
Report on Progress toward Security and Stability in Afghanistan

June 2008

Report to Congress in accordance with the
2008 National Defense Authorization Act
(Section 1230, Public Law 110-181)

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Report on Progress toward Security and Stability in Afghanistan

This report to Congress is submitted consistent with Section 1230 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181). It includes a description of the comprehensive strategy of the United States for security and stability in Afghanistan. This report is the first in a series of reports required every 180 days through fiscal year 2010 and has been prepared in coordination with the Secretary of State, the Director of National Intelligence, the Attorney General, the Administrator of the Drug Enforcement Administration, the Administrator of the United States Agency for International Development, and the Secretary of Agriculture. This assessment complements other reports and information about Afghanistan provided to the Congress; however, it is not intended as a single source of all information about the combined efforts or the future strategy of the United States, its Coalition Partners, or Afghanistan. The information contained in this report is current as of April 10, 2008.

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Executive Summary 5

Looking Ahead..... 7

Section 1: Security 10

 1.1 Counterinsurgency Strategy..... 10

 1.2 Nature of the Threat..... 10

 1.3 North Atlantic Treaty Organization International Security Assistance Force 12

 1.3.1 Efforts to Encourage NATO ISAF Countries to Fulfill Commitments 12

 1.3.2 National Caveats on NATO/ISAF Forces..... 13

 1.4 Operations..... 13

 1.4.1 Civilian Casualties 14

 1.5 Afghanistan National Security Forces (ANSF) 14

 1.5.1 ANSF Desired End-Strength..... 15

 1.5.2 ANSF Recruiting and Retention 15

 1.5.3 Afghan National Army (ANA)..... 16

 1.5.3.1 ANA Desired End-Strength 17

 1.5.3.2 ANA Training and Mentoring Efforts 17

 1.5.3.3 ANA Recruiting and Retention..... 18

 1.5.3.4 ANA Salary and Pay..... 20

 1.5.3.5 ANA Equipment 20

 1.5.3.6 ANA Assessment..... 21

 1.5.4 Afghan National Police (ANP) 23

 1.5.4.1 ANP Desired End State..... 23

 1.5.4.2 ANP Training and Mentoring..... 24

 1.5.4.3 Focused District Development (FDD) Program 25

 1.5.4.4 ANP Recruiting and Retention 26

 1.5.4.5 ANP Salary and Pay..... 28

 1.5.4.6 ANP Equipment..... 29

 1.5.4.7 ANP Assessment..... 29

Section 2: Governance, Rule of Law, and Human Rights 30

 2.1 Governance Strategy..... 30

 2.1.1 Progress since the Taliban 30

 2.2 Legislative Branch 30

 2.3 Executive Branch..... 31

 2.3.1 Ministerial Capacity..... 31

 2.4 Judicial Branch..... 32

 2.4.1 Civil Legal System..... 32

 2.4.2 Criminal Justice System..... 33

 2.4.3 Efforts to build Judicial Capacity 34

 2.5 Corruption..... 38

 2.5.1 Anti-Corruption Efforts 39

 2.6 Human Rights 40

 2.7 Subnational Government 41

 2.8 Key Measures of Political Stability 42

Section 3: Economic and Social Development..... 44

 3.1 Overview..... 44

UNCLASSIFIED

3.1.1 Afghanistan National Development Strategy (ANDS).....	44
3.1.2 Interagency and International Cooperation.....	44
3.2 Reconstruction and Development.....	45
3.2.1 Communications.....	45
3.2.2 Power.....	45
3.2.3 Agriculture.....	46
3.2.4 United States Department of Agriculture Efforts.....	48
3.2.4.1 USDA Agricultural Advisors on Provincial Reconstruction Teams.....	48
3.2.4.2 USDA Technical Assistance.....	49
3.2.4.3 Food Assistance.....	50
3.2.5 Natural Resources.....	50
3.2.6 Transportation.....	52
3.3 Economic and Social Indicators of Progress.....	53
3.3.1 Unemployment.....	53
3.3.2 Poverty Levels.....	54
3.3.4 Health.....	54
3.3.5 Education.....	56
3.4 Economic Development Outlook.....	57
3.5 Provincial Reconstruction Teams.....	59
3.5.1 Strategy and Objectives.....	59
3.5.2 Composition and Laydown.....	60
3.5.3 Coordination and Chain of Command.....	61
3.5.4 Provincial Reconstruction Team Funding.....	62
3.6 Reconstruction and Development Oversight.....	63
Section 4: Counternarcotics (CN).....	64
4.1 Strategy, Resources, and Priorities.....	64
4.2 Roles and Missions.....	65
4.3 Efforts to Improve Coordination.....	65
4.3.1 Interagency.....	65
4.3.2 International.....	66
4.3.3 Use of Intelligence.....	66
4.4 Efforts to Improve Afghan Capacity.....	67
4.5 Assessment.....	68
4.5.1 Progress to Date.....	68
4.5.2 Impact of Counternarcotics on the Counterinsurgency Mission.....	69
4.5.3 Potential Improvements.....	69
Section 5: Regional Engagement.....	70
5.1 Afghanistan-Pakistan Border Areas and the Federally Administered Tribal Areas.....	70
5.2 Iran.....	72

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Executive Summary

After the attacks of September 11, 2001, the United States and our international partners toppled the Taliban regime in Afghanistan, ending years of brutal misrule and denying al Qaeda a safe haven from which to launch its attacks. The United States is committed to helping Afghanistan recover from decades of strife, and preventing it from ever again becoming a safe haven for terrorists. Our strategic goals remain that Afghanistan is: 1) a reliable, stable ally in the War on Terror; 2) moderate and democratic, with a thriving private sector economy; 3) capable of governing its territory and borders; and 4) respectful of the rights of all its citizens. Achieving these goals requires the application of a whole-of-government approach, along multiple lines of operation, including security, governance, and development. This report describes both the progress we are making in achieving our national objectives, and the challenges we continue to face.

Security

Although security remains fragile in many parts of Afghanistan, our counterinsurgency approach demonstrates how a combination of military and non-military resources can be integrated to create a stable and secure environment, and to connect the Afghan people with their government. Khowst Province is an example. Khowst was once considered ungovernable and one of the most dangerous provinces in Afghanistan. Today, tangible improvements in security, governance, reconstruction, and development are being made. These improvements are achieved through the closely coordinated efforts of the local government, the Afghanistan National Security Forces (ANSF), international organizations, as well as U.S. military, diplomatic, and development experts. Importantly, lessons learned from the successes in Khowst are being shared with our partners and applied elsewhere in the country.

The increase in U.S. forces in the spring of 2008 reinforced Afghan and international forces' momentum and is enabling accelerated growth of the ANSF. On February 5, 2008 the Joint Coordination and Monitoring Board (JCMB) approved a proposal to expand the authorized end strength of the Afghan National Army (ANA) from 70,000 to 80,000 personnel. The Combined Security Transition Command–Afghanistan (CSTC-A) is scheduled to complete the fielding of 80,000 ANA personnel by the end of 2010. Meanwhile, a U.S. Marine Corps Marine Air Ground Task Force is deploying to bolster NATO International Security Assistance Force (ISAF) maneuver forces in Regional Command–South.

The ANA has taken the lead in more than 30 significant operations to date and has demonstrated increasing competence, effectiveness and professionalism. Operation MAIWAND, executed in the summer of 2007 in the Andar District of Ghazni Province, is just one example of the ANA's progress. Planned, rehearsed, and executed under the direction of the Afghan 203rd Corps Commander, a combined ANA and ISAF task force cleared the entire district and removed a Taliban shadow governor. This well-integrated security operation was quickly exploited with the synchronized application of governance and development efforts consisting of medical treatment for 2,300 citizens, 10 new schools, the delivery of 260 tons of humanitarian aid, and one million dollars committed toward additional development. This operation resulted in the significant disruption to enemy forces in Ghazni Province and is a manifestation of the growth and maturation of ANSF as well as the spread of governance and development.

The Afghanistan National Police (ANP) are improving, although at a slower pace than the ANA. Generally, police development has been hindered by a lack of reform, corruption,

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insufficient U.S. military trainers and advisors, and a lack of unity of effort within the international community. A new CSTC-A-led Focused District Development (FDD) plan, implemented in late 2007, shows promise. This initiative withdraws the locally-based Afghan Uniform Police (AUP) from selected districts, replacing them temporarily with highly trained and effective Afghan National Civil Order Police (ANCOP). The AUP then receive two months of immersion training and equipping in a concentrated program of instruction by carefully selected civilian police mentors, with the goal of increasing their professional capability and their confidence to conduct law enforcement activities. Following their collective training, the AUP return to their districts with enhanced capabilities and better able to serve their communities.

Despite many positive developments, Afghanistan continues to face challenges. The Taliban regrouped after its fall from power and have coalesced into a resilient insurgency. It now poses a challenge to the Afghan Government's authority in some rural areas. Insurgent violence increased in 2007, most visibly in the form of asymmetric attacks as Afghan and international forces' relentless pressure forced the insurgents to shift the majority of its effort to targeting police and civilians. More than 6,500 people died as a result of suicide attacks, roadside bombs, and combat-related violence. The 2007 ISAF and ANSF military campaign caused setbacks to the Afghan insurgency, including leadership losses and the loss of some key safe-havens in Afghanistan. Despite these setbacks, the Taliban is likely to maintain or even increase the scope and pace of its terrorist attacks and bombings in 2008. The Taliban will challenge the control of the Afghan government in rural areas, especially in the south and east. The Taliban will also probably attempt to increase its presence in the west and north. Up to the first quarter of 2008, the most significant threat to stability in the north and west of the country has come from warlords, criminals, and drug traffickers. The power of these entities is increasingly challenged by the growing competence of local and national government.

Narcotics remain a significant challenge for Afghanistan and the international community. While progress has been made in some areas, overall counternarcotics efforts in Afghanistan have not been successful. As Secretary of Defense Robert Gates stated in his testimony to the House Armed Service Committee on December 11, 2007, "[T]he drug trade continues to threaten the foundations of Afghan society and [the] young government [of Afghanistan]." Opium production in Afghanistan increased substantially in 2007. The narcotics trade dissuades work and investment in legitimate activities, provides the insurgents with a lucrative source of funding, and contributes heavily to heroin addiction in Central Asia, Europe and increasingly East Africa. Although counternarcotics (CN) efforts have resulted in gains over the past six years, the battle against drug traffickers is ongoing, and will be for some time. In conjunction with the Afghan Ministry of Defense (MOD), CSTC-A is assisting with the development and fielding of a new CN infantry kandak (battalion) for the purpose of providing force protection to poppy eradicators. This unit will shortly be put into action and will provide protection for eradication teams to complete their mandates.

Governance and Human Rights

Afghanistan was the prime example of a failed state in 2001. Aside from the Taliban's enforcement of its version of sharia law, most functions of government were non-existent. There were few social services and little investment in health, education, roads, power, or water. Afghans were denied participation in their government, enjoyed no civil or political liberties, and were afforded no avenue of dissent.

Since 2001, Afghanistan has made significant progress rebuilding its national political institutions. Afghans wrote and passed a new Constitution in 2004; 8.1 million people voted in

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the nation's first presidential election; and 6.4 million voters helped reestablish their National Assembly after 32 years without a legislature. Ministries are increasingly capable of executing their responsibilities, particularly the ministries of Defense, Foreign Affairs, and Finance. Since 2006, the Supreme Court has been headed by an internationally respected and highly capable jurist with a formal legal education.

The international community continues to help develop Afghanistan's justice sector and provincial governments. Progress is slow, in part because of Afghanistan's human capital shortage. Only three in ten Afghans can read, leaving a very shallow pool of literate citizens to staff the courts, government offices, police, armed forces, or private enterprises.

Despite important progress made since 2001, Afghanistan's human rights record remains poor. Though most human rights violations are perpetrated by the Taliban-led insurgency, weak governmental and traditional institutions, corruption, narcotics trafficking, and the country's two-and-a-half decades of violent conflict exacerbate the problem. Abuses by security forces continue. However, the government has worked to professionalize its army and police force. Increased oversight of police by internal and external monitors has helped to prevent some abuses, and human rights training has become a regular element for police and army personnel.

Reconstruction and Development

Setting the conditions necessary for economic growth is essential to long-term security and stability. Afghanistan has come a long way in seven years. Since 2001, Gross Domestic Product, per capita income, and Foreign Direct Investment are all up. There has been considerable growth in Afghanistan's domestic revenues as well as international reserves, which have nearly doubled since 2004. However, Afghanistan still faces formidable economic challenges. The Afghan government remains overly dependent on foreign aid, with official revenues covering only 20 percent of recurrent costs. Costs, particularly for food and fuel, are rising, as is inflation. Access to credit is limited, and few Afghans are able to borrow.

Four strategic economic priorities support the counterinsurgency effort. These include: 1) embracing free market economic policy at senior levels of government, 2) enhancing government resources, 3) addressing inflation and 4) implementing structural reforms. Commitment to free markets means resisting costly subsidies and price controls that serve to reduce resources for other more constructive expenditures in areas like infrastructure, education, and healthcare. U.S. and international community efforts are assisting the Afghan government in moving towards a sustainable fiscal policy capable of generating revenue, managing resources, and operating without foreign financial support. The international community is also trying to boost economic growth by modernizing the country's infrastructure, particularly in the areas of electrical power, road construction, water management and agricultural development. Provincial Reconstruction Teams (PRTs) are key elements in these endeavors, ensuring that reconstruction and development efforts are coordinated at all levels and responsive to local needs. Finally, trade is benefiting, albeit slowly, from growing regional integration. Afghanistan is scheduled to join the South Asian Free Trade Area, bringing greater access to and integration with six other countries in the region including Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Looking Ahead

The U.S. commitment to Afghanistan is unwavering. Success in Afghanistan is both crucial to global security and is a moral responsibility. Achieving that success will take time, effort, resources, and the sustained interest and commitment of the international community.

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Moreover, success will never be achieved through military means alone, but through a comprehensive approach that involves all elements of power: military, diplomatic, and economic. Above all, it will require a sustained effort to continue to develop the capacity of the Afghans themselves. Where we have begun to apply such an approach, real progress is being made. It is critical that we continue to build on the momentum that has been achieved.

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Section 1: Security

1.1 Counterinsurgency Strategy

The U.S. operational approach to the security component of counterinsurgency in Afghanistan is to build Afghan security capacity while degrading the capacity of the Taliban. U.S. forces work to root out insurgents while increasing the ability of the Afghans to do so on their own. Throughout Afghanistan, this is achieved through kinetic and non-kinetic efforts to separate the enemy from the local population by partnering with the ANSF and engaging Afghan leaders. Shuras, key leader engagements, medical engagements, humanitarian aid missions, and combined presence patrols provide a venue for ANSF forces to interact with the general population and discuss needs for local improvements. These missions work to create trust between the local populace, Afghan leadership, ANSF, and ISAF forces. As trust increases, support for the Government of the Islamic Republic of Afghanistan, (GIROA), the ANP, and the ANA evolves proportionately. Afghan civilians are beginning to report enemy activity including improvised explosive device (IED) emplacements, suspicious activity, and potential future attacks. In an effort to gain the support of the populace and demonstrate the superior governance capabilities of the GIROA as opposed to the Taliban, ANSF and international forces have increased governance outreach and development activities.

1.2 Nature of the Threat

In 2008, there is the potential for two distinct insurgencies in Afghanistan; a Kandahari-based insurgency dominated by the Taliban in the south and a more complex, adaptive insurgency in the east. The eastern insurgency is a loose confederation of affiliates such as the Haqqani Network and like-minded groups that are prepared to cooperate with the Taliban's Kandahari-based insurgency. These groups include al-Qaeda, Hizb-e Islami Gulbuddin, and Pakistani militant groups Jaish-e Mohammed, Lashkar-e-Tayyiba, Tehrik Nefaz-i-Shariat Muhammad. Their shared goals include the expulsion of all foreign military forces from Afghanistan, the elimination of external government influence in their respective areas, and the imposition of a religiously conservative, Pashtun-led government.

A principal strength of the Taliban-led Kandahari insurgency is its ability to regenerate combat power by leveraging tribal networks, exploiting lack of governance and the Afghan peoples' inherent resistance to change and outside influence. The Taliban's strategy hinges on their ability to prevent the Afghan government and ISAF from achieving victory, and the international community eventually losing the will to tactically intervene in the counterinsurgency effort. The insurgency's critical capabilities are its ability to project strength and a mystique of the inevitability of Taliban rule that is constantly sustained through a focused information effort; in other words, *not losing is winning*.

A principal vulnerability of both the Taliban-led Kandahari and Eastern Insurgencies is that, beyond forcibly imposing Sharia-modeled law and order, they are unable to deliver to the Afghan people sustainable governance or development of commercial infrastructure. Both insurgencies are anticipatory in nature and maximize every opportunity to separate the Afghan population from the GIROA. The insurgencies are powerless to provide development and they lack the capacity to meet the basic needs of the citizens of Afghanistan; however, it is worth noting that this limitation did not prevent the original Taliban from controlling, through force of

arms, the majority of the country in the late 1990s. The preponderance of both insurgencies' influence stems from the use of fear and intimidation tactics. As a result of these efforts, in the minds of the Afghan people, insurgent forces are cognitively becoming separated from the respected mujahidin fighters that defeated the Soviets and sustained Afghans for decades.

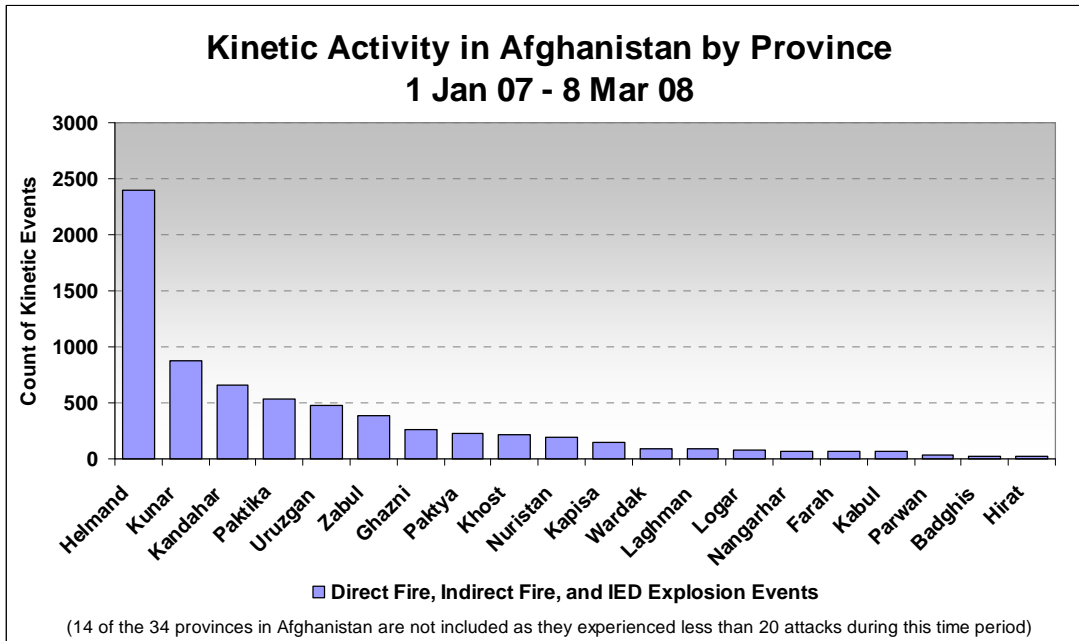


Figure 1 - Distribution of Attacks in Afghanistan by Province

Violence increased in Afghanistan in 2007. A significant factor in the increase in violence was aggressive Afghan and international force tactics combined with insurgent recognition that, while they cannot defeat Afghan and international forces on the battlefield, they can harm political will by increasing casualties. Violence may also have increased because Afghan and international forces are asserting control over a greater area in increased numbers, thus increasing their exposure to insurgent attacks.

Attack levels alone are not always a good indicator of the security situation. Even in areas where insurgent activity is high, Afghan and international forces often have the full support of the local population. Khowst Province again provides a success story. In this eastern province the level enemy activity and attacks remains relatively high, but most of the population lives without fear, trusting the government to keep them safe.

The success of Afghan and international forces in military engagements has led insurgents to increase asymmetric attacks. As such, IED attacks are on the rise. IED incidents reached a high of 2,615 incidents in 2007, up from 1,931 in 2006. Counter-IED training is an important part of U.S. and ISAF efforts to improve security in the country. It includes curriculum that the NATO Operational Mentoring and Liaison Teams (OMLTs) and Embedded Training Teams (ETTs) deliver when training members of the ANA. Although the number of IED attacks increased in 2007 over 2006, so did the number of IEDs that were discovered and pre-detonated, as well as those that were reported by local citizens.

The success of the GIRoA in meeting the needs of the population and winning their allegiance has been uneven and sometimes temporary. In many provinces and districts, the government's failure to connect effectively with the people of the country and provide security and prosperity has provided an opening for the Taliban to successfully install shadow

governments that provide basic security against lawlessness. The Taliban is likely to continue efforts to emplace shadow governments in order to enhance local control by insurgent forces, undermine the authority of district and provincial level officials appointed by Kabul, and present a locally acceptable alternative to the Karzai government. Due to the nature of insurgencies, estimates of their numbers are inherently unreliable and there is no agreed-upon figure from the Intelligence Community. Therefore, no estimate is included in this report.¹

1.3 North Atlantic Treaty Organization International Security Assistance Force

The North Atlantic Treaty Organization (NATO) International Security Assistance Force (ISAF) has overall command of the battlespace in Afghanistan. Commanded by a 4-star U.S. Army officer, all military guidance for ISAF forces is communicated from Supreme Headquarters Allied Powers Europe (SHAPE) and the Joint Forces Command (JFC) Brunssum. The international strategic direction has been approved by the North Atlantic Council (NAC). U.S. forces assigned to ISAF operate in support of ISAF plans and operations, and are under the operational control of Commander, International Security Assistance Force (COMISAF). The bulk of U.S. forces assigned to ISAF operate in Regional Command (RC) East. The United States contributes approximately 19,000 of the 47,000 personnel in ISAF. An assessment of United States Military requirements, including planned force rotation for the three-month period following the date of the report can be found in the monthly “Boots-on-the-Ground” Reports submitted to Congress in accordance with Public Law 110-116. Force rotations beyond the three-month period following April 2008 will be conditions-based and hence cannot be provided with reasonable accuracy.

1.3.1 Efforts to Encourage NATO ISAF Countries to Fulfill Commitments

A top U.S. government priority is to ensure that ISAF countries provide all required forces as determined by NATO military authorities in the agreed Combined Joint Statement of Requirements (CJSOR). The ISAF commander must have the forces and flexibility necessary to accomplish the mission of assisting the GIROA in the establishment and maintenance of a safe and secure environment and the extension of its authority in order to facilitate reconstruction and development. Although CJSOR shortfalls remain, especially for maneuver battalions, helicopters, and OMLTs, all 26 Allies and 14 non-NATO partners are contributing in important ways to the ISAF mission. ISAF has increased from approximately 31,000 personnel in November 2006, to approximately 47,000 personnel today. This number is expected to increase in 2008.

In order to help Allies shore up domestic political support for increased resources in Afghanistan, the U.S. focused efforts on the development of a Comprehensive Political Military Strategic Plan for ISAF to explain how Allied security is directly linked to stability in Afghanistan and to lay out a vision to guide ISAF’s role in Afghanistan over the next five years. This Comprehensive Political Military Strategic Plan was agreed to by the Heads of State and Government from Allied and other troop-contributing nations at Bucharest in March 2008. In the Comprehensive Political Military Strategic Plan, Allies agreed that Afghanistan is the Alliance’s key priority. The Comprehensive Political Military Strategic Plan incorporates four guiding principles:

¹ An assessment of the elements of the insurgency are available in a classified format (see National Intelligence Council report #ICB 2008 19).

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- a firm and shared long-term commitment;
- support for enhanced Afghan leadership and responsibility;
- a comprehensive approach by the international community, bringing together civilian and military efforts; and
- increased cooperation and engagement with Afghanistan's neighbors, especially Pakistan.

Among the pledges of support at the Bucharest Summit, France announced that it will send approximately 700 additional troops to eastern Afghanistan. This will permit the U.S. to assign more troops to the south where Canadian forces have been engaged in combat operations against Taliban forces. Also at Bucharest, Russia agreed to permit ISAF nations to transit through Russia to resupply ISAF forces in Afghanistan. Since the Bucharest Summit, a number of other countries have pledged additional resources to ISAF. For example, Poland has agreed to send 400 additional troops and eight helicopters. Several nations, such as Romania, Italy, and Greece, have agreed to provide additional OMLTs.

A key component of ISAF operations is assisting in the training and equipping the ANA. The ANA has approximately 52,000 troops engaged in or leading major operations alongside ISAF forces. ISAF partners have fielded or pledged 36 OMLTs to help build a more effective ANA. However, this still falls short of the total OMLTs required. Thirteen ISAF nations have donated equipment to the ANA through NATO, and a trust fund has been established to cover transportation and installation costs for the donated equipment. An indication of the increasing professionalism and capabilities of the ANA, President Karzai announced at Bucharest that the ANA plans to assume security responsibility for Kabul in August 2008.

1.3.2 National Caveats on NATO/ISAF Forces

The U.S. government has consistently emphasized the importance of giving commanders in the field the maximum possible flexibility to ensure that they can accomplish their mission in the fastest possible timeframe, while minimizing risk and loss of life. Just over half of the Allies in ISAF have some form of caveats on the geographical and/or functional deployment of their forces. Some Allies have no written caveats on their forces, but operate with de facto restrictions that can be even more severe than caveats. Therefore, rather than focus exclusively on caveats, the U.S. has pressed all Allies and partners to provide commanders on the ground with the maximum possible flexibility in terms of when, where, and how they utilize forces under their command. The most significant and commonly cited caveats are restrictions that keep some troops currently in the north, west, and in Kabul from moving to Regional Command-South without prior approval from their respective nations' capitals. The United States takes advantage of every opportunity to urge Allies to lift these restrictions.

1.4 Operations

Within the primary operational area for U.S. forces – Regional Command East – operational tempo and the ability to extend the reach of ISAF forces increased two-fold with the addition of a second Brigade Combat Team in early 2007. U.S. forces took part in full-spectrum operations, often with ANSF in the lead. Keeping in line with the overall strategy of clear, hold, and build, the increased security paved the way for improved local government and economic growth.

Additionally, CJTF-82² established Border Security Posts, Combat Out-Posts, and Forward Operating Bases along known insurgent routes and support areas. This expanded ISAF and ANSF presence probably contributed to the increase in enemy attacks from 2006 to 2007.

1.4.1 Civilian Casualties

The increase in civilian casualties is largely due to a shift in insurgent focus to operations in populated areas, and the use of indiscriminant asymmetric attacks. A series of well-publicized events during the spring and summer of 2007 highlighted the negative consequences of civilian casualties caused by combat operations in Afghanistan. The willingness of the Afghan populace to support international forces and the GIRoA is directly proportional to their trust and confidence in those forces. The support of the Afghan people is essential to the security, reconstruction, and governance of the country.

In response to increasing civilian casualties in the country Admiral Fallon, former Commander of U.S. Central Command; General McNeill, COMISAF; and General Ramms (Commander, Joint Forces Command–Brunssum) published a series of complementary guidance outlining the problems, challenges, and unintended consequences of civilian casualties, and provided explicit direction to all commanders and the Marines, Soldiers, Sailors, and Airmen under their command on how to limit those casualties. The published guidance directed that, while not limiting the right of self defense, responses to enemy actions must clearly demonstrate proportionality, requisite restraint, and the utmost discrimination in the application of firepower.

1.5 Afghanistan National Security Forces (ANSF)

The long-term goal for the Afghan National Security Forces (ANSF) is to build and develop a force that is nationally respected; professional; ethnically balanced; democratically accountable; organized, trained, and equipped to meet the security needs of the country; and funded from the GIRoA budget. Security is a fundamental prerequisite for achieving economic and social development in Afghanistan. The ANA and the ANP represent two critical elements for establishing that security.

The mission of the Combined Security Transition Command–Afghanistan (CSTC-A) is to plan, program and implement structural, organizational, institutional, and management reforms of the ANSF in order to develop a stable Afghanistan, strengthen the rule of law, and deter and defeat terrorism within its borders. CSTC-A receives funding through the Afghan Security Forces Fund (ASFF) to equip, train, and sustain the ANSF. The Fiscal Year (FY) 2008 budget request delineates the program objectives aimed at enabling ANSF independent operations. These objectives include improved enablers, logistics operations, infrastructure, training, pay programs, medical facilities, and equipment.

The FY 2008 ASFF request totaled \$2.7 billion, including \$1,711 billion for the ANA, \$980 million for the ANP, and \$9.6 million for detainee operations. For the ANA, these funds will equip and sustain the 70,000-person 14 brigade force in 2008; upgrade garrisons and support facilities; enhance ANA intelligence capabilities; and expand education and training, including the National Military Academy, counter-improvised explosive device (CIED) training, mobile training teams, branch qualification courses, and literacy and English language programs. For the ANP, these funds will increase CIED, communications, intelligence training; purchase additional equipment, weapons, and ammunition to respond to insurgent threats; enhance ANP

² On April 10, 2008 the 101st Airborne Division assumed command of Regional Command East from the 82nd Airborne Division. CJTF-101 also serves as the U.S. national command element in Afghanistan.

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intelligence capabilities; set conditions for interoperability with ANA to respond to events; enhance border surveillance; add basic health clinics in select provinces to improve casualty treatment; and expand field medic and combat life support training. Because the operational and security realities in Afghanistan are constantly changing, it is not possible to make a reliable estimate of the long-term costs and budget requirements for developing the ANSF.

1.5.1 ANSF Desired End-Strength

Despite achievements in Afghanistan, security threats and corruption remain a major impediment to overall development. The security environment continues to be fluid, demanding continual reexamination and assessment of requirements for the end-strength of the ANSF. The 2001 Bonn Agreement established the goal of a 70,000-person ANA and 62,000-person ANP. The Afghanistan Compact in January 2006 confirmed those target end-strengths. Security conditions necessitated a reexamination of ANSF end-strength. Consequently, in May 2007, the international community's Joint Coordination and Monitoring Board (JCMB) endorsed an increase to 82,000 authorized ANP. Similarly, with the endorsement of the JCMB on February 5, 2008, the authorized ANA force structure increased to 80,000 personnel, with an additional 6,000 allotted for the trainee, transient, hospitalized, and student account.

We are currently examining whether this new end-state is adequate for Afghanistan's needs. The long-term ANSF posture may also include a more robust Afghan National Army Air Corps (ANAAC) capability and a larger army. However, additional analysis, study, and consideration must be given to the sustainability and available financial support for such efforts.

1.5.2 ANSF Recruiting and Retention

Actions to improve ANSF's national recruiting system and the Afghan vetting process continue. The current procedures for processing applications and conducting cursory background checks for the ANSF are explained for the ANA and ANP in their respective sections. However, additional measures and more sophisticated processes are currently being pursued.

The ANSF is working to implement identification (ID) cards and biometrics. A national ID program will incorporate equipment issue, pay, promotion and tracking and accountability from accession to attrition using an accurate record management system for the ANP force structure. Current efforts include integration of the ID card's barcode system into the pay system of the ANP. The ANA implemented an ID card system and an automated database in April 2006. Similarly, the ANSF are embarking on a long-term, state-of-the-art biometric collection and database program that will provide both the Ministry of Defense (MoD) and Ministry of Interior (MoI) a capability to positively identify all Afghan soldiers and police. The integrated database of fingerprints, iris scan, and facial photos will be jointly maintained by ANA and ANP biometric analysts that are currently being identified and trained over the next three years. Another group of ANA and ANP officers are being trained as collectors who will be positioned at ANSF initial entry sites across Afghanistan. The biometric technology is scalable and will allow the GIRoA to expand the program to other segments of the government should Afghan leaders choose to do so.

CSTC-A's leadership is involved in efforts towards developing overall awareness of current retention rates and programs to offer re-contracting options. CSTC-A has enlisted the help of key MoI staff members to promote re-contracting of separating personnel. Measures taken with the MoD include staff assistance visits to the Corps and training by the MoD Re-contracting Officer. In January 2008, the Assistant Minister of Defense for Personnel and

Education revised the re-contracting regulation to require Company to Corps-level Commanders to project separation dates at least 12 months out and perform regular career counseling with all soldiers and NCOs.

The ANSF has pursued monetary bonuses to incentivize enlistment and re-enlistment, specifically directed at the Commandos in the ANA and Afghan Border Police (ABP) in the ANP. Commandos currently receive an additional \$30/month incentive pay. Additional proposed initiatives are under financial review for the ABP including a sign-on bonus, retention bonus, and hostile fire or imminent danger pay. More detailed efforts regarding recruiting and retention in the ANA and ANP are described in the relevant sections that follow.

1.5.3 Afghan National Army (ANA)

The ANA is subordinate to the Ministry of Defense (MoD), and is divided into five regional corps and an emerging air corps. The 201st Corps operates in RC Central. The 203rd Corps operates in RC-East. The 205th Corps operates in RC-South. The 207th Corps operates in RC-West. The 209th Corps operates in RC-North. Currently, the army serves as an infantry force operating alongside international forces under the command of the Chief of the General Staff, General Bismullah Khan.

Each corps is divided into brigades comprising three infantry kandaks (battalions), one combat support kandak, and one combat service support kandak. Additionally, commando kandaks are in the process of being formed. These elite units are currently attached to regional corps, pending establishment of a commando brigade headquarters.

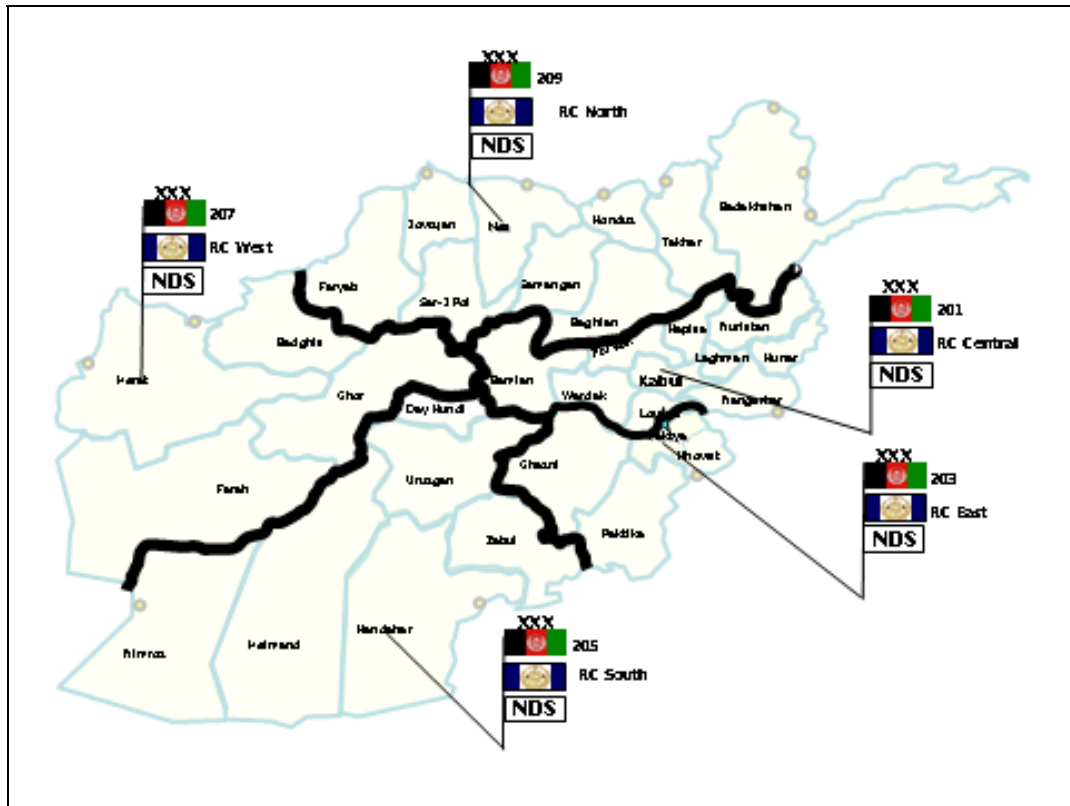


Figure 2 - Alignment of ANSF Regional Commands

1.5.3.1 ANA Desired End-Strength

By the end of 2008, the GIRoA plans to field a total of 70,000 ANA personnel. An additional 10,000 personnel are expected to be fielded by the end of 2009. Continued training, mentoring, and development will be required beyond this timeframe. As stated above, the long-term ANA posture potentially may include a more robust ANAAC capability and a larger force; however, additional analysis, study, and consideration must be given to the security environment, sustainability, and available financial support. The current program calls for a light infantry force of 15 brigades, including artillery, armor, commando, combat support, combat service support, an air corps, and the requisite intermediate commands and sustaining institutions.

1.5.3.2 ANA Training and Mentoring Efforts

Training the ANA begins with individual training. The soldier training process begins with careful, needs-based recruiting followed by initial entry training (IET) at the Basic Warrior Training Course (BWT), supervised by international trainers. ANA basics are taught to an objective standard uniformly applied throughout the force. The BWT provides the foundation, but the individual soldier's capabilities are strengthened through branch-specific Advanced Combat Training. Although the priority of fielding a viable force has necessitated training initially focused on infantry and other combat-specific branches, training for support specialties has also developed.

Immediately following a new unit's fielding and arrival at its Corps and brigade area, it undergoes a 60-day period of individual and collective training before being put into the rotation for combat operations. Combat and security operations continue to round out ANA development. Each ANA combat unit is accompanied by either a U.S. Embedded Training Team (ETT) or a NATO ISAF OMLT. These teams provide comprehensive mentoring across the full spectrum of operations. Specifically, the teams provide the ANA unit leadership with advisory support on all unit functions and direct access to U.S. and ISAF resources and enablers to enhance the ability of the ANA to operate effectively and independently. They also serve as role models and key liaisons between ANA and international forces. The OMLTs and ETTs coach unit staffs and commanders and assist them in the development of their training programs, logistics and administrative systems, planning, and employment in operations. ETTs and OMLTs also facilitate the assessment of ANA units, helping the ANA identify strengths, shortfalls, and opportunities for improvement.

As of March 2008, U.S. ETTs require a total of 2,391 personnel; however, only 1,062 are currently assigned (44 percent fill). The low fill-rate is due to the additional requirement to provide support to the ANP through Police Mentor Teams (PMTs). Full PMT manning requires 2,358 total military personnel. Currently, 921 personnel are assigned (39 percent fill). Sourcing solutions are being worked to address the shortfall of personnel across the ETT and PMT requirements. Afghanistan deployment requirements are being weighed against other global manning priorities. When additional forces become available to fill these critical personnel requirements, they will be resourced against the ETT/PMT requirements. For now, the Focused District Development (FDD) program, described below, aims to help mitigate the shortages of the mentors for the ANP. In addition, more than 3,400 Marines are deploying to Afghanistan. Of these, approximately 1,200 Marines will conduct ANP training missions in nine Afghanistan districts. These Marines are deploying as a temporary risk mitigation measure due to the global shortage of military trainers. Since the need for continued ANP mentorship in those districts will

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remain following the Marine redeployment in the fall, the enduring requirement for 1,400 additional ANP mentors remains.

In addition to the ETTs and PMTs, NATO OMLTs are also providing critical guidance and mentorship to the ANA. As of March 2008, there are a total of 31 validated OMLTs out of a NATO commitment to provide 71. In many instances, ANA combat units are assigned an ISAF partner unit during combat operations. In general, those ANA units with international partner units have shown a marked increase in their capability to provide security in their areas. However, it should be noted that some Afghan commanders have shown great initiative and improvement without the benefit of an international partner.

1.5.3.3 ANA Recruiting and Retention

The ANA continues to make significant progress in recruiting and retention and all indicators point to decreasing rates of absence without leave (AWOL) and an increased ability to curb absenteeism. The past year has surpassed the previous four years in ANA recruitment. The ANA recruited 32,135 soldiers in the year leading up to March 2008. Annual recruitment numbers for the previous four years, beginning with the most recent, are: 21,287; 11,845; 15,790; and 9,671.

The year-to-date re-enlistment average in the fielded ANA is 50 percent for soldiers and 56 percent for NCOs. Factors that challenge re-enlistment include the desire for larger salaries, better leadership, and to be stationed closer to family.

In February 2008, the ANA had an 8.4 percent absentee rate. This is down from 12 percent at the height of summer. The three corps most consistently in contact with insurgents and anti-government elements had the highest AWOL rates, but on average they experienced less than 10 percent AWOL over the past year. This decrease in AWOL rates has contributed directly to an increase of 20,000 in ANA end-strength since January 2007. This increase in end strength coupled with a deliberate effort to staff combat units fully and overfill entry-level soldier authorizations should further mitigate problems of absenteeism. During the past year, overall AWOL rates in ANA combat forces have decreased three percent as compared to the previous year. With increasing emphasis on pay and incentives, better facilities and training, better leadership, and more robustly manned units, AWOL trends can be expected to continue to decrease in the coming year.

The personnel accession and vetting process is the same for both ANA and ANP and follows the 3-step process described below. All vetting of candidates to serve in the ANSF meets the requirements of the law prohibiting military assistance to units or individuals known to have committed human rights abuses. The ANA commissar at the National Army Volunteer Center (NAVC) is the approval authority for both the ANA and ANP.

Step 1: The applicant provides 12 passport photos and secures a national identification card from the district. This is verified by the Governor or another designated individual. Recruits must be between 18 and 35 years-old. Age waivers are considered based on the applicant's qualification.

Step 2: The applicant sees a recruiter at Provincial HQ and completes a contract. An escort guides them through the screening process which examines health and criminal records, as well as other relevant background information. The applicant must get two village elders to sign the form vouching for the recruit's character. The form must also be signed by an official at the district center. All documents are then taken by the escort to the ANA Commissar HQ for verification and signature.

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Step 3: Medical screening is conducted at the commissar's office. All documents go back to the sub-governor for signature. Ultimately, the Ministry of the Interior or the Ministry of Defense reviews all the documentation and then notifies the Provincial authorities of acceptance by issuing the directive to commence training.

The ANA has also implemented an additional level of review for potential ANA recruits. An Afghan who requests to join the Army is given a form to complete at the recruiting center. The recruit's name is then added to a list that is circulated among various MoD offices, including the ANA General Staff G2, for a rudimentary background check.

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1.5.3.4 ANA Salary and Pay

Recruiting and retention initiatives have been boosted by steps taken to standardize and institute a competitive pay scale. The following chart depicts the current monthly, 25-year base salary plan for members of the ANA.

RANK	GRADE	<1 to								
		3	>3	>6	>9	>12	>15	>18	>21	>24
GEN	O-10	\$880	\$925	\$940	\$955	\$970	\$985	\$1,000	\$1,015	\$1,030
LTG	O-9	\$780	\$825	\$840	\$855	\$870	\$885	\$900	\$915	\$930
MG	O-8	\$680	\$735	\$750	\$765	\$780	\$795	\$810	\$825	\$840
BG	O-7	\$580	\$635	\$650	\$665	\$680	\$695	\$710	\$725	\$740
COL	O-6	\$430	\$465	\$480	\$495	\$510	\$525	\$540	\$555	\$570
LTC	O-5	\$380	\$415	\$430	\$445	\$460	\$475	\$490	\$505	\$520
MAJ	O-4	\$330	\$365	\$380	\$395	\$410	\$425	\$440	\$455	\$470
CPT	O-3	\$250	\$285	\$300	\$315	\$330	\$345	\$360		
1LT	O-2	\$210	\$245	\$260	\$275	\$290	\$305			
2LT	O-1	\$190	\$225	\$240	\$255	\$270				
SGM	E-9	\$210	\$245	\$260	\$275	\$290	\$305	\$320	\$335	\$350
MSG	E-8	\$170	\$205	\$220	\$235	\$250	\$265	\$280	\$295	\$310
SFC	E-7	\$145	\$180	\$195	\$210	\$225	\$240	\$255	\$270	\$285
SSG	E-6	\$130	\$165	\$180	\$195	\$210	\$225	\$240		
SGT	E-5	\$115	\$150	\$165	\$180	\$195	\$210			
SDR	E-4	\$100	\$135	\$150	\$165	\$180				

Table 1 - 25-Year Base Pay Plan (ANA)

1.5.3.5 ANA Equipment

The three infantry companies in each kandak are equipped with former Warsaw Pact rifles, light and heavy machine guns, and rocket propelled grenade launchers. The weapons company in each kandak provides anti-armor capability with SPG-9 recoilless rifles and indirect fire with 82mm mortars. Plans are in place to effect a transition to NATO standard weapons. CSTC-A is currently converting the ANA from the AK-47 to the M16 (or the Canadian version, the C7). Later in 2008, the ANA will begin converting to U.S. model light and medium machine guns and 81mm mortars.

Each brigade has an artillery battery consisting of eight former Warsaw Pact D-30 howitzers. Currently, 82 of the 132 required are functional. CSTC-A has contracted to have the howitzers assessed for complete refurbishment and conversion to facilitate NATO standard interoperability.

One ANA brigade is designed to include a mechanized kandak and an armor kandak. These units are currently equipped with BMPs (amphibious infantry fighting vehicles) and T-62 main battle tanks in various states of functionality. Procurement and donation options are currently being studied to upgrade this capability.

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The ANA's primary vehicle is the light tactical vehicle (LTV), a Ford Ranger truck. CSTC-A has procured more than 4,100 up-armored high mobility multipurpose wheeled vehicles (HMMWVs) (M1151/M1152) to be fielded beginning this summer. These HMMWVs will displace many of the LTVs, particularly in the combat battalions, to provide a protected mobility capability.

The ANAAC currently consists of the following aircraft: seven medium cargo airplanes (five AN-32s and two AN-26s) and thirteen helicopters (nine MI-17s and four MI-35s). The ANAAC will eventually include reconnaissance and light attack air-to-ground fixed wing aircraft. By December 2008, the inventory will include an additional fifteen MI-17s, six MI-35s, and two AN-32s. Four out of a total of twenty C-27s are being procured for delivery.

1.5.3.6 ANA Assessment

ANA unit readiness is gradually improving. The numbers and readiness status provided below are based on an 80,000 ANA structure comprised of 85 battalions/squadrons organized into 14 combat brigades, 5 Corps headquarters (HQ) and 1 Air Corp HQ.

As of March 2008, the ANA reported one battalion and 1 Corps HQ as rated at Capability Milestone (CM) 1: capable of operating independently. Twenty-six battalions/squadrons, five brigade HQs, and two Corps HQs were reported at the CM2 level: capable of planning, executing, and sustaining counterinsurgency operations at the battalion level with international support. Twenty-six battalions/squadrons, five brigade HQs, two Corps HQs, and one Air Corps HQ were reported at the CM3: partially capable of conducting counterinsurgency operations at the company level with support from international forces. Ten battalions/squadrons and one brigade HQ are reported at CM4: formed but not yet capable of conducting primary operational missions. Finally, there are twenty-two battalions/squadrons and three brigade HQ that are still not formed or reporting.

An overall assessment of the ANA officer corps effectiveness from the kandak- to Corps-level is positive and ANA officers continue to work to improve their professionalism. National illiteracy rates remain high, but the members of the officer corps are required to have basic reading and writing abilities and plans are being made to improve the education level of the officer corps. Overall, officers are proficient at the tactical level though not yet fully mature in operational and strategic concepts. The majority of the officers, and most importantly the very senior officers, believe in the concept of a national military. They are starting to use the military decision-making process and to provide information and decision briefs to their superiors. The chain of command works well when exercised, and there is strict adherence to direction from higher ranks.

Although there is no credible reporting on estimated numbers or percentages of insurgents infiltrating the ANA, there are multiple reports of insurgent intent to do so, as well as occasional reports of ANA personnel collaborating with and/or assisting insurgents. These reports usually mention ANA personnel providing insurgents with information and supplies or collaborating with insurgent operations. However, we assess that these isolated reports of collaboration are often the result of insurgent threats and intimidation against ANA members in high-threat regions or criminal economic ventures on the part of ANA members as opposed to actual insurgent penetration of the organization. There have been two incidents of ANA soldiers shooting U.S. soldiers; both ANA soldiers involved in these incidents had reportedly been influenced by insurgents while home on leave, but we assess that these cases were probably more opportunistic in nature than contrived attempts at infiltration. We are also aware of several ANA members who are reportedly under investigation by Afghan authorities for being hostile agents.

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However, we have no indications that these authorities have established proof of guilt. Although we are certain that there are cases of successful insurgent infiltration of ANA units, we assess that the current level of ANA infiltration is not operationally significant.

The current assigned strength of the ANA as of February 2008 stood at just over 49,000 personnel across 63 kandaks and three commando kandaks, with a planned expansion of one kandak (roughly 600 personnel) every month. This population allows two of the five Corps to field nearly all of their subordinate units and join their international partners in some of the most contentious areas of RC East and South. After gaining experience in partnered U.S. operations, the 201st and 203rd Corps have taken the lead and are now capable of independent operations at the company level. Fifty percent of the kandaks in these Corps maintain steady state operations independently and plan future operations. Last fall, the 203rd Corps staff increased capacity sufficiently to plan and execute a brigade level operation with U.S. and other international forces in a supporting role. The 201st and 203rd Corps engineers conducted bridging operations with international engineer units repairing and replacing bridges through the summer and fall allowing greater development in those areas. The ANA have started basic explosive ordnance disposal and counter IED training, expanding their capability to counteract one of the enemy's most important weapons against the ANSF.

The Afghanistan National Military Command Center is able to host weekly video teleconferences (VTCs) with its Corps across the country with newly installed communications equipment. This is improving national headquarters command and control and allowing for better adjacent unit coordination between the Corps. Additionally, both ANA Corps in RC East are leading their own Regional Security Committee Meetings—actively coordinating ANA, ANP and National Directorate for Security (NDS) operations with the international forces. These meetings allow for a common intelligence and operational picture among the ANP, ANA and NDS, which facilitates shared goals and objectives in developing a stable security environment. The 201st Corps Commander has effectively organized provincial governor meetings within his three brigade zones, complementing security efforts with local governance and development efforts.

The ANA commando program continues to advance. The first kandaks demonstrate great resolve under fire, a capacity for tactical patience, and the capability for precision operations well above their conventional counterparts. The 201st Corps commando kandak continues to make progress toward autonomous company-level operations. They have conducted six different missions as part of larger ANA and ISAF operations, a no-notice operation with other U.S. and ISAF Special Forces, and an independent company level operation. The 203rd commando kandak conducted its first combat operation in December 2007.

ANA Air Corps (ANAAC) capacity and capabilities also grew in 2007. They are now executing re-supply missions, troop movements and humanitarian assistance operations. The ANA Air Corps increased flight time from 100 hours per month to 140 hours per month; a 40 percent capacity increase. The Air Corps earned recognition and is credited with saving more than 1,200 lives by performing flood relief missions. The relief missions built the ANAAC's confidence in its own abilities as well as the confidence of the populace in the Air Corps. In December 2007, the ANAAC flew missions for the first time as an integrated part of a CJTF-82 Aviation Task Force aerial formation. These missions were the result of a year-long mentorship between Task Force (TF) Pegasus and the ANAAC. In January 2008, the ANAAC conducted a medical evacuation test of concept that will further build capacity to conduct independent operations. This operation allowed the ANAAC to move patients from Craig Military Hospital

at Bagram Airfield to the ANA National Military Hospital in Kabul and proved the ANAAC to be an independent and strong partner for international forces during medical evacuations.

1.5.4 Afghan National Police (ANP)

ANP capabilities still lag behind those of the ANA. The current ANP force has not been sufficiently reformed or developed to a level at which it can adequately perform its security and policing mission. Generally, police development has been hindered by lack of institutional reform, corruption, insufficient trainers and advisors, and a lack of unity of effort within the international community. Recently, CSTC-A, in coordination with the GIROA, the Department of State, and other international partners, implemented the Focused District Development (FDD) initiative enabling a concentrated effort to reform the Afghan Uniform Police. Full implementation of the FDD program under the current force structure is expected to take several years. Section 1.5.4.3 of this report provides a more detailed description of the FDD program.

1.5.4.1 ANP Desired End State

The target for the ANP is to build a reformed force of 82,000 personnel that is capable of operating countrywide. The ANP consists of the Afghan Uniform Police (AUP), the Afghan Civil Order Police (ANCOP), the Afghan Border Police (ABP), Counternarcotics Police of Afghanistan (CNPA), and additional specialized police including criminal investigation, counterterrorism, and customs. The roles of the various police services span a wide spectrum of policing, law enforcement, and security functions:

- The AUP serve at the regional, provincial, and district levels. The AUP's activities are focused on patrols, crime prevention, traffic, and general policing. They are intended to spread the rule of law throughout the country and provide a response capability for local security incidents.
- The ANCOP is a highly skilled, specialized police force. It is split into rural and urban units, and trained and equipped to counter civil unrest and lawlessness. ANCOP units provide law enforcement and civil control, conduct operations in areas where government control may be weak, and support counterinsurgency operations. Eight of the 19 ANCOP battalions are currently fielded and are performing exceptionally well, both in their support of FDD, and in their primary role as the national quick reaction force in troubled areas. ANCOP are formed as units, receive sixteen weeks of institutional training followed by another eight weeks of PMT-supervised collective training. All reports on this new national police force have indicated a solid performance in operations to dismantle illegal checkpoints, seize illegal weapons, and retake lost districts. In the locations where ANCOP has deployed, it has successfully conducted counterinsurgency operations and secured the trust and confidence of the people.
- The ABP provides broad law enforcement capabilities at borders and entry points to deter the illegal entry of people and material as well as other criminal activity. The ABP has been challenged by the fact that they have received the least attention, funding, and training. This has caused them to lag behind their AUP counterparts. They are currently manned at levels below 50 percent in many areas, are poorly equipped, and under-resourced. However, efforts to build the force and to fill available training slots during FDD will continue to build the ABP, albeit at a slower rate than the AUP. The majority of the ABP facilities along the border is run down and lacks basic necessities. As of December 2007, CSTC-A approved new company and kandak locations for the 2008-

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2009 build plan and will begin construction of these locations in the summer of 2008 with an expected completion date later in 2009.

- The CNPA is the lead agency charged with reducing narcotics production and distribution in Afghanistan.

The Afghan National Auxiliary Police (ANAP) supplements the AUP at the district level. This bridging force receives two weeks of initial training and will attend follow-on three week sustainment training or may attend the same eight weeks of training that uniform police receive in their basic training. The ANAP will cease to exist by the end of 2008. Those members that have served for at least one year, have undergone five weeks of training, and have received a recommendation from their district chief will transition to the AUP.

Once comprehensive assessments can be made on the effects of recently begun reform efforts, ANP strength will be reassessed to determine if additional police forces are required. Currently, a lack of trainers and mentors precludes the acceleration or expansion of reform and mentoring efforts. Through the FDD, current reform and mentoring efforts are principally focused on the AUP. The AUP are closest to the population and are therefore the most immediate face of the Afghan government.

1.5.4.2 ANP Training and Mentoring

The AUP at the district level require significantly more coaching and mentoring than the ANA to ensure that all police units are operating according to national standards and procedures as established by the Ministry of the Interior. Unlike the ANA, police forces are not fielded as units. All policemen must be trained as individuals. The objective for ANP training is a minimum of initial entry training (IET) for all new recruits. When training capacity meets demand, it may be possible to tie police pay to training, thereby adding incentive for immediate training attendance.

Current training capacity cannot meet demand and many untrained policemen remain in the force. Efforts to expand the training capacity to meet demand should make it feasible to require IET for all police recruits in approximately three years. Currently, individual training is conducted at seven Regional Training Centers (RTCs), a Central Training Center, and the Kabul Police Academy. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) uses a private contractor to provide civilian police training and program design at the training centers and to provide field-based mentors. Courses provided at the training centers include the basic 8-week course for all new and entry-level police; the intermediate-level 5-week Transition Integration Program; the 16-week ANCOP program (inclusive of basic and specialized training); and specialized courses in firearms, criminal investigative division, instructor development, field training, tactical training, medic training, and train-the-trainer instruction. From 2003 to 2008, more than 149,000 trainees have gone through basic, intermediate, advanced and specialized training at the training centers. Building Afghan police training capacity has been a priority. Civilian police mentors build train-the-trainer capacity for Afghan instructors, who in turn provide instruction to Afghan trainees.

To further increase training capacity, CSTC-A and INL have established an ANCOP Training Center with a capacity of 800 students per class, and are also planning for a National Police Training Center, which is expected to achieve initial operating capability later in 2008. This center will have an eventual capacity of 2,000 policemen. When operational, the National Police Training Center will make it possible for all new police to attend IET prior to assumption of duties.

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The CSTC-A training program, while recognizing that policemen do not operate in “units,” as does the ANA, seeks to build cohesive, effective police organizations. CSTC-A, in conjunction with TF Phoenix and the Department of State, mentors police at all levels, although the program does not currently reach all police locations. The objective is to provide a U.S. military Police Mentor Teams (PMTs) mentor team staffed with civilian police advisors to each AUP police district, each provincial and regional headquarters, each ABP company and battalion, and each ANCOP company and battalion. However, the shortage of PMTs affects CSTC-A’s ability to increase and improve ANP training and mentoring. Each PMT is composed primarily of military members that provide training support, maintenance, logistics, and administrative coaching; encourage professionalism; and serve as liaisons with international forces as required. Each team includes two civilian police mentors. Mentor teams focus on a particular function and their efforts are tailored to develop skills, capacity and professionalism in these areas.

The final element of every PMT is a security force. The majority of formal training should be provided under the guidance of qualified civilian police advisors at one of the eight training centers. However, due to the security situation, police training is most often provided by military personnel with civilian or military police experience. There is no area of Afghanistan that permits independent mentorship by civilian police or very small PMTs. Mentoring of the ANP must occur locally in 364 districts spread throughout Afghanistan. The broad geographic scope of the ANP necessitates additional mentoring forces and equipment to adequately provide coaching, training and mentoring oversight. With 365 districts, 46 city police precincts, 34 provinces, five regions, 19 ANCOP battalions, 33 ABP battalions, and 135 ABP companies, CSTC-A is currently able to provide PMTs to no more than one-fourth of all ANP organizations and units.

More than 500 civilian police trainers and mentors are deployed – in some cases with PMTs – to regional, provincial and district locations in nearly every province. Currently in RC East, a dedicated mentor team is located at every provincial headquarters and at select district level headquarters. Partnership for the police forces is facilitated through multiple avenues. For instance, in RC East, CSTC-A maintains the mentorship role and CJTF-82 conducts partnership activities with the ANP.

1.5.4.3 Focused District Development (FDD) Program

The Focused District Development (FDD) program is a pilot initiative that addresses the critical development requirements of the ANP in each district, while also allowing for a strong reform program. The training and mentoring provided through FDD will build the AUP as a reformed service loyal to the Afghan people and Afghan national interests. As the primary government interface with the Afghan people, an effective AUP is critical to the extension of the rule of law and to building trust in the institution of the police among the general populace. Accordingly, FDD concentrates resources on the district-level AUP. A reformed, more effective police force that can improve security in an area can facilitate the realization of other desired outcomes.

The first part of the FDD process is an assessment of the district by a District Assessment and Reform Team, composed of a PMT, several representatives of the MoI and other Afghan government ministries, and, in some cases, other international partners (especially Canada and the United Kingdom). This assessment leads to selection and vetting of new leaders as required, recruiting to authorized levels, and building of equipment inventories, as well as assessments of facilities, status of the rule of law, the district police’s relationship with the local leaders, and

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overall professional effectiveness. Once the assessment is complete, an ANCOP unit is deployed to the district to relieve the local AUP forces. The AUP forces then report to the RTCs to begin eight weeks of reconstitution. This reconstitution period includes three different levels of training (i.e., new entrants, advanced, and officer leader and management training), biometric processing and identification card issue, pay records establishment, full equipping, leader reinforcement training, and continual ethics reinforcement. The AUP participating in the RTC training programs receive daily mentorship from PMTs. The PMT remains with the reformed police after the eight week reconstitution phase to continue collective training and mentoring in the district, ensuring the police put into practice the key individual and collective competencies as well as the ethical standards learned during training at the RTC. At the conclusion of this phase, which is proficiency-driven, rather than time-driven, the district is validated as a reformed police force, using the same objective assessment checklist that was used in the preliminary assessment phase.

Six cycles of FDD are planned for completion in 2008. The first cycle, which began in seven districts in late 2007, is nearing completion with district ANP reinserted in their districts and undergoing intensive mentoring. The second cycle of FDD is mid-course in five districts, with district ANP undergoing reconstitution at the regional training centers. The third cycle, being implemented in nine districts, is in the initial assessment phase.

Current challenges facing the FDD program are a shortage of PMTs, a shortage of trained ANCOP units (currently a growing program), limited capacity at the RTCs, in some cases a lack of provincial governor support (due to the perceived loss of power as the AUP become loyal to the nation and the potential loss of a source of revenue for the governor), and integration of other aspects of rule of law and governance reform. We anticipate that over the course of 2008, these challenges will lessen with the training of additional ANCOP units, the construction of the National Police Training Center, and the ability of FDD-reformed districts to strengthen ties with district governance and populations.

The FDD initiative is linked and complementary to ongoing ISAF operations and will center on the Eastern and Southern regions that have experienced increased instability due to anti-government elements. It is aimed at focusing limited resources to maximize the overall development of the AUP, ultimately creating communities able to sustain stability in the long term. Popular perception of the FDD program – particularly in those districts where it is being implemented – is favorable, and the national government views the FDD initiative as a catalyst for similar programs which might benefit other governmental branches.

CSTC-A, in conjunction with TF Phoenix, has placed increased emphasis on the training and mentoring of the ABP by increasing the number of U.S. ETTs within the unit organization. ETTs are currently in place from the ABP brigade HQ down to the company level. They are working to improve the standards of training in combat operations, communications and logistics. All training efforts for the Afghan Border Police will be coordinated with the Border Management Task Force, a group that provides oversight and management of U.S. border initiatives and assists the GIRoA with border issues.

1.5.4.4 ANP Recruiting and Retention

The accession process for the ANP mirrors the process described above in the ANA section minus the additional step of name circulation implemented by the ANA. ANP forces have been difficult to man and sustain. Currently, USG is examining options for pay incentives to boost ANP recruitment and retention.

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From March 24, 2007, through March 2, 2008, the nationwide recruiting numbers for all police programs was 17,474 (4,795 ABP; 1,414 ANCOP; and 11,265 AUP and specialty police). Recruiting efforts are the critical lynchpin to the efforts to build and sustain a viable and resourced national police force. The Ministry of Interior has been generally successful in obtaining the required number of personnel to keep the growth in police on an upward trend. However, some critical actions must be taken to preserve the forces on hand and to prepare for replacing expected losses.

The first area for improvement is recruiting staff within the MoI. The GIRoA should ensure that appropriate recruiting personnel are authorized and trained. Due to a shortage of recruiters, the efforts to recruit personnel to date have been successful, though not as expedient as desired. Additionally, dispersing recruiters to regional and provincial locations enables the police to fill upcoming losses quicker by reducing recruiter travel time and utilizing their familiarity with the area. Many international force commanders have requested recruiting officers at the provincial level who can travel with them to areas where the village elders have committed to provide men for the police forces. Due to the shortage of recruiters these offers usually go unmet by the MoI Recruiting Department because the vetting and recruiting team cannot focus on multiple areas simultaneously. One successful program utilized in the central zone has been the utilization of assigned police personnel officers at the unit level to assist in the recruitment process. These officers both know the area and the elders and village leaders who bring forward their best personnel to serve their country in the ANP.

Similarly, the MoI must capitalize on the efforts that international forces have made towards building relationships with the local elders and tribal leaders. A successful recruiting effort in a nation led by patriarchs will work only if tribal leaders are included in the process. If these leaders submit their own candidates for the police forces they are staking their reputation alongside that of the future officer. In Afghanistan, tribal affiliations still play a more important role than loyalty to the nation. The tribal elder's certification of a prospective police officer almost guarantees their viability as an asset.

While recruiting the right personnel for the national police force is crucial to its success, retention is equally critical. One of the first steps towards retaining the police officers that have been recruited is completion of a functional personnel management system that can track personnel assignments and completion of service commitments. Additionally, police officers are given no incentives to stay on the force when their commitment is complete. Possible solutions could include re-enlistment bonuses and combat incentive pay for those serving in high threat areas. The Ministry of Defense has employed incentives for the ANA and has seen tremendous increases in the retention of their soldiers upon termination of enlistment contracts. Some of the incentives include relocation of family, increased salary, or promotion and professional schooling. It is hoped that programs such as these, when implemented, will lead to an overall increase in the professionalism of those who serve in the police forces.

Another issue that continues to plague the ANP and challenge recruiting and retention is pay corruption. Cash payment of salaries leaves ample opportunity for corruption. The implementation of Electronic Funds Transfer to the ANP will limit the amount of hand-to-hand money transfers that must occur. In order to implement this program, some districts near major population centers are bringing in Automated Teller Machines (ATMs) that are linked into the Afghan Banking systems. Payment of salaries in full and on time significantly reduces pay corruption and improves the morale of ANP officers. As the spread of ATMs and banks continues across the country, the lack of adequate commercial or generator power maintenance

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will hinder continued progress (highlighting the critical need for additional police to prevent attacks on the power system).

Recruiting for the ANCOP is done through institutional-level recruiting by the MOI. In the context of initial MoI reform, senior level MoI officials undergoing rank reform have been vetted by UNAMA and the State Department. The MoI's recent success in recruiting and vetting well-qualified candidates for ANCOP presents a sound model for the recruitment and vetting of all ANP individuals. Vetting for regular ANP recruits is still done on an ad-hoc, group basis. In the case of ANCOP, recruits are solicited through self-initiative rather than local nomination en masse. As such, the individuals applying for ANCOP training classes are those with the personal drive and initiative to qualify for entry into the institution. ANCOP recruits are vetted individually through the National Directorate of Security and the MoI's counter-terrorism division, and their citizenship and health records are verified. Finally, two local community representatives are required to attest to their suitability for the ANP.

Several similar checks will be applied to AUP officers in districts undergoing the new FDD program, including candidate approval by a local elder, the district police chief, and a senior representative from the MOI. Upon arrival at an RTC for FDD training, all AUP officers are then vetted once again by a regional police recruiter. During the course of the eight-week FDD training, U.S. civilian police mentors monitor all trainees and identify those that need to be removed from the class. Police officers that fail to graduate from the FDD course are removed from the police force. Although vetting of officer-level recruits is systematic, vetting at the basic recruit level would benefit from a more thorough process. This deficiency is the result of a number of factors, including the need to recruit new trainees in a relatively short time-span.

Because Afghanistan National Police officers can leave at any time, unlike their counterparts in the Afghan National Army, there are no numbers for absentee or AWOL rates for the ANP. Furthermore, the lack of PMTs in the field preclude effective monitoring of force levels in the field.

1.5.4.5 ANP Salary and Pay

Implementing pay equity between the ANA and ANP will contribute to the growth of the latter organization. Before the pay equity initiative was approved in 2007, an individual in the army would receive a higher monthly base pay than an individual of equivalent rank in the police.

The following table illustrates the reform process for ANP pay rates. The current monthly salaries for rank reformed personnel as of February 2008 can be found in the "Pay Reform" column. Rank Reform is continuing in the grades O-4 to O-6 and when complete in summer of 2008, all ranks will be paid the salaries indicated under the ANP/ANA Pay Parity column. These significant changes should yield additional improvements in recruiting and retention for the ANP.

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RANK	GRADE	Pre-Pay Reform	Pay Reform	ANP/ANA Pay Parity
LTG	O-9	\$107	\$750	\$780
MG	O-8	\$103	\$650	\$680
BG	O-7	\$95	\$550	\$580
COL	O-6	\$92	\$400	\$430
LTC	O-5	\$88	\$350	\$380
MAJ	O-4	\$83	\$300	\$330
CPT	O-3	\$78	\$250	\$280
1LT	O-2	\$69	\$200	\$230
2LT	O-1	\$66	\$180	\$210
1st SGT		\$62	\$160	\$190
2nd SGT		\$62	\$140	\$170
3rd SGT		\$62	\$115	\$145
1st PTRLMN		\$70	\$80	\$110
2nd PTRLMN		\$70	\$70	\$100

Table 2 – ANP Pay Reform

1.5.4.6 ANP Equipment

The ANP is equipped with light weapons, including AK-47s and 9mm pistols. Most police elements also have light machine guns. The ABP will be provided heavy machine guns later in 2008, in recognition of the higher level of operations they have on the borders. ANCOP units will also be provided heavy machine guns. Former Warsaw Pact weapons are provided through donations or through U.S.-funded purchases. Specialty organizations, such as CNPA and counter-terrorism police receive unique equipment consistent with their mission.

The ANP is provided Ford Rangers as light tactical vehicles (LTVs) and International Harvesters as Medium Tactical Vehicles (MTVs). The ANCOP is currently fielded with LTVs and MTVs, but these will be replaced with a high mobility multipurpose wheeled vehicles or a similar vehicle in 2008.

Police are equipped with a variety of communications equipment. Interoperability issues exist due to the wide variety of communications equipment provided by the previous lead nation for the ANP. The remedy the issue, the U.S. has procured a common set of NATO interoperable communication equipment to completely supply the entire ANP and will complete fielding in 2008.

1.5.4.7 ANP Assessment

The MoI Readiness Reporting System (RRS) is being re-worked to produce timely and accurate readiness system reports, provide actionable readiness data, and provide an executive level brief. The revised RRS should enable the MoI and ANP to conduct analysis of readiness data that will recognize shortfalls and allow MoI and ANP leadership to make corrective actions. Without the full complement of PMTs, however, a comprehensive assessment of the ANP will not be possible.

Section 2: Governance, Rule of Law, and Human Rights

2.1 Governance Strategy.

The US seeks to build an Afghan Government that is stable, at peace, capable of governing its territory, democratic, and that protects human rights. The Afghans and the United States have committed to these goals in the Bonn Agreement of 2001, the US-Afghan Strategic Partnership of 2005, the Afghanistan Compact of 2006, and the Afghanistan National Development Strategy (ANDS) of 2008. Building an effective Afghan Government is an integral part of counterinsurgency strategy because it will become the international community's most effective partner in protecting the population, retaining their loyalty by enabling growth and development, and delivering services. The US's governance assistance strategy focuses on building capacity in the executive, legislative, and judicial branches; supporting subnational governance; fighting corruption; and promoting human rights.

2.1.1 Progress since the Taliban

Between 1996 and 2001, Afghanistan did not have a functioning, legitimate government. After the Bonn Agreement established the Afghan Interim Administration in 2001, the nation successfully held an Emergency Loya Jirga to ratify the Agreement; wrote and ratified a new Constitution in 2003 and 2004; and held presidential and parliamentary elections in 2004 and 2005, respectively. The next presidential election is scheduled for fall 2009; legislative elections will follow in summer 2010.

Much still needs to be done. Most Afghan officials are not trained or experienced in what westerners would consider to be traditional managerial functions or leadership. This results in inconsistent leadership quality across regions and levels of government. There is a cause and effect relationship between good governance and security. In areas in which capable GIRoA officials exercise the full scope of the duties and powers of their appointed office, the population turns to the government for answers to their problems. The inverse is true for weak or ineffective leaders, or in areas where lack of security does not allow for effective exercise of GIRoA authority.

2.2 Legislative Branch

The rule of law begins with the creation of the law by a competent, honest, and representative legislature. Afghanistan's National Assembly recently celebrated its second anniversary after a 32 year hiatus. In creating the laws of Afghanistan, the National Assembly has become the primary national forum for the discussion of the major challenges facing the nation, from long-standing inter-ethnic disputes to plotting Afghanistan's course into a stable future. Groups who at one time were in violent conflict with one another now debate the issues confronting the country peacefully. Parliamentarians include former warlords, ex-Taliban, former communists, Tajiks, Pashtun, and Hazaras.

Much progress has been made, though there are some hurdles that remain to be overcome. As do other parts of the government, the National Assembly suffers from corruption and a lack of trained human capital. As the contest between President Karzai and the Tajik-dominated United Front has become more acute, the National Assembly's lower house has become more politicized and distracted from its primary task of legalizing pre-2005 presidential directives.

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USG assistance to the National Assembly includes direct assistance to five parliamentary commissions, establishing a Parliamentary Institute which will be the focal point for long-term technical training of members of parliament and parliamentary staff, and strengthening parliamentary budget oversight and analysis.

2.3 Executive Branch

The rule of law depends on its execution by capable and fair executives. The Afghan population's perception of the impartiality, probity and effectiveness of the presidency and line ministries contributes significantly to its willingness to support the government and resist insurgent inducements or coercion.

Great strides have been made in the executive branch of the GIROA. The President understands the importance of moving away from the traditional Afghan practice of distributing senior ministerial positions, including governorships, on the basis of political connections. The establishment of the Independent Directorate of Local Governance (IDLG), described in section 2.7 of this report, in August 2007 has led to significant improvement in gubernatorial appointments.

USAID is supporting capacity development at the Office of the President and several ministries. Offices at the Presidency that benefit directly from USAID programming include the Office of Administrative Affairs Department of Monitoring and Evaluation, the Office of the Minister of State for Parliamentary Affairs, the IDLG, the Chief of Staff's Office, the National Security Council, and the Office of the Presidential Spokesman.

2.3.1 Ministerial Capacity

Ministerial capacity is improving, but challenges remain. The Ministries of Health and Education continue to demonstrate to remote rural populations the central government's ability and willingness to improve their lives. Additionally, the establishment of the IDLG is catalyzing improvements in the ministries' delivery of services in the provinces.

The biggest threats to the rule of law in the Ministries include corruption and a lack of human capital. Afghan ministries and institutions are currently challenged with minimal organization and a lack of fundamental management and leadership skills. The majority of national and provincial leaders have some education, but the government faces a shortage of adequately qualified civil servants. District-level leadership largely lacks sufficient education and training. Approximately 60 percent of Afghan civil servants are over the age of 50. The government of Afghanistan continues to suffer from a shortage in experienced staff at all levels due to a low national literacy rate, low wages in government service, and existing salary imbalances. With the high demand for manual labor as a result of reconstruction efforts along with demand from international organizations and non-governmental organizations (NGOs), laborers can earn more than teachers and civil servants. USAID funds two major public management initiatives, the Capacity Development Program and the Local Governance and Community Development Program to provide advisory support and technical assistance to 14 national ministries at the national and provincial levels to improve basic governance and public service delivery. In addition, the Afghan Civil Service Commission, also supported by USAID, is improving the process of training and testing civil servants for their ability to meet certain qualifications. Concurrently, training programs at the national and provincial level are being strengthened with support from USAID to develop basic skills among government workers and managers to grow the necessary human capital to form the basis for a future civil service system.

2.4 Judicial Branch

An effective Judicial Branch is essential to establishing the rule of law and good governance in Afghanistan. This sector is a major focus of Afghan, U.S., and international efforts in the country. Currently, the central justice institutions have competent leaders willing to work with the international community. Several key laws have been passed or are being revised that will lay the foundation for an effective justice sector, and the institutions are generally supportive of organizational restructuring and civil service reform. In addition, the GIRoA is advancing narcotics prosecutions under the Central Narcotics Tribunal (CNT) and Criminal Justice Task Force (CJTF) in Kabul. Since March 2005, when the CJTF was set up, it has investigated and prosecuted more than 1,200 cases involving 1,600 defendants from 33 provinces for narcotics-related crimes. Of these, 1,450 defendants were convicted.

2.4.1 Civil Legal System

Land disputes represent the largest single source of cases before Afghan courts, involving both private individuals and the government. These cases include land seizures by powerful interest groups and persons, the return of refugees and internally displaced persons to homes occupied by others, and landlord and tenant disputes. Resolving these land disputes is one of the most pressing civil law issues in Afghanistan, as the efficient and equitable restoration and redistribution of land is essential to the resettlement of returning refugees and internally displaced persons to their homes and provinces of origin, and the future stability of the country.

The current civil legal system faces many challenges: a lack of clarity as to who is responsible for land rights; an overall lack of financial support, administrative personnel, educated government (and private) attorneys, and judges in the area of land dispute resolution; and facilities for the Afghan court system. The Ministry of Justice (MoJ) lacks the skills, training, and support staff to evaluate and review land disputes.

The ANP are currently increasing their capacity and capability to bring peaceful resolution to disputes and respect the due process of suspects' and plaintiff's rights. The ANP possess the same responsibility and authority in both civil and criminal legal systems. Given a civil matter such as a land dispute, the ANP may effectively resolve the dispute between the concerned parties. If the parties cannot agree to the resolution then the case must be presented for adjudication in the given system of law in that area. The Afghan Justice system struggles to balance three types of law –constitutional, sharia, and tribal– while protecting the rights of all Afghans. Hence, although it is a national police force, the ANP must work within the system of justice that takes precedence in their jurisdiction.

Afghanistan's legal system has inadequate commercial dispute resolution mechanisms. A lack of education and procedures inhibit the enforcement of consistent commercial law on such issues as banking, intellectual property, technology, energy, corporate law, corporate finance, leasing, and bankruptcy. Currently, commercial courts operate in two regions, Kabul and Mazar-e-Sharif. The lack of efficient procedures and resolution for commercial disputes is discouraging to international investors, who fear the risk of doing business in Afghanistan without a court system to enforce commercial rights.

The ANDS proposes several solutions to the challenges facing the justice sector. With regard to land disputes, the Supreme Court will develop judicial capacity in property dispute issues, increasing the number of judges trained in this area in all provinces. The courts and the MoJ will also encourage jirgas and shuras to certify and record the decisions they reach in disputes. Finally, the MoJ will improve the government's ability to defend its interests in land

dispute cases and will encourage the adoption of improved laws, regulations and procedures for land ownership and land dispute resolution.

More broadly, the ANDS will not only set the roadmap and strategy for establishing the rule of law in Afghanistan, but also provide a sense of security for international donors and international investors. The “Law of Organization of Courts” created by the MoJ, establishes eight commercial courts throughout the country. The timeline for the initiation of these courts will be set in the final ANDS. Once the courts are established, the MoJ plans to increase the capacity of these courts to hear cases and increase the number of qualified commercial court judges with specialized skills in the areas of both national and international market economies. Furthermore, the Independent Bar Association and Afghan Investment Support Agency both plan to develop private commercial law and train attorneys in these areas. A viable commercial bar of attorneys, with regional commercial courts and qualified judges, will enhance the appeal and reduce the risks of doing business in Afghanistan.

The international community has not yet done a great deal to assist Afghanistan in the areas of land dispute resolution and commercial law. Although UNAMA, USAID, and private initiatives by NGOs around the world have offered support, available donor funds are waiting for completion of the plan for the way ahead.

2.4.2 Criminal Justice System

While the Criminal Justice system is in the early developmental stage and requires substantial assistance from the international community, some progress has been made. Currently, the most visible progress has taken place in areas with large populations. With USAID assistance, judges are being trained, forty judicial facilities in 16 provinces were built, the laws of the country have been published and distributed in a Judicial Reference Set, the Kabul University Law School is updating its curriculum, and a new court administration system is being implemented. Significant progress has been made in strengthening counternarcotics judicial and enforcement capacity at the national level.

However, work remains to be done. In many provinces, most Afghans are not aware of their rights under the constitution nor do they have a basic understanding of the justice system. Nationwide, fully functioning courts, police, and prisons are rare. Municipal and provincial authorities as well as judges have minimal training and little or no access to published law, often basing their judgments on their personal understanding of sharia law, tribal codes of honor, or local custom. Judges and prosecutors with jurisdiction over the districts often reside in the provincial capital. The lack of trained and qualified judicial personnel hinders the courts and results in very few cases being processed. Renovation of existing judicial infrastructure is needed and utilities, communication equipment, and basic office supplies are lacking. Prison conditions remain poor. Most Afghan prisons are decrepit, severely overcrowded, unsanitary, and fall well short of international standards. Many prisons hold more than twice their planned capacity.

At the local and municipal levels, there are still no functional standardized criminal justice procedures in place in Afghanistan because the focus of establishing the rule of law has been primarily on the provincial and national levels. Once a suspected criminal has been arrested the subsequent process is inconsistent and ill-defined. The arrest of a suspect for any offense requires a viable form of detention but jails and prisons are overcrowded and under-equipped. A viable and complete investigation is dependent on having trained, capable, and honest investigators as well as forensic specialists. Although the police manning document authorizes specialists in each province, the training and availability of these personnel vary. Pending the outcome of the investigation the individual is either released or the case is referred

to the system of justice that takes precedence in that area, usually sharia or tribal law. In the absence of a viable criminal justice system these non-constitutional legal mechanisms fill a gap and are somewhat effective in deterring criminality and dispensing justice, though they often violate the rights of women and minorities. As the rule of law in Afghanistan matures, standardized procedures for the prosecution of all serious crimes must be established throughout the country at the provincial, regional and national levels.

At present there is no reliable data to estimate the cost of the long-term reconstruction and development of a comprehensive justice system in Afghanistan. Efforts are currently underway to assess the shortfalls of judicial infrastructure, training, and equipment throughout the country. In February 2008, ISAF directed the Regional Commands and Provincial Reconstruction Teams (PRTs) to conduct a survey of judicial infrastructure, equipment, and other capacity to identify deficiencies and areas in need of improvement. The survey questionnaire was closely coordinated with the interagency, the international rule of law community, and, most importantly, the World Bank. The World Bank will utilize the information gathered from the survey to determine how best to commit resources from the Afghan Reconstruction Trust Fund. The surveys will be completed by May 2008 and should provide an adequate assessment of progress made thus far in establishing the rule of law in Afghanistan.

2.4.3 Efforts to build Judicial Capacity

The GIRoA has made strides in drafting and consolidating a National Justice Sector Strategy (NJSS). However, disproportionately low salaries, widespread corruption, poor infrastructure, inefficient organizational structures, untrained professionals, and a lack of equipment and supplies plague the system. The NJSS is an element of the ANDS and sets development goals to be met by 2013. To implement these goals, the GIRoA and international community are finalizing the National Justice Program (NJP) which will use a combination of Afghan and donor programs (both bilateral and multilateral) to develop and reform the justice system. The World Bank is establishing a justice program that will support the NJP, using pooled donor funding to reduce the number of small-scale implementers.

With the NJP providing a new strategic framework for the justice sector, the U.S. Government (USG) is developing its own strategy to support the NJP that is coordinated through the U.S. Embassy and incorporates U.S. military efforts. Priority areas of the U.S. strategy include: accelerating institutional reform; building provincial infrastructure and capacities; bolstering counternarcotics and anti-corruption prosecutions; investing in the corrections system; improving linkages between police and prosecutors; and focusing on public awareness and legal aid to improve public confidence in and access to the justice system. These efforts support the overall USG push to project governance to the provincial and district levels, which in turn will build nationwide confidence in the central Government's ability to provide security and services.

To effectively move the justice sector forward, the GIRoA and the international community must coordinate the development of the central, provincial, and district justice systems to ensure standardized training and application of laws. At the central level, our programs and Embassy are working closely with the Afghan Government and international community, and are making progress. At the provincial level, our programs are leading the way, but the needs far exceed available donor resources and programs at present. The GIRoA and its partners must build 34 provincial justice systems. At the district level there is little established judicial capacity, but a plan to train district-level personnel at the provincial level will be launched starting in the summer of 2008. In summary, notable progress has been made and U.S.

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Government assistance programs have been carefully prioritized, although the overall needs of the justice sector and demands placed on it outpace available international resources.

U.S. Government assistance to the justice sector has gradually grown over the years, with an FY07 budget of \$67.35 million (\$55 million in International Narcotics Control and Law Enforcement (INCLE) funding and \$12.35 million in USAID funding). For FY08, the projected INCLE funding level for justice is \$68 million, while USAID is projected to provide \$4 million. This level of funding makes the USG the largest donor to the Afghan justice sector, not including the substantial contributions made by DoD in establishing the rule of law.

There are four U.S. agencies primarily involved in building Afghanistan's justice system: INL, USAID, the Department of Justice (DoJ), and DoD. These agencies and their programs are coordinated through the U.S. Embassy Special Committee on the Rule of Law, chaired by the U.S. Rule of Law Coordinator.

The INL Afghanistan Administration of Justice program is primarily concerned with building and reforming the criminal justice and corrections systems. Two major assistance platforms support this program: the Justice Sector Support Program (JSSP) and the Corrections System Support Program (CSSP), described in greater detail below. Both programs are implemented by Pacific Architects and Engineers (PAE) Government Services and have been in place since mid-2005 and early 2006, respectively.

In addition to these two primary programs, INL also supports several smaller initiatives, including: (1) a grant to the University of Washington – Seattle which brings Afghan law professors to the United States to earn certificates and Master's of Law (LLM) degrees; (2) a grant with the International Association of Women Judges (IAWJ) to support women in the legal profession; (3) an agreement with the United States Institute of Peace (USIP) to focus on specific policy and reform issues; (4) contributions to two multilateral trust funds to address disproportionately low salaries for judges, prosecutors, and corrections personnel; and (5) funding to support three field offices of the Provincial Justice Coordination Mechanism mentioned above. INL also funds the DoJ Senior Federal Prosecutors Program in Afghanistan.

The JSSP supports 30 U.S. justice advisors (prosecutors, judges, defense attorneys, and criminal justice systems experts) and 30 Afghan legal advisors, and has permanent teams based in Kabul, Herat, Balkh, Konduz, and Nangarhar provinces to build Afghanistan's criminal justice system. JSSP provincial teams as well as DoJ prosecutors are conducting police-prosecutor training and mentoring, and will soon establish a new training program to improve justice capacities at the district level, working closely with the police program's Focused District Development initiative. To date, DoJ and the JSSP have trained more than 1,000 Afghan lawyers. The Kabul JSSP team is split into three sections. The first section consists of 16 U.S. and Afghan advisors who are reorganizing the Attorney General's Office, providing training and mentoring, and advising the Afghan Attorney General on key issues. The second section supports the Ministry of Justice and its key directorates with three U.S. and 11 Afghan advisors, including the recently established and entirely Afghan staffed Policy and Strategy Unit. The Policy and Strategy Unit provides policy and organizational reform advice to the Minister. The third JSSP section focuses on improving access to justice, which includes mentoring and capacity building for private legal defense organizations, legal education and training, and organizing provincial justice conferences. The JSSP also has a gender justice advisor who is developing linkages between police Family Response Units and the prosecution services, as well as a military liaison to coordinate joint police-justice efforts.

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The CSSP supports more than 30 U.S. corrections advisors in Kabul, Herat, Balkh, Nangarhar and Paktia provinces. This support is focused on four areas: training, capacity-building, infrastructure support, and operations and maintenance for a new facility in Kabul. The provincial teams have trained more than 1,300 corrections officers to date in a basic 8-week course and a “train the trainers” course. The training program is based on international and United Nations human rights standards and was developed specifically for (and with) the Afghan Government. The program launching numerous advanced and specialized courses in 2008. The CSSP also supports a capacity-building program which is advising the Ministry of Justice’s Central Prison Directorate (CPD) on prison policies, prison management, establishing a prisoner tracking system, and organizational reforms. The third CSSP component is the infrastructure team, which has refurbished the national corrections training center, completed numerous small-scale renovations of prisons, provided a new annex for the CPD headquarters for staff, and established an Afghan Engineering Office within the CPD. Together with Afghan architects and engineers, the CSSP has developed a “hybrid” prison design that incorporates international human rights standards with Afghan realities and cost-effectiveness to create a sustainable, humane, and secure prison design. In addition to constructing two prisons over the coming year, the CSSP is also advising other donors to ensure that their designs and construction of prisons implement this Afghan-approved sustainable model. Lastly, the CSSP will support the operations and maintenance of the Counternarcotics Justice Center (CNJC) in Kabul, a secure facility built by the Army Corps of Engineers that will house the Counternarcotics Criminal Justice Task Force (CJTF) and Central Narcotics Tribunal (CNT) as well as a detention center.

Finally, INL entered into an agreement with the United States Institute of Peace in mid-2007 to work with Afghan and international actors to develop policies and possible linkages with the non-state system of dispute resolution. Although the focus of U.S. assistance must be on building the central government’s reach through the formal justice institutions, there may be linkages with the informal system for certain civil (but not criminal) disputes that could maximize efficiency and utilize the legitimacy that many customary systems enjoy, so long as human rights and gender rights are respected and enforced.

The USAID-funded Afghanistan Rule of Law Project assists in the development of a democratic Afghan government, which has broad citizen participation and a vigorous economic sector, by improving the country’s legal infrastructure. Working with the Ministry of Justice and the Supreme Court, as well as with faculties of law and Sharia in five provincial universities, the project works to improve the formal court system, strengthen institutional capacity for lawmaking, and increase citizens’ awareness of their legal rights and how the judicial system operates.

The project is divided into seven components:

- Court administration, which simplifies and standardizes court administration procedures to improve access to court information;
- Judicial Training and Professional Development, which creates opportunities for improving judicial professionalism, knowledge and skills;
- Commercial Dispute Resolution, which lays a foundation for the effective resolution of commercial disputes;
- Legal Education, which strengthens the formal legal education system;
- Legislative Process Reform, which improves the legislative process and access to legal information;

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- Women's Rights Under Islam, which increases knowledge of women's rights under Islam; and
- Access to Justice and Building Links to the Informal Justice Sector, which ensures that the appropriate sector for resolving disputes is recognized.

Starting in 2007, the Supreme Court began sending its justices on inspection tours of provincial courts to ensure that they are in compliance with judicial regulations. The inspections are followed by 3-day conferences, where the visiting Supreme Court justice will discuss the inspection results and recent or upcoming changes in court policy and operations. Judges participating in these conferences, which are supported by the Afghanistan Rule of Law Project, also receive training in the Regulation of Judicial Conduct and the recently adopted Afghan Court Administration System for streamlining the courts' case-management processes.

Since 2005, DoJ has assigned up to four senior Assistant United States Attorneys as Senior Legal Advisors and three senior experienced criminal investigators to Kabul to assist in law reform and training and mentoring of the Criminal Justice Task Force (CJTF) and the Central Narcotics Tribunal (CNT), a special task force of Afghan judges, prosecutors, and police investigators responsible for cases against mid- and high-level drug traffickers. DoJ's Senior Federal Prosecutor Program also provides criminal law advice to the Embassy and Afghan leadership and U.S. law enforcement, upon request. The prosecutors have succeeded in 1) drafting and enacting a comprehensive counternarcotics law that also provides for the use of modern investigative techniques (*e.g.*, electronic surveillance, and the use of informants and undercover officers); 2) establishing a specialized narcotics court with nationwide exclusive jurisdiction for cases against mid- and high-level traffickers; 3) achieving the first-ever extraditions of major drug traffickers from Afghanistan to the United States and 4) working with U.S. and international partners to establish, train, and mentor the CJTF and CNT.

Department of Justice prosecutors have:

- Drafted (in consultation with Afghan legal advisors, DoJ's Criminal Division, and the international community) and had signed into law a Comprehensive Counternarcotics Law that builds upon former Afghan law to criminalize all narcotics and narcotics-related offenses, sets controls on processing chemicals, authorizes the use of modern investigative techniques, and confirms the use of the 1988 U.N. Convention against Narcotics and Psychotropic Substances in extradition;
- Drafted and had signed into law the Presidential *Decree establishing the Central Narcotics Tribunal* with exclusive nationwide authority for the trial of all mid- and high-level narcotics trafficking cases;
- Refined and had signed into law the Military Courts Legislation and Military Courts Penal and Procedural Law that established a separate court and its law and attendant procedures for the Afghan National Army that meet international standards;
- Drafted counter-terrorism and extradition laws now under review by the Afghan legislative unit at the Ministry of Justice;
- Prepared a legal analysis of Afghanistan's former, interim, and proposed criminal procedure codes, highlighting areas for reform;
- Deployed a DoJ expert team to Kabul to assess current capacities and make recommendations for assisting the Afghan Attorney General and the CJTF with an anti-corruption initiative. As a result, DoJ has now assigned one of the federal prosecutors full-time to the Attorney General's Office and will be establishing a sub-unit within the

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CJTF dedicated to investigating and prosecuting narcotics-related corruption cases upon country clearance approval from the Department of State for additional DoJ attorneys;

- Provided and continues to provide prosecutorial advice to the Embassy leadership, Afghan officials, and U.S. law enforcement (DEA and FBI) and prosecutors in the development of criminal investigations for prosecution in Afghanistan, the United States, or elsewhere;
- Prepared an in-depth training regime and conducted training for the CJTF and CNT focused on the new Afghan Counternarcotics Law and proactive investigations. In addition, the DoJ attorneys provide in-depth special topics seminars for the CJTF, CNT, and provincial prosecutors on regular basis to improve understanding of fundamental concepts and the implementation of investigative modern techniques;
- Advised on the design of Afghanistan's Counternarcotics Justice Center in Kabul that is under construction and will soon house the CJTF and CNT; and
- Assisted in the development of an adjunct project by the U.S. Marshals Service that has been deployed to train a protective corps drawn from the Afghan National Police to provide court security at the CNT and protection to CNT judges and CJTF prosecutors.

The Department of Defense has increased its activities in providing rule of law assistance over the past year in two main areas: improving linkages between the justice and police sectors, and expanding rule of law programming by the Judge Advocate General Corps in eastern Afghanistan.

On police-justice integration, CSTC-A has played an important role in furthering joint initiatives to support the justice sector, building the ANP and the Ministry of Interior (MoI). In this capacity, CSTC-A has advised the MoI Legal Advisor's Office on key legislation and procedures that govern law enforcement, and is working closely with other U.S. agency efforts and the international community on advancing overall justice sector development and reform.

In addition, Combined Joint Task Force (CJTF)-101 is implementing rule of law initiatives in its area of operations in Eastern Afghanistan. CJTF-101 has worked with the U.S. Embassy and programs listed above on legal training, distribution of legal texts, and infrastructure support to improve provincial and district level justice systems.

2.5 Corruption

Corruption is a significant problem in Afghanistan and erodes the legitimacy of the GIRoA. Insufficient analytical work has been completed to give the exact scope and extent of corruption in Afghanistan. Some analysis conducted by the members of the donor community and the Afghan government, as well as anecdotal evidence, suggest that Afghanistan's sources of corruption are composed of both typical sources of corruption as well as corruption that is unique to Afghanistan. The sources and forms of corruption include¹:

- Low public sector salaries and unqualified public officials;
- Discretionary power of public administration;
- Weak legal, legislative and regulatory frameworks;
- Weak or non-existing mechanisms and systems for public scrutiny;
- Dysfunctional justice sector and insufficient law enforcement;
- The narco-economy;
- Fraudulent NGOs that are actually for-profit businesses;
- Limited oversight of the central government over the sub-national administration;

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- An unprecedented amount of international assistance;
- Corruption in the management of natural resources;
- Political, social, and economic uncertainty; and
- Tribal and regional leaders outside the central government's control.

Advancement to higher positions in some government agencies is often tied to bribes and influence. This limits the advancement of those who can not afford to pay for it, and creates a perception of unfairness and inequality by those who see corrupt officials advance while their position remains unchanged for years at a time.

Anti-corruption efforts in Afghanistan have been the focus of much discussion at recent meetings of the U.S. Embassy's Special Committee for the Rule of Law (SCROL). Examples abound of corrupt public officials who are immune from prosecution, judges and prosecutors whose discretion is subject to influence, and police who not only refuse to take action to stem corruption, but also engage in corrupt activities themselves. It should be noted that what is perceived as corruption in need of correction by Western standards may simply be indicative of the way Afghan society operates. The real issue is not whether corruption exists, but whether the amount of corruption that does exist has reached the point where it undermines the legitimacy of the Afghan government.

2.5.1 Anti-Corruption Efforts

The primary focus of anti-corruption efforts has been the removal of corrupt government officials from public service. This process, however, has been significantly hampered by Afghan law. The Afghan Civil Service System does not contain a mechanism for the administrative removal of civil servants. There are only two ways that a civil servant can be removed from office. The first method involves direct removal by the President of Afghanistan. The second method is via a criminal conviction. The employee must be found guilty of misconduct by an Afghan court, the authorized punishment for the offense must include dismissal, and the court must determine that dismissal is, in fact, warranted. CSTC-A is currently working with the MoI on redrafting the personnel regulation that governs MoI employees, specifically, the ANP. These efforts are aimed at empowering lower-level officials to make removal decisions while providing sufficient administrative due process to the employee subject to termination. The creation of an administrative separation mechanism will dramatically speed the process of removing corrupt government officials. Unfortunately, implementing this new process is likely to take at least two years. Once adopted, these laws will serve as a model for reforming the remainder of Afghanistan's personnel laws. Anti-corruption efforts for agencies that do not fall under the MoI are the responsibility of the Civil Service Commission, the Ministry of Justice, and the Independent Directorate for Local Governance (IDLG) at the provincial level.

Judicial corruption remains endemic in Afghanistan. Since his appointment to the Supreme Court in August 2006, Chief Justice Abdul Salam Azimi has made cleaning up the courts his top priority. Working with USAID, he has instituted an aggressive, two-pronged approach to reduce the level of corruption in the courts and to raise the level of public trust and confidence in the judiciary. The strategy includes instituting a new code of conduct for judges and raising judges' salaries so the judges are less inclined to accept bribery.

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The two-pronged approach to fighting judicial corruption:

- **New Regulation of Judicial Conduct:** The first part of the Supreme Court strategy focused on developing a modern code of judicial conduct that establishes ethical standards for how all of Afghanistan's judges are to conduct their affairs. On June 19, 2007, that code, entitled the Regulation of Judicial Conduct for the Judges of the Islamic Republic of Afghanistan, was adopted. Each of Afghanistan's 1,280 judges will receive training on the Regulation's meaning and importance by the end of September 2008.
- **Improving Judicial Salaries and Working Conditions:** The second part of the strategy focuses on securing funds from the international community to increase judges' wages and improve their working conditions so that they are less inclined to accept bribes. Donor money for judges' salaries was incorporated as one of the court's highest funding priorities in July 2007 when the Supreme Court presented its Afghanistan National Development Strategy (ANDS) to international donors at the Rome Conference on the Rule of Law in Afghanistan, July 2-3, 2007.

Building GIRoA capacity to manage its own justice system is an integral part of a secure and sustainable Afghan state. However, without high-level political will on the part of the GIRoA to tackle corruption from the top down building justice sector capacities and strong public demand for a functional justice system will have very little effect. To that end, the U.S. strategy emphasizes using diplomatic, political, and law enforcement tools to strengthen Afghan political will to institute true reforms and tackle corruption within their government. We have seen several positive signs, including the recent passage of the Advocates Law (establishing a national bar and legal defense service). The GIRoA recently became a signatory to the United Nations Convention Against Corruption (UNCAC), an important step in the right direction.

2.6 Human Rights

Since the fall of the Taliban some important progress has been made in protecting human rights in Afghanistan. Under the Taliban regime women were removed from all forms of public life. Today while women's active participation in Afghan society has gained a degree of acceptance, women who are active in public life continue to face disproportionate levels of threats and violence. Currently women work as teachers, health care providers, hold 91 seats in the Afghan Parliament, and a woman serves as chairperson of the Afghan Independent Human Rights Commission (AIHRC). As described in section three of this report, access to education for girls and women has increased dramatically. Police and other security forces receive training in how to respect the rights of individual citizens. In the country as a whole there is increased space and scope for a functioning civil society. Media freedom, despite recent setbacks, is still much more vibrant than it was under the Taliban.

Although progress has been made, Afghanistan's human rights record remains poor and serious abuses continue. The GIRoA and its partners are fighting an insurgency that respects no boundaries in perpetrating violence upon civilian populations. Human rights abuses include extrajudicial killings, arbitrary arrest and detention, poor prison conditions, official impunity, prolonged pretrial detention, torture, and abuse of authority. Restrictions on freedoms of movement and association continue as does violence and societal discrimination against women, minorities, and religious converts; trafficking in persons; abuse of worker rights; and child labor. Women and girls face severe discrimination. Violence against women including domestic violence, sexual violence, forced marriages, kidnappings, trafficking, and honor killings remains

rampant. Although women's political participation has gained a degree of acceptance, women who are active in public life continue to face disproportionate threats and violence. The media faced increased restrictions in 2007, including heightened detention of journalists and government interference in media coverage. Government repression and armed groups prevent the media from operating freely. A draft media law sent back to Parliament by Karzai in December 2007 could place greater restrictions on media content and create a climate of government intimidation and media self-censorship.

The Ambassador and other senior U.S. officials consistently emphasize the importance of human rights to their Afghan counterparts. During Secretary Rice's visit in January 2008 she delivered both public and private messages underscoring governance and human rights themes. The U.S. continues to support the AIHRC, as well as the Ministry of Women's Affairs and the Ministry of Refugees. The U.S. integrates women's issues into virtually all of its programs, aiming to increase female political participation, education, economic opportunities, and their role in civil society. U.S.-funded NGOs hold workshops to educate women on their legal rights and the justice system, the new Constitution, and the National Assembly and Provincial Council Elections. U.S. programs promote independent press and electronic media by facilitating the development of a network of independent community-based radio stations and investing in training and business plan development to ensure the sustainability of independent media organizations.

2.7 Subnational Government

One of the central programs intended to improve governance at the provincial, district, and municipal levels is the Independent Directorate for Local Governance (IDLG). President Karzai issued a decree on August 30, 2007, establishing the IDLG as a focal point for governance policy under his presidency and a new home for the MoI's dysfunctional Civil Administration Division. The IDLG oversees provincial governors, district governors, provincial councils, and municipalities (except Kabul). The IDLG has established specific assessment criteria for selecting and evaluating district and provincial governors. Those criteria include loyalty to the president and the constitution, freedom from corruption, good management and leadership skills, success in working with the international community and good public outreach. This codification of core values required for the selection and evaluation of provincial governors and sub-governors represents a step towards establishing standards to which current and future governors will have to adhere. Using the established criteria, the IDLG has removed and replaced many provincial governors in the past six months. With few exceptions, these changes have resulted in more effective governors and, by extension, improvements in overall governance. The long-term effect of these changes cannot yet be precisely determined but the outlook is very positive. The impetus behind this approach is in keeping with the IDLG's mandate of providing good governance by establishing and strengthening government institutions at the subnational levels to achieve open, transparent, participative, accountable and effective governance structures that are based on consensus and rule of law.

Recently, the IDLG targeted six governors for replacement or reassignment. The IDLG recently played a pivotal role in the replacement of the governor of Ghazni province due to consistently poor performance. Conversely, the IDLG capitalizes on the strengths of top-performing governors by reassigning them to provinces that are in need of sound leadership and management. A case in point was the recent relocation of the Laghman governor to Helmand province.

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The IDLG staff frequently travel to each of the 34 provinces to monitor the performance of provincial governors and district governors. The IDLG uses this visibility and awareness to appoint capable and respected members of the community to village and district shuras that serve to link the village community to the government. To this end, the IDLG has effectively spearheaded several district-level shuras, aimed at promoting the capacity of local governance. The IDLG also participates in frequent working group meetings that bring together various stakeholders—ministries, agencies, international organizations, and embassy officials to discuss governance challenges and solutions. In collaboration with IDLG, USAID, through the Local Governance and Community Development (LGCD) program is strengthening the capacity of provincial and district level officials to govern effectively, more transparently, and to provide better services to constituent communities.

Last year, no province in Afghanistan had a viable plan for development. The central government, supported by the United Nations Assistance Mission to Afghanistan (UNAMA) and United States Agency for International Development (USAID), organized an effort to facilitate, mentor, and oversee the completion of Provincial Development Plans (PDPs). After less than three months' effort, through aggressive interaction with the Provincial Development Committees and elected Provincial Councils, every province now possesses an initial PDP. Much work remains to expand the PDPs into comprehensive, actionable documents, but progress has been remarkable.

On the anti-corruption front, the IDLG recently signaled its intent to foster public sector accountability when it filed suit with the Attorney General's office against six non-performing firms that were contracted under the Afghan Stabilization Program to construct government facilities. Eight additional companies are expected to face prosecution in the short term. With technical assistance and support from a growing consortium of donors, including USAID, key IDLG leaders are implementing measures aimed at advancing the mandate of the GIRoA as it relates to the promotion of good governance, rule of law and anti-corruption initiatives.

As part of its mandate, the IDLG has established other short and long-term goals aimed at achieving the following:

- Ensuring that Afghan women enjoy greater equity in education, political participation and justice;
- Elimination of discrimination against women and promotion of their involvement in leadership activities;
- Ensuring participation of the people at all levels of government;
- Promotion and advancement of security;
- Improving the performance of service delivery institutions at the provincial, district and village levels; and
- Fighting public and private sector corruption to improve the effectiveness, transparency and accountability of government, thus creating the conditions for investment.

2.8 Key Measures of Political Stability

Progress in government effectiveness is one of the most difficult areas to measure. Most indicators are subjective in nature primarily because they require a measurement of human capacity, leadership and effectiveness. Although public perception surveys provide quantifiable insight into government effectiveness as it relates to the population, other quantifiable indicators can cause an inaccurate assessment of overall government effectiveness as they fail to consider the inherent qualitative nature of leadership.

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Any subjective measurement of governance should include the population acceptance of government authority, government capability to provide for and/or protect the population, effectiveness and use of the judicial system to resolve disputes, and the level and effect of corruption. Though down from a high of 83 percent in 2005, 63 percent of Afghans polled approved of President Karzai's leadership in 2007. A point of concern is Afghans' perception of corruption as a major problem for the country. 25 percent of Afghans believed that corruption was the biggest problem facing their country, down slightly from 27 percent in 2006, but a large increase over previous years.

Objective measures of the government's institutional effectiveness vary across ministries and organizations according to the outcome they are charged with accomplishing. For example, the Ministry of Finance's effectiveness could be measured by the population's tax compliance rate; the government's tax revenue as a percentage of GDP; or the government's budget execution and disbursement rates. The Ministry of Refugees' effectiveness could be measured by the number of refugees successfully resettled. The Ministry of Education's effectiveness could be measured by the number of schools built, teachers hired, students enrolled, or students graduated.

Unfortunately, Afghanistan is a data-poor environment and it is difficult to create a comprehensive or systematic picture of the quality of institutional performance in the Afghan Government. Most ministries do not track their own performance, make data widely available, or keep accurate statistics. The lack of a solid baseline of data continues to hamper reconstruction efforts. Better information, statistical analysis, and intelligence will help create a clearer picture of Afghan governance in the future. We aim to make improvements in data collection a key part of continuing capacity development programs.

Difficulties persist in implementing reform at both central and provincial levels. Improving sub-national capabilities remains an essential component of continued progress. Success in the fight against corruption is central to maintaining popular support for both the existing political system and the GIRoA. Success in developing the government's capacity is essential to sustaining the progress that has been made to date.

Section 3: Economic and Social Development

3.1 Overview

The long-term comprehensive plan for economic and social development in Afghanistan is the Afghanistan National Development Strategy. This strategic document is the central framework for Afghanistan's development, aiming to promote growth, support the development of democratic processes and institutions, and reduce poverty and vulnerability. The ANDS lays out the strategic priorities and mechanisms for achieving the government's overall development vision and serves as the key document used by the World Bank and the International Monetary Fund in assessing the country's poverty reduction strategy.

In addition, broad-based and sustainable economic growth is driven by private-sector, market-oriented initiatives. Key economic "enablers" such as roads, power, education, health care, rule of law, sound macroeconomic policy, and security are critical to creating conditions that allow such initiatives to occur.

3.1.1 Afghanistan National Development Strategy (ANDS)

The ANDS seeks to strengthen Afghanistan's emerging private sector through improved economic governance, but it also heavily emphasizes key economic enablers such as security, governance, rule of law, and human rights. Within its sectoral strategies and cross-cutting issues, the ANDS addresses several key economic sectors, including infrastructure, natural resources, agricultural and rural development, and counter-narcotics. The Afghan government submitted the ANDS to the World Bank on 15 April 2008, as required for setting the conditions for debt relief under the IMF Poverty and Growth Facility.

Given the staggering challenges of developing Afghanistan from an extremely low level of economic and social development, effectively implementing the ANDS will require significant long-term donor financing and political support to ensure its benchmarks, indicators, and overall objectives are realized.

3.1.2 Interagency and International Cooperation

Development of the ANDS is being coordinated by the ANDS Secretariat and supervised by the ANDS Oversight Committee, comprised of seven cabinet ministers. The Joint Coordination and Monitoring Board (JCMB) is the high-level international body responsible for overseeing the implementation of the Afghanistan Compact and the ANDS.

The final ANDS comprises strategies for 18 sectors, divided into 8 pillars: 1) security, 2) governance, 3) infrastructure and natural resources, 4) education and culture, 5) health and nutrition, 6) agriculture and rural development, 7) social protection, and 8) economic governance and private sector development. It will also include strategies for 6 crosscutting themes: 1) capacity development, 2) gender equity, 3) counter-narcotics, 4) regional cooperation, 5) anti-corruption, and 6) environment.

The ANDS articulates both a policy framework and a road map for implementation, translating strategic priorities into effective programs that deliver both immediate and lasting results for the Afghan people. Through identifying a clear set of cost estimates and sequenced priorities, the full ANDS, together with the Afghanistan Compact, is expected to provide a coherent path to achieving Afghanistan's Millennium Development Goals.

3.2 Reconstruction and Development

3.2.1 Communications

Afghanistan has experienced nearly 30 years of conflict and under-investment that has impeded the development of a national telecommunications network. Only 15,000 people had access to telecommunications services in 2001. Today, Afghanistan has approximately 4.5 million people that have access to telephones, and cell phone coverage is available in 150 towns and cities. Afghan Telecom has installed 86,000 fixed digital lines and 233,000 wireless lines using the most modern technology in all 34 provinces. It has also connected provincial capitals and district centers via a satellite network that provides voice, internet, and video conferencing services - the District Communication Network (DCN).

The Ministry of Communication and Information Technology (MOCIT) has issued 15 internet service provider licenses. These licensees are providing internet services in major cities in Afghanistan. The MOCIT is also in the process of constructing a 3,200-kilometer optical-fiber network connecting major provincial capitals with one another and also with neighboring countries. So far, 600 kilometers have been installed and the project is expected to be completed in mid-2009. The MOCIT has also extended basic communications services to government units at the ministry and provincial capital levels, and has improved international connectivity through a microwave link to Pakistan and an optical fiber link to Iran. Almost 220 of the 398 districts across the country are connected via voice, data and fax facilities.

3.2.2 Power

Commercial access to electricity is vital for economic development. In 2001, Afghanistan produced 430 Megawatts of electricity; today the country produces 754 megawatts. International statistics maintained by the World Bank indicate the ratio of Gross Domestic Product (GDP) growth to electrical production is approximately \$1,000 to 300 kwh. The GIRoA's current Power Plan sets a goal to deliver sufficient electricity to meet the needs of an economic growth rate of 9 percent per annum. Additionally, the GIRoA anticipates approximately 90 percent of urban businesses will have access to electrical power by the end of 2010. Finally, the plan's objective is to provide access to electricity to 65 percent of urban and 25 percent of rural households by the end of 2010.

To achieve these goals, initiatives are underway to improve both electrical power production and transmission. These efforts include:

- Improvements underway on the North East Power System (NEPS), a GIRoA initiative with multi-donor funding designed to bring power to the northern and eastern regions of the country. NEPS will enable transmission of domestically produced power as well as imported power from Uzbekistan, Tajikistan, and Turkmenistan.
- Work to restore natural gas production at Sheberghan so that domestic resources can be used to produce electricity in northern Afghanistan and Kabul, reducing reliance on imported energy.
- Roll out of a rural renewable-energy project extending access to rural populations not covered by the regional grid.
- Purchase and installment of diesel-powered generators, intended to provide Kabul with 100MW of reliable power by March 2009.
- Improvements in the Southern Electrical Power System to increase generation capacity, enhance transmission efficiency, and utilize Kajaki dam hydropower.

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- Installation of transmission lines from Kajaki to Lashkar Gah and Kandahar.
- Improvements to the Western Transmission System by strengthening transmission lines from Herat to Turkmenistan and Herat to Iran.

The Da Afghanistan Breshna Moassesa (DABM) Corporation is responsible for both the operation and maintenance of national assets for the generation, transmission and distribution of electricity, as well as the sale of electricity, metering, loss control, and revenue collection. Presently, annual government subsidies estimated at \$56 million are required to maintain power production and transmission. The IMF is pressing the GIRoA to restructure the DABM and reduce its level of subsidies. Reforms are proposed that include tariffs, installation of tamper-proof meters, and reduction of technical losses (presently as high as 44 percent) to boost cost recovery to 75 percent by 2010. However, it is anticipated that the proposed 730,000 new connections by 2010 will not be realized as a result of shortages in funding outlined in the National Energy Sector Plan of the ANDS.

Electricity distribution, rehabilitation, and infrastructure projects in all major urban centers are underway. Access of rural households to electricity has been increased by seven percent and a Renewable Energy Master Plan has been approved. However, the lack of electrical power significantly affects the pace of development in Afghanistan. There is some potential for private funding of power-generation initiatives and business ventures. An example is the Aynak Copper Mine, where the Chinese developers are expected to build a power plant to provide energy for mining and processing needs.

Afghanistan is envisioned as the corridor for the Central Asian-South Asian (CASA) Regional Energy Market, intended to bring electric power from Kyrgyzstan and Tajikistan through Afghanistan into Pakistan. Under CASA-1000, the first phase of the project, 1000MW will reach Peshawar in Pakistan and 300MW will reach Kabul. The North East Power System (NEPS) is used to import power to Kabul from three Central Asian neighbors. Other energy projects include: efforts to rehabilitate hydropower plants at Kajaki, Naghlu, and Darunta; the transmission line from Pul-e Khumri to Kabul to be built by India; the transmission lines from Naghlu to Jalalabad/Methar Lam; and the transmission lines from Kabul to Gardez (including a substation for Gardez) to be funded by the Asian Development Bank. The required 33 percent increase per year in electrical connections to meet 2010 goals will likely not be realized due to a \$1.2 billion gap in funding the National Energy Sector Plan.

The electrical power system in Afghanistan remains rudimentary at best. It severely constrains the economic development of the country, primarily hindering the pace of industrial and manufacturing growth. Power shortages are forecasted to be heavy in 2008 which will likely have a destabilizing effect. Massive, resource-intensive reconstruction programs of the nation's generation and transmission infrastructure are required. However, such large power projects take time, especially where there is limited physical infrastructure. An absence of a sufficient legal framework and protections for private investment in the sector and a lack of bilateral power purchase or sharing agreements hinder connection of power supplies to existing grids across borders. In the long term, Afghanistan's dependence on imported power may be reduced if the Afghan government actively pursues increases in generation capacity, mainly through hydropower.

3.2.3 Agriculture

Afghanistan's agricultural sector accounts for about 45 percent of the nation's GDP and employs more than 70 percent of the work force. Accordingly, growth in this sector is

UNCLASSIFIED

particularly important. Unfortunately, most farmers producing licit crops have failed to advance beyond subsistence farming. Afghanistan urgently needs to improve the productivity of its agricultural sector, currently impeded by inadequate infrastructure, a lack of knowledge of modern practices, water scarcity, and soil degradation.

Under semi-arid conditions, community-based watershed management and infrastructure are critical starting points for improving agricultural productivity. Irrigated crop land is in short supply due to an irrigation infrastructure that has been destroyed or degraded. Afghanistan has few dams for harnessing rainwater and spring snowmelt for agricultural use or preventing the damaging seasonal floods which destroy cropland. Additionally, due to the lack of electrical power, transportation, and low-cost/low-technology storage facilities (both cold and silo) at the village and district level, there is little capacity to store, process, or market agricultural products. Lack of modern agricultural practices also contributes to severely limited crop yields.

A current drive for new, integrated initiatives is underway to increase productivity in this sector. USAID is supporting commercial agriculture through agricultural extension services and U.S. land-grant university programs, partnerships with the private sector, and access to capital for agribusiness using a loan-guarantee program. Promoting commercial agricultural growth at each step in the value chain is key to increasing employment opportunities, raising incomes of rural households and farmers, and contributing to the overall security of Afghanistan.

Progress in agriculture requires reforms of land tenure and improved access to finance. Currently, both land tenure and finance are dominated by poppy cultivation. Alternative development programs have expanded, but are not yet effective enough. A current drive for new integrated initiatives is underway to increase productivity in this sector. The first Agribusiness Development Team (ADT) from the Missouri Army National Guard deployed in Nangarhar in February 2008. The ADT provides a complete array of expertise in agriculture, horticulture, pest management, hydrology, soil science, agricultural processing, marketing, and veterinary science. The ADT also has an organic security force and is capable of sustained independent operations. In June 2008, the Texas Army National Guard will provide an ADT to Ghazni Province and the Nebraska Army National Guard will deploy an ADT to Parwan Province in November 2008.

USAID's Alternative Development and Agriculture (ADAG) programs are creating licit alternatives to poppy production by promoting and accelerating rural economic development. ADAG programs are partnering with a variety of entities including GIRoA institutions, civil society organizations, the private sector, other donors, Provincial Reconstruction Teams (PRTs), and the U.S. Military to coordinate actions. The goals are to increase commercial agriculture opportunities, improve agricultural productivity, create rural employment, improve family incomes and well being, and help to ensure the sustainability and management of the natural resource base. Improved job opportunities and incomes provide significant alternatives to opium poppy production. Counternarcotics activities are active where poppy production is most prevalent. Moreover, a robust agriculture economy will play a major role in helping to eliminate poppy production and move the country to both economic and political stability.

To accelerate sustainable economic development in regions most affected by poppy production, USAID provides access to materials, technology, and expertise necessary to produce and market high-value licit crops such as fruits, vegetables, and tree crops. Various programs dedicate significant resources to providing sources of credit, identifying and supporting value chains, developing new markets, improving productive infrastructure, and removing the administrative constraints that hinder business growth. The goal is to create a vibrant and diversified commercial agriculture sector that provides employment opportunities for rural

UNCLASSIFIED

Afghans. One example is the Mazar Foods Initiative, which will develop a commercial agriculture farm and processing center to create employment, increase sales of agricultural products, and demonstrate agricultural production and retail best practice techniques on a large scale (approximately 6,250 hectares, close to 13,000 acres). Other programs facilitate trade opportunities by providing linkages between buyers and farmers.

Activities also seek to improve natural resource management by involving local communities and agricultural universities in problem identification and resolution, and by crafting and employing resource management policies in a manner that contributes to the sustainability of licit livelihoods. USAID also provides Air Services facilitating the ability of USG program managers and key implementing partner staff to move between field locations for program monitoring and management purposes.

To increase commercial agriculture opportunities, improve agricultural productivity, create rural employment, and improve family incomes and well being, USAID will build upon the successes of 2007. These successes included: 1) over 1,500 metric tons (MT) of fruit and vegetable exports shipped, valued at over \$6 million in sales; 2) over 30,000 farmers under contract with local food processing firms and/or wholesalers to produce and sell licit agricultural products; 3) seven national and regional AgFairs hosted; 4) over 150 rural farm stores or AgDepots established; 5) national and regional market information systems launched; 6) over 3,200,000 forestry cuttings, saplings, and fruit trees planted; 7) 630 Animal Health Care providers attended the first-ever Afghan Veterinary Association Convention held in Kabul; 8) over 9,000,000 vaccines for livestock administered; 9) over 8,500 Afghans trained in business skills and over 75,000 farmers trained in agricultural practices; 10) 58 Kabul University staff members involved in masters degree programs via land-grant universities; and 11) cross-cutting activities that saw women and persons with disabilities incorporated into these programs.

There has been significant progress. Cereals production has nearly doubled since 2001, but this progress is dependent on favorable conditions during the growing season. Although Afghans have the ability to produce nearly enough agricultural products to sustain themselves, they lack the ability to store those products for extended periods. Instead, they sell excess produce to Pakistan at the end of the harvest season. Merchants in Pakistan, who have the ability to store these grains and other foods, will sell these products back to Afghans during off-harvest season at an increased cost.

To address these problems USAID's Local Governance and Community Development (LGCD) program is providing small-scale community support for agriculture infrastructure improvement and village-level training and commodity support in coordination with the ACDI/VOCA program.

3.2.4 United States Department of Agriculture Efforts

The United States Department of Agriculture (USDA) continues to provide substantial contribution to the revitalization of Afghanistan's agricultural sector. USDA activities are described in the following sections.

3.2.4.1 USDA Agricultural Advisors on Provincial Reconstruction Teams

USDA deploys, supports, and provides guidance to agricultural advisors on PRTs. Since 2003, USDA has deployed 38 advisors from nine different USDA agencies to work in Afghanistan. These advisors work with both U.S. military and civilian personnel, as well as with their Afghan counterparts. Agricultural advisors develop and implement projects to rehabilitate

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provincial-level agricultural systems and provide capacity-building assistance. For fiscal year 2008, USDA expects to deploy a total of 13 PRT advisors.

3.2.4.2 USDA Technical Assistance

USDA's technical assistance programs in Afghanistan include livestock health, agricultural extension and the Afghan Conservation Corps. USDA administers several exchange programs including the Cochran Fellowship Program (Cochran), Norman E. Borlaug International Science and Technology Fellows Program (Borlaug) and the Faculty Exchange Program (FEP), all of which provide participants training to develop their technical skills on various agricultural topics and further the achievement of technical assistance goals.

To help build Afghanistan's national capacity to detect and control animal diseases, USDA, with USAID funding, provides technical guidance and training to the Afghanistan Ministry of Agriculture, Irrigation, and Livestock (MAIL) and other partners, including veterinary and animal health faculty at Kabul University. USDA also provides technical experts, including a resident animal health advisor, to provide expertise and training to MAIL in animal disease surveillance, data analysis, field response, lab diagnostics, and national planning for disease control. Under an agreement with Fort Valley State University in Georgia, USDA will produce a technical guide of animal diseases in Afghanistan that will assist animal health officials and livestock producers in the detection and control of animal diseases.

To enable Afghanistan to achieve its goals in the livestock sector, USDA provides training for Afghan participants under the Cochran and Borlaug Programs. In 2008, USDA will host two participants from Afghanistan under the Cochran Program for training in livestock dairy production. In 2007, two Afghans participated in training on animal disease detection and control methods. Meanwhile, in 2007, four Afghans participated in the Borlaug Program and were trained in animal science and epidemiology.

USDA provides technical guidance to the Afghanistan Ministry of Higher Education on the use of USDA monetized food aid proceeds to build university teaching capacity in agricultural and veterinary sciences, including extension services. Similar assistance was given to MAIL in programming monetized food aid proceeds to develop and deliver extension services throughout Afghanistan. Efforts in agricultural extension led to the development of a prototype district-level agricultural extension facility and staffing model. Monetized food aid proceeds have also supported the construction of 17 provincial agricultural centers for extension and cultural activities. With the University of California-Davis, USDA is working to build MAIL's capacity to produce agricultural extension materials for use by agricultural producers. Forthcoming activities will focus on agricultural extension services for horticultural products.

Training courses are provided to develop the technical skills for the participants to achieve the objectives of the agricultural extension program. In 2008, the Cochran Program will host eight participants from Afghanistan for agricultural extension-related training. Since initiating Cochran Program training activities for Afghanistan in 2004, 12 women have participated in a program on the role of women in small agricultural enterprise development. In 2007, three Afghans participated in the Borlaug Program in agricultural extension, economics, and rangeland management.

USDA, with USAID funding, has provided technical guidance to assist MAIL in developing a pistachio forest management plan for rehabilitating degraded pistachio woodlands. In 2006, target villages realized a 65 percent increase in income from pistachio nuts, with 2007 also showing an increase above 2006. This project is being expanded to include other villages. USDA technical specialists have provided training and consultation on improving the

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management of tree nurseries and on improving seed collection and storage. In 2008, to support Afghanistan's goals in forest management, USDA expects to host at least three FEP participants. The FEP brings Afghan participants from institutions of higher learning to the United States for training in a U.S. university. Since 2006, USDA has hosted four FEP participants, all from Kabul University. In 2007, five Afghans participated in the Borlaug Program in horticulture, agronomy and plant pathology.

3.2.4.3 Food Assistance

USDA has provided food assistance through Food for Progress (FFP) and the McGovern-Dole International Food for Education and Child Nutrition (FFE) Programs. In March 2008, USDA approved a government-to-government agreement with the Government of Afghanistan that will provide \$10 million in vegetable oil and also will support agricultural development in Afghanistan.

In 2007, USDA signed an FFP agreement with the Government of Afghanistan to provide more than 8,000 metric tons of soybean oil valued at \$9.5 million. The sale of the soybean oil in Afghanistan generated support for agricultural education, agricultural research and extension, plant and animal disease diagnostics and control, food safety, and natural resource management.

Since 2005, USDA implemented a total of six food assistance programs in Afghanistan, including two FFP agreements with the government and four FFP programs with U.S. private voluntary organizations.

3.2.5 Natural Resources

Afghanistan possesses hydrocarbon, mineral, and other natural resources estimated at amounts that represent significant commercial value. These resources include an unknown quantity of oil; an estimated 16 trillion cubic feet of natural gas; as much as two billion tons of copper; significant quantities of precious gemstones; substantial deposits of gold; large reserves of coal; and millions of tons of several other valuable minerals such as chromite, iron and uranium. Although many of these resources are currently unexploited, several (particularly gemstones and timber) are being illegally depleted at an alarming rate, robbing the country and its people of hopes for economic growth.

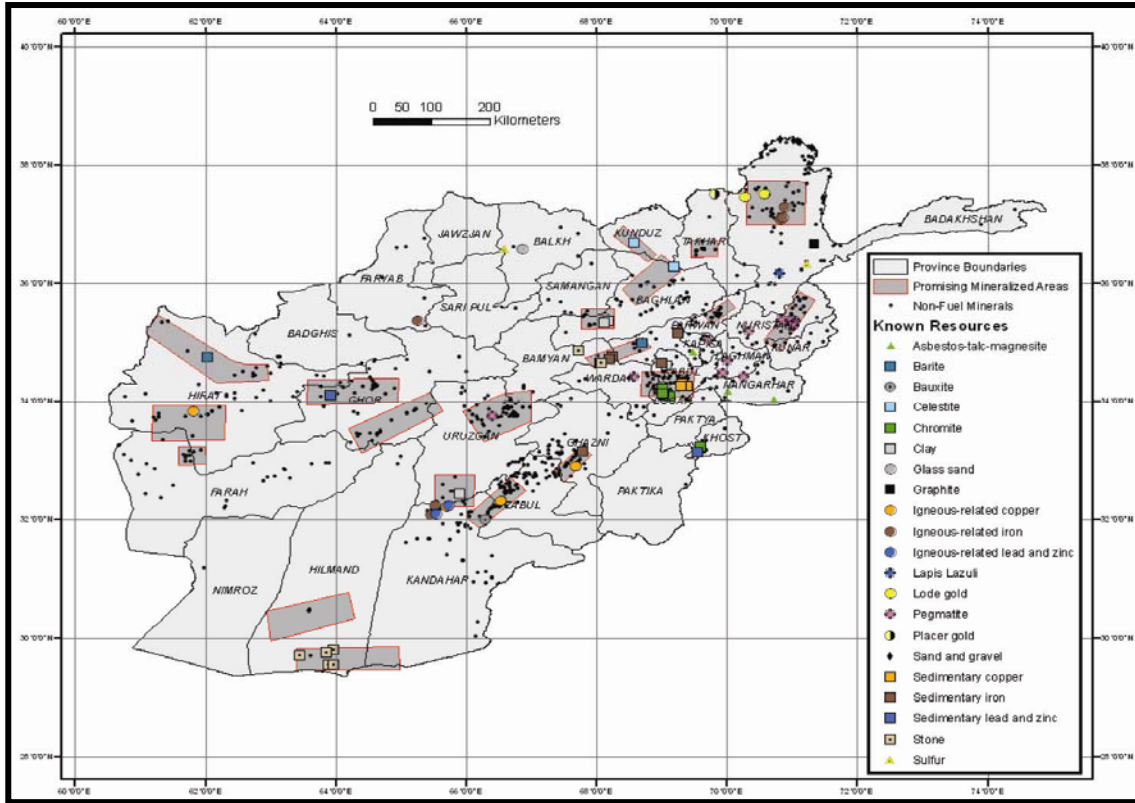


Figure 3 – Known Natural Resources in Afghanistan

Since 1978, Afghan provinces have experienced 30 to 70 percent deforestation from uncontrolled logging following the disruption of traditional, sustainable, and locally managed logging practices. If current trends continue, Afghanistan could be virtually deforested in 25 years, destroying potential tourism and forestry industries. In addition to the long-term consequences, deforestation causes accelerating soil erosion, flooding, and mudslides which hinder Afghanistan’s immediate development.

Illicit gemstone and timber production primarily take raw materials from Afghanistan, effectively outsourcing to Pakistan most of the badly needed employment and income derived from processing and final sales. Funds derived from illicit gemstone and timber sales have become a source of revenue for insurgent operations, including the financing of IED cells and funding for attacks against Afghan and international forces. Therefore, it is crucial to integrate actions to counter the illegal trade in gemstones and timber along with other efforts to counter illicit activities and prosecute the counterinsurgency.

Developing Afghanistan’s natural resources will require significant working capital and infrastructure investment. Unfortunately, the security situation and lack of established civil law make the country an unattractive place to do business. Ill-defined and poorly enforced licensing and concession procedures in some sectors, combined with a weak regulatory environment, continue to dissuade potential investors. USAID is providing funding to the Afghan National Environmental Protection Agency to strengthen the country’s ability to enforce the regulatory framework. USAID also provides significant funding for reforestation and biodiversity protection. Yet, there remains great need in this area. Donor institutions and U.S. Government programs provide inadequate assistance in the natural resources sector. Moreover, such

programs are long-term in nature, with progress often measured in years. Although significant potential exists for development of Afghanistan's natural resources, critical building blocks related to the investment climate—commercial laws and the legal and regulatory environment—are only gradually beginning to take hold, thus the full economic potential in these natural resource deposits will remain untapped in the near to medium-term. Military solutions are not sufficient to address these large-scale problems, which will require civilian expertise and a long-term perspective.

3.2.6 Transportation

The primary activity of the international community in regards to transportation has been road improvement. Several in-depth studies have been completed, resulting in an overall 'master' plan for the road network of the country. Additional modes of transportation, such as rail or air, have received limited attention and should be the subject of further in-depth studies and research.

The primary goal of road construction is to increase transport of goods, national and regional trade, and economic growth. The major ancillary benefit of the roads is freedom of movement for Afghan and international forces due to their anti-IED effect. The Afghan saying is, "Where the road ends, the Taliban begins." The Road Development Master Plan provides the primary strategy to build a network of roads in the country. The basic design calls for roads to connect district centers to provincial centers, and then provincial centers to a central Ring Road connecting the major cities around the country. Thus, the population will be physically linked from the local to the national level, and from their district centers all the way to the capital in Kabul. The Road Development Master Plan will be a permanent legacy of a strong Afghan government providing jobs, linking the nation, and expanding commerce that no alternate organization can provide. Currently, Afghanistan's road network includes 35,566 kilometers of roads (8,231 kilometers of which have been completed by the United States and its allies since the inception of Operation Enduring Freedom). An additional 2,200 kilometers of roads are planned for completion over the course of 2008. Road construction projects have injected \$71 million into the local economy since January 2007. One kilometer of road construction generates an average of 3,500 labor days.

The Ring Road will be approximately 2,200 kilometers long upon completion in December 2009. An estimated 73 percent (1,755 kilometers) of the planned length has been constructed to date. Over 60 percent of Afghans live within 50 kilometers of the Ring Road, making it critical to trade and transport. Afghans composed 75 percent of the workforce for the largest section of road, the Kabul-Kandahar-Herat Highway. USAID, through the Louis Berger Group, will begin the reconstruction of the Khowst to Gardez Road. This road will connect two major provinces and increase economic stability in the region.

Afghanistan's Ministry of Public Works intends to initiate a fiscally sustainable road maintenance system to effectively maintain 7,000 kilometers of roads. Roads, like any other structure or facility, require continuous maintenance. If these gravel or paved roads are maintained by Afghans, this activity will demonstrate the Afghan government's ability to provide the sustained basic necessities for continued economic growth. It will also sustain the large monetary investment that the United States has made on behalf of the Afghan government. At the current rate of funding, U.S. agencies will increase the current number of improved roads by approximately 20 percent. Between 2002 and the end of 2008, a total of more than 21,000 kilometers of roads will have been completed by the United States and its allies.

3.3 Economic and Social Indicators of Progress

A key indicator of progress made in security, governance, and development in the context of a counterinsurgency campaign are the actions and perceptions of the general population. Popular perceptions are measured both quantitatively and qualitatively. Several organizations have sponsored public opinion surveys in Afghanistan since 2005. Combined Forces Command-Afghanistan commissioned a quarterly nationwide survey, the Afghanistan National Development Poll (ANDP), until August 2006. A follow-up ANDP was initiated by the CSTC-A in July 2007. ISAF is currently working to resume nationwide polling on a recurring basis. On a regional level, CJTF-82 has conducted monthly surveys of RC East since April 2007. Additionally, a number of U.S. and international organizations have commissioned nationwide perception surveys, including the Asia Foundation, the British Broadcasting Corporation, the U.S. State Department, and Charney Research.

According to polls conducted in 2007, perceptions among Afghans of their country's economy are improving. In 2004, when asked what they thought was the biggest problem facing Afghanistan, 51 percent of individuals polled chose the economy. When asked the same question in 2007 only 32 percent answered that they believed the economy to be the biggest problem facing the country. Perceptions of the Taliban and security have also shown slight improvements. However, the same polls indicated that public perception of corruption as a major problem is increasing.

Organizations such as the World Bank, the Asian Development Bank, the United Nations Children's Fund, and the Afghanistan Central Statistics Office research and publish annual indicators of economic growth and development. These fairly standardized indicators of social and economic development include GDP, GDP per capita, life expectancy, infant mortality, unemployment, the poverty rate, and rates of access to power, water, health, and education. The difficulty in gathering data in Afghanistan is evident in the diverging results; however, almost all development indicators show that progress is occurring.

Many development indicators are dependent on data from a relatively accurate census of the population, including size, geographic disparity, ethnicity, age and sex. Afghanistan has not conducted a full census since 1979; this was a sampling census that results in statistical estimates of the population size and demographics. Extrapolations of those census results have been conducted by many organizations since 1979, with each publishing their own estimates of the population size. The divergence of these estimates has been significant: the Central Intelligence Agency's (CIA) World Fact Book states that Afghanistan has a population of 31,889,923; in 2007, the UN estimated the population at 27,145,000; while the Afghanistan Central Statistics Office—the lead GIRoA agency for population data—published a population estimate of 22,575,900, highlighting the difficulty that assistance and aid providers face in estimating and reporting development indicators in Afghanistan.

3.3.1 Unemployment

Although most analysts estimate that unemployment is high in Afghanistan, accurate statistical data is virtually non-existent. The CIA World Fact Book indicates that as of 2005, the official unemployment rate in Afghanistan was 40 percent. The Afghan Central Statistical Office also maintains an official unemployment rate of 40 percent for 2007. However, other estimates of the unemployment rate are as high as 60 percent, and unemployment could be even higher in some rural provinces and districts.

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Defining unemployment is difficult in Afghanistan as many Afghans are employed on a temporary basis in the informal economy or on seasonal basis during the agricultural harvest. Regardless of the actual unemployment rate, the increase in international support activity since 2001, combined with the exponential growth of Afghan-owned businesses, has created more jobs. This growth has been consistent, even though the number of unemployed is still high. Though an accurate prediction of unemployment numbers may not be possible until the completion of the next Afghan census unemployment indicators remain a cause for concern.

3.3.2 Poverty Levels

Poverty remains a significant problem for Afghanistan. According to broad estimates of Afghanistan's national income and population, per capita income is about \$300. This makes Afghanistan one of the poorest nations in the world, despite recent economic growth.

Given the overall low level of national income, it is difficult to establish poverty measures in Afghanistan. However, the latest surveys of the National Risk and Vulnerability Assessment (NRVA) conducted in spring 2007 showed that approximately 50 percent of the Afghan population lives below the poverty line. An additional 20 percent of the population is concentrated close to the poverty line and is at risk of falling into poverty. The impact of rising diesel fuel prices and the doubling of wheat prices may be driving some of these families below the poverty line. Poverty may be even higher among rural and nomadic populations.

The latest poverty analyses identify the existence of a large number of working poor in Afghanistan. Low salaries place many who are employed at risk of falling below the poverty line, including government employees. The analysis also showed that poverty was unevenly spread throughout Afghanistan: the poverty rates of provinces vary from around 10 percent in some provinces to more than 70 percent in others. Poverty is more severe in the northeast, central highland, and parts of the southeast. Despite a significant increase in public spending in key sectors to support poverty reduction, scarce domestic resources and limited international assistance resulted in only limited assistance to the poorest of the poor.

The Afghan government and its international partners are committed to address the problem of widespread poverty. Poverty research was a vital part of the overall development of the ANDS. To improve poverty data, the Central Statistics Office and the Ministry of Rural Rehabilitation and Development (MRRD) launched two National Risk and Vulnerability Assessments in 2003 and 2005. Approximately 45,000 households from across the country were interviewed. This research led to the preparation of a comprehensive poverty analysis in 2007 which has been used as a basis for drafting the ANDS Poverty Profile and formulating the ANDS poverty reduction policies. The ANDS will also serve as Afghanistan's Poverty Reduction Strategy Paper (PRSP); the PRSP will guide the efforts of the government, international donors, and the major international financial institutions (the IMF and World Bank) in their efforts to reduce poverty in Afghanistan.

3.3.4 Health

Since the fall of the Taliban in 2001, the health sector has seen significant progress in development, with reductions in morbidity (disease), and mortality (death). In 2001, 8 percent of the Afghan population had access to basic health care; today, 79 percent have access to basic health services. In 2001, Afghanistan was ranked the world's worst in infant mortality; in 2007 Afghanistan's infant mortality rates are falling due to the efforts of the Ministry of Public Health (MoPH) and its international partners. Since 2006, Afghanistan has reduced child mortality (five years and under) by 25 percent, saving 89,000 children in 2007. In 2006, 23,000 Afghans died

from tuberculosis. In 2007, due to improved access to basic health care, only 12,000 Afghans died from this disease. Immunization coverage has reached 83 percent of children under one year of age and additional progress has been made in updating routine immunizations for older children, adolescents, and adults. Finally, recent data showed that 70 percent of health facilities have at least one female provider on staff, compared to 45 percent during the Taliban era.

The MoPH developed the Basic Package of Health Services (BPHS), a program which includes maternal and newborn health, child health and immunization, public nutrition, communicable diseases, mental health, disability, and supply of essential drugs. The program has recently increased its coverage of the population from 77 to 82 percent.

There has been a marked increase in health infrastructure; the number of health facilities providing the BPHS has increased to 897 (from 746), the number of health facilities providing comprehensive emergency obstetric care has also increased to 89 (from 79), and the number of health facilities within the government’s program of Integrated Management of Childhood Illnesses reached the stands at 309 facilities located in eight provinces and 39 districts. Thirteen therapeutic feeding units have been established, and two additional midwifery schools were opened. Twelve mobile health facilities were established to provide basic health services to the nomadic Kuchi population. The number of health facilities providing direct observed treatment short courses (in the treatment of tuberculosis) increased to 55 percent (from 45 percent). Approximately 40,000 insecticide bed nets were distributed to control the spread of malaria. Provincial teams in eight provinces were established to track the prevalence of avian flu. In total, 670 health facilities have been renovated or constructed.

The GIRoA has clearly articulated its health sector objectives in the ANDS. The ANDS states the following strategic goal for health: "...to reduce the morbidity and mortality of the Afghan population by implementing a package of health and hospital services, special programs and human resource development” (see figure below).



Source: Afghanistan National Development Strategy, Volume I

Figure 5 - ANDS Health Sector Strategic Area and Programs

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The GIRoA ministry responsible for Afghan health programs is the Ministry of Public Health (MoPH) which published a series of progressive health sector strategies beginning in 2005. It also created two documents that lay out operating procedures for health facilities: first, the BPHS is the key document that describes the services provided for primary out-patient health care and outlines staffing, equipment, and medications required to operate a facility; second, the Essential Package of Hospital Services (EPHS) is the key document that describes in-patient facilities and identifies a standardized package of hospital services, provides a guide for private and public sector hospitalization, and promotes a referral system that integrates the BPHS with hospitals.

Key improvements are focusing less on the number of new health facilities and more on improving the standardization of care, coordination among all levels of care, refining referral services, increasing the available range of services, increasing hours of clinic operations, and fielding appropriate numbers and types of staff. In general, the focus is on increasing intellectual and human capacity as opposed to building facilities and developing infrastructure.

Additional improvements include an increased deployment of the Basic Package of Health Services through a nationwide network of linked primary care facilities. This has resulted in increased access to care, raising the numbers of people within a two-hour walk of a medical facility to 66 percent in 2007. Continued improvements are focused towards the long-term goal of achieving standardized, sustainable, and independent health services.

3.3.5 Education

Only 28.1 percent of adult Afghans are literate, according to the CIA World Factbook. Many of the literate people are only able to read and write at the second or third grade level. Most of the literate population is only able to read and write at the second or third-grade level. The majority of teachers in Afghanistan have education equivalent to the ninth- to twelfth- grade levels in the United States. They are able to teach basic reading and writing, plus reading (reciting) of Arabic text in the Quran. The Ministry of Education's (MoE) National Education Strategy Plan in concert with the ANDS is making strides in the educational system. These strides will guarantee access to education to all Afghans.

Currently, there are more than five million children that are enrolled in schools today, nearly 38 percent female, compared to five years ago when a little more than one million students were enrolled with almost no females. The number of teachers has grown more than seven-fold, but only 22 percent meet the minimum MoE qualification of Grade 14. Only 28 percent of teachers are female, located primarily in urban areas. The emphasis on improving the curriculum over the last five years has been concentrated on the first six years of schooling. However, a secondary school curriculum is currently being developed. Although more than 3,500 schools have been established, only 40 percent of students have actual buildings in which to meet. Thousands of communities have no easy access to schools, causing parents to send their children to madrassas in Pakistan where Islamic fundamentalism is a focus. There are security concerns for Afghan schools: nearly six percent of schools have been burnt or closed down due to terrorism in the last 18 months. Finally, approximately 30,000 to 40,000 students graduate from high school every year, but only one third are admitted to universities due to a lack of university capacity.

In accordance with the ANDS, the Afghan government intends to guarantee access to primary education for all children by the year 2020 and provide for most to attend secondary school. Access to higher education will be readily available and the government will ensure that

university graduates have a realistic hope of obtaining jobs. To achieve these goals, the United States and the international community must continue to support the ongoing development of the comprehensive national educational system. This effort requires constructing or rehabilitating schools, upgrading primary-school teacher skills through national teacher training programs, increasing the MoE's capacity to provide in-service and pre-service support for teachers, and coordinating the printing of five to ten million books per year in 2008 through 2010. In the area of higher education, all 16 university faculty training and education programs must be prioritized. The Ministry of Education must coordinate and resource the printing of five to 10 million books per year in 2008 through 2010.

The literacy and productive skills of Afghans, especially women, must be enhanced to meet the needs for skilled workers in a growing economy. The educational system must expand to provide more choices and more competition, such as private schools and American-style education opportunities for university students. This comprehensive plan for a national education system in turn will directly contribute to the long-term sustainable growth of the Afghan economy and hence an improved way of life for the Afghan people.

3.4 Economic Development Outlook

The GIRoA continues to make slow but measurable progress in the area of economic development. Afghanistan has met most of the targets on monetary and fiscal policy under its International Monetary Fund (IMF) economic program, but it has fallen short on benchmarks related to structural reforms. The national budget process has improved significantly, as noted by the IMF in its latest assessment, and the government adheres to a strict fiscal policy of no borrowing and no overdrafts with the banking system. Incremental improvements have been made in raising government revenue from customs duties and other sources, and budget deficit targets were met in the current fiscal year (March 21, 2007 through March 20, 2008).

The GIRoA's challenges include increasing revenue, controlling the afghani exchange value, and increasing ministry capacity to plan and implement development programs. Afghanistan continues to have one of the world's lowest domestic revenue to GDP ratios, at about 8 percent. The afghani appreciated in real terms against the U.S. dollar in 2004-06, owing in part to large aid inflows and drug-related financial flows. In the first seven months of this fiscal year, however, the afghani remained steady despite rising inflation. The concern is that an overly strong afghani could inhibit the growth of a domestic industrial base (and the employment it would bring) by encouraging imports and discouraging exports.

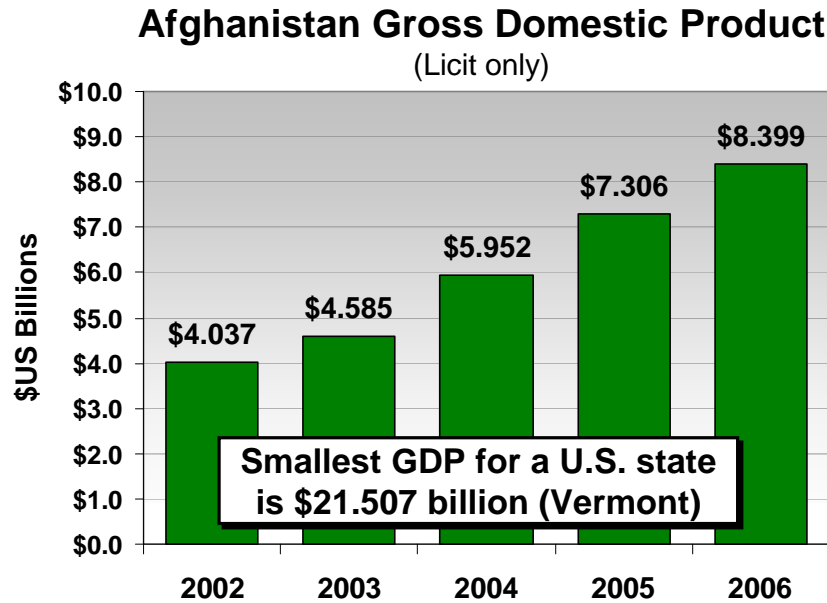


Figure 4 - Afghanistan Gross Domestic Product (Licit), 2002-2006 (Source: World Bank)

Afghanistan's overall economic performance under the IMF Poverty Reduction and Growth Facility program has been strong. Since the beginning of the program, fiscal revenue has increased steadily and the monetary policy framework has been enhanced. The drought-induced decline in agricultural production held the real economic growth to an estimated seven percent in 2006 and 2007. Real GDP growth is expected to exceed 13 percent in the 2007-2008 fiscal year, which ended on March 20, 2008. GDP per capita has increased by around 53 percent in the last five years and grew from around US\$200 to around US\$306.

Inflation declined to five percent in 2007 but rose to double digits in 2008, owing mainly to sharp increases in the prices of imported fuel and foodstuffs. Some of this inflation is tied to instability in Pakistan as well as Pakistan's increased dependency on imports in 2007 and early 2008. Pakistan is usually a large exporter of basics (food and fuel) to Afghanistan, but Pakistan's difficulties in meeting internal demands due to drought significantly affected the Afghan economy. The underlying trends, however, signal that domestic inflationary pressures are being contained. Confidence in the domestic currency, which has remained broadly stable against the U.S. dollar, has been instrumental due largely to a sound monetary policy.

According to the IMF, the Afghan economy has grown by an average of 11.4 percent per year in real terms since 2002, albeit from a small base. This strong growth can be attributed largely to reconstruction efforts fuelled by development assistance, as well as to a recovering agriculture sector. In 2006-2007, real economic growth was at an estimated 7.5 percent, weaker than recent averages. The slowdown was the result of a return to drought conditions, which caused agricultural production to drop considerably that year. There has been better weather to date through 2007-2008, and agriculture is expected to rebound. Due to increased agricultural output, the IMF projects that economic growth in Afghanistan will rise to 13 percent in 2007-2008, but it expects GDP to begin to normalize and fall to around 9 percent in 2008-2009.

A major challenge for the GIRoA is progress toward fiscal sustainability. While the GIRoA has increased its revenue collection, it cannot keep pace with increased expenditures, largely driven by the security sector. Increasing the number of ANSF and sufficient pay is

clearly important for security, but it has fiscal implications for the GIRoA which will eventually have to pick up those substantial costs. It is estimated that the GIRoA will roughly cover less than 20 percent of its total recurrent expenditures, including the core and external budgets, in 2008-2009. Furthermore, the GIRoA has now begun to experience difficulty meeting its annual revenue target due in part to political interference and lack of capacity.

3.5 Provincial Reconstruction Teams

3.5.1 Strategy and Objectives

Provincial Reconstruction Teams (PRTs) consist of a combination of military and civilian personnel whose mission is to aid in the reconstruction and development of Afghanistan. PRTs are under military command. Military personnel provide a security envelope in which civilian experts can work on governance and development projects. U.S. PRTs operate under general guidance provided by ISAF. The stated mission of the PRTs is as follows:

“Provincial Reconstruction Teams will assist the Islamic Republic of Afghanistan to extend its authority, in order to facilitate the development of a stable and secure environment in the identified area of operations, and enable security sector reform and reconstruction efforts.”

While the specific activities of each PRT are determined by the needs in its respective area of operation, PRTs achieve their objectives by following four key lines of operation:

- increase effectiveness of legitimate authorities;
- decrease effectiveness of illegitimate authorities;
- increase legitimacy of legitimate authorities; and
- decrease legitimacy of illegitimate authorities.

The U.S.-led PRTs in RC-East play an integral role in the ground commanders’ counter-insurgency approach. They coach, train, and mentor sub-national government officials in order to implement good governance practices that are transparent, guarantee human rights, are free of abuse and corruption, and provide due regard to the rule of law.

Additionally, through the DoD-funded Commander’s Emergency Response Program (CERP) and USAID funding, U.S.-led PRTs fund construction projects that assist the local government in meeting the basic needs of the populace and provide the basic infrastructure to support economic growth and development. Although CERP funds are dispersed at the discretion of the U.S. military commanding officer, the program achieves the best results when planned and carried out in coordination other agencies (i.e., USAID) working in the same sectors and in many cases the same districts or villages. This is particularly true for USAID’s Local Governance and Community Development program, which provides technical assistance and training to provincial and district officials combined with community-level small infrastructure activities, as well as USAID’s Alternative Development programs that support the agriculture sector in many of the RC East provinces.

Conducting these disparate activities independently of one another would achieve only minor effects; however, by integrating the right combination of governance and development activities with complementing security capabilities, PRTs have the potential to make significant contributions to the reconstruction and development progress in non-permissive environments. The PRTs are in essence synthesizing agents that apply the right combination of governance capacity building and development assistance in concert with the commanders’ security

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component in order to achieve the greater overall desired outcomes. PRT command teams meet with provincial governors, district officials, and ministry officials in their areas of responsibility several times during each week. The PRTs work closely with Provincial Councils, Provincial Development Committees and the local representatives of other organizations and aid agencies. In their role as coaches, mentors and trainers, the PRTs work closely with all these provincial-level officials and agencies to assist them in providing for the populace.

3.5.2 Composition and Laydown

The table below indicates U.S.-led PRT staffing levels. Current shortages in U.S. civilian agency personnel (primarily USAID advisors and USDA representatives) are currently being addressed by Embassy Kabul and the relevant agencies in Washington.

PRT	Military		Civilian					
	Auth	O/H	DoS		USAID		USDA	
			Auth	O/H	Auth	O/H	Auth	O/H
Asadabad	89	89	1	1	1	1	1	0
Bagram	63	63	0	0	2	1	0	0
Farah	99	99	1	1	1	1	1	0
Gardez	88	88	1	1	1	1	1	1
Ghazni	88	88	1	1	1	1	1	1
Jalalabad	88	88	1	1	1	1	1	0
Khowst	88	88	1	1	1	1	1	0
Mehtar Lam	88	88	1	1	1	1	1	1
Nuristan	88	88	1	1	1	1	1	0
Panjshir	55	55	1	1	1	1	1	1
Qalat	99	99	1	1	1	1	1	0
Sharana	88	88	1	1	1	1	1	0
Total	1021	1021	11	11	13	12	11	4

The U.S.-led PRTs are positioned in the following locations:

City	Province	ISAF Regional Command
Bagram	Parwan and Kapisa	East
Panjshir	Panjshir	East
Kalagush	Nuristan	East
Asadabad	Konar	East
Mehtar Lam	Laghman	East
Jalalabad	Nangarhar	East
Khowst	Khowst	East
Gardez	Paktia	East
Sharana	Paktika	East
Ghazni	Ghazni	East
Qalat	Zabul	South
Farah	Farah	West

3.5.3 Coordination and Chain of Command

Each U.S.-led PRT in RC East is under military command, subordinate to a U.S. brigade task force. The PRTs receive instructions and guidance from their brigade headquarters. They coordinate their actions through the brigade headquarters and laterally with the battalions and civil affairs teams occupying the same area. PRT actions are synchronized by their commands with U.S. and ISAF campaign objectives.

The U.S.-led PRTs have an integrated command group structure combining the military and civilian elements (e.g., USAID, DoS, and USDA) to ensure effective execution of security, development and governance programs and policies. Coordination among the PRTs is conducted laterally as well, through USAID and USDA representatives in their respective organizations. CJTF-82 provides liaison officers to ISAF, USAID, UNAMA and CSTC-A to coordinate efforts. USAID and DoS provide advisors at the CJTF-82 HQ, each brigade task force headquarters and each U.S.-led PRT. USAID and DoS also provide advisors to many of the PRTs led by other international partners active in Afghanistan. CJTF-82 hosts quarterly development conferences with USAID and UNAMA which include representatives from the brigades and PRTs. CJTF-82 also sponsors quarterly interagency conferences that include wide representation from CSTC-A, the U.S. Embassy and USAID. These conferences address the salient issues that pertain to all U.S. Government agencies executing governance and development support in Afghanistan and are supported by day-to-day coordination between CJTF-82 development related staff and USAID technical officers on development and governance issues. CJTF-82 also sponsors quarterly stakeholder conferences that include UNAMA, most UN agencies, and multiple non-governmental organizations operating in Afghanistan. These conferences are conducted for the same reasons as the interagency conferences mentioned above.

Recurring meetings and conferences at ISAF serve as the unifying agent across Afghan and international forces as with the CJTF-82 interagency and stakeholder's conferences. These meetings and conferences help to establish and maintain good working relationships among the respective functional staff sections of the various agencies. It is through these meetings and conferences, as well as the day-to-day coordination and cooperation between the agencies, that U.S. and international organizations drive toward unity of effort

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3.5.4 Provincial Reconstruction Team Funding

The U.S.-led PRT efforts are funded through CERP under the Department of Defense, complemented by USAID-funded development programs. CERP funds are not used to cover PRT operating costs. The CERP funds available in FY2007 were \$206 million. The amount earmarked for FY2008 is \$208 million. The following table indicates the amount distributed to each of the PRTs for FY2007.

PRT	FY07 OBLIGATED
Bagram	\$6,736,139.14
Farah	\$4,300,167.81
Gardez	\$4,746,008.00
Ghazni	\$10,568,059.00
Khowst	\$17,968,464.43
Kunar	\$10,559,073.23
Laghman	\$3,435,263.00
Nangarhar	\$12,839,907.00
Nuristan	\$20,546,045.73
Panjshir	\$5,450,159.22
Qalat	\$927,174.02
Sharana	\$23,816,477.07
PRT TOTAL	\$121,892,937.65

Although the CERP funding is shared with the maneuver units, the PRTs execute a majority of the CERP-funded projects. Each month, the PRTs receive a monthly CERP allocation which provides them funding for quick-impact projects, calculated on a per capita basis. Additionally, this monthly amount is not a spending limit. PRTs nominate projects identified as being needed within their areas of responsibility that are above and beyond their monthly allocation. A CERP Review Board meets weekly to evaluate the project nominations and funds projects that are deemed technically and legally sufficient and meet the commander's intent as stated in the current development guidance and operations order. The following table indicates the amount distributed monthly to each of the PRTs.

PRT	Monthly Allocation
Bagram	\$158,900.00
Panjshir	\$22,200.00
Nuristan	\$5,400.00
Asadabad	\$21,600.00
Mehtar Lam	\$32,100.00
Jalalabad	\$107,300.00
Khowst	\$41,400.00
Gardez	\$26,500.00
Sharana	\$20,900.00
Ghazni	\$88,900.00
Qalat	\$43,900.00
Farah	\$72,900.00

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Across the command, CJTF-82, USAID, and DoS work to partner with GIRoA officials at all levels. The primary objective is to help connect the Afghan populace to the government, help build trust and confidence in government institutions and to solidify popular support for the government. The CJTF-82 Commanding General and Deputy Commanding Generals meet regularly with ministers and deputy ministers to ensure that CJTF-82 objectives are in line with GIRoA ministerial strategies. CJTF-82 staff officers meet with and correspond regularly with ministerial officials to work common solutions to issues.

3.6 Reconstruction and Development Oversight

Through capacity building programs with Afghan ministries and provincial governments, the United States is working to eliminate inefficiencies and corruption in the delivery of assistance to the Afghan people. U.S. foreign assistance programs work with ministries – focusing on the most important service providers, like the ministries of health, education, finance, and agriculture – to put more responsibility for service delivery at the local levels and ensure funds reach the provinces. This will also allow ministry representatives working at the provincial levels to do planning, decision-making, delivery, and monitoring activities, ensuring assistance reaches the Afghan people. Advisors will mentor and support capacity building for Afghan government employees in areas such as financial management, budgeting, procurement, human resources management, strategic planning, project planning, and project implementation, and information and communications systems.

In addition, the U.S. Government has made progress over the past seven years streamlining our disbursement of funds to program implementers. The U.S. Government has disbursed 69 percent of the \$26.3 billion in U.S. Assistance to Afghanistan from Fiscal Year 2001 to Fiscal Year 2008 (this is not including the Fiscal Year 2008 Supplemental), which is higher than the Ministry of Finance's reported international average of 62 percent, and almost 20 percent higher than where the U.S. Government was two years ago. Efforts to put more control of funding decisions into the hands of Provincial Reconstruction Teams have improved the PRTs' ability to quickly follow security gains with development efforts that address locally-identified priorities.

The Office of the Inspector General in Afghanistan has spent \$2.7 million on oversight activities. As of December 2007, they had completed 18 performance and 23 financial audits. Not a single one of these audits revealed significant findings of waste, fraud, or abuse.

Section 4: Counternarcotics (CN)

The cultivation, production and trafficking of narcotics in Afghanistan is a major concern. Narcotics-related activities are fueling the insurgency in Afghanistan and, if left unchecked, threaten the long-term stability of the country and the surrounding region. Over 90 percent of the world's opium originates in Afghanistan, and the emerging nexus between narcotics traffickers and the insurgency is clear. Due to the threat to economic development, security, and governance posed by the trafficking of drugs in Afghanistan, the Office of the Deputy Assistant Secretary of Defense for Counternarcotics (OSD CN), the Drug Enforcement Administration (DEA), the U.S. Marshals Service, the Department of Justice (DoJ), and the Department of State (DoS) are committed to strengthening the counternarcotics (CN) capabilities of the GIRoA and bordering nations.

4.1 Strategy, Resources, and Priorities

The U.S. Government has developed both short and long-term objectives to meet CN goals in Afghanistan and the region. These objectives are framed within the Five Pillar strategic plan for Afghanistan. The five pillars include: 1) Public Information, 2) Interdiction and Law Enforcement, 3) Eradication, 4) Rule of Law and Justice Reform 5) Alternative Development. In the short-term (one to three years), the primary focus will be on the interdiction pillar. To this end, DoD will continue to focus on capacity building programs; sustaining CN police forces; training the ABP to identify, track and interdict outgoing narcotics and incoming precursor chemicals; increasing the capacity of the CNPA to detect, gather evidence, develop cases and incarcerate drug traffickers; integrate CN capacity building in the provinces within the CSTC-A FDD Plan; and better utilize the National Guard State Partnership Program for regional CN support activities.

The long-term (three to five years) strategy is to continue providing support to interdiction-capacity building. This support will primarily be targeted towards Afghan law enforcement, but legitimate law enforcement organizations of neighboring countries will also be beneficiaries. U.S. efforts aim to contain narcotics trafficking within Afghanistan, break the tie between insurgents and the drug trade, continue to engage Central Asian countries in order to gain access, ensure regional efforts remain Afghan centric, and eventually transfer CN program support to partner nations. To achieve these goals, the United States will continue to fund programs that enhance the logistical and technical abilities of partner countries to conduct CN interdiction operations. Descriptions of other agencies responsibilities can be found in section 4.2 below.

In August 2007, the U.S. Counternarcotics Strategy for Afghanistan was revised by the interagency community to improve implementation of CN activities in Afghanistan. Strategy elements were based on input from an interagency group of experts representing the DoS, DoD, Department of Justice, USDA, Department of the Treasury, Drug Enforcement Administration, the Office of National Drug Control Policy, and USAID. The improved strategy evaluated the previous CN strategy for Afghanistan, examined pertinent issues, obstacles and lessons learned, and presented a way forward on the five pillars of the strategy.

The way forward involves three main elements: (1) dramatically increasing development assistance to provide incentives for licit development while simultaneously amplifying the scope and intensity of both interdiction and eradication operations; (2) coordinating CN and counterinsurgency planning and operations in a manner not previously accomplished, with a

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particular emphasis on integrating CN into the counterinsurgency mission; and (3) encouraging consistent, sustained political will for the CN effort among the Afghan government, our allies, and international civilian and military organizations. To ensure the goals of this strategy are met, several weekly and bi-weekly interagency counternarcotics coordination meetings are held. All principal policy makers take part in the Afghan Interagency Operations Group (AIOG), the Afghan Working Group (AWG), the Afghan Steering Group (ASG), and the Deputies and Principals Committee meetings.

4.2 Roles and Missions

At the national level, the Counternarcotics Police of Afghanistan (CNPA) are the policing agency responsible for countering illicit narcotics traffickers in Afghanistan. The CNPA mission is to enforce the narcotics laws and regulations, the policy of the President of the Islamic Republic of Afghanistan, and orders from the Ministry of the Interior. In order to foster stability and security, the CNPA targets narcotics trafficking suspects and those who protect them. Provincial governors are responsible for discouraging poppy cultivation and conducting Governor-led eradication (GLE), if necessary. Should governors need assistance in conducting eradication, they can ask for national assistance. In provinces where governors are either unwilling or unable to conduct GLE, the central government's Poppy Eradication Force (PEF) may be deployed, even if the governor does not request support. Those provinces that demonstrate notable progress in counternarcotics by greatly reducing poppy cultivation or eliminating it altogether, may qualify for high-impact development assistance through the Good Performers Initiative.

The international forces present in the country provide operational support to the GIRoA. ISAF does not have a direct mission in CN; however, ISAF assistance to CN activities is a key supporting task. The DoS works within the five pillar plan to coordinate public information campaigns and poppy eradication. DoS and DoJ work in conjunction to enhance the Afghan judicial system, train prosecutors, and build the infrastructure necessary to indict, arrest, try, convict, and incarcerate drug traffickers. The DEA, DoJ, DoS and DoD have been successful in building the interdiction capacity of the CNPA. With the assistance of DoD, the DEA recently opened a new training facility for the CNPA. The DEA is also in the process of developing a three-to-five-year expansion plan for DEA operations in Afghanistan. USAID provides devolvement opportunities for the Afghan people, and is building roads, installing irrigation, constructing cold storage facilities, and introducing improved farming techniques to the Afghan people with the goal of providing viable alternatives to opium cultivation.

4.3 Efforts to Improve Coordination

4.3.1 Interagency

As mentioned previously, the U.S. Coordinator for Counternarcotics and Justice Reform in Afghanistan worked with an interagency group of experts to revise the U.S. Counternarcotics Strategy for Afghanistan with the goal of improving the implementation of CN activities in Afghanistan. Experts from DoD, DoS, Department of Justice, USDA, Department of the Treasury, Drug Enforcement Administration, the Office of National Drug Control Policy, and USAID worked together to create the revised strategy, which was publicly released in August 2007.

4.3.2 International

The opium problem in Afghanistan can not be viewed as Afghanistan's problem alone. For this reason, the USG will continue to build the interdiction capacity of neighboring countries in the South and Central Asia region. Regionally, DoD will continue to provide non-intrusive detection equipment, training and infrastructure support for better border security to the Government of Pakistan; improve border facilities and provide new communications equipment in Tajikistan; provide scanning equipment and construct border crossings in Turkmenistan; and improve command and control and provide mobile interdiction training in Kyrgyzstan. In addition, DoD will continue to provide the Pakistan Frontier Corps (FC) with funds to improve its ability to identify and interdict narcotics traffickers; in FY08 alone DoD will provide more than \$50 million to continue to build the capacity of the FC. Building regional counternarcotics capacity ensures that the Afghan opium problem will not simply migrate to another country in the region and continue to threaten U.S. goals of peace and security in this important corner of the world.

4.3.3 Use of Intelligence

The U.S. Government coordinates the development of CN programs and the sharing of CN intelligence and information with partner nations and lead federal law enforcement agencies. Sharing intelligence, while building the capacity of the GIRoA and neighboring countries to collect CN intelligence, will allow the United States to shift the burden of counternarcotics activities in Afghanistan to the Government of Afghanistan more quickly. The Joint Narcotics Analysis Center (UK-led, based in London) enables analysts from different U.S. and U.K. intelligence and law enforcement agencies to conduct strategic analysis to provide CN policy makers with an accurate assessment of the Afghan opium problem. The Interagency Operations Coordination Center (IOCC) (U.S.-U.K. joint leadership, based in Kabul) provides law enforcement targeting support and operational coordination for U.S., U.K., GIRoA and other CN law enforcement operations. These operations target the illicit Afghan narcotics industry, and the IOCC works to support, strengthen and expand the rule of law and good governance in Afghanistan. The DoD-funded CNPA Intelligence Fusion Center (CNPA – IFC), located in the CNPA headquarters, liaises closely with the CNPA Intelligence and Analysis Department. On a daily basis, the CNPA-IFC handles information requests from the CNPA and IOCC and provides targeting coordination based on information gathered from intelligence sources and seized documents. By coordinating efforts between the CNPA and the international partners, and by facilitating the flow of information, the CNPA-IFC acts as a critical enabler for the intelligence and analysis department while playing a vital role in creating synergy between the GIRoA and partner law enforcement agencies.

The Criminal Investigations Management System is a database system for recording data and performing link analysis on criminal activity in support of the CNPA. In addition to a database function, the system provides capabilities for collecting biometric data on criminals. The project involves developing the database system and deploying equipment to Afghanistan in conjunction with system management training. This development enables the CNPA to archive information and share it with international law enforcement agencies. The mission of the Centers for Drug Information is to help disrupt illegal drug trafficking through operational and tactical law enforcement information sharing. Sharing of drug-related information between and among the participating nations and agencies enhances the effectiveness and efficiency of CN law enforcement. These systems will ultimately provide the CNPA with the capability to

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develop a comprehensive information sharing process; and will facilitate sharing of timely and secure investigations information. DoD is also working to improve its human intelligence capability. In FY 2008, DoD will provide more than \$57 million towards CN intelligence programs in Afghanistan, and has requested funding to continue these programs.

4.4 Efforts to Improve Afghan Capacity

CN operations are severely constrained by the capacity of the Afghan law enforcement and judicial systems. In Afghanistan the judicial system is negatively affected by varying degrees of corruption and a lack of transparency. As a result, DoD, DoS, DoJ, DEA and the Department of Homeland Security (DHS) are working to build the infrastructure necessary for the GIRoA to conduct legitimate law enforcement operations against narcotics traffickers.

Over the next several years, the U.S. and its international allies will assist the CNPA in building the capacity to arrest high value drug traffickers, intercept narcotics during transit, and destroy clandestine laboratories. Current joint DoD programs with DEA have resulted in the construction of the National Interdiction Unit (NIU) training compound, the installation of equipment for the Sensitive Investigative Unit and the Technical Investigations Unit, and provided advanced training for the CNPA, with DoS funding all the operations and maintenance costs for these facilities. Additional funding for these programs was supplied by DoD and DEA to conduct background checks on applicants and train those who were found to be suitable for duty in these elite units. With DoS, DoD provided funding for the Afghan Joint Aviation Facility and the CN Justice Center, while providing helicopter flight training to MoI personnel for the creation of an organic airlift capability for Afghan CN organizations. DoD is developing an Unmanned Aerial System program to provide dedicated intelligence, surveillance, and reconnaissance support to interagency CN forces. This program will provide situational awareness and force protection for CN forces when they are conducting operations, specifically DEA Foreign Advisory Support Teams (FASTs) and the NIU. The FASTs provide guidance, mentoring, and bilateral assistance to the GIRoA and CNPA in identifying and disrupting clandestine drug operations. The DEA FAST teams have consistently requested and received helicopter support from DoS, including mission support, insertion, extraction, medevac, search and rescue, and reconnaissance. Although U.S. military personnel do not directly participate in law enforcement operations, USCENTCOM forces do provide medical evacuation, in-extremis support, pilot training, helicopter lift support for administrative purposes, and intelligence for law enforcement CN missions.

In FY 2008, DoD is providing more than \$95 million to foster CNPA development. Some major DoD funded initiatives are Afghan helicopter crew member training (\$4 million), Mi-17 helicopter operations and maintenance (\$13.2 million), aviation facilities (\$4.3 million), NIU sustainment training (\$5.6 million), DEA mentoring and training program (\$9 million), expansion of the CNPA headquarters compound (\$20 million) and construction of two regional law enforcement centers (\$9.7 million). DoD has long-term plans to further support the capacity building of GIRoA CN forces. Some of the potential programs could include acquisition of additional MI-17 helicopters, Afghan helicopter crew member training, additional regional operations and training centers, NIU sustainment training, and mentoring for all levels of the counternarcotics police.

DoD also plays an integral role in building the operational capacity of the Afghan Border Police (ABP) and Afghan Customs Department (ACD). The ABP and ACD require extensive support if they are to be effective in controlling Afghanistan's 5,000 plus kilometer border.

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Border crossings with Pakistan, Iran, Uzbekistan, Tajikistan, Turkmenistan, and China present a challenge to these Afghan departments. To meet this challenge, DoD funded a DoS program, the Border Management Initiative (BMI). The purpose of BMI is to improve security and promote stability in the border regions, and to increase interdiction capacity. In FY08, DoD will provide more than \$14 million to build the capacity of the ABP and ACD. At the request of DoS, DoD funded the development of the U.S. Embassy Border Management Task Force (BMTF). The BMTF provides oversight and management of U.S. border initiatives and assists the GIRoA with border issues. The United Nations Office on Drugs and Crime looks to the BMTF as the focal point for border management issues on behalf of the international community. Under the BMTF, U.S. mentors are provided to the ABP and ACD for border crossing points at Islam Qalah and Towrkham. DoD funded construction of several border crossing points in Afghanistan and the region including Sher Khan Bander, Towragundhi, and Islam Qalah. A communications system was also purchased for the ABP to support key command and control functions. Non-intrusive detection capability (x-ray and gamma scanners) has been provided to support inspections at major border crossing points and airports.

The Counternarcotics Infantry Kandak (CNIK), security element for the CN forces, is the Ministry of Defense's contribution to GIRoA CN efforts. The unit is intended to provide cordon security in direct support of Poppy Eradication Force deployments. The CNIK will enable the CN forces to focus on their core competencies and reduce the security burden on international forces. OSD (CN) is coordinating with CSTC-A and the Afghan MoD to develop the requirements to field a fully air-mobile unit with appropriate combat enablers to deter security threats posed to CN forces by the insurgents and the drug traffickers. The creation of the unit is part of the USG CN strategy for Afghanistan.

4.5 Assessment

4.5.1 Progress to Date

Although there has been some limited progress in the fight against narcotics, Afghanistan remains the leading producer of opium in the world. While many provinces have seen success in reducing poppy cultivation (12 of 34 provinces had more than a 50 percent decrease from 2006 to 2007 and the number of provinces that did not cultivate poppy rose from 6 in 2006 to 13 in 2007), four provinces experienced a significant increase in cultivation. Helmand in the south, Farah and Nimroz in the west, and Nangarhar in the east each saw an increase of more than 4,000 hectares from 2006 to 2007. Helmand alone now accounts for 53 percent of the total poppy growth in Afghanistan. One of the foremost problems is the lack of a comprehensive CN strategy among Afghanistan and its regional and international neighbors, especially Pakistan. With growing evidence of a link between the insurgency and the narcotics trade, it is becoming increasingly apparent that security in Afghanistan is directly tied to counternarcotics efforts.

Another major issue that requires resolution is the lack of coordination between the MoD and MoI. The current framework leads to a compartmentalization of responsibility between these ministries. The CNIK is an example of improvement. The MoD initially opposed the augmentation of the CNPA with ANA forces, mainly due to the potential risks posed by association with counternarcotics operations. In early 2008, the MoD changed its position, and the CNIK went into development. However, the issues that still need to be worked out are officer training for the CNIK, a memorandum of understanding with MoI on equipment loans and shared logistics during operations, and joint coordination and mission planning between the ministries.

4.5.2 Impact of Counternarcotics on the Counterinsurgency Mission

U.S. forces provide support to CN law enforcement operations within the scope of current rules of engagement, applicable law and regulation, and within the limits of their means and capabilities. Use of limited forces in Afghanistan is a zero-sum endeavor. A shift in force application from one mission set to another comes with a cost of a reduction of available forces for the former mission set. A shift of limited assets may result in a degradation of the counterterrorism mission. Intelligence sharing, limited logistical support, and in-extremis rescue and medical evacuation are currently being provided by U.S. and international forces towards the CN mission. Additional resources, targeted to the CN mission would be needed to expand direct DoD support to counternarcotics operations. Similarly changes in rules of engagement and national law would also be required.

The CN mission affects the counterinsurgency and counterterrorism missions in another way. It is likely that counternarcotics operations have in some areas enabled insurgents to make common cause with farmers against the Afghan Government and ISAF. Insurgents can set up a protection racket, exchanging protection against eradication forces for support, supplies, and equipment from locals.

4.5.3 Potential Improvements

The impact of building GIRoA CN operational capacity complements the DoD's primary mission of CT and counterinsurgency in Afghanistan. There is a clear nexus between narcotics and the insurgency in Afghanistan that threatens U.S. gains in Afghanistan and the region. The narcotics trade has strong links with the anti-government insurgency, most commonly associated with the Taliban. Narcotics traffickers provide revenue and arms to the Taliban, while the Taliban provides protection to growers and traffickers and keeps the government from interfering with their activities. By enabling the GIRoA to confront drug trafficking organizations we positively impact the effort to defeat the insurgency. The U.S. military is committed to continued work with other U.S. agencies, within the legal constraints imposed by Congress on military assistance to law enforcement operations, to support U.S. efforts in Afghanistan and Central and South Asia to defeat the Afghan opium problem.

Section 5: Regional Engagement

Regional cooperation is essential for the Afghan government. Following the first Regional Economic Cooperation Conference in December 2005, limited regional cooperation sections have been established within the administrative structures of some Afghan ministries. Additionally, in 2006, a Directorate for Regional Cooperation was established at the Ministry of Foreign Affairs. Unfortunately, despite an ongoing successful Asian Development Bank Technical Assistance program towards mainstreaming regional cooperation, human capacity of this Directorate continues to need serious attention. The establishment of a cross-cutting consultative group and a working group for regional cooperation, within the framework of the ANDS, has helped create platforms of dialogue and interaction between different stakeholders on regional cooperation. However, there is very little discussion or lively debate on regional cooperation in the Afghan media and hence little public awareness of the subject. For the most part, progress has been limited in achieving visible and practical results on the ground in regional economic cooperation.

5.1 Afghanistan-Pakistan Border Areas and the Federally Administered Tribal Areas

The greatest challenge to long-term security within Afghanistan is the insurgent sanctuary within the Federally Administered Tribal Areas (FATA) of Pakistan. The ANSF must be able to coordinate actions with a Pakistani force that is trained and resourced to eliminate threats emanating from within Pakistan. The Pakistan Military (PAKMIL)'s clashes with Taliban members and terrorist organizations in Pakistan's northwestern tribal areas have, in the past, contributed to a decrease in cross-border insurgent activity in Afghanistan's eastern provinces. The U.S. is concerned about ceasefire negotiations and other agreements between the Government of Pakistan (GoP) and possible militant groups in South Waziristan and other locations in the FATA and North West Frontier Province. After similar agreements were signed in 2005 and 2006, cross-border operations by extremist groups against U.S. and NATO forces increased substantially. The United States recognizes that there is no purely military solution to militancy, but we have made it clear to the GoP that any agreement should be enforceable and backed up by the credible threat of force.³

The potential repatriation of Afghan refugees is a major regional issue. Although there have been no refugees in the FATA itself since 2005, there are many in the greater border region. Of current concern are three camps, Jalozai, Girdi Jungle, and Jungle Pir Alizai, which the GoP has placed on the closure list every year since 2006 but not closed. The estimated combined population of these camps ranges from 130,000 to 145,000. Last year, Pakistan identified four refugee camps –including the three above– for closure. However, only the fourth camp, Kacha Gari, was closed. A worst-case scenario based on the GoP unexpectedly and precipitously closing and clearing multiple camps and expelling Afghans could result in up to 400,000 refugees trying to return to Afghanistan. Pakistan has committed to voluntary, not forced, repatriation and has stated that it will allow refugees from closed camps to relocate to other camps. This option could be attractive for many families who have lived in Pakistan for decades. Some refugees in Pakistan have returned voluntarily to Afghanistan because of sectarian violence, pressure from GoP authorities, and, for some former Kacha Gari residents, the cost of living in Pakistan outside of a camp environment. Mass repatriations, something that neither the

³ For further detail on the Afghan-Pakistani border see *Enhancing Security and Stability in the Region Along the Border of Afghanistan and Pakistan*, submitted April 24, 2008 in response to section 1232(a) of the 2008 NDAA.

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United Nation High Commissioner for Refugees (UNHCR) in Pakistan or the Government of Pakistan believes will materialize, would severely tax the existing Afghan infrastructure, particularly in urban areas. Therefore, the Afghan government will attempt to negotiate with Pakistan to delay additional camp closures. Afghans who registered as refugees with the Pakistan authorities received a Proof of Registration card that allows them to stay in Pakistan until the end of 2009. A large number of the refugees have no intention of returning for a variety of social and economic reasons. UNHCR Pakistan is working with the GoP to identify mutually acceptable alternatives for extended temporary solutions for some Afghans.

The Tripartite Commission (TPC) is comprised of senior military and diplomatic representatives from Afghanistan, Pakistan, and NATO-ISAF and was established as a forum in which to discuss issues related to the border. The Commission has not met as regularly as originally intended and the last three meetings have been cancelled. However, recent efforts have aimed to reinvigorate the activities of the TPC. In addition to the Tripartite Commission, there is an ongoing series of meetings of representatives of the ANA, PAKMIL, and ISAF that convene on a quarterly basis. One of these initiatives is the Border Security Subcommittee Meeting (BSSM), a subordinate entity to the TPC, which serves as a forum for border issues to be discussed between U.S., ANSF, and PAKMIL leadership. The location for the BSSMs alternates between the Afghanistan and Pakistan sides of the border in order to foster trust and cooperation between the two countries. At the tactical commander level, Border Flag Meetings between ISAF, ANSF and PAKMIL brigade and battalion commanders ensure that the agreements made at the BSSMs are reinforced with the ground commanders.

Pakistan, the United States, and NATO have embarked on a multi-year Security Development Plan for Pakistan's western border region. One element of the SDP concerns the effort to develop Border Coordination Centers (BCC) along the Pakistan-Afghanistan border. Designed to be manned by liaison officers from ISAF, ANSF, and PAKMIL, these BCCs will be optimized with intelligence feeds – including a network of Forward-Looking Infra-Red Radar (FLIR) nodes with the objective of presenting the liaison officers with a common view of the border area. The BCCs will also be supported with sophisticated communications that will link the liaison officers with their respective force providers – ANSF, the PAKMIL and paramilitary Frontier Corps (PAKMIL/FC) and RC-East – with the objective of speeding the delivery of target intelligence so force providers can execute interdiction missions against Taliban, Al-Qaeda, other extremists, and narco-smugglers. The first BCC was opened on March 29, 2008 at Torkham Gate on the Afghan side of the border. Five additional BCCs are planned for 2008-2010, with the next center expected to be completed before the end of 2008.

In terms of communications capabilities, the United States continues to provide high-frequency radios to PAKMIL and FC to increase communication interoperability between U.S. forces and PAKMIL. Additionally, the United States began to field the Combined Enterprise Regional Information Exchange System (CENTRIXS) to PAKMIL, providing a secure, rapid, computer-based interface between American and Pakistan forces. Designed as an information system for interactions with all partners active in Afghanistan, CENTRIXS will further increase the international and Afghan forces' communications capability with Pakistan.

The ongoing relations between the U.S., NATO ISAF, Pakistan, and Afghanistan have been fostered principally along military channels. If the border areas between the two countries are ever to be fully secured, the strong U.S.-Pakistan partnership should be utilized to ensure that the Afghan-Pakistan military partnership extends to the political arena – specifically including the development programs that are active on both sides of the border. Afghanistan and Pakistan

took initial steps to establish this political extension when they agreed, with U.S. backing, to establish a tribal jirga comprised of tribal elders and government officials from both sides of the border in September 2006. The first meeting of the jirga was held in August 2007. A subset of the jirga has met since then, and we expect the next meeting to be set soon.

5.2 Iran

Iran is a significant donor for reconstruction, infrastructure, and development assistance to Afghanistan. Iran is responsible for much of the development in Herat Province, particularly the electric power and transportation infrastructure. Iranian influence is expected to continue to increase at a steady rate over the rest of 2008 and the beginning of 2009. Iran will continue to try to achieve multiple objectives by providing overt monetary and reconstruction aid to the GIRoA, while at the same time providing training, weapons and other support to the insurgency to undermine ISAF influence.

Iran is also a major trading partner with Afghanistan due to the countries' extensive mutual border. This prominence gives Iran large amounts of political and economic influence. Numerous Iranian companies continue to expand their presence in Afghanistan, employing large numbers of Afghans.

There is evidence that the insurgency in Afghanistan has been provided with lethal aid originating in Iran since at least 2006. It is unclear what role, and at what level, the Iranian government plays in providing this assistance. At present, the lethal support that has been provided to the insurgency in Afghanistan has not proven militarily significant. Analysis of interdicted weaponry, ordnance, and explosively formed penetrators (EFPs) in Afghanistan indicate that the Taliban has access to Iranian weaponry produced as recently as 2006 and 2007. We monitor and take seriously any such assistance to the insurgency.

Iran will continue to protect its stated national interests and there remains potential for disagreement between Afghanistan and Iran. An example of a potential source of conflict is water-sharing rights, which could be affected by current Afghan dam projects. Forced expulsions of Afghan refugees and undocumented economic migrants within its borders challenge the Afghan government's ability to ensure the well-being of its citizens. Further deportations of Afghan refugees living in camps in Iran would severely strain the existing Afghan infrastructure and could create a humanitarian crisis similar to that of 2007, when Iran deported hundreds of thousands of Afghans over the course of a few months. The Afghan government will attempt to negotiate with the Iranian government to cease deportations and find a way to facilitate legal employment for the many Afghan workers who contribute to Iran's economy, particularly in the construction and agricultural sectors.
