly in Kabul.

The Islamic State of Iraq and the Levant – Khorasan Province has progressed from its initial exploratory phase to a point where they are openly fighting the Taliban for the establishment of a safe haven, and are becoming more operationally active. IS-KP has successfully seized pockets of terrain from the Taliban in Nangarhar Province. The group claimed an improvised explosive device (IED) attack against a UN vehicle in September 2015 and conducted its first attack against the ANDSF later that month when it attacked as many as 10 checkpoints in the same day in Achin district, Nangarhar. The group continues to recruit disaffected Taliban and formerly Taliban-aligned fighters, most notably the Islamic Movement of Uzbekistan, which publically declared allegiance to IS-KP in August 2015. IS-KP has not yet conducted an attack against RS forces, although the group’s recruitment of experienced fighters and commanders could increase its capability to do so over at least the next year.

The stability of the Afghan government and the performance of the ANDSF during 2015 and going into 2016 will have a significant impact on the future threat environment in Afghanistan. Collectively, terrorist and insurgent groups will present a formidable challenge to Afghan forces as these groups strive to maintain their relevance and prominence throughout the winter months. Both Taliban and ANDSF operations are expected to continue throughout the winter but likely at a lower intensity. The insurgency’s strategy will continue to be to exploit vulnerabilities in ANDSF force posture by conducting massed attacks against checkpoints, stretch the reach of the ANDSF into rural areas, isolate areas by staging smaller attacks in the surrounding areas, and impede ground lines of communication ahead of attacks against district or provincial centers.

The Taliban-led insurgency has likely been emboldened by the coalition’s transition from direct combat operations to a TAA role and the accompanying reduction of coalition combat enablers. As a result, the Taliban will continue to test the ANDSF aggressively in 2016. The Taliban will likely try to build momentum from their countrywide attack strategy of 2015 and ascertain the limitations of the RS mission. Insurgents will focus on traditional areas of operation, such as in Helmand and Kandahar, while also demonstrating their influence throughout all of Afghanistan with sporadic HPAs and attacks in areas across the north and east and in Kabul. Most insurgent-initiated violence will likely occur away from populated areas. Complex and high-profile attacks will likely continue through the winter and into the next fighting season; and the Taliban will continue to portray localized, temporary tactical successes as strategic victories through the media.
Failed Surge in Afghanistan vs. Surge in Iraq

United Nations Department of Safety and Security Estimate of Security Incidents Per Month
### Shift from Tactical clashes to High Profile Attacks in 2012-2014


<table>
<thead>
<tr>
<th>Metric</th>
<th>EIAs</th>
<th>HPA</th>
<th>Direct Fire</th>
<th>IED Events</th>
<th>IED/Mine Explosions</th>
<th>Complex/Coordinated Attack</th>
<th>IDF</th>
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<tbody>
<tr>
<td>% YoY Change</td>
<td>-6%</td>
<td>1%</td>
<td>-1%</td>
<td>-22%</td>
<td>-5%</td>
<td>5%</td>
<td>-18%</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Metric</th>
<th>EIA</th>
<th>HPA</th>
<th>Direct Fire</th>
<th>IED Events</th>
<th>IED/Mine Explosions</th>
<th>Complex/Coordinated Attack</th>
<th>IDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>% YoY Change</td>
<td>-2%</td>
<td>43%</td>
<td>5%</td>
<td>-24%</td>
<td>-11%</td>
<td>-8%</td>
<td>-15%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Metric</th>
<th>Enemy Initiated Attacks</th>
<th>High Profile Attacks</th>
<th>Direct Fire</th>
<th>IED/Mine Explosions</th>
<th>Complex/Coordinated Attacks</th>
<th>Indirect Fire Attacks</th>
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<tbody>
<tr>
<td>Percentage Year Over Year Change</td>
<td>-27%</td>
<td>16%</td>
<td>-23%</td>
<td>-34%</td>
<td>-31%</td>
<td>-37%</td>
</tr>
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</table>

The UN recorded 6,096 security incidents from May 1, 2015, through July 31, 2015, a 4.6% decrease compared to the same period in 2014 during the second round of the presidential election. The count included 291 assassinations and attempted assassinations, an increase of 11.4% compared to the same period in 2014. The UN reported armed clashes (53%) continued to account for the majority of the incidents, together with improvised-explosive device (IED) events (26%) accounting for 79% of all security incidents. The UN said the majority of the incidents were reported in the southern and eastern regions, with Kandahar, Nangarhar, Ghazni, Helmand, and Kunar enduring 44.5% of all security incidents.

The UN reported that the period was marked by antigovernment elements’ efforts to capture and hold district centers in a number of provinces. Of the 364 districts in Afghanistan, seven district centers were captured, a significantly larger number than in previous years, with five recaptured by the ANDSF during the reporting period.

Civilians continue to endure most of the attacks; from May 1 through July 31, UNAMA documented 2,985 civilian casualties (934 killed and 2,051 injured). The UN reported August 7, 2015, to have been the deadliest day since UNAMA began tracking civilian casualties in 2009, with 355 civilian casualties (42 deaths and 313 injured). UNAMA attributed a 78% increase in civilian casualties to antigovernment elements from suicide and complex attacks in the first half of 2015.

UN Estimate of Incidents vs. Casualties: 1/2013-9/2015

Source: UN OCHA, http://reliefweb.int/sites/reliefweb.int/files/resources/afg_dashboard_quarter_three_00_final_20151224.pdf
A Focus on Tactical Outcomes Disguises a Lack of Meaningful Reporting on the Key Impact of the Insurgency: Growing Insurgent Influence and Control and Declining Support for the Government
Peak of Taliban Control: 2000-2001

Denial:
Taliban
Resurgence:
2002-2006

Lying By Omission - I: The Last USG Report on District Support for the Afghan Government in April 2010

(Reporting Halted Once Shows Decline. Population only sympathized or support Afghan government in 24% (29 of 121 Key Terrain and area of Interest Districts)

Lying By Omission - II: The Last USG Report Comparing Security Assessment of Key Districts Over Time in April 2010

Currently 35% (42 of 121) of the Key Terrain and Area of Interest districts are assessed favorably at the “occasional threats” level or better.

Although the overall security situation has stabilized somewhat since the end of 2009, violence during the current reporting period is still double that for the same period in 2008-2009. However, some individual islands of security exist in the sea of instability and insecurity. A new contiguous island of security is reported by RC-North in the districts surrounding Mazar-e-Sharif. Additionally, a small secure contiguous area exists within RC-South from the Ring Road to the Wesh-Chaman Border Control Point. The limits of security are significantly related to the presence of well-led and non-corrupt ANSF. In a significant number of cities, the secure zone is primarily the inner portion of the city center, with the outlying, more rural areas less secure due to insurgent presence. The location and size of the security zones is primarily the location where improvements in governance and development can occur. Therefore, the expansion of the security zones leads to the opportunity to improve governance and development in those areas.

Insurgent Areas of Operation in Afghanistan  April, 2010

Militant Groups
- Taliban (TB)
- Haqqani Network (HQN)
- Hezbe-e Islami Gulbuddin (HIG)
- Hezbe-e Islami Khalis (HIK)
- Mahsud/Tehrik-Taliban PAK (TTP)
- Tehrik-i-Nfitz Shariat Muhammad (TNSM)/TTP
- Nazir
- Lashkar-e Islam (LeI)
- Lashkar-e-Tayyiba (LeT)
- Islamic Movement of Uzbekistan (IMU)

Key al-Qa'ida concentration

Source: Department of Defense, Report on Progress Toward Security and Stability in Afghanistan, 1230, April 2010., p. 23,
German Government Map of Threat Levels from Anti-Government Forces: 11/2014

In late July, militants seized multiple district centers in Faryab province; local militias were able to retake the centers, but they are considered at high risk of falling again to militants.

The Haqqani network has launched multiple attacks on military camps in Kabul and in Khost province.

An Islamic State affiliate took control of seven district centers in Nangahar province between July and September.

Militants attacked Baghlan province in July. Several districts are at risk of falling to militants.

Source: Institute for the Study of War

Taliban Presence


Sources: Institute for the Study of War
1. SEP 16, 2015: The Taliban faction loyal to Mullah Akhtar Mansoor began an offensive on Kunduz city, winning a major Afghan city for the first time since 1996. ANSF with NATO support were able to barely retain the city on October 1, but Taliban militiamen continue to push back against the ANSF positions and conduct sporadic attacks. NATO elements continue to support: ANSF clearing operations. Simultaneously, the Taliban – Mullah Akhtar Mansoor’s faction – launched major offensives on eight districts in Baghlan, Kunduz, Takhar, and Badakhshan provinces. These lightning offensives demonstrated a highly coordinated attack, significantly challenging ANSF authority and control along the region. The Taliban will likely continue to consolidate control of urban terrain in northern Afghanistan which will put them in control of key lines of communications and will serve as a staging ground for potential southern operations against the Kabul area.

2. SEP 28- OCT 6, 2015: Taliban militants, possibly with the Afghan Movement faction, also launched offensives on strategic areas in Sar-e-Pul and Jowzjan provinces following the September 28 attack on Kunduz city. On October 6, NATO forces conducted major operations to clear Taliban militants in Parwan province. These Taliban offensives are either coordinated with the ongoing Northern campaign or are false flag operations aimed at exploiting ANSF forces stretched to counterattacks Afghanistan. If coordinated, these offensives in multiple sectors indicate a significant degree of sophistication, prior planning, and an intent to seize and hold terrain before the winter.

3. SEP 2016: The Taliban continued control of Khvai Safai district in Western Farah province. The Taliban operations in Western Farah province are typical, but they could also be coordinated with the ongoing Northern offensive or concentrated against a vulnerable district center.

Source: Institute for the Study of War:

Map: Aspen Images
Content: Aspen Images and Jon Orth
UN Estimate of Areas of Risk in Afghanistan: 9/2015 - I

- Districts with extreme threat levels either have no government presence at all, or a government presence reduced to only the district capital; there were 38 such districts scattered through 14 of the country’s 34 provinces.

- In all, 27 of Afghanistan’s 34 provinces had some districts where the threat level was rated high or extreme.

- In Oruzgan Province, in southern Afghanistan, four of its five districts were rated under extreme or high threat, with only the capital, Tarinkot, classified as under “substantial” threat. Many local officials predicted that the province might soon become the first to entirely fall to the Taliban.

- Similar concerns were raised by officials in two other Oruzgan districts, Dehrawad and Chora. They all reported increased activity by the Taliban in recent months.

- In Maimana, the capital of Faryab Province, American airstrikes, along with the arrival of pro-government militiamen, helped beat back the Taliban’s effort to overrun the city last week, but the Taliban remain active in districts surrounding the provincial capital.

- United Nations Assistance Mission in Afghanistan evacuates 4 of 13 provincial— the most it has ever done for security reasons — in October 2015.

- Rated threat level in about half of the country’s administrative districts as either “high” or “extreme,” more than at any time since 2001.

- In many districts that are nominally under government control, like Musa Qala in Helmand Province and Charchino in Oruzgan Province, government forces hold only the government buildings in the district center and are under constant siege by the insurgents.

- Tempo of the insurgency has increased in many parts of the country where there had been little Taliban presence in the past, including some areas in the north with scant Pashtun populations. The Taliban have been a largely Pashtun-based insurgency and have been historically strongest in Pashtun-majority areas in southern and eastern Afghanistan, with some pockets in the north, such as Kunduz.

- “We have had fighting in 13 provinces of Afghanistan over the past six months, simultaneously,” President Ashraf Ghani said this month in response to criticism after the fall of Kunduz.
Districts with extreme threat levels either have no government presence at all, or a government presence reduced to only the district capital; there were 38 such districts scattered through 14 of the country’s 34 provinces.

In all, 27 of Afghanistan’s 34 provinces had some districts where the threat level was rated high or extreme.

The conflict in Afghanistan continues to intensify, with notable escalations in violence seen throughout the North, South and East Regions; Faryab, Helmand, Kunduz and Nangarhar experienced large-scale displacement within and to surrounding provinces.

During the quarter, approximately 63,500 individuals were recorded as conflict-displaced, with the total assessed number of forcibly displaced in 2015 reaching 197,000 by the end of September. One trauma care NGO reported a 19 per cent increase in war-related admissions. The increasing violence culminated with the significant, yet temporary, siege of the provincial capital Kunduz by non-state armed groups (NSAG) at the end of September, which led to a month-long displacement crisis of nearly the entire city's population across the North and North East Regions.

As military operations in North Waziristan continued and expanded, refugees remain in the camp and urban areas of Khost and Paktika provinces; families do not expect to be able to return home in the foreseeable future, thus requiring a focus on more medium-term interventions while still meeting life-saving needs of the most vulnerable.

At the same time, the return of both documented and undocumented Afghans remains high, with nearly 54,000 registered refugees returning mainly from Pakistan in the first nine months of 2015, as compared to only 13,860 in Q3.

Undocumented returnees have also reached higher levels with nearly 440,000 people returning, 80,000 of which are considered particularly vulnerable; the number of vulnerable families and persons with specific needs is also increasing, all contributing to a worsening humanitarian situation in the country and limited capacity to respond.

UN OHCA Estimate of Afghan Aid Needs in 2015 as a Conflict Indicator
Third quarter report of financing and achievements (January to September)

FUNDING FOR 2015*

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Requested</th>
<th>Reporting Partners</th>
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</thead>
<tbody>
<tr>
<td>Emergency Shelter &amp; NFIs</td>
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<td>Food Security &amp; Agriculture</td>
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<td>Health</td>
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<td>Nutrition</td>
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<tr>
<td>Protection</td>
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<td>43</td>
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<tr>
<td>Water, Sanitation &amp; Hygiene</td>
<td>$25m</td>
<td>$18.5m</td>
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<tr>
<td>Refugees and Returnees</td>
<td>$89m*</td>
<td>27</td>
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<tr>
<td>Aviation</td>
<td>$17m</td>
<td>$6.9m</td>
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<tr>
<td>Coordination</td>
<td>$11m</td>
<td>$12.7m</td>
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<tr>
<td>Total</td>
<td>$417m*</td>
<td>$208m (received)</td>
</tr>
</tbody>
</table>

* Budgets have been updated to reflect the mid-year revision.

COMMON HUMANITARIAN FUND
Donor Contributions
- United Kingdom: $18.7m
- Sweden: $8.1m
- Australia: $6.1m
- Denmark: $3.1m
- Norway: $1.2m

Total: $57.2m

Allocations by Cluster
- Health: $6.9m
- Nutrition: $5m
- Refugees: $5m
- WASH: $4.8m

$ Total: $21.5m (allocated)

BENEFICIARIES REACHED

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Target</th>
<th>Reached</th>
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<tbody>
<tr>
<td>Emergency Shelter &amp; NFIs</td>
<td>157,000</td>
<td>197%</td>
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<tr>
<td>Food Security &amp; Agriculture</td>
<td>2.2 million</td>
<td>68%</td>
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<tr>
<td>Health</td>
<td>2.7 million</td>
<td>47%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>2.0 million</td>
<td>58%</td>
</tr>
<tr>
<td>Protection</td>
<td>1.4 million</td>
<td>36%</td>
</tr>
<tr>
<td>Water, Sanitation &amp; Hygiene</td>
<td>1.9 million</td>
<td>38%</td>
</tr>
<tr>
<td>Refugees and Returnees</td>
<td>637,430</td>
<td>40%</td>
</tr>
</tbody>
</table>

By strategic priority
- SP.1: 2.9m
- SP.3: 1.1m
- SP.2: 32%

BREAKDOWN OF PEOPLE IN NEED & ASSISTED

Source: http://reliefweb.int/sites/reliefweb.int/files/resources/afg_dashboard_quarter_three_00_final_20151224.pdf
Taliban Areas of Control in Afghanistan: 15.10.15

Taliban fighters took control of Kunduz, a provincial capital, in September and held it for over two weeks.

The Taliban overran Warduj and Baharak districts in early October.

The Taliban took control of Waygal district in June.

UN OHCA Estimate of IDPs As A Conflict Indicator: 11/2015

As of October over 270,000 people have fled their homes due to conflict - 102% increase on 2014. Twenty-nine of thirty-four provinces had recorded some level of forced displacement in the summer of 2015. Constrained humanitarian access hinders assessments, thus preventing verification of the full extent of displacement and undermining the provision of assistance and services. Displacement affects all individuals differently with needs, vulnerabilities and protection risks evolving over time due to exhaustion of coping mechanisms and only basic emergency assistance provided following initial displacement. Inadequate shelter, food insecurity, insufficient access to sanitation and health facilities, as well as a lack of protection, often result in precarious living conditions that jeopardise the well-being and dignity of affected families.

KEY FIGURES
- 271,779 individuals displaced
- 52% male
- 48% female
- 57% under 18
- 19% under 5

AGE AND GENDER BREAKDOWN
- 0-5 years: 27%
- 0-14 years: 18.5%
- 15-29 years: 20%
- 30-54 years: 13.7%
- 55-69 years: 9.2%
- 70+ years: 2.2%

MONTHLY TRENDS (2012 - 2015)
- Average average (2012-2014)
- Persons displaced in 2014
- Persons displaced in 2015

IDPS BY REGION (PAST YEAR)
- Capital & Central Highland
- Northern
- South Eastern
- Western
- Eastern

Taliban and Other Threat Forces: 12.15

- Islamic Emirate of Afghanistan: Afghan Taliban led by Mullah Akhtar Mohammad Mansour
- High Council of Afghanistan Islamic Emirate: Taliban splinter group led Mullah Muhammad Rasool
- Hizb-e Islami (HIG) or Islamic Party: a comparatively minor Afghan insurgent group led by Gulbuddin Hekmatyar
- Tehrik-e Taliban Pakistan (TTP): Pakistani Taliban
- Islamic State (IS): challenges the Taliban's legitimacy and supremacy
- Al-Qaeda: supports the Afghan Taliban and has renewed its allegiance to the Taliban leader, Mullah Mansour
- Lashkar-e-Taiba (LeT): Pakistani militant group traditionally focused on India
- Lashkar-e-Jhangvi (LeJ): Pakistani sectarian militant group targeting Shias
- Islamic Movement of Uzbekistan (IMU): linked to IS since August 2015
- Islamic Jihad Union (IJU): a splinter faction of IMU now loyal to Afghan Taliban
- East Turkestan Islamic Movement (ETIM): China-focused Uighur separatist group

Taliban Presence


Source:

Sources: Institute for the Study of War
Some support zones depicted on the map exceed the bounds of the districts explicitly researched as part of this project. These low-confidence support zone assessments are based upon historical, terrain, and demographic analysis. High-confidence support zones are depicted in districts that were fully researched as part of this project. ISW analysts have assessed conditions in 200 of 409 districts. Taliban militants captured the district center of Reg-e Khan Neshin district, Helmand province on December 9 after prolonged clashes with police and ANSF, the last district center capture portrayed on this map. Taliban militants loyal to Mullah Akhtar Mansour attacked the joint U.S.-Afghan Kandahar Airfield near Kandahar City on December 8. This attack is not represented on the map because it does not constitute an attempt by Taliban militants to control a district center.
According to U.S. statistics, casualties among Afghan security forces increased by nearly 30 percent during the first 11 months of 2015.

“We have not met the people’s expectations. We haven’t delivered,” Abdullah Abdullah, the country’s chief executive, told the high-level gathering. “Our forces lack discipline. They lack rotation opportunities. We haven’t taken care of our own policemen and soldiers. They continue to absorb enormous casualties.”

With control of — or a significant presence in — roughly 30 percent of districts across the nation, according to Western and Afghan officials, the Taliban now holds more territory than in any year since 2001, when the puritanical Islamists were ousted from power after the 9/11 attacks. For now, the top American and Afghan priority is preventing Helmand, largely secured by U.S. Marines and British forces in 2012, from again falling to the insurgency.

As of last month, about 7,000 members of the Afghan security forces had been killed this year, with 12,000 injured, a 26 percent increase over the total number of dead and wounded in all of 2014, said a Western official with access to the most recent NATO statistics. Attrition rates are soaring. Deserters and injured Afghan soldiers say they are fighting a more sophisticated and well-armed insurgency than they have seen in years.

In the confidential October meeting, Gen. John F. Campbell, the commander of U.S. and allied forces in Afghanistan, told his Afghan counterparts that he was as guilty as they were of “just putting our finger in the dike in Helmand.” But he was highly critical of Afghan security officials for “not managing” their forces in a way that ensured they got enough training, and for allowing “breakdowns in discipline” in the ranks. “The Taliban are not 10 feet tall,” he said. “You have much more equipment than they do. You’re better trained. It’s all about leadership and accountability.”

The number of effective enemy-initiated attacks from January 1 to November 30, 2015 – that is, attacks that resulted in casualties – increased by approximately 4 percent when compared to the same period in 2014 (see Figure 4). The total number of effective enemy-initiated attacks hovered around 1,000 per month during the reporting period before decreasing in September 2015. This increase in the number of effective enemy-initiated attacks is consistent with an increase in the number of ANDSF and civilian casualties over the reporting period, with an overall upward trend over the last two years.

Direct fire remains the leading type of insurgent attack by a wide margin followed by IED and mine explosions (see Figure 5). Indirect fire such as mortars, rockets, and artillery and surface-to-air fire continue to be infrequently utilized insurgent tactics. Although IED and mine explosions are less than half of the number of total attacks, this tactic typically gains more media attention, particularly when conducted as a high-profile attack via either a person-borne or vehicle-borne IED in a population center. Consistent with the previous reporting period and the overall trend since the transition to the RS mission, very few effective enemy-initiated attacks involved coalition or U.S. forces.

Enemy Initiated Attacks by Type: 12/14 to 11/15

Declining Afghan Perceptions of Security
# Taliban and US/Allies as Major Threats:
## Level of Fear by Activity

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<thead>
<tr>
<th>Activity</th>
<th>Central/Kabul (%)</th>
<th>East (%)</th>
<th>South East (%)</th>
<th>South West (%)</th>
<th>West (%)</th>
<th>North East (%)</th>
<th>Central/Hazarajat (%)</th>
<th>North (%)</th>
<th>National Average (%)</th>
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<td>76</td>
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<tr>
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<td>54</td>
<td>51</td>
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<td>Traveling from One Part of Afghanistan to Another Part of the Country</td>
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<td>73</td>
<td>86</td>
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<td>Encountering International Forces (Western Military Forces Only)</td>
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<td>88</td>
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</table>

Uncertain Perceptions of Security

Terrorism Challenge
Rise in Terrorism in Afghanistan: 1970-2013

Afghanistan- Terrorist Incidents

Afghanistan- Fatalities

Deaths from Terrorism: 2000-2014

Deaths from terrorism have increased dramatically over the last 15 years. The number of people who have died from terrorist activity has increased ninefold since the year 2000.

The majority of terrorist incidents are highly centralised. In 2014, 57 per cent of all attacks occurred in five countries: Iraq, Pakistan, Afghanistan, Nigeria and Syria. However, the rest of the world suffered a 54 per cent increase in terrorist incidents in 2013.
Eighty-eight per cent of all terrorist attacks occurred in countries that were experiencing or involved in violent conflicts. Eleven per cent of terrorist attacks occurred in countries that at the time were not involved in conflict. Less than 0.6 per cent of all terrorist attacks occurred in countries without any ongoing conflict and any form of political terror.

Afghan Government and Taliban Battle Deaths: 2014

The conflict between the Government of Afghanistan and its allies and the Taliban recorded the highest number of battle-related deaths in 2014. There were 55 per cent more deaths in this conflict in 2014 than the previous year.

Source: UCDFP

Afghan Terrorism Deaths: I

Afghan Terrorism Deaths: II

Terrorism continues to increase in Afghanistan, with 38 per cent more terrorist attacks and 45 per cent more fatalities in 2014 than in 2013. The Taliban was responsible for the majority of these attacks and casualties.

The Taliban remains one of the most deadly terrorist groups in the world. In 2012, 2013 and 2014 it was responsible for around 75 per cent of all terrorist fatalities in Afghanistan. The deadliness of attacks increased in 2014 with the Taliban killing 3.9 people per attack, over 200 per cent higher than 2013.

In 2014 there were terrorist acts in 515 different cities in Afghanistan clearly highlighting the breadth of terrorism across the country. However, the areas of the country where terrorism is most intense are within 100 miles of the border with Pakistan. This is in both the south and east regions of the country with around ten per cent of attacks having occurred in the Helmand Province in the south.

The Nangarhar Province in the east experienced eight per cent of attacks and the two largest cities, Kabul and Kandahar both received seven per cent of the attacks.

Police are the main target of terrorism with 38 per cent of attacks against police. These attacks are among the most lethal with an average of 3.7 people killed per attack. In contrast, when private citizens are the target there is an average of 2.9 deaths per attack.

The number of people killed in an educational institution fell substantially to 13 with 34 injuries. This compares to 21 deaths and 198 injuries in the prior year. In 2013 the Taliban conducted at least seven attacks targeting girls attending school, mostly in the north, resulting in over 160 casualties.

Suicide attacks account for ten per cent of all attacks; however, they are more lethal accounting for 18 per cent of all deaths and 32 per cent of all injuries. For every suicide attack there is on average five deaths and nine injuries. The majority of these attacks are bombings, constituting 93 per cent of all suicide attacks.

The remaining suicide attacks were assassinations mainly targeting the police and hostage taking. Targets have included the United States aid organization named Roots of Peace, the Independent Election Commission, the New Kabul Bank where soldiers were collecting salaries and an NGO called Partnership in Academics and Development.

Impact of Key Terrorist Groups: 2014

Both Boko Haram and ISIL dramatically increased their deadliness from 2013 to 2014.

The five most deadly terrorist groups are also responsible for deaths not categorised as terrorism. ISIL is the deadliest terrorist group and was in conflicts which killed over 20,000 people in 2014.

Terrorism and Refugees: 2008-2014

In countries that have high levels of terrorism, there appears to be a relationship between proportional increases in terrorism and proportional increases in asylum seeker applications to Europe.

http://static.visionofhumanity.org/sites/default/files/2015%20Global%20Terrorism%20Index%20Report_0_0.pdf, p. 60.
Number of Years A country Has Been in Top Ten Affected by Terrorism

<table>
<thead>
<tr>
<th></th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<th>12</th>
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<tbody>
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<td>Angola</td>
<td>DRC</td>
<td>Nepal</td>
<td>Colombia</td>
<td>Nigeria</td>
<td>Somalia</td>
<td>Algeria</td>
<td>Iraq</td>
<td>Afghanistan</td>
<td>India</td>
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<td>2</td>
<td>CAR</td>
<td>Chad</td>
<td>Israel</td>
<td>Uganda</td>
<td>Sudan</td>
<td>Philippines</td>
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<td>China</td>
<td>Indonesia</td>
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<td>Nepal</td>
<td>Colombia</td>
<td>Nigeria</td>
<td>Somalia</td>
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<td>Iraq</td>
<td>Afghanistan</td>
<td>India</td>
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<td>4</td>
<td>Egypt</td>
<td>Guinea</td>
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<td>South Sudan</td>
<td>Spain</td>
<td>Ukraine</td>
<td>United States</td>
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<tr>
<td>5</td>
<td>United States</td>
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<td></td>
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</tr>
</tbody>
</table>

Iraq had 25 per cent of all terrorist incidents, followed by Pakistan with 14 per cent and Afghanistan with 12 per cent. Nigeria experienced only five per cent of the incidents but had the second highest number of deaths at 23 per cent. Terrorist attacks are much more lethal in Nigeria than any other country. On average there were 11 deaths per attack in Nigeria. In contrast Iraq had an average of three deaths per attack.

There were ten countries which were ranked as being amongst the countries with the ten highest levels of fatalities for only one year out of the last 15 years. This includes the United States, which had 44 per cent of global deaths in 2001 due to the September 11 attack. In contrast, there were 22 countries which were in the group for at least two years.

Afghanistan, Iraq and Pakistan have all been ranked in the ten countries with the highest number of deaths from terrorism for every year in the last ten years. This reflects that terrorism has remained a significant issue in these three countries ever since 2003. Somalia has featured in the ten most affected countries for the last eight years in a row.

2014 was the first time since 2000 that India has not featured among the ten countries with highest fatalities from terrorism. However, this is due to the growth of terrorism in other countries more than to an improvement in India. The number of people killed from terrorism in India increased by 1.2 per cent from 2013 to reach a total of 416.

Casualty Challenge
Casualty Data vs. Security Reporting

- UN casualty data strongly indicate that DoD and command data are being “spun” to disguise growing problems and sharply increasing insurgent influence.

- UN casualty data showed striking increase in geographic scope of insurgent attacks until mid-2015.

- Casualty data becoming less relevant because insurgent influence is rising in areas without added fighting.

- No clear data on trends in Afghan Forces casualties; being suppressed although some commanders have said is rising to unacceptable levels.

- Police and ALP seem to be suffering critical casualty levels, Afghan Army becoming steadily more dependent on limited U.S. air support, and some Kandaks limiting patrol and other operations to reduce casualties.

- Casualty data in Helmand and south indicate most surge gains gone except in Kandahar. Warn serious insurgent gains taking place in the north.
State Department Country Data: Afghanistan 2013

More than half of all attacks in Afghanistan in 2013 (56.7%) were attributed to a perpetrator group, and nearly all of these (98.6%) were attributed to the Taliban.

Two attacks in Afghanistan in 2013, the assassination of Indian author Sushmita Banerjee and a suicide attack targeting the Indian consulate in Jalalabad, were attributed specifically to the Haqqani Network.

Unlike in 2012, when attacks against military targets were 24.3 percent more prevalent in Afghanistan than around the world, in 2013 the percentage of attacks against military targets globally increased and was approximately the same as that in Afghanistan (5.2%).

Attacks against police targets were especially common in Afghanistan in 2013. In fact, 44.6 percent of all attacks in Afghanistan in 2013 primarily targeted the police, especially checkpoints, patrols, and security forces. This is 80.6 percent higher than the percentage of attacks that targeted police globally.

Like in Iraq, suicide attacks continued to be especially frequent in Afghanistan. More than 9 percent of attacks in Afghanistan in 2013 were classified as suicide attacks, compared to 5.3 percent globally.

Terrorist attacks in Afghanistan took place throughout the country in 2013.

Nearly one-quarter of all attacks (21.6%) took place in Helmand and Kandahar provinces in the South; however, 24 other provinces experienced more than 10 attacks in 2013.

Taliban and Insurgent Tactics Have Become Lethal and More Challenging

- ISAF/US reporting on cover tactical events, not outcomes and is essentially meaningless, if not dishonest, in showing relative areas of government and insurgent presence and influence.
- UNAMA reporting shows casualty levels never dropped significantly as a result of the surge and got far worse in the first six months of 2014 as ISAF forces withdrew.
- UNAMA reports that targeted attacks by Anti-Government Elements against mullahs (religious leaders) they accused of supporting the Government and in mosques tripled in 2013 and rose again in the first six months of 2014.
- In the first half of 2014, the armed conflict in Afghanistan took a dangerous new turn for civilians. For the first time since 2009 when UNAMA began systematically documenting civilian casualties in Afghanistan, more civilians were found to have been killed and injured in ground engagements and crossfire between Anti-Government Elements and Afghan national security forces than any other tactic. In previous years, the majority of civilians were killed and injured by improvised explosive devices.
- Between 1 January and 30 June 2014, UNAMA documented 4,853 civilian casualties, (1,564 civilian deaths and 3,289 injured) recording a 17 per cent increase in civilian deaths, and a 28 per cent increase in civilians injured for a 24 per cent overall increase in civilian casualties compared to the first six months of 2013.3
- UNAMA attributed 74 per cent of all civilian casualties to Anti-Government Elements, nine per cent to Pro-Government Forces5 (eight per cent to Afghan national security forces, one per cent to international military forces) and 12 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 four per cent of civilian casualties to explosive remnants of war, and the remaining one per cent to cross-border shelling from Pakistan into Afghanistan.
- Compared with the first six months of 2009, when UNAMA began to monitor civilian casualties, the number of civilians killed by Anti-Government Elements doubled in 2014 (from 599 to 1,208), while the number of civilians killed by Pro-Government forces has been cut by half (from 302 to 158), almost entirely due to reduced civilian casualties from aerial operations of international military forces.

DoD Casualty Summary for First Half of 2015

The United Nations Assistance Mission in Afghanistan (UNAMA) conducts comprehensive civilian casualty reporting as part of their efforts to encourage all parties to the conflict to take robust and meaningful measures to protect the civilian population. UNAMA compiles its figures from site visits by locally employed staff who speak with victims, witnesses, and local leaders. Although the most recent UNAMA data available is from the first half of 2015, this data and these trends are consistent with other available sources of civilian casualty information for the reporting period.

UNAMA documented 4,921 civilian casualties (1,592 civilians deaths and 3,329 injured) in the first six months of 2015. This amounts to a one percent increase in overall civilian casualties, with a six percent decrease in civilian deaths and four percent increase in the number injured, as compared to the first six months of 2014. UNAMA attributed the rise in the overall number of civilian casualties from January through June 2015 to an increase in complex and suicide attacks and to deliberate and targeted killings by insurgents. Ground engagements and IEDs continue to be the two leading causes of civilian casualties.

From January 1, 2015, to June 30, 2015, UNAMA attributed approximately 15 percent of Afghan civilian casualties to the ANDSF and 70 percent to the insurgents. RS figures place insurgent-caused civilian casualties and ANDSF-caused casualties at 90 percent and approximately 2 percent respectively. The Office of the National Security Council is coordinating an inter-ministerial policy to reduce civilian casualties including partnering with UNAMA and the non-governmental organization Civilians in Conflict to implement training programs for the ANDSF and the population. The Afghan government will also assume responsibility for leading a quarterly Civilian Casualty Assessment Board in 2016. Coalition TAA efforts will continue to work to professionalize the ANDSF to help reduce civilian casualties.

On October 3, 2015, a U.S. military airstrike to support Afghan special operations forces on the ground in Kunduz city struck a Médecins Sans Frontières (also known as Doctors Without Borders) trauma center. The U.S. investigation determined that this tragedy resulted in the death of 30 staff, patients, and assistants; the injury of 37 others; and was the direct result of human error, compounded by systems and procedural failures. The investigation also included specific recommendations relating to these failures and to personnel to ensure U.S. forces avoid repeating the mistakes that led to this tragic event.

Between 1 January and 30 June 2015, UNAMA documented 4,921 civilian casualties (1,592 civilian deaths and 3,329 injured), marking a six per cent decrease in civilian deaths and four per cent increase in civilians injured. These figures amount to an overall one per cent increase in civilian casualties compared to the first six months of 2014, and the highest number of total civilian casualties compared to the same period in previous years. Between 1 January 2009 and 30 June 2015, UNAMA recorded 52,653 civilian casualties (19,368 deaths and 33,285 injured).
AGE= Anti government elements; PGF = Pro Government Forces

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED CONFLICT
Civilian Deaths and Injuries by region
January to June: 2009 - 2015

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED CONFLICT
Civilian Deaths and Injuries by region
January to June 2015

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED CONFLICT
### Civilian Deaths and Injuries: Ground Engagements by region

**January to June 2009 - 2015**

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<tr>
<th></th>
<th>Central</th>
<th>Central Highlands</th>
<th>Eastern</th>
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<th>Northern</th>
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<td>271</td>
<td>132</td>
<td>247</td>
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Civilian Deaths by Tactic: Anti-Government Elements
January to June 2009 - 2015

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
Civilian Deaths and Injuries from Targeted Killings by AGE
January to June 2009 - 2015

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED CONFLICT
Civilian Deaths and Injuries by Aerial Operations
January to June 2009 - 2015

Source: UNAMA, UNOCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED
CONFLICT
Civilian Deaths and Injuries: IEDs by region
January to June 2009 - 2015

Source: UNAMA, UNOHCHR, AFGHANISTAN, MIDYEAR REPORT 2015
PROTECTION OF CIVILIANS IN ARMED CONFLICT
### Civilian Deaths and Injuries:
#### Ground Engagements by region
#### January to December 2009 - 2014

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ANSF Force Strength and Readiness Challenge
Critical Challenges to ANSF

• Expansion rushed in erratic bursts from 2005 onwards with erratic funding and supply of advisors until CY2010-CTY2011.

• Heavy reliance on police and Afghan Local Police for paramilitary functions they are not trained and armed to perform.

• Efforts to end combat role by end-2014 cut advisors and advisor role in combat units far below the levels needed. Seriously degraded chances of success.

• Election crisis weakened corrupt and already in adequate Ministry of Defense and Ministry of Interior.

• Meaningful unclassified reporting on Army and Police readiness at unit level has halted. Supposedly for security reasons but evidently because data would strongly argue against plans to cut number of advisors and phase them out by end-2016.

• Strong indications the U.S. is repeating the kind of politicized reporting on ANSF that disguised the problems in the ARVN before the collapse of Vietnam.

• Media reporting strongly indicates serious losses in security in many districts, and rising threat to some urban areas.
Following successful ANDSF cross-pillar offensive operations in southern and eastern Afghanistan early in the 2015 fighting season, many of the known and persistent challenges and shortfalls became increasingly evident as the Afghan government reacted to Taliban offensives. These shortfalls and challenges hampered ANDSF execution of planned offensive operations and effectively stalled the campaign plan for the second half of 2015 and the corresponding operational initiative. The ANDSF have demonstrated resolve and great resilience, and continue to apply lessons learned from their first year fully responsible for the security of Afghanistan.

An elevated operational tempo this year contributed to significantly higher ANDSF casualties. From January 1 through November 15, 2015, there was a 27 percent increase in ANDSF casualties compared to the same period last year. Coalition advisors and ANDSF leadership are focused on reversing this trend through an increased emphasis on proper training, equipping, casualty treatment, and CASEVAC operations.

The Taliban offensives in Helmand and Kunduz demonstrate that the ANDSF remain reactive. This allows the Taliban to foster the impression that the ANDSF cannot control key population centers. Even when the ANDSF are able to regroup and reclaim key population centers and symbols of Afghan governance, this undermines public confidence that the government can protect the Afghan people and overshadows the numerous successes the ANDSF have had in clearing insurgent sanctuaries. Recent surveys show that over the course of a tough fighting season public confidence in the ANDSF has eroded slightly, though it still remains high at 70 percent compared to 78 percent in March 2015 and 72 percent in June 2015.

A number of initiatives are underway to move the ANDSF towards a more offensive-oriented strategy grounded in intelligence-driven operations, but so far, these efforts have limited buy-in from some ANDSF and provincial leadership. The ANDSF will be unable to achieve their desired end state of protecting the population until their strategy against the insurgency entails more operations focused on clearing insurgent safe havens and operating areas. A more offensive strategy also includes changes in the employment of the force and force posture. In particular, the ANDSF reliance on static checkpoints detracts from their ability to resource a more offensive approach with sufficient manpower.

The Office of the National Security Council, MoI, MoD, and General Staff continue to develop national-level defense plans, campaign plans, and associated resource allocations with RS support. President Ghani and the ONSC approved the National Threat Assessment and the National Security Policy documents on June 23 and July 14, 2015, respectively. However, two other critical documents that provide guidance to the Afghan security ministries and articulate the Afghan government’s strategy remain unsigned; the ONSC, in coordination with the MoD and the MoI, are continuing to revise both the National Security Strategy and the National Campaign Plan. are more prescriptive and tactical in nature than typical strategic planning documents.

DoD Summary Assessments of ANDSF Challenges 12.2015 - II

The five-year *National Campaign Plan* is a critical document intended to inform winter and traditional fighting season campaign strategy and planning documents. These delays can be attributed, in part, to a slow and bureaucratic ONSC system that often strives for consensus-building at the expense of efficiency. Additionally, because of the immaturity of the Afghan government’s overall strategic planning structure, planning documents are more prescriptive and tactical in nature than typical strategic planning documents.

The Afghan government relies on international funding for the vast majority of its security costs. The requirement to fund the current ANDSF force structure in fiscal year (FY) 2015 is $5.4 billion and is expected to decrease to approximately $5.0 billion in FY 2016. For FY 2015 the United States funded $4.1 billion of the estimated $5.4 billion cost of the ANDSF ($2.9 billion for the MoD and $1.2 billion for the MoI) through the Afghanistan Security Forces Fund (ASFF). Approximately $2.0 billion of the FY 2015 ASFF was provided directly to the Afghan government ($1.5 billion for the MoD and $500 million for the MoI) to fund salaries and incentive pay, equipment, facilities maintenance, and fuel costs. The other $2.1 billion of the FY 2015 ASFF is executed by DoD primarily through DoD contracts on Foreign Military Sales cases. The remaining $1.3 billion of ANDSF costs were funded by international donors ($923 million for ANP salaries, information technology, aviation training and maintenance, uniforms, and medical supplies) and the Afghan government ($419 million, primarily for food and subsistence).

CSTC-A has taken steps to increase the Afghan security ministries’ capacity and capability to manage direct contributions responsibly. These steps include improving fiscal transparency and oversight with a conditions-based financial program and an increase in financial and procurement advisors to train, advise, and assist the MoI and the MoD. In addition, CSTC-A’s continued development of an integrated pay and personnel enterprise information system for the MoI and MoD will help increase transparency and accountability. These and other efforts to develop repeatable and transparent planning, programming, budgeting, and procurement processes will assist the Afghans as they build their capacity to ensure oversight of the security ministries’ financial systems.

The current ANDSF authorized force level remains at 352,000 ANA and ANP personnel plus 30,000 ALP. Effective June 15, 2015, the ALP transitioned to align under the command and control of the AUP. However, the ALP *tashkil* continues to remain independent of the ANP’s total authorized end strength.

Monthly attrition rates for both the ANA and ANP increased slightly during the reporting period but have remained close to the two-year historical average of 2 percent. Several soldier “quality of life” issues contribute to the high number of ANDSF personnel who are dropped from the rolls and to the high overall attrition rate.

DoD Summary Assessments of ANDSF Challenges 12.2015 - III

Within both the ANA and ANP, insufficient and untimely pay, difficulties accessing pay, the absence or misunderstanding of leave policies, constant combat deployments with little or no leave or training rotations, the lack of casualty and martyr care, and inadequate living and working conditions all pose significant challenges to retaining a professional force. While policies exist to prevent personnel from being absent without leave (AWOL), they are often unenforced and commanders frequently welcome personnel back without exercising any formal discipline.

RS advisors continue to work with the Afghan security ministries to address systemic causes of attrition in order to ensure the long-term health and sustainability of their forces. To overcome these obstacles, the MoD and MoI will need a sustained focus on improving leadership through merit-based selection, better training and development for leaders, and building their capacity in areas such as personnel management including readiness and training cycles, strategic and operational planning, and resource management.

The ANDSF are taking higher casualties in virtually every province this year, particularly in areas with historically higher levels of violence such as Helmand. Although the ANDSF casualty rate is only a small fraction of overall ANDSF personnel end strength and the attrition rate, combat weariness – particularly among young Afghan tactical leaders – is also cited as a factor in the number of soldiers who are considered AWOL and eventually dropped from the rolls.

The ANDSF and MoD and MoI leadership are beginning to recognize the force protection advantage and potential additional offensive combat power from adjusting their force posture. During periods of increased violence, ANA and ANP forces often require a rotational presence or reinforcements from other corps or units. Although the ANDSF are stretched thin, implementation of various force optimization initiatives has been uneven. Until the ANDSF optimizes their force posture, insurgents will take advantage of opportunities to overrun and loot small, isolated ANDSF checkpoints, particularly in areas where insurgents have historical safe havens. National-level leadership must better articulate to commanders and leaders at all levels, particularly the provincial chiefs of police and Members of Parliament, the benefits that consolidation provides in the more efficient use of the force.

As of September 2015, the ANP devoted more than half of its total end strength of approximately 147,000 to checkpoints and fixed sites. ANP leaders are reluctant to consolidate due to civilian perceptions of security and their consideration of community leaders’ opinions for tactical-level decisions. By October 21, 2015, the ANA had reduced their total number of checkpoints and fixed sites by almost 40 percent when compared to the beginning of the reporting period, but still had an estimated 53,000 personnel stationed at those sites. While the ANA has had more success than the ANP in reducing the number of static checkpoints, the ANA corps that have consolidated are struggling to translate the additional manpower into offensive combat power.

Generally the areas of the country where the ANDSF have been able to optimize their force posture coincide with areas where ANDSF deliberate, offensive operations have occurred or where provincial governors’ and powerbrokers’ influence is minimal. Though checkpoints and a fixed ANDSF presence, rather than patrols or a rotational presence, is consistent with Afghan perceptions of security – especially in rural areas – the ANDSF reliance on defending static checkpoints has come at a cost of increased ANDSF casualties. This posture also cedes the initiative to the insurgents who can choose to fight when they have the tactical advantage. With the insurgent tactic of massing forces, the ANDSF are being out-maneuvered by an overall numerically inferior insurgent force. Furthermore, broadly emplaced checkpoints compound existing logistics and supply challenges.

The ANDSF’s uneven performance this fighting season indicates that capability gaps and developmental shortfalls will persist well beyond this year in fixed and rotary-wing aviation, intelligence, and sustainment. Significant obstacles in areas such as providing organic aerial fires and logistics and maintenance will require several more years of intensive advisory efforts, human capital development, and considerable investments in building sustainable systems and processes. Moreover, cross-pillar synchronization, resource management, and intelligence-driven operations remain areas for continued improvement. These gaps and shortfalls can be reduced over time if the appropriate resources are allocated and, most importantly, as ANDSF leaders continue to mature and develop sufficiently to implement critical reforms.

Despite these capability gaps and developmental shortfalls, the ANDSF possess, and are capable of leveraging, significant enablers that the insurgents do not possess such as mortars, D-30s howitzers, armed Mi-17s, MD-530 attack helicopters, and armored vehicles. Although there is much room for improvement in the ANDSF employment and sustainment of these enablers – a persistent focus of coalition advisory efforts – the ANDSF continue to make significant gains in effectively fielding and employing enablers in support of combat operations.

After a number of large-scale, multi-corps, and cross-pillar operations, such as in northern Helmand and on the Zabul-Ghazni border early in the year, ANDSF offensive operations tended to be much smaller over the reporting period. A majority of operations were conducted at the kandak (battalion) and brigade level and were characterized by the need for stronger cross-pillar coordination and intelligence fusion. However, the ANDSF did continue to improve their integration of indirect fire and maneuver with aviation support. Although there have been instances during ANDSF operations when they did not request CAS and ISR support, coalition enablers were essential to ANDSF success during counter-offensives in Helmand and Kunduz.

Given sufficient time, the ANDSF can plan, prepare, and conduct security operations with moderate success. However, until the ANDSF can reduce their enabler gaps, they will require continued coalition support during emergent situations and in order to maintain momentum during and between operations. In addition, ANA and ANP counter-IED units are hampered by logistics and manning deficiencies within ANA units and the misallocation of resources within the ANP.
Recent offensive operations have been primarily focused on key terrain such as population centers and transit routes and often did not result in the ANDSF establishing military superiority in the most contested insurgent areas. In June and early July 2015, the ANDSF conducted a cross-pillar operation to retake the Chahar Darah and Dasht-e Archi district centers in Kunduz after they were overrun by the Taliban. Senior leaders from across the ANDSF were personally involved in this operation, demonstrating their commitment to ensuring seamless coordination across the force and from the corps level down to the provincial level. ANDSF use of ISR, such as PC-12 aircraft to assist with targeting for artillery highlights the ANDSF’s growing ability to employ intelligence equipment to support offensive operations. Although the ANDSF were successful in clearing these districts and restoring security to the region with minimal losses, their gains were not lasting as the insurgency was able to maintain their presence throughout the province.

One of the ANDSF’s primary offensive operations over the last six months was Operation Iron Triangle. Conducted in August 2015, this multi-corps, cross-pillar operation included elements of the ANA 201st and 203rd Corps, the 111th Capital Division, the AUP, ALP, AAF, SMW, and ANA Special Operations Kandaks (SOKs) with the goal of clearing the Khogyani, Sherzad, and Hisarak districts in Nangarhar Province; Sarobi district in Kabul Province; and Azarah district in Logar Province. These areas had been central hubs for Taliban and other insurgent facilitation networks that supported operations in Kabul. Before the main offensive, the SOKs conducted successful initial offensive operations, and several ANDSF units effectively incorporated ISR and coordinated well amongst air and ground units that relied on MD-530 helicopters for close air attack support. However, the operation was marked by inefficient employment of the force and limited communication and coordination between various ANDSF pillars and the corps involved – a recurring theme throughout the reporting period. Furthermore, security gains made by disrupting facilitation routes into Kabul will not be lasting without a permanent presence of security forces to maintain these gains and prevent insurgents from returning.

Operations in other regions in response to insurgent violence also exposed deficiencies in ANDSF operational capabilities. Leadership challenges in the ANA 215th Corps responsible for Helmand prompted several changes within both the ANA and ANP leadership in the region and heavy losses sustained throughout the fighting season required reinforcements from neighboring ANA corps. Setbacks in Musa Qalah district in Helmand caused the ANDSF to suspend offensive operations, detracted from the momentum of counter-offensives elsewhere in the region, and highlighted ANDSF gaps in aerial fires. In order to avoid detrimental strategic effects to the campaign, the Commander, USFOR-A has the authority to provide in-extremis kinetic support to the ANDSF under limited circumstances at his discretion. This most prominently occurred during operations to retake contested areas in and around the Musa Qalah district center in August 2015.

Although there are varying levels of threat and insurgent activity across the country and ANDSF units have different levels of overall capability, leadership is often the biggest factor in both ANA and ANP unit performance. RS officials continue to emphasize that effective and accountable leadership is the only way to ensure that the ANDSF continue to improve and that gains are sustained. The selection, placement, and empowerment of the right military and civilian leadership within the security ministries are essential to ANDSF success. While training efforts can improve technical and tactical capabilities, more robust professional development in areas such as command policy and strategic planning is necessary to overcome the human capital limitations within the ANDSF at all levels.

At the ministerial level, delays in resource management and strategic planning processes combined with senior leader intervention at the operational and tactical levels are symptoms of the larger shortfall in leadership experience and depth. Leadership at the ANA corps and police equivalent levels is crucial to increasing and enforcing accountability, improving readiness, sustaining the force; and preventing, reporting, and ultimately reducing GVHRs.

The Afghan government is increasingly taking proactive measures to address leadership and accountability. For instance, after a poor performance amidst persistent violence in Helmand over the summer, several changes were made within the ANA 215th Corps and in October 2015 President Ghani appointed 61 officers to senior positions in the MoD and 22 general officers within the MoI.

The ANDSF operational culture remains dominated by the ANA. RS continues to help the ANDSF embrace a more cross-pillar approach towards the planning and execution of operations. These efforts require substantial leadership at all levels in order to be effective and sustainable. Operation Iron Triangle serves as a clear example of demonstrated ANDSF proficiency in planning and conducting cross-pillar operations. Despite this success, the biggest challenge to increased cross-pillar coordination is at the provincial leader and operational level.

Coordination at the MoD and MoI headquarters level has improved modestly, especially in the area of intelligence fusion through the Nasrat. During the reporting period, MoD invited senior MoI officials to participate in the ANA Corps Commanders Conference on November 4 and 5, 2015, to synchronize planning more effectively for the winter campaign plan. With the ongoing restructuring of the Office of the National Security Council, the Afghan government has a major opportunity to improve ministerial coordination at the strategic level through the convening and integration functions of the ONSC.

During this fighting season, the ANDSF demonstrated that they are capable of preventing the Taliban from achieving their long-term strategic goal of overthrowing the government by force. Upon losing key terrain to the Taliban, the ANDSF proved themselves capable of mounting effective counterattacks, frequently re-taking lost terrain in only hours or days, and effectively employing organic aerial fires assets in support of combined armed operations – a further sign they are a learning and growing fighting force on a positive trajectory. The ANDSF also continue to use their special operations forces to prosecute terrorist threats effectively and, with coalition support, deny safe haven to networks across the country.

Despite a positive trajectory, the ANDSF have a long way to go. Although the ANDSF have capability advantages over the insurgent forces, they remain reluctant to pursue the Taliban into their traditional safe havens. Given the ANDSF’s current stage of development, they cannot manage the insurgency and ensure security and stability across Afghanistan without further improvement in key enabling capabilities, competent operational-level leaders, and continued development of human capital.
ISAF’s security mission set the conditions for Afghan reconstruction and success. Coalition and ANDSF worked together to provide security in Afghanistan. Some of the major improvements Afghanistan has witnessed since 2001 are in the areas of medical care, infrastructure, a free and open press, gender equality, stable governance, transportation, education, reliable power, gender equality, and the development of the Afghan Security Forces.


The Resolute Support Mission will focus on training, advising, and assisting Afghan Security Institutions (ASI) (Ministry of Defense and Ministry of Interior) and Afghan National Defence and Security Forces (ANDSF) at the ministerial, institutional, and operational levels.

The main effort is to train, advise, and assist ASI and ANDSF focusing on eight specific areas of concentration or “Essential Functions”. These eight Essential Functions are:

- **EF 1:** Multi-year Budgeting and Execution of Programs
- **EF 2:** Transparency, Accountability, and Oversight (prevent corruption)
- **EF 3:** Civilian Governance of the ASI (ANSF as servants of the people)
- **EF 4:** Force Generation (recruit, train, and equip the force)
- **EF 5:** Sustainment (supply and maintenance)
- **EF 6:** Strategy and Policy Planning, Resourcing, and Execution (plan, resource campaigns)
- **EF 7:** Intelligence
- **EF 8:** Strategic Communication

Today capable and confident Afghan Security Forces have assumed full security responsibility and have the support of the Afghan people. With the Resolute Support Mission, this commitment continues in line with what was agreed upon with Afghan authorities at the NATO Summits in Lisbon, Chicago, and Wales.
Sympathy for Taliban and Armed Opposition Groups

Mixed Support of ANA and ANP

PERCEPTIONS OF THE ANA

HONEST AND FAIR
HELPS IMPROVE SECURITY

PERCEPTIONS OF THE ANP

HONEST AND FAIR
HELPS IMPROVE SECURITY

PROVINCES WITH HIGHEST AND LOWEST CONFIDENCE IN ANA AND ANP

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“BILATERAL SECURITY AGREEMENT”

Main Points of the BSA (Afghanistan & U.S.)

⇒ Effective from 1 January 2015 until the “end of 2024 and beyond” unless it is terminated by either Afghanistan or the U.S. with two years’ notice.
⇒ The BSA authorizes U.S. forces to maintain existing facilities and undertake new construction, so long as they are agreed upon by both sides. However, the U.S. will not create permanent bases in Afghanistan.
⇒ The U.S. shall regard with grave concern any external aggression or threat of external aggression to Afghanistan, and will work together with GIRQa to develop “an appropriate response,” including considering political, military, and economic measures.
⇒ The U.S. will have the exclusive right to exercise jurisdiction over U.S. service members who commit "any criminal or civil offenses" in Afghanistan.
⇒ U.S. forces will not enter Afghan homes for the purpose of military operations and searches except under extraordinary circumstances involving the urgent risk to life and limb of U.S. nationals.
⇒ U.S. forces shall not arrest or imprison Afghan nationals, nor maintain or operate detention facilities in Afghanistan.

BSA & SOFA: WHAT ARE THEY?

⇒ The United States Bilateral Security Agreement and the NATO Status of Forces Agreement provide the legal framework for the United States, NATO, and its partner nations’ continued commitment to train, advise, and assist Afghan Security Forces.
⇒ The agreements reaffirm the Coalition and Afghanistan’s strong commitment to the sovereignty, independence, territorial integrity, and national unity of Afghanistan.
⇒ The agreements emphasize that both the Coalition and Afghanistan will go forward in partnership with confidence because they are committed to seeking a future of justice, peace, security, and opportunity for the Afghan people.
⇒ The agreements place importance on cooperative relationships between Afghanistan and its neighbors conducted on the basis of mutual respect, non-interference, and equality and call on all nations to refrain from interference in Afghanistan’s internal affairs and democratic processes.

“STATUS OF FORCES AGREEMENT”

Scope of NATO Operations

⇒ The SOFA covers the RESOLUTE SUPPORT MISSION, which is a non-combat, train, advise, and assist (TAA) mission.
⇒ TAA for Resolute Support is extended to the tactical level for Afghan Special Operations Forces (at the request and invitation of GIRQa).

NATO Forces & Members of the NATO Forces have:

⇒ Right to entry, movement, exit, transit, transportation (no visas) within Afghanistan.
⇒ Immunity from local Afghan jurisdiction, arrest, and criminal prosecution.
⇒ Tax exemption for acquisitions by or on behalf of NATO Forces.
⇒ Exempted from licenses and permits.
⇒ Provisions almost identical to the BSA.

Goal: Afghan Security Forces that are sustainable, capable of protecting the population, and have full responsibility for Afghanistan’s security.
Afghan Forces Manning: 2/2014-7/2015

ANDSF attrition rates are holding steady, according to reporting provided to RS by the MOD and MOI. The ANA had a monthly attrition rate of 2.4% in July 2015, up from 2.3% in May; and more than a one percentage-point decrease from the average monthly attrition rates the ANA endured in 2013 of 3.52% and 2014 of 3.62%. The ANP’s monthly average attrition rate was reported to be holding steady at 1.9% from May through July. This quarter USFOR-A reported that RS is no longer tracking a monthly attrition goal.

Ministry of Defense and ANA Forces and Readiness
MINISTRY OF DEFENSE ASSESSMENT RATINGS (NATO) JUNE 1, 2015

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Note: EF = Essential Function; ASI = Afghan Security Institutions; EF1 = Multi-Year Budgeting and Execution; EF2 = Transparency, Accountability, and Oversight; EF3 = Civilian Governance of the ASI; EF4 = Force Generation; EF5 = Sustainment; EF6 = Strategy and Policy, Planning, Resourcing, and Execution; EF7 = Intelligence; EF8 = Strategic Communications. Q1 = February/March 2015; Q2 = June 2015; Q1 - EF1 & EF7 assessments as of 3/1/2015; EF2 & EF5 - as of 2/26/2015; EF3 & EF6 - as of 2/12/2015; EF4 - as of 2/17/2015; EF8 - as of 2/20/2015.

Source: SIGAR, Quarterly Report to Congress, July 30, 2015, p. 104.
MINISTRY OF DEFENSE ASSESSMENT RATINGS (NATO) AUGUST, 2015

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<td>3 3</td>
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</tbody>
</table>

Note: EF = Essential Function; ASI = Afghan Security Institutions; EF1 = Multi-Year Budgeting and Execution; EF2 = Transparency, Accountability, and Oversight; EF3 = Civilian Governance of the ASI; EF4 = Force Generation; EF5 = Sustainment; EF6 = Strategy and Policy, Planning, Resourcing, and Execution; EF7 = Intelligence; EF8 = Strategic Communications. Q1 = February/March 2015; Q2 = June 2015; Q1 - EF1 & EF7 assessments as of 3/1/2015; EF2 & EF5 - as of 2/26/2015; EF3 & EF6 - as of 2/12/2015; EF4 - as of 2/17/2015; EF8 - as of 2/20/2015.

* Gender Advisor milestones and tasks were not assessed in Q1.

Source: SIGAR, Quarterly Report to Congress, October 30, 2015, p. 97.
MINISTRY OF DEFENSE EQUIPMENT

MISSION STATEMENT

The mission of the Afghan National Army is to defend the national sovereignty, safeguard the national interest and freedom, territorial integrity, independence, and Islamic values of Afghanistan.

Objectives:
- Defeat insurgents, Al Qaeda, terrorism and terrorist groups in Afghanistan
- Continue the development and improvement of Ministry of Defense/ANA capabilities to establish a strong defense sector in support of national interests and security objectives
- Contribute to a stable regional and international security environment

The 195,000 person Afghan National Army is divided into six regional Corps: 201st in Kabul, 203rd in Gardez, 205th in Kunduz, 207th in Herat, 208th in Mazar-e-Sharif, and 215th in Lashkar Gah. The Corps are typically comprised of a headquarters battalion, three to four brigades and various specialty kandaks. The Afghan General Staff provides command/control (C2) over all of Afghanistan’s ground and air forces, including all six Corps, the 112th Capital Division, two types of Special Brigades (two Mobile Strike Force Brigades and the National Engineer Brigade), Afghan Detention Operations, ANA Special Operations Command, Air Force, and Special Mission Wing. The Ground Forces Command which used to C2 conventional ground forces is being disestablished.

The Special Operations Command consists of two special operations brigades, a military intelligence kandak, a national strategic reserve operations kandak, and four mobile strike force companies. The kandaks are divided into two main groups: Commandos and Special Forces. They are rapidly deployable, highly mobile, light infantry units trained to conduct expeditionary commando operations.

The Afghan Air Force is responsible for air defense and air warfare in a country largely inaccessible by road. The AAF provides airlift for ANSF, logistics, humanitarian relief support, human remains return (HRT), casualty evacuation, non-traditional ISR, air assault, armed overwatch and aerial escort.

Headquarters AAF is located in Kabul and provides command and control of three wings, the Kabul Air Wing, Kunduz Air Wing, Shindand Air Wing and five detachments respectively located in Mazar-e-Sharif, Jalalabad, Shorab, Gardez and Herat. The Special Mission Wing primarily supports Afghan Special Forces and performs intelligence, surveillance, and reconnaissance missions as well as air assault, counter-terrorism, and counter-narcotics missions.

Source: Resolute Support: http://www.rs.nato.int/images/media/PDFs/RSM/20150204_aaf_trifold_final.pdf
D-30 HOWITZER

122 mm

Provides ANSF with indirect fire capability.

Will have 208 in the inventory.

MD-530 HELICOPTER

Provides close air attack and aerial escort capability with two .50 caliber machine guns.

Will have 17 in the inventory.

PC-12 AIRCRAFT

Provides airborne intelligence, surveillance and reconnaissance capabilities and is primarily flown by the Special Mission Wing.

Will have 18 in the inventory.

MI-17 HELICOPTER

Conducts lift, personnel transport, CASEVAC, resupply, air interdiction, aerial escort and armed overwatch missions. 12 aircraft have 23mm Forward Firing Cannons.

Will have 86 in the inventory.

C-208 AIRCRAFT

Provides basic aircraft training, lift, personnel transport, CASEVAC, and human remains return capabilities.

Will have 25 in the inventory.

A-29 LIGHT AIR SUPPORT

Provides close air support, armed escort, and armed overwatch capabilities and can be armed with two 500lb bombs, twin .50 caliber machine guns and rockets. The AAF has three aircraft in the US for pilot training.

Will have 20 in the inventory.

MI-35 HELICOPTER

Provides close air attack, and armed aerial escort capability with two 23mm forward firing cannons and two 55 rocket pods.

Will have 5 in the inventory.

C-130 TACTICAL TRANSPORT

Provides a medium airtift capability, personnel transport, CASEVAC and human relief support capability.

Will have 4 in the inventory.

Source: Resolute Support: http://www.rs.nato.int/images/media/PDFs/RSM/20150204_aaf_trifold_final.pdf
The attrition rate in the ANA continues to pose challenges for ANDSF development. The ANA attrition rate dropped to an average of approximately 2.3 percent for the last 12 months (compared to historical norms of approximately 2.6 percent) with a low of 1.8 percent in March 2015 and a peak of 3.0 percent in October 2014. Despite this improved trend, RS advisors estimate that ANA casualties have increased during this reporting period compared to last year based on operational reporting. ANA end strength has increased since October 2014, and ANDSF leaders are working to identify and implement appropriate and effective measures to reduce attrition. RS senior leaders and advisors raised awareness of several key factors that likely contribute to attrition and recommended measures be taken by MoD leaders to address. These areas are leadership and leader accountability; a reliable leave process; timely and accurate pay; soldier assignments; and casualty/martyr care. During this reporting period, several hundred non-commissioned officers and soldiers reenlisted, all from units that were actively engaged in combat operations.

According to recent surveys, perceptions of the ANA are most positive in Kabul and 201st Corps areas, and poorest in 215th and 207th Corps areas.49 Each corps is typically composed of a headquarters kandak (battalion), three to four infantry brigades, and various specialty kandaks.

In addition, two Mobile Strike Force brigades (wheeled medium armored vehicles) provide an additional seven Mobile Strike Force kandaks based in Kabul and Kandahar. These formations are capable of rapid employment in offensive operations.

In addition to these combat capabilities, the ANA has headquarters and training units to generate, sustain, command, and control the force.

The ANA is divided into one division and six regional corps: 111th Capital Division, 201st Corps, 203rd Corps, 205th Corps, 207th Corps, 209th Corps, and 215th Corps (see Figure for their respective areas of responsibilities).

Each corps is typically composed of a headquarters kandak, three to four infantry brigades, and various specialty kandaks. In addition, two Mobile Strike Force brigades (wheeled medium armored vehicles) provide an additional seven Mobile Strike Force kandaks based in Kabul and Kandahar.

These formations are capable of rapid employment in offensive operations.

In addition to these combat capabilities, the ANA has headquarters and training units to generate, sustain, command, and control the force.
Afghan National Army Manning: 11/14 to 10/15

Note: The ANA military strength depicted above includes the military members of the AAF, which is a component of the ANA.
* Attrition encompasses all unplanned and planned losses.
** Gain includes all gains (recruits, re-accessions, and return from dropped from the rolls) to ANA strength during the reported period.
Attrition rates account for all losses to the force. This includes both planned factors such as separation from military service and retirements and unplanned factors such as ANDSF personnel who are dropped from the rolls, killed-in-action, non-hostile fatalities, and exempted service members. Individuals are dropped from the rolls when they leave their units without authorization for more than 30 days. Some personnel who leave without authorization, including those dropped from the rolls, eventually return to their units. The dropped from rolls category represents the most significant contributor to high attrition rates.

Source: Enhancing Security and stability in Afghanistan, Department of Defense, 1225 Report, December 2015, p. 27, 45
### ANA AND OCC-R ASSESSMENT RATINGS: JANUARY AND APRIL 2015

**Six ANA Corps, the 111th Capital Division, and AAF (specific ratings classified)**

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**OCC-Rs (specific ratings classified)**

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<td>ICT</td>
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</table>

**Color Key**

- Blue: Sustaining
- Orange: Partially Capable
- Green: Fully Capable
- Red: Developing
- Purple: Not Assessed

AAF = Afghan Air Force, OCC-R = Operations Coordination Centers-Regional; ICT = Information, Communications, and Technology.
Afghan Air Force vs.
US and Allied Air Support
An Unworkable Afghan Air Force Development Plan Out of Phase with Combat Needs Creates Rising Need for Outside Air Support

• Afghan Air Force development was timed to 2016, not 2014.

• Progress now lagging badly and many of aircraft choices seem questionable in terms of operational status and effectiveness.

• Air power is key tool in help ground forces when they are in trouble, compensating for limit ANA numbers, ability to carry out rapid reinforcement. Current Afghan air capabilities fall far below need.

• U.S. and allied combat support rose in mid-2015, but fell far below 2014, and is grossly below Afghan needs.

• Effective transition requires major outside air component until Afghan forces are far more effective.
AFGHAN AIR FORCE

The Afghan Air Force is responsible for air mobility and close air attack in a country defined by large mountains in the north and wide-open plains in the south. Helping reach some of the most remote regions of Afghanistan, the AAF provides air assets for logistics, resupply, humanitarian relief efforts, human remains return (HiReo), casualty evacuation, non-traditional ISR, air interdiction, close air attack, armed overwatch and aerial escort.

Headquarters AAF is located in Kabul and provides command and control of three wings, the Kabul Air Wing, Kandahar Air Wing, Shindand Air Wing and five detachments in Mazar-e-Sharif, Jalalabad, Shorab, Gardzez and Herat.

The Special Mission Wing performs Intelligence, surveillance, and reconnaissance missions as well as air assault, counter-terrorism, and counter-narcotics in support of the Afghan Special Forces. Aircraft numbers include aircraft in the Special Mission Wing.

A-29 LIGHT AIR SUPPORT

The A-29 provides close air support, armed escort and armed overwatch capabilities and can be armed with two 500lb bombs, twin 50 caliber machine guns and rockets. The AAF has three aircraft in the US for pilot training.

As of 04 FEB 2015

Will have 20 in the inventory.

MD-530 HELICOPTER

The MD-530 provides close air attack and aerial escort capability with two .50 caliber machine guns. Unarmed MD-530s in Afghanistan being used to train future pilots. The first armed MD-530s are expected to arrive in March 2015.

Will have 17 in the inventory.

MI-17 HELICOPTER

The MI-17 conducts light lift, personnel transport, CASEVAC, resupply, air interdiction, aerial escort and armed overwatch missions. While every aircraft is armed with two 7.62mm door guns, 12 aircraft have 23mm Forward Firing Cannons.

Will have 85 in the inventory.

MI-35 HELICOPTER

The MI-35 provides close air attack and armed aerial escort capability with two 23mm forward firing cannons and two 55 rocket pods.

Will have 5 in the inventory.

C-208 AIRCRAFT

The C-208 provides basic aircraft training, light lift, personnel transport. CASEVAC, and human remains return capabilities. In an effort to reach more remote regions, the C-208 will provide the capability to land on dirt runways in the future.

Will have 25 in the inventory.

C-130 TACTICAL TRANSPORT

The C-130 provides a medium airlift capability, personnel transport, CASEVAC and human relief support capability.

Will have 4 in the inventory.

Source: Resolute Support: http://www.rs.nato.int/images/media/PDFs/RSM/20150204_aaf_trifold_final.pdf
Air-to-ground Integration

The Mi-17 and Mi-35 provide aerial fires support to ANSF. Mi-17 crews have the additional ability to provide armed overwatch and aerial escort mission with Night Vision Goggles.

In Fighting Season 2015, the Afghan Air Force aerial fires capacity will grow from five armed Mi-35 helicopters to 29 armed helicopters, including Mi-35s, Mi-17s and the newly armed MD-530s. In 2016, AAF will add A-29s to the aerial fires fleet.

On the ground, the Afghan Air Force completed initial training for 281 Afghan Tactical Air Coordinators, giving the ANSF a new air-ground integration capability. ATACs are combat proven and have already tested these new battlefield skills, enabling ANSF success in several ground engagements that resulted in the enemy’s defeat.

Transport Capabilities

The Afghan Air Force continues to grow its Command and Control functions. Recently, the AAF demonstrated the employment of a hub and spoke concept. This concept uses a combination of Mi-17, C-208 and C-130 aircraft to airlift passengers and cargo to their final destination. Optimized use of aircraft and routing will minimize the use of critically-tasked Mi-17s while still meeting ANSF needs.

In Fighting Season 2015, Afghan Air Force C-130s expect to fly 80% more missions than they did in Fighting Season 2014. The AAF has trained to meet this demand using night and instrument conditions flying-training programs.

Additionally, the Afghan Air Force provides life-saving CASVEAC. In 2014, the Afghan Air Force airtifted more than 2,300 injured to medical care.

Logistics sustainability

Since Jan 2014, the AAF has trained or certified more than 600 maintainers to sustain the Mi-17, C-208, Mi-35, and MD-530 aircraft. This is more than half of the total number required and a great building block for future training. Additionally, the AAF has sent their initial maintenance cadres to the U.S. for training on the A-29 and C-130 aircraft, the newest additions to the AAF inventory.

The Afghan Air Force has already taken responsibility for the air operations across Afghanistan, flying most operations independently. In addition, they are performing much of their own maintenance, to include conducting aircraft maintenance inspections without Coalition assistance.

The Afghan Air Force can now independently plan and execute air operations such as emergency extraction, armed over watch, casualty evacuation, air reconnaissance, close air attack and troop airlift.
HISTORY

Established from the MoI’s Air Interdiction Unit, which was originally organized in 2005, the SMW commenced operations as a Joint MoD/MoI unit in 2012. The unit conducted its first Afghan-pure mission in 2008, and conducted its first Afghan-led NVG mission in 2012. The unit has flown over 250 missions in 2014, conducting multi-functional aviation operations in direct support of Commandos, ANA Special Forces, Ktah Khas, and GCPSU national mission units. The SMW is the only air mobility capability in Afghanistan able to project SOF combat power in low visibility, and provides the only ANSF ISR capability. In early 2015, the SMW was reorganized under the MoD.

ORGANIZATION

The SMW is an MoD independent air wing organized into four squadrons, with the headquarters and two squadrons in Kabul, one squadron in Kandahar, and a future squadron in Mazar-e-Sharif. The unit is comprised of elite pilots and support personnel from the Ministries of Defense and Interior capable of performing the most dangerous airborne operations.

Role of the MOI and MOD in the Special Mission Wing

MOI and MOD are responsible for manning, initial training and equipping the SMW. MOI and MOD, through the MOI Deputy Minister for Security and MOD Chief of General Staff, provide joint command and control of the SMW and provide approval of SMW support requests for their organic ASSF units.

C2 Locations

Source: Resolute Support: http://www.rs.nato.int/images/media/PDFs/RSM/20150204_aaf_trifold_final.pdf
MISSIONS

COUNTER-TERRORISM
Ensuring Afghanistan never again becomes a safe haven for terrorism, the SMW provides rapid, precision airlift to aid Afghanistan’s elite forces in dismantling terror networks.

COUNTER-NARCOTICS
One of the biggest challenges in this region is drug trafficking. The SMW supports units who help prevent the cultivation, production, and smuggling of illegal narcotics, which is considered a major funding source of terrorism.

CAPABILITIES

NIGHT VISION CAPABLE
The SMW delivers Afghan Special Security Forces in low visibility conditions to fight the enemy when least expected.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE
The SMW provides Afghanistan’s only dedicated manned intelligence, surveillance, and reconnaissance capability, enabling ground force commanders to see the battlespace with aerial full-motion video.

EQUIPMENT

MI-17 HELICOPTER
2x M-240 Machine Gun
Provides ASSF with medium lift, air assault infil/exfil, personnel transport, CASEVAC, and QRF.
There will be 3g in the inventory.

PC-12 AIRCRAFT
EO/IR FMV Sensor
Afghanistan’s first fixed wing ISR platform, Pilatus PC 12NG. Provides ASSF airborne intelligence, surveil-
There will be 18 in the inventory.

Source: Resolute Support: http://www.rs.nato.int/images/media/PDFs/RSM/20150204_aaf_trifold_final.pdf
Logistical sustainment will make or break the AAF in the long-run. The AAF continues to develop its organic maintenance capability, including conducting aircraft maintenance inspections without coalition assistance. However, it currently relies heavily on contracted logistics support for its current fleet and will continue to do so for the near future, particularly to enable integration of new aircraft into the force. Although the capability of current AAF maintenance personnel continues to improve, obtaining the number and skill levels of personnel required to sustain the current and future fleet will remain a challenge.

Additionally, pilot development and availability within the AAF remains a challenge for several reasons. First, pilot training literacy requirements make finding qualified recruits difficult. The AAF currently has approximately 150 of 291 required fully trained pilots, and approximately 90 of the 198 required aircrews available for operations; this does not include any fully trained pilots in training for another type of aircraft, such as the A-29 or MD-530.

The AAF headquarters is located in Kabul and provides command and control of three wings, the Kabul Air Wing, Kandahar Air Wing, Shindand Air Wing, and five detachments in Mazar-e Sharif, Jalalabad, Shorab, Gardez, and Herat. Between FY 2010 and FY 2015 the United States obligated more than $2.5 billion to help develop the AAF. This includes more than $905 million for equipment and aircraft. The majority of funding for the AAF is for sustainment followed by training, equipment, and aircraft.

The AAF is authorized up to 7,421 personnel as part of its *tashkil*. As shown, during this reporting period AAF end strength held close to 6,700 and monthly attrition remains well below one percent. As of October 20, 2015, AAF personnel included 55 women.
## Afghan Air Force Aircraft and Pilots

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<th>Planned</th>
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<td>C-130</td>
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<td>MD-530</td>
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<tr>
<td>Cheetah</td>
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<tr>
<td><strong>Total</strong></td>
<td>100</td>
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</table>

* as of May 31, 2015

SMW aircraft are not included in this total. This number does not include the additional 30 Mi-17 helicopters used by the SMW.

As of May 31, 2015, the AAF had a total of 102 aircraft, which include C-130s, C-208s, Mi-17s, MD-530s, Mi-35s, and Cheetahs.

Afghanistan’s fixed-wing platforms included 25 C-208s and 3 C-130s, and its rotary-wing platforms include 5 Mi-35s, 56 Mi-17s, 10 MD-530s (five trainers and five weaponized), and 3 Cheetahs.

The first A-29 Super Tucano aircraft will begin replacing the Mi-35 helicopters later this year when the first class of pilots graduates from training at Moody Air Force Base and returns with their aircraft to Afghanistan. Figure 10 summarizes the number of AAF airframes and associated pilots.

There are currently 161 fully trained pilots in the AAF; this does not include fully trained pilots in training to transition to another aircraft. There are currently no fully trained A-29 pilots; the first class of nine A-29 pilots is in training at Moody Air Force Base, Georgia and is scheduled to graduate in December 2015.

As of November 30, 2015, the AAF has a total of 91 aircraft. Fixed-wing platforms include C-208s and C-130s; rotary-wing platforms include Mi-35s, Mi-17s, MD-530s, and Cheetahs. The first A-29 Super Tucano delivery remains on schedule for January 2016 after the first class of pilots graduates from training at Moody Air Force Base and returns to Afghanistan.

SMW aircraft are not included in this total. The Government of India donated 3 Cheetah helicopters during the last reporting period. There are currently 12 aircraft at Moody Air Force Base, Georgia being used for training Afghan pilots and maintenance personnel. This number does not include the additional Mi-17 helicopters used by the SMW. The Mi-35 fleet will likely be retired by the end of 2015 or early 2016.
The Special Mission Wing provides expeditionary reach for the ASSF in conducting counterterrorism and counternarcotics missions designed to disrupt insurgent and drug smuggling networks in Afghanistan.

The SMW enables ASSF helicopter assault force raids and provides overwatch, ISR, resupply, and CASEVAC for ASSF operations using both fixed-wing and rotary-wing platforms.

Due to the topography and security environment of Afghanistan, this aviation support denies insurgents, terrorists, and drug trafficking networks freedom of movement and safe haven within Afghanistan.

The SMW currently has three fully operational squadrons. The 1st and 2nd Squadrons are located in Kabul, and the 3rd Squadron is located at Kandahar Airfield.

The SMW consists of approximately 509 personnel. In addition, there are currently more than 100 personnel undergoing the entry process, which requires background and security checks.

The SMW now possesses 29 of 30 authorized Mi-17V5s, 6 of 6 Mi-17V1s, and 17 of 18 authorized PC-12s.
# Combined Forces Air Component Commander 2010-2015 Airpower Statistics

**As of 31 December 2015**

## Operation Freedom Sentinel/Resolute Support Mission

### Close Air Support

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### Number of Weapons Released

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### Intel, Surveillance and Recon Sorties

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### Airlift Sorties

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### Airlift Cargo (Short Tons)

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### Airlift Passengers

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### OEF Supplies Airdropped (Pounds)

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### Tanker Sorties

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### Fuel Offloaded (Millions of Pounds)

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### Aircraft Refuelings

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### Casualty Evacuation Sorties

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### Saves

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### Assists

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<th>2015</th>
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- Some figures may have changed due to data re-calculation and re-verification

POC: AFCENT (CAOC) Public Affairs – afcent.pa@afcent.af.mil

Afghan Ministry of Interior Forces and Readiness
The Afghan National Police (ANP) maintains civil order, prevents cultivation, production and smuggling of illegal narcotics, and reduces corruption. ANP consists of the Afghan Uniformed Police (AUP), Afghan National Civil Order Police (ANCOP), Afghan Border Police (ABP), Afghan Anti-Crime Police (AACP), Afghan Local Police (ALP), Afghan Public Protection Force (APPF), General Command Directorate of Police Special Units (GCPsu), and Counter Narcotics Police of Afghanistan (CNPA). The AUP, ANCOP, ABP, and AACP are referred to as "Police Pillars" while the others are supporting units.

"Type A" Headquarters are centered around large urban areas and provide oversight to the "Type B" and "Type C" headquarters in their respective regions.

Afghan Uniformed Police (AUP) is the largest police agency in Afghanistan and the primary police force the local populace will encounter daily. Although they are now focused on fighting insurgents, the long-term intent for the AUP is to conduct community policing.

Afghan National Civil Order Police (ANCOP). ANCOP provides civil order presence patrols and a crisis or counter-terror response capability in urban areas and prevents and responds to violent public incidents.

Afghan Border Police is organized into six zones stretching 50km inward from Afghanistan’s international boundaries. The ABP operates at border crossing points and airports, while guarding against illegal entry of persons, weapons, narcotics, and other goods. In some areas ABP also suppresses insurgent activity.

Afghan Anti-Crime Police (AACP) provides professional criminal investigative support to the Afghan judicial process and conducts proactive counter-terrorism operations to protect the public and governmental institutions. The AACP also manages the national forensics lab and biometrics program.

Afghan Local Police (ALP) is a temporary security force formed to protect those villages and districts most vulnerable to insurgent attacks. The ALP does not have arrest authority, but can detain individuals and turn them over to the ANP. Typically, the ALP does not operate outside of their communities or districts, and report to the district chiefs of police.

Afghan Public Protection Force (APPF) provides fixed site, convoy, and personal security as a Giroa state-owned enterprise. It is assuming security missions from Private Security Companies (PSC) as directed by Afghan Presidential Decree #62 in August 2010, which required PSCs be disbanded.

General Command Directorate of Police Special Units (GCPsu) is comprised of national mission units (NMUs) and provincial units. The Provincial Response Companies (PRC) are special police units under the direction of the Provincial Police Chief.

Counter-Narcotics Police of Afghanistan (CNPA) is the lead agency for counter-narcotics. It consists of regular narcotics police and a specialized force in all 34 provinces. Specialized units include the Sensitive Investigation Unit (SIU), National Interdiction Unit (NIU), and Intelligence Investigation Unit (IIU).
Perceptions of Police Corruption
1498 uniformed rank and file personnel, 151 commissioned officers, and 8 uniformed religious leaders from among the ANP were surveyed on their views toward the political system in Afghanistan, anti-government elements including the Taliban, democracy in light of Islamic values, and women and human rights.

More than 68% of those polled believe that corruption exists among the ranks of the security force and its political and military leadership, while more than 72% believe that armed resistance by the people is justified against those found to be corrupt, despite the presence and jurisdiction of security and defense personnel.

While approximately 11% of service members joined the security force with the aim of securing Afghanistan against Taliban influence, nearly 20% joined primarily for economic incentives. As a consequence, many maintain a hired hand mentality rather than national consciousness.

A majority of green-on-blue incidents were of a personal and intimate nature rather than collective action, suggesting that individual grievances, personal mental states, and ideological beliefs were the underlying motivations.

Of those polled, 83% believe that armed resistance is justified against those who criticize Islam, while 76% of those from Paktia believing that the Taliban are good religious leaders, suggesting that religious ideological tension exists between the center and those in Paktia.

More than 10% from both Paktia and Paktika believe that suicide attacks are a justified form of armed resistance.

Relative to other provinces, those from Kunduz find more so that democracy is not compatible with Islam. These same respondents are also in favor of establishing a caliphate, suggesting that many from Kunduz believe in religious leadership without democracy.

Although this study finds that most are tolerant to ethnic and religious differences, increasingly over the course of their time-in-service nearly 25% believe that ethnic discrimination is a primary cause of conflict in Afghanistan.

Nearly half of those polled believe that international conventions on women and human rights are not necessarily in line with Islamic values, with most of those coming from Kunduz and Qandahar.

More than 80% of those from Qandahar approve of physically reprimanding women for disobeying Islamic law or disrespecting Afghan tradition and culture.
Radicalization Trends Among the Afghan Police –II

POTENTIAL FOR VIOLENT RESISTANCE

LEGITIMACY OF THE TALIBAN

JUSTIFICATION OF ARMED RESISTANCE IN THE NAME OF ISLAM

LEVEL OF CONSERVATIVE BELIEFS

COMPATIBILITY BETWEEN ISLAM AND DEMOCRACY

- Officials are Corrupt
- Violent Resistance against Corrupt Officials is Justified
- Government is Overly influenced by West

- Taliban is Legitimate Source of Authority
- Taliban should Join the Government

- Taliban is Good Religious Leader
- Taliban follow True Islamic Values

- Democracy is Compatible with Afghan Society
- Establishing Caliphate is Duty of all Muslims

- Armed Resistance against Officials is Justified when They Fail to Take Advise of Ulema
- Muslim Obligation to Take Action against those who break with Islamic Law (Despite the Presence of ANSF)
- Suicide Attacks are Justified form of Resistance
MINISTRY OF INTERIOR ASSESSMENT RATINGS (NATO) JUNE 1, 2015

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<th>RATING MEANING</th>
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<th>EF2</th>
<th>EF3</th>
<th>EF4</th>
<th>EF5</th>
<th>EF6</th>
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Note: EF = Essential Function; ASI = Afghan Security Institutions; EF1 = Multi-Year Budgeting and Execution; EF2 = Transparency, Accountability, and Oversight; EF3 = Civilian Governance of the ASI; EF4 = Force Generation; EF5 = Sustainment; EF6 = Strategy and Policy, Planning, Resourcing, and Execution; EF7 = Intelligence; EF8 = Strategic Communications. Q1 = February/March 2015; Q2 = June 2015; Q1 EF1 & EF7 assessments as of 3/1/2015; EF2, EF5, EF7 as of 2/26/2015; EF3 & EF6 as of 2/12/2015; EF4 as of 2/17/2015; EF8 as of 2/20/2015.

* Gender Advisor milestones and tasks were not assessed in Q1.

Source: SIGAR, Quarterly Report to Congress, July 30, 2015, p. 104.
## Ministry of Interior Assessment Ratings (NATO) August, 2015

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*Note: EF = Essential Function; ASI = Afghan Security Institutions; EF1 = Multi-Year Budgeting and Execution; EF2 = Transparency, Accountability, and Oversight; EF3 = Civilian Governance of the ASI; EF4 = Force Generation; EF5 = Sustainment; EF6 = Strategy and Policy, Planning, Resourcing, and Execution; EF7 = Intelligence; EFB = Strategic Communications. Q1 = February/March 2015; Q2 = June 2015; Q1 - EF1 & EF7 assessments as of 3/1/2015; EF2 & EF5 - as of 2/26/2015; EF3 & EF6 - as of 2/12/2015; EF4 - as of 2/17/2015; EF8 - as of 2/20/2015.*

*Gender Advisor milestones and tasks were not assessed in Q1.*

Source: SIGAR, Quarterly Report to Congress, October 30, 2015, p. 97.
### ANP Force Strength, Quarterly Change

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<td></td>
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<td>Q1 2015</td>
<td>Q2 2015</td>
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<td>93,045</td>
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<td><strong>158,056</strong></td>
<td><strong>1,056</strong></td>
<td><strong>154,685</strong></td>
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</table>

Note: Quarters are calendar-year; Q1 2015 data as of 2/2015; Q2 2015 data as of 5/2015. AUP = Afghan Uniformed Police; ABP = Afghan Border Police; ANCOP = Afghan National Civil Order Police; CID = Criminal Investigation Department; NISTA = Not In Service for Training; GDoP = General Directorate of Personnel; IS = Institutional Support personnel.  
^ Q2 CID personnel are included in MOI HQs & IS.  
^ Personnel that are pending assignment.

This quarter USFOR-A reported the overall strength of the ANP totaled 148,296 personnel, a decrease of 6,886 since last quarter and 8,704 below the authorized end strength of 157,000.

USFOR-A reported that neither RS nor the ANP are now tracking a monthly attrition goal. The informal 1.4% goal that ISAF promoted was deemed unrealistic. The attrition rates reported will be for one-month periods relative to the previous month-end strength without averaging or smoothing. During the months of May, June, and July, the ANP experienced a 1.9%, 2.0%, and 1.9% attrition.

Source: SIGAR, Quarterly Report to Congress, October, 2015, p. 108.
As part of a major effort to reduce the incidence of “ghost soldiers” within the ALP, as of November 30, 2015, MoI staff had issued ID cards to 25 percent of ALP personnel and are working to close the gap for the remaining 75 percent in 2016. Currently, more than 14,800 of the approximately 28,000 ALP members rely on “trusted agents” to deliver monthly salaries, allowing ALP and local officials to siphon salary payments. Coalition TAA efforts are supporting the MoI as it prepares to adopt the APPS to increase personnel accountability and better manage salary payments.

...the ANP Training General Command has developed a comprehensive winter training surge plan to address the approximately 15,000 untrained AUP and 6,000-8,000 untrained ALP nationwide over the next several months. As of November 2015, the ANP had approximately 7,100 soldiers in the training pipeline, well ahead of coalition expectations, to help rectify training shortfalls.
ANP ASSESSMENT RATINGS: JANUARY AND APRIL 2015

AUP = Afghan Uniformed Police; ABP = Afghan Border Police.
The ANP is composed of four pillars – the AUP,49 the ANCOP, the ABP, and the AACP – the GCPSU, and three sub-pillars.

The sub-pillars – the ALP, the Afghan Public Protection Force (APPF), and the Counter Narcotics Police of Afghanistan (CNPA) – are not counted as part of the 157,000 tashkil but provide additional security under the MoI.

...The MoI is also identifying personnel to staff the new ANP zone headquarters. With seven zone commanders reporting to MoI headquarters, instead of the current system of 34 provincial chiefs of police, the new ANP zone structure will enhance command and control of all ANP forces.

These new ANP zones will largely align with the ANA corps regions, which will facilitate better cross-pillar coordination.

This new structure and corresponding ANP zone headquarters staff will not change the authorized tashkil.
Afghan National Police Manning: 11/14 to 10/15

Note: The ANP strength depicted above includes the AUP, the ABP, the ANCOP, and the AACP.
* Attrition encompasses all unplanned and planned losses.
** Gain includes all gains (recruits, re-accessions, and return from dropped from the rolls) to ANP strength during the reported period.

Source: Enhancing Security and Stability in Afghanistan, Department of Defense, 1225 Report, December 2015, p. 71
In April 2015, the ANP reportedly filled 97 percent of the force’s 157,000 authorized positions with approximately 155,000 personnel, including more than 2,100 women. The ANP averaged approximately 1.7 percent attrition for the last 12 months, with a low of 1.0 percent in December 2014, and a peak of 2.4 percent in January 2015. During this reporting period, the ANP average monthly attrition rate was 1.55 percent, as depicted in Figure 13. The ANP is currently projected to recruit between 3,000-5,000 new recruits per month to keep the force near its authorization.
This year, the U.S. military stopped providing Afghans with logistical and intelligence support for counternarcotics activities; however, DEA continues to provide mentoring and support to specialized Afghan investigative units. The U.S. military still provides logistics support to the Afghan Special Mission Wing (SMW).

Most interdiction activities occurred in the east and capital regional commands.

Previously, interdictions were concentrated in southern regional commands, where the majority of opiates are grown, processed, and smuggled out of Afghanistan. DOD said the continued reduction in seizures and operations is likely a result of the Coalition drawdown as the threat to interdiction forces in the east and capital regional commands is not as great as in the southern commands. Coalition forces (and U.S. military forces) are no longer conducting counternarcotics operations.

AUP = Afghan Uniformed Police; ABP = Afghan Border Police.
Source: SIGAR, Quarterly Report to Congress, July 30, 2015, p. 133.
Afghan Ministry of Interior Forces and Readiness
A Failed Transition Plan

• Took U.S. and allies until 2008 to admit how serious the resurgence of the Taliban and other insurgents really was. Delay partly result of focus on Iraq. Partly focus on tactical encounters, rather than rise of insurgent influence.

• Transition was then shaped by Presidential decision to end U.S. combat involvement at end 2014 regardless of conditions in the field and combat readiness of the ANSF.

• Plans to cut advisors in 2015 and eliminate them by end-2016 were never conditions-based and are now being reexamined, but will not compensate for fact have already removed advisors from combat units.

• Have increase role of U.S. air support and joint U.S.-Afghan special forces units, but these forces are too small to tip the balance.

• Plans to make Afghan Air Force effective proving steadily more questionable within what seem to be impossible deadlines.

• No real plan for Resolute Support Mission. At present is all spin waiting on hard decisions about extending to 2017 and beyond.

• Only real positive signs are possible leadership struggles in Taliban.

3. Run-off election: 7/14/2014
5. Bi-lateral Security Agreement (BSA) signed: 9/30/2014
7. UN Security Council unanimously adopts Resolution 2189: 12/12/2014
8. NATO-led International Security Assistance Force (ISAF) concludes operations: 12/31/2014
9. U.S. Transition Process:
   - 2015: ≤9,800 U.S.
   - 2016:
     - INTERNATIONAL SECURITY ASSISTANCE FORCE (ISAF)
     - RESOLUTE SUPPORT (RS)
     - OPERATION ENDURING FREEDOM (OEF)
     - OPERATION FREEDOM’S SENTINEL (OFS)
10. 2017:
    - BSA goes into effect
    - U.S. begins Operation Freedom’s Sentinel
    - NATO mission Resolute Support (RS) begins
    - 1/1/2015
11. 2018:
    - NATO mission continues as “Enduring Partnership”
    - U.S. shifts to a security cooperation element
    - 1/1/2016
    - ENDURING PARTNERSHIP (EP)
    - KABUL-BASED SECURITY COOPERATION ELEMENT
    - BSA calls for normal advisory component in Kabul
    - <1,000 U.S.
    - 12/31/2017

Source: Lead Inspector General for Overseas Contingency Operations OPERATION FREEDOM’S SENTINEL, Quarterly Report to Congress, August 2014, p. 4
The troop surge that the President announced at West Point in December 2009 set the conditions that allowed us to push back the Taliban and build up Afghan forces. In June 2011, the President announced that we had completed the surge and would begin drawing down our forces from Afghanistan from a peak of 100,000 troops. He directed that troop reductions continue at a steady pace and in a planned, coordinated, and responsible manner. As a result, 10,000 troops came home by the end of that year, and 33,000 came home by the summer of 2012. In February 2013, in his State of the Union address, the President announced that the United States would withdraw another 34,000 American troops from Afghanistan within a year -- which we have done.

Today the President announced a plan whereby another 22,000 troops will come home by the end of the year, ending the U.S. combat mission in December 2014. At the beginning of 2015, and contingent upon the Afghans signing a Bilateral Security Agreement and a status of forces agreement with NATO, we will have 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 would reduce that presence by roughly half, consolidating our troops in Kabul and on Bagram Airfield. One year later, by the end of 2016, we will draw down to a normal embassy presence in Kabul, with a security assistance component, as we have done in Iraq. Beyond 2014, the mission of our troops will be training Afghan forces and supporting counterterrorism operations against the remnants of al-Qa’ida.
A Different View: Erratic US Military Role in Afghanistan: Surging far Too Late and then 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.

Major American bases closed and open after 2014

At the height of the surge in 2011, there were more than 400 International Security Assistance Force (ISAF) bases across Afghanistan, each with personnel numbering from the dozens to the thousands. Many of those small combat outposts have been destroyed and evacuated while the larger forward operating bases have been handed over to the Afghan National Security Forces (ANSF).

* Closed known coalition bases*
* Permanent known coalition bases, or bases soon to close*
* Does not include Special Forces bases

NATO and US Advisory Manning Levels
Still Too Few Advisors and Many of the Wrong Kind

• Data show just how small the advisory role has become. U.S down to around 6,800. Most at Corps level.

• Advisor numbers by Essential Function seem far too low.

• Level of advisory effort in police and Afghan local police unclear.

• Heavy focus on sustainment, corps level advice, rather than combat.

• ANSF forces lack civil support, functioning justice system in many areas. No coordinated U.S. and allied civil-military program seems to exist.

• Effective transition requires U.S. and allied forces at Corps and major combat unit until Afghan forces are far more effective.

• Need more advisors that are combat oriented – rather than force generators – and need them through at least 2017 and probably 2018 to 2020.
NATO Plans as of December 1, 2015

- Excluding U.S. counter-terrorism forces, NATO will keep about 12,000 troops in Afghanistan for most of next year, made up of about 7,000 U.S. forces and 5,000 from the rest of NATO and its partners such as non-NATO member Georgia.

- Allies also launch campaign to raise about $3 billion euros to help pay for Afghanistan's state security forces from 2018.

- Afghan security forces budget, funded by the United States and its NATO allies, is agreed up to the end of 2017. NATO wants to announce further funding for the 2018-2020 period at next summit in July 2016.

- As agreed at the NATO summit in Chicago in 2012, non-U.S. NATO allies and partners such as Japan, give a total of $1 billion a year in addition to the $4.1-billion that the United States spends on Afghan security forces every year.

- U.S. President Barack Obama had aimed to withdraw all but a small U.S. force before leaving office in January 2017, pinning his hopes on training and equipping local forces to contain Taliban militants fighting to return to power. However, in October he announced he would maintain the U.S. troop presence in Afghanistan at 9,800 through most of 2016, reducing it thereafter to about 5,500 and effectively leaving a decision on a full withdrawal to his successor.

- Washington has spent around $65 billion on preparing the fledgling Afghan security forces, while Afghanistan has also received about $100 billion in aid from international donors.

- General Hans-Lothar Domroese, a veteran of Afghanistan, Germany's second-most senior general told Reuters that the security situation is "sobering" and "not as stable as we hoped it would be."

- Germany, Turkey and Italy will keep their current deployments, but likely to be reviewed later next year.

- Unlike the United States, NATO has never set an end date to its "Resolute Support" training mission in Afghanistan, a non-combat force that also includes troops from some 40 countries, including NATO members, the United States and their allies.

- NATO has said Afghanistan must eventually take care of its own security and has agreed that no later than 2024, Afghanistan must take "full financial responsibility" for its own security forces, according to a 2012 statement.

U.S. Troop Presence in Fall 2015

- According to USFOR-A, approximately 8,550 U.S. forces were serving in Afghanistan as of August 22, 2015, with approximately 7,000 personnel from other Coalition nations also serving.

- Of the U.S. forces serving in Afghanistan, approximately 3,550 are assigned to the RS mission.

- Since the RS mission began on January 1, 2015, 11 U.S. military personnel were killed in action and 50 U.S. military personnel wounded in action.

- In addition, 17 DOD civilians or contractors have been killed in service and seven wounded. This includes the loss of six U.S. service members and five civilian contractors in the C-130 crash in Jalalabad on October 1, 2015.

- Five insider attacks against U.S. forces have occurred in 2015, killing three soldiers and wounding 15 others. Also during 2015, three U.S. civilian contractors were killed and one has been wounded as a result of an insider attack.

- A Georgian soldier killed on September 22, 2015, brings to 12 the number of foreign forces (including U.S.) killed in Afghanistan since the beginning of the RS mission. The Republic of Georgia is the second-largest force contributor to the NATO-led RS mission after the United States.

Source: SIGAR, Quarterly Report to Congress, October 30, 2015, pp. 91-92
Continuing the U.S. Presence Thru 2017

October 15, 2015, President Obama announces that U.S. will cease withdrawing U.S. troops from Afghanistan through most of 2016 and keep thousands in the country through the end of his term in January 2017.

U.S. forces will continue to perform two critical missions—training Afghan forces and supporting counterterrorism operations against al-Qaeda. said the United States will:

• maintain the current level of 9,800 U.S. troops in Afghanistan through most of 2016,
• In 2017, reduce to 5,500 troops stationed in Kabul and at a small number of bases including Bagram, Jalalabad, and Kandahar
• Work with NATO and the Coalition to align the U.S. troop presence in accomplishing the two missions
• continue to support Afghan President Ashraf Ghani and the national unity government as they pursue critical reforms.

Original plan had been to cut the number of U.S. troops in half next year and then reduce the U.S. force to about 1,000 troops based only at U.S. Embassy Kabul by the start of 2017.

Late November 2015: Reports that NATO agreed will keep 7,000 personnel through end 2016, allies will keep 5,000 for total of 12,000.

Source: SIGAR, Quarterly Report to Congress, October30, 2015, pp.. 85-86
## Resolute Support Mission

### Troop Contributing Nations

<table>
<thead>
<tr>
<th>Country</th>
<th>Troop Count</th>
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**Note on numbers:** The number of troops above reflects the overall contribution of individual contributing nations. They should be taken as indicative as they change daily, in accordance with the deployment procedures of the individual troop contributing nations.

1. Turkey recognises the Republic of Macedonia with its constitutional name.
2. See media backgrounders on "A new chapter in NATO-Afghanistan relations from 2015" and media backgrounder on the [ANA Trust Fund](http://www.rs.nato.int/troop-numbers-and-contributions/index.php).

Source: [http://www.rs.nato.int/troop-numbers-and-contributions/index.php](http://www.rs.nato.int/troop-numbers-and-contributions/index.php)
## Resolute Support Mission Troop Contributing Nations, as of May 2015*

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<th>Nation</th>
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<th>Nation</th>
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* Numbers of personnel are approximate as they change daily.

## Resolute Support Mission

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June 2015

Source: [http://www.rs.nato.int/troop-numbers-and-contributions/index.php](http://www.rs.nato.int/troop-numbers-and-contributions/index.php)
## Remaining Allied Forces: 5/2015

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<td>Ukraine</td>
<td>0.01</td>
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<tr>
<td>Greece</td>
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</table>

Source: Lead Inspector General for Overseas Contingency Operations OPERATION FREEDOM’S SENTINEL, Quarterly Report to Congress, August 2014, p. 18
As of November 2015, the RS mission was composed of troops from 40 nations (25 NATO Allies and 15 partner nations), consisting of 11,385 NATO and 1,725 partner personnel across 21 bases totalling 13,110 personnel.

<table>
<thead>
<tr>
<th>Nation</th>
<th>Personnel</th>
<th>Nation</th>
<th>Personnel</th>
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<tr>
<td>Albania</td>
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<td>Armenia</td>
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<td>Lithuania</td>
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<td>Australia</td>
<td>229</td>
<td>Luxembourg</td>
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<td>Austria</td>
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<td>Mongolia</td>
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<td>Azerbaijan</td>
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<td>Belgium</td>
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<td>Netherlands</td>
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<td>Bosnia &amp; Herzegovina</td>
<td>53</td>
<td>New Zealand</td>
<td>8</td>
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<td>Bulgaria</td>
<td>126</td>
<td>Norway</td>
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<td>Croatia</td>
<td>106</td>
<td>Poland</td>
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<td>Czech Republic</td>
<td>222</td>
<td>Portugal</td>
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<td>Denmark</td>
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<td>Greece</td>
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<td>Ireland</td>
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<tr>
<td>Italy</td>
<td>760</td>
<td>United States</td>
<td>6,800</td>
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* Numbers of personnel are approximate as they change daily.

NATO: 11,385
Non-NATO: 1,725
Total: 13,110
Resolute Support HQ Advisors by Essential Function*

RS HQ Advisors by EF (02 FEB 15)

- Military Advisors
- Ctrs/ Civilian

Essential Function 1: Plan, program, budget, and execute
Essential Function 2: Transparency, accountability, and oversight
Essential Function 3: Civilian governance of the Afghan security institutions and adherence to rule of law
Essential Function 4: Force generation
Essential Function 5: Sustain the force
Essential Function 7: Develop sufficient intelligence capabilities and processes
Essential Function 8: Maintain internal and external strategic communication capability

U.S. Civil and Military Aid
Paying the Necessary Price in Aid

• Long U.S. and allied history of cutting aid funds too soon.

• Aid flow has been extremely erratic, lacked central planning and effective financial control and measures of effectiveness in the field.

• SIGAR reporting does not reflect any major current improvements in U.S., allied, or Afghan planning, management, fiscal control at civil or military levels.

• Afghan dependence on future aid far higher than planned, seems likely to grow, and will extend beyond 2020.

• No progress in Tokyo reforms Afghan government had pledged in return for aid.
History is a Warning: 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.

Declining U.S. Aid: 2008-2015

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

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

Source: SIGAR, Quarterly Report to Congress, October 30, 2015, pp. 69-71
## U.S. Aid Funding Pipeline

### CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED

<table>
<thead>
<tr>
<th>FY 2002–2015 ($ BILLIONS)</th>
<th>Appropriated</th>
<th>Obligated</th>
<th>Disbursed</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan Security Forces Fund (ASFF)</td>
<td>$60.67</td>
<td>$56.92</td>
<td>$55.79</td>
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<tr>
<td>Commander's Emergency Response Program (CERP)</td>
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<td>2.28</td>
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<tr>
<td>Afghanistan Infrastructure Fund (AIF)</td>
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<td>0.79</td>
<td>0.48</td>
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<td>Task Force for Business &amp; Stability Operations (TFBSO)</td>
<td>0.82</td>
<td>0.76</td>
<td>0.64</td>
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<td>DOD Drug Interdiction and Counter-Drug Activities (DOD CN)</td>
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<td>2.86</td>
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<td>Economic Support Fund (ESF)</td>
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<td>17.06</td>
<td>13.54</td>
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<tr>
<td>International Narcotics Control &amp; Law Enforcement (INCLE)</td>
<td>4.69</td>
<td>4.33</td>
<td>3.54</td>
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</table>

<table>
<thead>
<tr>
<th>Total 7 Major Funds</th>
<th>$92.31</th>
<th>$85.01</th>
<th>$79.10</th>
<th>$8.93</th>
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<tbody>
<tr>
<td>Other Reconstruction Funds</td>
<td>7.44</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Civilian Operations</td>
<td>9.87</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$109.62</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Afghan Government Budget Pays for Very Limited Portion of ANSF Costs

Erratic and Declining U.S. Security Aid

...most of the international funding provided is administered through trust funds. Contributions provided through trust funds are pooled and then distributed for reconstruction activities. The two main trust funds are the Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA).

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to August 22, 2015, the World Bank reported that 34 donors had pledged more than $9.02 billion, of which more than $8.28 billion had been paid in. According to the World Bank, donors had pledged nearly $1.09 billion to the ARTF for Afghan fiscal year 1394, which runs from December 22, 2014 to December 21, 2015.34.

The United Nations Development Programme (UNDP) administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior.40 Since 2002, donors have pledged more than $4.32 billion to the LOTFA, of which more than $4.07 billion had been paid in, as of October 15, 2015.41 As of October 15, 2015, the United States had committed nearly $1.53 billion since the fund’s inception and had paid in all of the commitment.
The World Bank Projects Rising Dependence on Foreign Aid and Grants Through 2018

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<td><strong>Actual/Estimates</strong></td>
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<tr>
<td>Real GDP growth</td>
<td>14.4</td>
<td>3.7</td>
<td>1.5</td>
<td>4.0</td>
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<tr>
<td>Nominal GDP (bn US$)</td>
<td>20.5</td>
<td>20.3</td>
<td>21.0</td>
<td>22.6</td>
<td>24.4</td>
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<td>CPI inflation (period average)</td>
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<td>7.7</td>
<td>6.1</td>
<td>5.5</td>
<td>5.5</td>
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<td><strong>Tentative Staff Projections</strong></td>
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<td>Fiscal</td>
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<td>Revenues and grants</td>
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<td>25.1</td>
<td>27.4</td>
<td>28.9</td>
<td>33.1</td>
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<td>Domestic revenues</td>
<td>10.3</td>
<td>9.7</td>
<td>8.7</td>
<td>9.6</td>
<td>10.8</td>
<td>11.6</td>
<td>12.8</td>
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<tr>
<td>Foreign grants</td>
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<td>14.5</td>
<td>16.5</td>
<td>17.8</td>
<td>18.1</td>
<td>21.5</td>
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<td>Total core expenditures</td>
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<td>24.7</td>
<td>27.3</td>
<td>29.7</td>
<td>30.5</td>
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<td>36.7</td>
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<tr>
<td>Recurrent expenditures</td>
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<td>22.2</td>
<td>23.4</td>
<td>27.4</td>
<td>29.1</td>
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<td>Development expenditures</td>
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<td>7.1</td>
<td>8.0</td>
<td>7.5</td>
<td>7.1</td>
<td>7.3</td>
<td>7.6</td>
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<tr>
<td>Overall balance (incl. grants)</td>
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<td>-0.5</td>
<td>-2.1</td>
<td>-2.3</td>
<td>-1.6</td>
<td>-1.6</td>
<td>-1.9</td>
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<tr>
<td>External</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Trade balance</td>
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<td>-40.8</td>
<td>-39.3</td>
<td>-37.7</td>
<td>-35.5</td>
<td>-33.5</td>
<td>-30.3</td>
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<tr>
<td>Current acct balance (incl. grants)</td>
<td>4.2</td>
<td>3.7</td>
<td>4.1</td>
<td>0.3</td>
<td>-1.9</td>
<td>-3.7</td>
<td>-3.5</td>
</tr>
<tr>
<td>External debt</td>
<td>6.4</td>
<td>6.2</td>
<td>6.1</td>
<td>5.9</td>
<td>5.8</td>
<td>5.6</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Source: Staff estimates, tentative and subject to revision
An Uncertain Pakistan
DEPARTMENT OF DEFENSE ASSESSMENT OF IMPORTANCE OF AFGHANISTAN-
PAKISTAN RELATIONS, JUNE 2015 - I

The role of Pakistan remains critical to stability in Afghanistan. Since President Ghani’s inauguration, Afghan and Pakistani leaders have conducted several high-level engagements to discuss regional security. President Ghani has taken steps toward improving relationships with several countries in the region in an effort to help Afghanistan move forward on a more stable platform of physical and economic security. The Tehrik-e Taliban Pakistan attack on a school in Peshawar, Pakistan, on December 16, 2014, allowed the leadership of both countries to engage each other on counterterrorism issues. This has led to some progress in the Afghanistan-Pakistan military-to-military relationship. The day after the school attack, General Raheel Sharif, Pakistan’s Chief of Army Staff, flew to Afghanistan to meet with President Ghani. By the end of December 2014, the Pakistani government created a National Action Plan to eliminate terrorism from inside its borders; this remains a long-term plan that will have to overcome significant obstacles. Headquarters, Resolute Support facilitates a constructive and effective relationship between the Afghan and Pakistan militaries when necessary.

On May 12, 2015, a Pakistani delegation led by Prime Minister Nawaz Sharif and Chief of the Army Staff General Raheel Sharif visited Kabul, where Prime Minister Sharif publicly condemned the Taliban’s spring offensive, insisting, “The enemies of Afghanistan cannot be friends of Pakistan.” President Ghani reinforced this message by similarly saying that the enemies of Pakistan cannot be the friends of Afghanistan. General Raheel and President Ghani have also pledged to support each other in their fight against terrorism. Afghanistan and Pakistan also share mutual concerns over the potential emergence of elements of the Islamic State of Iraq and the Levant in the region. Pakistani Army operations in the last several months, such as Operation KHYBER II, have applied pressure on extremists operating in the border region. The Pakistani military attempted to coordinate these operations bilaterally with Afghan military representatives, not via U.S. or coalition channels. The ANDSF are now attempting to capitalize on the Pakistani military operations on their side of the border.

President Ghani is matching General Raheel’s initiatives to encourage rapprochement between both countries. Encouragingly, both appear to be pushing for political reconciliation between the Afghan government and the Taliban. During the May 12, 2015, meeting between Prime Minister Sharif and President Ghani, Prime Minister Sharif publicly reaffirmed Pakistan’s support of an Afghan reconciliation process and vowed to take coordinated action with Afghanistan against militant hideouts along the border.

Both the Afghan and Pakistan governments have indicated a desire to coordinate cross-border security and are in the process of finalizing a Bilateral Military Coordination Standard Operating Procedure (SOP). Although the previous trilateral border SOP expired on December 31, 2014, both militaries are still operating under those procedures until the new SOP is signed.

On December 23, 2014, Afghanistan’s Army Chief General Sher Mohammad Karimi met with General Raheel Sharif in Pakistan to discuss coordinating Pakistan-Afghanistan military and counterterrorism operations on both sides of the border. General Raheel and General Karimi agreed that their subordinate commanders would begin meeting immediately to coordinate border area security operations. The goal of these meetings is for Afghan and Pakistan military units that regularly operate near the border to work together in a combined effort to eliminate terrorist threats while bringing security and stability to the people of the region.

The subsequent consultations between Afghan and Pakistani corps commanders showed some promise. Notably, Afghan and Pakistan corps-level commanders met on January 18, 2015, in Nangarhar Province, Afghanistan, and talked about the mutual benefits of building a cross-border network to root out terrorism and bring safety and security to the region. ANDSF and Pakistan Army operational commanders, and a delegation from RS headquarters, participated and openly discussed recent operations in their respective areas, provided intelligence assessments, and talked about future operations. All groups agreed that sharing operational plans and coordination between tactical units is both feasible and necessary along the border. On January 22, 2015, a second meeting occurred that included higher-level Afghan and Pakistani leadership to discuss how to improve security and border cooperation. The parties further discussed the common enemy they face and emphasized the close geographic and cultural ties between the two countries. Additional bilateral security meetings have occurred, including a visit by Afghan Border Police (ABP) leaders to Pakistan to discuss improving border security, including the establishment of common SOPs, sharing intelligence, and conducting joint operations; and a visit by Afghan National Army corps commanders to meet with their counterparts at General Headquarters in Rawalpindi, Pakistan.

The Pakistani military also re-extended an offer to provide military training for Afghan security forces. Unlike his predecessor, President Ghani accepted their offer and sent members of the ANDSF for formal training in Pakistan during this reporting period. In February 2015, six ANA cadets arrived to attend an 18-month long course at the Pakistan Military Academy in Abbottabad. In April, General Karimi was invited to serve as the guest of honor at a ceremony at the academy. During the ceremony, General Karimi emphasized that Afghanistan and Pakistan face a common enemy, which requires cooperation between the two countries. Pakistan and Afghanistan have discussed expanding training opportunities to include other ANDSF branches and capabilities.

With considerable time and political will, Afghanistan and Pakistan can build upon the meaningful progress made during this reporting period to make further progress on resolving key bilateral disputes. Afghan-focused militants may continue to pose a threat to this progress from remaining safe havens in Pakistan.
Pakistan Terrorism Deaths: I

Pakistan Terrorism Deaths: II

Whilst Pakistan saw a seven per cent reduction in incidents and a 25 per cent reduction in deaths from 2013 to 2014, the country still has the fourth highest number of deaths from terrorism in the world. There were 1,760 people killed from terrorism in Pakistan in 2014.

Terrorism in Pakistan is strongly influenced by its proximity to Afghanistan with most attacks occurring near the border and involving the Taliban. Nearly half of all attacks had no groups claiming responsibility. The deadliest group in Pakistan in 2014, responsible for 31 per cent of all deaths and 60 per cent of all claimed attacks, is Tehrik-i-Taliban Pakistan (TTP), the Pakistani Taliban. This group killed 543 people in 2014, slightly down from 618 in 2013. Lashkar-e-Jhangvi, a jihadi group based in Pakistan, also saw a substantial decline in activity to 45 deaths in 2014 down from 346 in 2013. In addition the leader of the group, Malik Ishaq, was killed by Pakistani police forces in July 2015.

Terrorism in Pakistan has a diverse array of actors. In 2014 there were 35 different terrorist groups, up from 25 groups in 2013. However, seven groups account for the majority of claimed attacks. While many of these groups are Islamist there are also other organizations such as separatist movements for Baloch, the Bettani tribe and Sindhi people. The majority of terrorism occurs in just three provinces: Khyber Pakhtunkhwa in the north-west, which recorded 35 per cent of the deaths; the Sindh province, in the south east, which recorded 23 per cent of the deaths; and Balochistan in the south-west which recorded 20 per cent of the deaths.

There were 535 cities or regional centers in Pakistan that had at least one terrorist incident in 2014, with at least one death in each of 253 cities. The largest city in Pakistan, Karachi, had the most deaths with 374. Islamabad, the capital, had the second highest deaths from terrorism with 38 deaths. The city of Parachinar in the Federally Administered Tribal Areas, the closest point in Pakistan to Kabul in Afghanistan, had among the highest rates of deaths per incident with 12 killed per incident.

Bombings and explosions continue to be the most common type of attack accounting for around 40 per cent of fatalities. However, the use of firearms and armed assault attacks has increased. In 2013 armed assaults were responsible for 26 per cent of fatalities whereas in 2014 this had increased to 39 per cent. The numbers killed by armed assaults rose 14 per cent to 685, up from 602 in 2013.

The biggest target for terrorism in Pakistan is private citizens, who are the target of 20 per cent of incidents and account for 29 per cent of fatalities. Educational institutions continue to be targeted. In 2014 there were 103 attacks on schools which caused 201 deaths and 203 injuries. The Pakistani Taliban, like the Taliban in Afghanistan, is opposed to western education and to the education of girls and has targeted schools and advocates of equal education.
Ten countries with the most terrorist attacks, 2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Attacks</th>
<th>Total Killed</th>
<th>Total Wounded</th>
<th>Average Number Killed per Attack</th>
<th>Average Number Wounded per Attack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>2495</td>
<td>6378</td>
<td>14956</td>
<td>2.56</td>
<td>5.99</td>
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<td>Pakistan</td>
<td>1920</td>
<td>2315</td>
<td>4989</td>
<td>1.21</td>
<td>2.60</td>
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<tr>
<td>Afghanistan</td>
<td>1144</td>
<td>3111</td>
<td>3717</td>
<td>2.72</td>
<td>3.25</td>
</tr>
<tr>
<td>India</td>
<td>622</td>
<td>405</td>
<td>717</td>
<td>0.65</td>
<td>1.15</td>
</tr>
<tr>
<td>Philippines</td>
<td>450</td>
<td>279</td>
<td>413</td>
<td>0.62</td>
<td>0.92</td>
</tr>
<tr>
<td>Thailand</td>
<td>332</td>
<td>131</td>
<td>398</td>
<td>0.39</td>
<td>1.20</td>
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<td>Nigeria</td>
<td>300</td>
<td>1817</td>
<td>457</td>
<td>6.06</td>
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<td>Yemen</td>
<td>295</td>
<td>291</td>
<td>583</td>
<td>0.99</td>
<td>1.98</td>
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<td>Syria²</td>
<td>212</td>
<td>1074</td>
<td>1773</td>
<td>5.07</td>
<td>8.36</td>
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<td>Somalia</td>
<td>197</td>
<td>408</td>
<td>485</td>
<td>2.07</td>
<td>2.46</td>
</tr>
</tbody>
</table>

Pakistani Terrorism: State Department Country Profile

• 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.

• 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 Balochistan.

• More than 37 percent of all attacks in Pakistan took place in Khyber Pakhtunkhwa province, 28.4 percent took place in Balochistan, 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.

Ten Perpetrator Groups with the Most Attacks Worldwide, 2013

<table>
<thead>
<tr>
<th>Perpetrator Group Name</th>
<th>Total Attacks</th>
<th>Total Killed</th>
<th>Average Number Killed per Attack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taliban</td>
<td>641</td>
<td>2340</td>
<td>3.65</td>
</tr>
<tr>
<td>Al-Qa’ida in Iraq/Islamic State of Iraq and the Levant</td>
<td>401</td>
<td>1725</td>
<td>4.30</td>
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<tr>
<td>Boko Haram</td>
<td>213</td>
<td>1589</td>
<td>7.46</td>
</tr>
<tr>
<td>Maoists (India)/Communist Party of India - Maoist</td>
<td>203</td>
<td>190</td>
<td>0.94</td>
</tr>
<tr>
<td>Al-Shabaab</td>
<td>195</td>
<td>512</td>
<td>2.63</td>
</tr>
<tr>
<td>Tehrik-i-Taliban Pakistan (TTP)</td>
<td>134</td>
<td>589</td>
<td>4.40</td>
</tr>
<tr>
<td>New People's Army (NPA)</td>
<td>118</td>
<td>88</td>
<td>0.75</td>
</tr>
<tr>
<td>Al-Qa’ida in the Arabian Peninsula (AQAP)</td>
<td>84</td>
<td>177</td>
<td>2.11</td>
</tr>
<tr>
<td>Revolutionary Armed Forces of Colombia (FARC)</td>
<td>77</td>
<td>45</td>
<td>0.58</td>
</tr>
<tr>
<td>Bangsamoro Islamic Freedom Movement (BIFM)</td>
<td>34</td>
<td>23</td>
<td>0.68</td>
</tr>
</tbody>
</table>

- Of the attacks for which perpetrator information was reported, more than 20 percent were attributed to the Taliban, operating primarily in Afghanistan. In addition to carrying out the most attacks, the Taliban in Afghanistan was responsible for the greatest number of fatalities in 2013.

- Along with the Taliban in Afghanistan, five other groups carried out attacks that were more lethal than the global average (1.84 people killed per attack) in 2013: Boko Haram, al-Qa’ida in Iraq (AQI)/ Islamic State of Iraq and the Levant, Tehrik-i-Taliban Pakistan (TTP) and al-Qa’ida in the Arabian Peninsula.

Pakistan: Low World Bank Rankings of Governance, Violence, and Stability

The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators. The outer, thinner red lines show the indicate margins of error.

Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues

The Worldwide Governance Indicators are available at: www.govindicators.org

Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms.
Pakistan: Human Development Comparisons
Pakistan vs. India and Bangladesh

Figure 2: Trends in Pakistan’s HDI 1980-2012

- Human Development Index
- Year
- Bangladesh
- India
- Pakistan

<table>
<thead>
<tr>
<th>Economy</th>
<th>Ease of Doing Business Rank</th>
<th>Filtered Rank</th>
<th>Starting a Business</th>
<th>Dealing with Construction Permits</th>
<th>Getting Electricity</th>
<th>Registering Property</th>
<th>Getting Credit</th>
<th>Protecting Minority Investors</th>
<th>Paying Taxes</th>
<th>Trading Across Borders</th>
<th>Enforcing Contracts</th>
<th>Resolving Insolvency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sri Lanka</td>
<td>99</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Nepal</td>
<td>108</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Maldives</td>
<td>116</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Bhutan</td>
<td>125</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Pakistan *</td>
<td>128</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>7</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>India *</td>
<td>142</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Bangladesh *</td>
<td>173</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>183</td>
<td>8</td>
<td>1</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>8</td>
<td>1</td>
<td>8</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

Economies are ranked on their ease of doing business, from 1–189. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics, each consisting of several indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2014.

Pakistan

Pakistan’s 2012 HDI of 0.515 is above the average of 0.466 for countries in the low human development group and below the average of 0.558 for countries in South Asia. From South Asia, countries which are close to Pakistan in 2012 HDI rank and population size are India and Bangladesh, which have HDIs ranked 136 and 146 respectively (see table B).

Table B: Pakistan’s HDI indicators for 2012 relative to selected countries and groups

<table>
<thead>
<tr>
<th></th>
<th>HDI value</th>
<th>HDI rank</th>
<th>Life expectancy at birth</th>
<th>Expected years of schooling</th>
<th>Mean years of schooling</th>
<th>GNI per capita (PPP US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>0.515</td>
<td>146</td>
<td>65.7</td>
<td>7.3</td>
<td>4.9</td>
<td>2,566</td>
</tr>
<tr>
<td>India</td>
<td>0.554</td>
<td>136</td>
<td>65.8</td>
<td>10.7</td>
<td>4.4</td>
<td>3,285</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.515</td>
<td>146</td>
<td>69.2</td>
<td>8.1</td>
<td>4.8</td>
<td>1,785</td>
</tr>
<tr>
<td>South Asia</td>
<td>0.558</td>
<td>—</td>
<td>66.2</td>
<td>10.2</td>
<td>4.7</td>
<td>3,343</td>
</tr>
<tr>
<td>Low HDI</td>
<td>0.466</td>
<td>—</td>
<td>59.1</td>
<td>8.5</td>
<td>4.2</td>
<td>1,633</td>
</tr>
</tbody>
</table>

Pakistan’s HDI for 2012 is 0.515. However, when the value is discounted for inequality, the HDI falls to 0.356, a loss of 30.9 percent due to inequality in the distribution of the dimension indices. India and Bangladesh, show losses due to inequality of 29.3 percent and 27.4 percent respectively. The average loss due to inequality for low HDI countries is 33.5 percent and for South Asia it is 29.1 percent.

Table C: Pakistan’s IHDI for 2012 relative to selected countries and groups

<table>
<thead>
<tr>
<th></th>
<th>IHDI value</th>
<th>Overall Loss (%)</th>
<th>Loss due to inequality in life expectancy at birth (%)</th>
<th>Loss due to inequality in education (%)</th>
<th>Loss due to inequality in income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>0.356</td>
<td>30.9</td>
<td>32.3</td>
<td>45.2</td>
<td>11</td>
</tr>
<tr>
<td>India</td>
<td>0.392</td>
<td>29.3</td>
<td>27.1</td>
<td>42.4</td>
<td>15.8</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.374</td>
<td>27.4</td>
<td>23.2</td>
<td>39.4</td>
<td>17.7</td>
</tr>
<tr>
<td>South Asia</td>
<td>0.395</td>
<td>29.1</td>
<td>27</td>
<td>42</td>
<td>15.9</td>
</tr>
<tr>
<td>Low HDI</td>
<td>0.31</td>
<td>33.5</td>
<td>35.7</td>
<td>38.7</td>
<td>25.6</td>
</tr>
</tbody>
</table>
Pakistan

The most recent survey data available for estimating MPI figures for Pakistan were collected in 2006/2007. In Pakistan 49.4 percent of the population lived in multidimensional poverty (the MPI ‘head count’) while an additional 11 percent were vulnerable to multiple deprivations. The intensity of deprivation – that is, the average percentage of deprivation experienced by people living in multidimensional poverty – in Pakistan was 53.4 percent. The country’s MPI value, which is the share of the population that is multi-dimensionally poor adjusted by the intensity of the deprivations, was 0.264. India and Bangladesh had MPI values of 0.283 and 0.292 respectively.

Table E compares income poverty, measured by the percentage of the population living below PPP US$1.25 per day, and multidimensional deprivations in Pakistan. It shows that income poverty only tells part of the story. The multidimensional poverty headcount is 28.4 percentage points higher than income poverty. This implies that individuals living above the income poverty line may still suffer deprivations in education, health and other living conditions. Table E also shows the percentage of Pakistan’s population that live in severe poverty (deprivation score is 50 percent or more) and that are vulnerable to poverty (deprivation score between 20 and 30 percent). The contributions of deprivations in each dimension to overall poverty complete a comprehensive picture of people living in poverty in Pakistan. Figures for India and Bangladesh are also shown in the table for comparison.

Table E: The most recent MPI figures for Pakistan relative to selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Survey year</th>
<th>MPI value</th>
<th>Headcount (%)</th>
<th>Intensity of deprivation (%)</th>
<th>Population</th>
<th>Contribution to overall poverty of deprivations in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Health</td>
<td>Education</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2006/2007</td>
<td>0.264</td>
<td>49.4</td>
<td>53.4</td>
<td>11</td>
<td>27.4</td>
</tr>
<tr>
<td>India</td>
<td>2005/2006</td>
<td>0.283</td>
<td>53.7</td>
<td>52.7</td>
<td>16.4</td>
<td>28.6</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>2007</td>
<td>0.292</td>
<td>57.8</td>
<td>50.4</td>
<td>21.2</td>
<td>26.2</td>
</tr>
</tbody>
</table>
UN Pakistan Human Development Indicator Ranking
(Minimal growth, Only 146th in the World in 2014)
### Key Pakistan UN Human Development Indicators

#### Demography

<table>
<thead>
<tr>
<th>Population total (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>182.14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Life expectancy at birth</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.57</td>
</tr>
</tbody>
</table>

#### Health

- Gross national income (GNI) per capita (2011 PPP $) 4,651.64
- GDP (2011 PPP$) (billions) 781.2
- GDP per capita (2011 PPP$) 4,360.35
- Gross fixed capital formation (% of GDP) 10.92
- Domestic credit provided by the banking system (% of GDP) 44.52

#### Income/Command Over Resources

- Population in multidimensional poverty (%) 45.59
- Multidimensional poverty index 0.24
- Population in multidimensional poverty (%) 45.59
- Intensity of multidimensional poverty (%) 52.03
- Population near multidimensional poverty (%) 14.94
- Population in severe multidimensional poverty (%) 26.46
- Population living below $1.25 a day (%) 21.04
- Share of working poor, below $2 a day (%) 57

#### Poverty

- Mean years of schooling 4.73
Post-2016 Security Challenge
Key Warfighting Challenges

• US., allied, and Afghan Acceptance that as long as Taliban and other insurgents have sanctuary in Pakistan, war will last as long as it lasts.

• End focus on tactical clashes, focus on political-military control and protection of key populated areas and LoCs.

• Responding to the changing threat in a Political-Military War.
  • Tests of 2015 campaign season: “Coming out of the sanctuary closet.”
  • Threat ability to choose time and place, intensity and persistence of operations.
  • New forms of high profile attacks, political-military structures at urban and district level, focus on ANSF, officials, advisors, and NGOs.
  • LOC and commercial threats.
  • New role of narcotics, power brokers, corruption in poorer economy

• Ensuring popular support of government and ANSF is critical. Deal with Security vs. hearts and minds dilemmas on Afghan terms.
  • Reshaping role of US and other “partners,” advisors, “enablers” to win popular support.
There is some hope that an adequately resourced ANSF layered defense and US “four quarter” advisory strategy could succeed in providing the necessary security in key populated areas and for key lines of communication, even if Pakistan continues to provide Taliban sanctuaries and comes to dominate less populated areas in the east and South.

*Afghanistan is, however, very much a nation at war and success is extremely uncertain given the limited size and duration of the US advisory effort.*

ISAF and the US government have stopped all detailed reporting on actual success in war for more than a year. ISAF no longer reports maps or metrics, and the semi-annual Department of Defense 1230 report stopped such reporting in late 2012 and has not been updated since July 2013.

It is clear from a wide range of media reporting, however, that the transition to Afghan forces in 2013 gradually extended ANSF responsibility to many areas still dominated by the Taliban and other insurgents.

There has been no meaningful net assessment of the success of Afghan government/ANSF efforts versus those of the Taliban and other threats.

The ANSF will have to cover a large country with a highly dispersed population and 18 major population clusters. Some do not face major threats, but many do face serious risks.
General Dunford on “Resolute Support” and on Post-2014 Mission

• In anticipation of a signed BSA and NATO SOFA, ISAF continues to plan for the Resolute Support train, advise, assist mission.

• This mission will focus on the four capability gaps at the operational/institutional and strategic levels of the ANSF that will remain at the end of the ISAF mission: 1) Afghan security institution capacity, 2) the aviation enterprise, 3) the intelligence enterprise, and 4) special operations.

• In accordance with NATO guidance, ISAF is planning on a limited regional approach with 8,000 - 12,000 coalition personnel employed in Kabul and the four corners of Afghanistan.

• Advisors will address capability gaps at the Afghan security ministries, army corps, and police zones, before eventually transitioning to a Kabulcentric approach focused on the Afghan ministries and institutions.

• Due to delays in the completion of the BSA, and at the recent direction of NATO, we will begin planning for various contingencies in Afghanistan while still continuing to plan for Resolute Support.
Layered Defense: A Concept that May Still Work with Adequate US and Allied Support

- Concentrate ANSF in layered elements to defense population and key lines of communication.
- ANA defends, deters, defeats active Taliban and insurgent forces; ANP plays paramilitary role, with ALP forward in key sensitive areas.
- Accept Taliban and insurgent presence and control in less populated parts of East and South,
- Continued Pakistani sanctuaries unless Pakistan fundamentally changes tactics.
- Support with US advisory presence down to at least level of each of six Afghan corps, key enablers, limited COIN element plus drone and air support.
- German and Italian presence in populated but less threatened areas in the North.
- Support with governance and economic aid.