



Afghanistan: U.S. Foreign Assistance

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Summary

The U.S. program of assistance to Afghanistan is intended to stabilize and strengthen the Afghan economic, social, political, and security environment so as to blunt popular support for extremist forces in the region. Since 2001, more than \$67 billion has been appropriated toward this effort.

Since FY2002, nearly two-thirds of U.S. assistance—roughly 62%—has gone to the training and equipping of Afghan forces. The remainder has gone to development and humanitarian-related activities from infrastructure to private sector support, governance and democratization efforts, and counter-narcotics programs.

Key U.S. agencies providing aid are the Department of Defense, the Agency for International Development, and the Department of State.

In April 2011, following a series of continuing appropriations, Congress approved the FY2011 Defense Department and Full-Year Continuing appropriations (H.R. 1473, P.L. 112-10). The legislation provided \$12.7 billion in DOD assistance. The broad foreign operations funding accounts from which most non-security Afghanistan aid is drawn were substantially cut, and it is not yet clear how much of the \$3.9 billion request will be met. Individual country allocations are not expected to be determined until June 2011.

In February 2011, the Administration issued its FY2012 budget request, including \$3.2 billion in foreign operations assistance to Afghanistan and \$13.9 billion in DOD aid.

This report provides a “big picture” overview of the U.S. aid program and congressional action. It describes what various aid agencies report they are doing in Afghanistan. It does not address the effectiveness of their programs. It will be updated as events warrant.

For discussion of the Afghan political, security, and economic situation, see CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman. For greater detail on security assistance provided by the Department of Defense, see CRS Report R40156, *War in Afghanistan: Strategy, Operations, and Issues for Congress*, by Catherine Dale. For fuller information on U.S. counter-narcotics efforts in Afghanistan, see CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher M. Blanchard. For information on the United Nations effort, see CRS Report R40747, *United Nations Assistance Mission in Afghanistan: Background and Policy Issues*, by Rhoda Margesson. For details on rule of law programs, see CRS Report R41484, *Afghanistan: U.S. Rule of Law and Justice Sector Assistance*, by Liana Sun Wylter and Kenneth Katzman.

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Most Recent Developments

In April 2011, following a series of continuing appropriations, Congress approved the FY2011 Defense Department and Full-Year Continuing appropriations (H.R. 1473, P.L. 112-10). The legislation provided \$12.6 billion in DOD assistance. In addition, of the \$3.9 billion FY2011 foreign operations request for the country, Afghanistan has been allocated \$2.5 billion, including about \$2 billion in ESF, \$70 million in global health assistance, \$400 million in INCLE, \$69.3 million in NADR, \$1.5 million in IMET, and \$15.5 million in P.L. 480 assistance.

In February 2011, the Administration issued its FY2012 budget request, including \$3.2 billion in foreign operations assistance to Afghanistan and \$13.9 billion in DOD aid.

Introduction

Afghanistan, one of the poorest countries in the world, would be a candidate for U.S. development assistance under normal circumstances. But today, as a result of the war on Al Qaeda and the 2001 military effort that removed Taliban rule, Afghanistan is a U.S. strategic priority and recipient to date of more than \$65 billion in U.S. foreign assistance serving multiple objectives. More than half of this assistance has been provided in the past three years, since the beginning of FY2009. Assistance efforts are broadly intended to stabilize and strengthen the country, through a range of development-related programs and through training and materiel support for the Afghan police and military.

This report provides a “big picture” overview of the U.S. aid program and congressional action. It describes what various aid agencies report they are doing in Afghanistan. It does not address the effectiveness of their programs.

For discussion of the Afghan political, security, and economic situation, see CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman, and CRS Report RS21922, *Afghanistan: Politics, Elections, and Government Performance*, by Kenneth Katzman. For greater detail on security assistance provided by the Department of Defense, see CRS Report R40156, *War in Afghanistan: Strategy, Operations, and Issues for Congress*, by Catherine Dale. For fuller information on U.S. counter-narcotics efforts in Afghanistan, see CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher M. Blanchard. For details on rule of law programs, see CRS Report R41484, *Afghanistan: U.S. Rule of Law and Justice Sector Assistance*, by Liana Sun Wyler and Kenneth Katzman.

Context of U.S. Assistance

The U.S. program of assistance to Afghanistan has multiple objectives implemented by a range of actors working in diverse sectors. The main purpose of the program is to stabilize and strengthen the Afghan economic, social, political, and security environment so as to blunt popular support for extremist forces in the region.

The bulk of U.S. assistance is in security-related activities. Since 2001, nearly two-thirds (62%) of total U.S. assistance has gone to the Afghan Security Forces Fund (ASFF), the account

supporting the training and equipping of Afghan security forces, and related military and security aid accounts. About 62% of U.S. assistance went to security programs in FY2010.

The second-largest portion of assistance has been aimed at economic, social, and political development efforts. The main provider of these programs is the Agency for International Development (USAID), with the Department of State playing a significant role in democracy and governance activities. These programs account for roughly 29% of total aid since 2001. They accounted for 32% of aid in FY2010.

A third element of assistance, humanitarian aid, largely implemented through USAID and international organizations, represents about 3% of total aid since 2001. They accounted for about 1% of U.S. aid in FY2010.

The fourth main component of the aid program is counter-narcotics, implemented largely by the State Department in conjunction with DOD, USAID, and the Drug Enforcement Agency. It accounts for about 6% of total aid since 2001. It represented 5% of aid in FY2010.

U.S. assistance must be viewed within the broader context of the Afghan government's development strategy and the contributions of other donors. In April 2008, an Afghanistan National Development Strategy (ANDS) was offered by the government as a program of specific goals and benchmarks in 18 sectors from security to poverty reduction to be accomplished from 2008 to 2013. The Afghan government estimated the cost of achieving these goals at \$50 billion, with Afghanistan providing \$6.8 billion and international donors asked to provide the rest. The strategy sought to have most funds provided through the central government in order to strengthen its legitimacy in the eyes of its citizens. Persistent questions regarding corruption and the ability of the government to effectively implement programs have prevented donors from more fully adopting this approach. At the January 2010 London donor conference and again at the July 2010 Kabul conference of foreign ministers, donors agreed to the goal of channeling half of all aid directly to the government within two years conditional on Afghan government progress in strengthening public financial management systems, reducing corruption, and improving budget execution.

The London conference produced additional pledges of troops, police trainers, and funding. Participants issued a communique supporting a phased transition to an Afghan government lead in security, an increased civilian surge to match the military surge, and increased targets for the Afghan Army and Police forces, among other points.¹ At the Kabul conference, the international community supported the Karzai objective that the Afghan National Security Forces should lead and conduct all military operations by the end of 2014, a position reaffirmed by NATO and ISAF at the Lisbon Summit in November 2010. For its part, at the Kabul conference, the Afghan government agreed to enact 37 key laws. None had been enacted as of March 2011, partly due to "internal political and policy disagreements," although work on them continues.²

According to the Afghan government, of the \$46.1 billion in donor assistance committed to Afghanistan through mid-2009, the last available calculation, U.S. assistance represented about 62%.³ An Afghanistan Reconstruction Trust Fund (ARTF), administered by the World Bank, is

¹ See <http://afghanistan.hmg.gov.uk/en/conference/london-conference>.

² Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, April 2011, p. 74.

³ Afghanistan Ministry of Finance, *Donor Financial Review*, November 2009, p. 38.

both a major conduit for donor assistance and a source of direct government aid, supporting both recurrent costs, such as Afghan government salaries, and key infrastructure investment. As of May 2011, donors had contributed roughly \$4.3 billion to the ARTF out of \$5 billion pledged.⁴

Apart from the World Bank, Asian Development Bank, and Japan, the bulk of aid contributions comes from the other NATO nations operating in the country as part of the International Security Assistance Force (ISAF). The United Nations Mission in Afghanistan (UNAMA) is meant to play a major role coordinating aid from all donors. For details, see CRS Report R40747, *United Nations Assistance Mission in Afghanistan: Background and Policy Issues*, by Rhoda Margesson.

NATO countries, Sweden, and South Korea lead 15 of the 28 Provincial Reconstruction Teams (PRTs) located in the majority of Afghan provinces. The United States leads 13, mostly those located in the strategically sensitive south and east. An innovation in the delivery of assistance that facilitates access to more remote regions of the country, the PRT is a significant element in the U.S. aid program (and was later adopted and modified for Iraq). Its mission is to help extend the authority of the government of Afghanistan by fostering a secure and stable environment. PRT personnel work with government officials to improve governance and provision of basic services. In 2009, District Support Teams (DST), composed of three to five civilians living with forward-deployed military units, were introduced to help build Afghan government capacity at a more local level. As of December 2010, there were 73 U.S. staff in DSTs with 150 more expected during 2011. The British are also actively involved at the district level in British or U.S.-led DSTs.

PRTs are composed of both civilian and military personnel, located in conjunction with military forces providing physical security. In the case of the United States—the model differs by lead country—U.S. PRTs, with one exception, are led by a military officer and report up a military chain of command. Most of the coalition PRTs are civilian-led. Most PRTs have a predominance of military staff, although this is changing, particularly in Kandahar and Helmand PRTs. However, there is now a civilian lead at each PRT and DST to act as counterpart to the military commander. Further, whereas in early 2009 there were generally only 3 to 5 civilians among 50 to 100 total personnel, civilian representation in the field has been rising substantially. In May 2009, there were 67 civilian personnel in the field, in early January 2010 there were 252, in April 2010 there were 350, and this number has continued to increase.

The civilian team at the PRT and DST usually includes officers from the State Department, USAID, and Department of Agriculture. Similar but usually smaller teams are posted to non-U.S.-led PRTs. In Kandahar and Helmand, large U.S. teams are integrated with British and Canadian counterparts.

The U.S. PRTs and other field entities utilize funding under a range of programs to meet their objectives. Programs provide targeted infrastructure aid to meet locally identified needs and aid to address employment and other local concerns, provide management training to local government personnel, and ensure that national-level development efforts in key sectors reach the local population. Other U.S. assistance is provided through the U.S. mission in Kabul. Working throughout the country, aid project implementors in most cases are either U.S. or Afghan non-governmental organizations receiving grants or private sector for-profit entities on contract.

⁴ ARTF, *Administrator's Report on Financial Status*, As of May 21, 2011, p. 4.

Despite significant progress in Afghanistan during the past 10 years, insurgent threats to Afghanistan's government escalated beginning in 2006 to the point that some experts began questioning the success of stabilization efforts.⁵ An expanding militant presence in some areas previously considered secure, increased numbers of civilian and military deaths, growing disillusionment with corruption in the government of Afghan President Hamid Karzai, and Pakistan's inability to prevent Taliban and other militant infiltration into Afghanistan led the Obama Administration to conduct its own "strategic review," the results of which were announced on March 27, 2009.

The thrust of the new strategy was a focus, not only on adding U.S. troops—a point reiterated and expanded following a second review that led to the announcement in December 2009 of an additional U.S. troop increase—but also on enhancing assistance efforts. The March 2009 review led to the formulation of a new aid strategy encapsulated in an *Integrated Civilian-Military Campaign Plan for Support to Afghanistan*, jointly published on August 10, 2009, by Ambassador Eikenberry and General McChrystal, and elaborated further in an *Afghanistan and Pakistan Regional Stabilization Strategy* by the State Department's Office of the Special Representative for Afghanistan and Pakistan in January 2010. The strategy emphasizes economic development, coordination among international donors, building local governing structures, improving capacity and reforming the Afghan government, and expanding and reforming the Afghan security forces. In practice, the strategy has led to an increase in U.S. assistance to Afghanistan, a greater emphasis on geographic centers of instability along the southern and eastern borders, more integrated military-civilian aid activity, and a significant increase in civilian aid personnel to formulate, administer, and monitor aid programs. With regard to the latter, U.S. civilian staff from State, USAID, USDA, Justice—at least 11 government departments and agencies—tripled from about 320 in early 2009 to 992 in March 2010. Total staff numbers, both in Kabul and in the field, reached about 1,300 in mid-2011. Further growth, if any, is likely to be modest. At a June 23, 2011, hearing of the Senate Foreign Relations Committee, Secretary of State Clinton reported, "We have now reached the height of the civilian surge."

The changes in aid strategy are well-illustrated in several significant steps USAID has taken in the period since the strategy was launched. For one, it has promoted the Afghanization of assistance, directing assistance as much as feasible through Afghan entities, public and private.⁶ In 2009, USAID adopted the objective of moving as much as 40% of assistance through the Afghan government by the end of 2010.⁷ At the January 2010 London Conference, the United States and other donors committed to providing 50% of aid through the government of

⁵ For a historic review of U.S. and other donor assistance, see International Crisis Group, *Aid and Conflict in Afghanistan*, Asia Report No. 210, August 4, 2011.

⁶ Traditionally, USAID conducts its own projects through contractors and NGOs. To enable host-country contracting, USAID is vetting recipient ministries to insure they are able to administer funds and meet audit requirements. The ministries of health, finance, and communications were first approved, with others to follow. To further meet concerns regarding the appropriate use of funds, in the case of the Ministry of Health, USAID maintains authority over key uses of the money, it only dispenses funds for a 45 day period, and international NGOs work with the ministries to actually utilize the funding. In addition to increased direct funding of ministries, more U.S. funds are going to the World Bank-managed Afghanistan Reconstruction Trust Fund which funnels funds to the Afghan government in large part to support the government's National Solidarity Program. The NSP provides small grants to villages around the country, and local communities determine the use of these funds. A recent GAO study found weaknesses in USAID implementation of direct assistance. GAO, *Afghanistan: Actions Needed to Improve Accountability of U.S. Assistance to Afghanistan Government*, 11-710, July 2011.

⁷ Daniel Feldman, Deputy Special Representative, Afghanistan and Pakistan, State Department, in testimony to Senate Homeland Security and Governmental Affairs Subcommittee, December 17, 2009.

Afghanistan by 2012. As of June 2011, about 38% of USAID funding went through the Afghan government.⁸

The intent is to increase the administrative capabilities of the Afghan government and at the same time enable the public to see that their government is providing services. USAID is also said to be directing procurement funding away from U.S. contractors and NGOs and more to Afghan NGOs and business. This “Afghan First” policy, also adopted by other U.S. government and international entities, seeks to build private sector capacity and increase Afghan employment to the extent possible. In November 2010, the U.S. Embassy, U.S. military and UNAMA formally launched an “Afghan First” effort to actively solicit Afghan suppliers for procurement needs, including local procurement of agriculture produce for U.S. and ISAF military and civilian installations.

Another key shift in USAID policy has been to move more funds to regions and sectors previously less well-supported. More money is going to the southern and eastern parts of the country, especially as the military goes in and secures an area. An estimated 70%-80% of current U.S. assistance is going to these regions of high priority in the counterinsurgency effort. Beginning in FY2009, more funding was channeled to agriculture, a sector that had been relatively neglected, but is a way to reach rural areas that had been under the influence of the insurgents and is the most critical part of the Afghan economy.

Key Development Assistance Challenges

The main purpose of U.S. economic development aid to Afghanistan is to stabilize the country in the wake of U.S. military operations, as well as to build Afghan government capacity so that it can operate as a sustainable entity in the years ahead. In the course of implementing projects, the assistance program has encountered a range of problems, several of which were highlighted in a June 2011 majority staff report for the Senate Foreign Relations Committee.⁹ Concerns include the following:

- Staff turnover. There is a continual loss of institutional memory, with most U.S. civilian staff staying one year.
- Lack of capacity by the Afghanistan government. An insufficiency of Afghan government skilled personnel, especially at the local level, makes difficult the U.S. commitment to provide 50% of assistance through the Afghan government in direct budget and program support by 2012. USAID is trying to put in place checks to make sure such funds are not diverted and it is supporting 260 civilian advisers in the ministries and a variety of aid programs to train civil servants and boost government capacities.

⁸ Rajiv Shah letter to Senate Foreign Relations Committee, June 1, 2011, Appendix VII of S. Prt 112-21, *Evaluating U.S. Foreign Assistance to Afghanistan*, Majority Staff Report, Senate Foreign Relations Committee, June 8, 2011.

⁹ Majority Staff, Senate Foreign Relations Committee, *Evaluating U.S. Foreign Assistance to Afghanistan*, S. Prt. 112-21, June 8, 2011. Also see International Crisis Group, *Aid and Conflict in Afghanistan*, Asia Report No. 210, August 4, 2011.

- Afghan corruption raises a lot of concerns about the adequacy of U.S. assistance oversight, especially in view of the funds going to Afghan contractors, subcontractors, and the Afghan government.
- Ensuring sustainability of project efforts, in terms of the commitment of the Afghan government, the availability of skills to continue programs, and most of all, availability of Afghan financial resources to maintain projects—as currently donor funding is responsible for the majority of Afghanistan government spending. The Senate Foreign Relations Committee staff report issued in June 2011 strongly supports a shift in resources from U.S. contractors to direct Afghan government programs, with clear benchmarks and accountability, and heavily emphasizes a focus on sustainability of programs.¹⁰
- Security is the most significant challenge to the aid program.¹¹ The security situation has had three main impacts on the aid program:
 - First, it has forced contractors and grantees to cancel projects in progress or not even begin projects that were planned.
 - Second, it has made the program more expensive by requiring use of security contractors to protect U.S. government civilians and implementing partners. In Iraq, this meant an estimated 15%-25% increase in costs; no corresponding figure is available for Afghanistan. Some security payments may be going to insurgent groups.
 - Third, it has interfered with the ability of U.S. government aid workers to access local people and geographic locations so that appropriate projects can be developed and monitored for effectiveness and accountability.

Currently, the immediate security of civilian aid project implementors, contractors, and NGOs, is handled by private security contractors whose employees number in the tens of thousands. For several years, President Karzai has indicated his desire to prohibit these personnel and replace them with Afghan government security forces. In August 2010, he issued a decree disbanding them within four months, but an agreement negotiated with the international community was approved in March 2011 that would allow use of the private security contractors for another year while a Ministry of Interior replacement force could be trained. USAID will contribute to building the capacity of these new forces.¹² The overall security environment of the country established by the presence of U.S. troops is also at question with the pending gradual withdrawal of those forces.

¹⁰ Majority Staff of the Committee on Foreign Relations, U.S. Senate, *Evaluating U.S. Foreign Assistance to Afghanistan*, S.Prt. 112-21, June 8, 2011.

¹¹ See, for example, USAID IG Memo of September 29, 2010, "Review of Security Costs Charged to USAID Projects in Afghanistan," Review Report No. 5-306-10-002-S.

¹² Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, April 2011, p. 65.

U.S. Assistance Programs

Below is a menu of the range of assistance programs the United States is now implementing in Afghanistan.¹³

Table I. USAID Development Funding in Afghanistan by Sector/Activity
(in \$ millions)

	FY2002- FY2006	FY2007	FY2008	FY2009	FY2010	FY2002- FY2010	FY2011 request	FY2012 request
Agriculture	237	67	56	130	462	952	240	185
Alternative Development	121	229	176	165	310	1,001	185	147
Economic Growth (incl. cash for work)	253	69	76	271	364	1,033	373	175
Roads	1,073	365	274	129	209	2,050	230	79
Electric Power	432	195	237	134	225	1,223	230	673
Water	51	2	16	19	n/a	88	n/a	n/a
Vertical Structures and FAA	—	—	—	—	—	—	65	—
Education	281	63	99	94	150	687	95	115
Health	309	113	113	93	150	778	154	171
Democracy (incl. elections)	293	134	233	387	388	1,435	340	126
Rule of Law	54	10	31	33	75	203	50	35
ARTF (incl. NSP)	276	46	145	240	602	1,309	600	590
Budget Support	85	15	24	44	55	223	200	131
PRTs-Local Governance	172	126	115	245	415	1,073	620	320
Food Aid	376	0	10	47	16	449	16	66
TOTAL	4,013	1,434	1,595	2,031	3,421	12,504	3,398	2,813

Source: USAID and CRS calculations.

Notes: FY2011 allocations based on Continuing Appropriations, P.L. 112-10, not yet available. Table includes most, but not all, USAID assistance funding and activities. Table does not include State INL Rule of Law activities, CERP, or other DOD development activities.

¹³ The program breakdown in this section draws in part on USAID project descriptions, many available at <http://afghanistan.usaid.gov>; Department of Defense Report to Congress, *Progress Toward Security and Stability in Afghanistan*, most recently April 2010; and Special Inspector General for Afghanistan Reconstruction *Quarterly Reports to Congress*, most recently April 30, 2010.

Development Assistance Programs

As one of the lesser-developed countries in the world, battered by decades of war and instability, Afghanistan could benefit from assistance in every aspect of its political, economic, and social fabric. U.S. development assistance programs, mostly implemented through the Agency for International Development, are directed at a wide range of needs.

Infrastructure

A high proportion of U.S. assistance has gone toward economic infrastructure, especially roads, electric power, and water and sanitation facilities. To facilitate coordination between U.S. agencies working in these sectors—predominately USAID and DOD—the Embassy established an Infrastructure Working Group for Afghanistan in 2009.

About \$2 billion, roughly 17% of total USAID assistance to Afghanistan through FY2010, went to road construction throughout the country. USAID has constructed or rehabilitated over 2,000 kilometers of roads—most notably the Ring Road which spans the country—facilitating commercial activity and helping reduce time and costs in the transport and mobility of security forces. Substantial additional road construction has been undertaken by DOD as well as other international donors.

Construction of a new 105-megawatt power plant in Kabul is one aspect of U.S. support for electrical infrastructure. Another includes efforts to ensure that the national electric utility is sustainable by improving rates of payment for services. It has outsourced operations, maintenance, and billing to an international contractor, which has installed \$14 million in meters, hoping to significantly reduce losses. Technical experts have been provided to the Ministry of Energy and Water and to the Afghanistan National Electricity Corporation. Other infrastructure efforts include support for a drilling team to assess gas availability in the Sheberghan gas fields and funding the Kajaki dam rehabilitation project in Helmand province that will increase output from 33 MW to 51 MW, providing electricity for 2 million Afghans. Infrastructure construction activities in specific sectors, such as health, education, governance, and security are noted below.

Afghanistan Infrastructure Fund

The Afghanistan Infrastructure Fund is a new funding spigot established by Congress in the FY2011 Defense Authorization (§1217, P.L. 111-383). In its first year, it received \$400 million in DOD appropriations to be used for infrastructure projects approved jointly by the Department of State and DOD, and to be implemented by State in coordination with DOD, unless otherwise decided. It is anticipated that the funds will go toward projects of high priority to the counterinsurgency effort, especially in Kandahar province. Projects requested so far include power generation and transmission, roads, and construction of a provincial justice center.

National Solidarity Program

Although its purpose is to strengthen Afghan governance at the local level and local ties to the central government, the National Solidarity Program, to which the United States heavily contributes through the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and to which Congress has directed significant funding in explanatory statements accompanying appropriations (\$175 million in FY2010), has been chiefly employed to construct village

infrastructure. The Program is funded by international donors and implemented by the Ministry of Rural Rehabilitation and Development. Community Development Councils (CDCs), established at the grassroots level throughout the country with the help of international and local NGOs, apply for program funds after first reaching consensus on village needs. As of May 2011, over 27,000 CDCs had been established. Program grants generally support drinking water and irrigation systems, rural roads, school buildings and community centers, and electrification facilities.

The chief challenge facing the NSP is whether it can successfully expand into insecure areas of the country where facilitating partner NGOs are unlikely to be able to provide good oversight. Current plans call for expansion to over 15,000 new communities, many in such insecure areas.¹⁴

Economic Growth

U.S. assistance supports a number of efforts to stimulate growth of the Afghan economy—the most prominent part of which, agriculture, is discussed below. Projects to facilitate economic growth in the broader business sector include the provision of technical expertise to help reform the legal framework in which business operates, including taxation and administrative policies. U.S. aid also seeks to improve access to credit for the private sector, through micro and small business loans and by promoting bank reform to ease establishment of private banks. The Treasury Department maintains advisers in the central bank. The United States attempts to build business associations, such as chambers of commerce and the women’s business federation, by providing training and development services to those emerging institutions. Specific industries with export promise are targeted for assistance (for example, investment promotion and external market link assistance for the marble and gemstone industries). An economic growth program that is of importance as well to agriculture is the USAID effort to improve land titling, through simplification of the registration process, establishing a legal and regulatory framework for land administration, and assistance to commercial courts in land dispute adjudication. Under USAID’s Rule of Law project, assistance includes training for judges in conduct of commercial law and dispute resolution and for government officials on commercial law, and helping ministries in drafting commercial laws.

USAID Stability Programs

A number of programs address immediate needs in the more unstable parts of Afghanistan, often in close coordination with U.S. military forces as they engage the insurgency. Perhaps chief among these is the Community Development Program, which provides temporary employment and income generation, from street cleaning to repair of irrigation systems and water supply rehabilitation. Partly to strengthen the relationship between the Afghan government and local populations, the Afghanistan Stabilization Initiative funnels funding largely through the Afghan government to local community-based consultative body approved small community improvement projects.

¹⁴ SIGAR, *Afghanistan’s National Solidarity Program Has Reached Thousands of Afghan Communities, but Faces Challenges that Could Limit Outcomes*, Audit-11-8, March 22, 2011.

DOD Task Force for Business and Stability Operations

The Task Force for Business and Stability Operations is an extension of a DOD-supported program begun in Iraq in 2006 to stimulate private sector economic growth. Its main focus in Afghanistan has been to encourage foreign investment. In 2010, it produced a study of as yet unexploited mineral deposits throughout the country, indicating large deposits of gold, lithium, copper, and rare earths that could greatly boost the Afghan economy.¹⁵

Agriculture

The United States supports two major and sometimes overlapping agriculture efforts: one nationwide and another, under the rubric of alternative development, aimed at fostering legal alternatives to poppy and targeted at specific areas where poppy is grown.

Among broad agriculture project efforts are the distribution of chickens, training in poultry management, vaccination of livestock, establishment of more than 850 Veterinary Field Units, seed distribution, capacity building for extension services, loans to farmers (a \$100 million Agricultural Development Fund), and cash-for-work. The United States also assists in the establishment of food processing plants, such as flour mills and vegetable dehydration plants. Infrastructure assistance to Afghan agriculture includes repair of farm-to-market roads and rehabilitation of irrigation systems. USAID's alternative development effort, the Alternative Livelihoods Program, supports in poppy districts many of the same efforts it undertakes throughout Afghanistan. It attempts to increase commercial agricultural opportunities for licit, market-value crops and provides access to materials and expertise to produce those crops.

Most of these agriculture programs are implemented by USAID. However, two other agencies are involved in this sector. DOD fields Agribusiness Development Teams (ADTs), nine of them in March 2011, composed of National Guard personnel with backgrounds in agribusiness who provide training and advice to universities, provincial ministries, and farmers. USDA's presence has increased substantially in recent years, from 13 agriculture experts in October 2009 to 52 in March 2011. USDA provides one advisor to each of the U.S.-run PRTs, through which it seeks to build the capacities of provincial agricultural systems and assist local farmers. At the national level, it provides technical expertise to the Agriculture Ministry, the agriculture extension service, and agricultural associations, and works with the Ministry of Higher Education to improve agriculture education. In 2010, the Embassy established a Senior Agriculture Coordinator and Deputy Coordinator to oversee U.S. agriculture efforts.

Health

Health sector assistance, largely provided by USAID, has been aimed at expanding access to basic public health care, including rehabilitation and construction of more than 600 clinics and training of over 10,000 health workers. About 84% of Afghans reportedly have access to basic health services. Health projects also address specific health concerns, such as polio prevention and vulnerable children. Technical expertise is provided to the Ministry of Health, which is one of the few ministries considered by USAID to be sufficiently transparent to directly handle U.S. assistance funds. Currently, direct U.S. funding goes to support the Afghan government's Basic

¹⁵ See the Task Force website for more information; <http://tfbso.defense.gov/www/index.aspx>.

Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS) that deliver basic health care provided through 5 provincial level hospitals and 22 Afghan and international NGOs serving 539 district level health facilities and 5,000 health posts in 13 provinces.

Education

USAID supports a number of education efforts. Technical expertise has been provided to the Ministry of Education and Ministry of Higher Education to build management capacities. More than 600 schools have been constructed or rehabilitated, thousands of teachers have been trained (more than 50,000 since January 2006), and millions of textbooks printed. The women's dorm at the University of Kabul has been rehabilitated. The American University of Afghanistan and the International School of Kabul have been established. Literacy programs are being implemented nationwide.

Democracy and Governance

A wide range of U.S. assistance programs address the elements of democracy and government administration. Democracy programs include efforts to support the development of civil society non-governmental organizations. Afghan NGOs receive small grants, and training is provided to their leadership and staff. U.S. assistance has built independent radio stations and established a national network of 38 independent local radio stations. At the national level, a law facilitating NGO development was drafted with U.S. expertise. U.S. funds supported the 2009 Presidential and Provincial Council elections, and support the Independent Elections Commission, and a Civil Voter Registry.

U.S. assistance seeks to strengthen local and national government institutions through efforts to build the competency of the civil service, increase the capacity of the National Assembly to draft legislation, help the government identify problems and carry out policy, and improve delivery of social services. The United States is providing technical assistance as well as direct cash transfers to the Civil Service Commission to make it independently capable of training government personnel, and it provides direct budget support to the Ministry of Finance to enable the Afghan government to exercise greater control over the hiring of technical advisors rather than rely exclusively on donors and contractors. A Performance-Based Governors' Fund provides funding for a range of government services for those provinces which do not receive adequate funds from the national government. Similar efforts help municipalities provide services and enhance their capabilities. An Afghan Social Outreach Program has created over 100 local district level representative councils that focus on service delivery and justice concerns and monitor the use of development projects.

Rule of Law

U.S. rule of law (ROL) programs are extensive, and multiple agencies—the State Department's Bureau of International Narcotics and Law Enforcement (INL), the Department of Justice, USAID, the Drug Enforcement Administration (DEA), U.S. Marshall Service, FBI, and DOD—are all involved to some extent in rule of law issues. There is some overlap between agency programs; in July 2010, the U.S. Embassy created the position of Director for Rule of Law and Law Enforcement, to lead and coordinate U.S. agencies that implement rule of law programs. The

embassy's ROL Implementation Plan defines objectives for U.S. programs to help meet the aims of the Afghan National Justice Program, the Afghan government's own ROL strategy.

Among other efforts, USAID seeks to improve legal education by assisting with a redesign of the core curriculum for the Law and Sharia Faculties at Kabul University, and by providing training in teaching methodology, legal writing, computer research, and legal English to members of faculties of Kabul University and three regional universities. It provides training in substantive and procedural law to sitting judges and trains trainers to continue such activities. Together, INL and USAID programs have built or renovated 40 provincial courthouses and trained more than 900 sitting judges—over half of the judiciary—and more than 400 judicial candidates. USAID is also testing a program to assist the councils of village elders who adjudicate many disputes in Afghanistan's informal justice system. It has supported councils in four pilot districts to transmit their decisions in writing to the district level.

INL is principally concerned with reforming the criminal justice and corrections system. Its Justice Sector Support Program supports 30 U.S. justice advisors and 35 Afghan legal consultants who work together in provincial teams to address needs of key provinces. These have trained over 2,000 Afghan justice professionals as of May 2010. INL also brings Afghan law professors to the United States for degrees and U.S. Assistant Attorneys to Afghanistan. Its Corrections Systems Support Program, addressing prison capacity issues, has built prisons in all 34 provinces and funds 35 U.S. corrections advisors who provide training and mentoring. As of April 2009, these had trained more than 3,800 Afghan corrections staff.

For further discussion, see CRS Report R41484, *Afghanistan: U.S. Rule of Law and Justice Sector Assistance*, by Liana Sun Wyler and Kenneth Katzman.

Women and Girls

Although much assistance is meant to ultimately benefit Afghans of both genders, in appropriations legislation and report language, Congress often directs funding to programs specifically assisting Afghan women and girls—most recently, requiring that at least \$175 million in total FY2010 funding from ESF and INCLE accounts be used for this purpose (P.L. 111-117, §7076). Of this, conferees directed that \$20 million be used for capacity building for Afghan women-led NGOs, that \$25 million be used for the programs of such NGOs, and that \$15 million be used to train women investigators, police officers, judges, and social workers to respond to crimes of violence against women.

Among these efforts is a USAID rule of law project that attempts to raise awareness of women's rights by conducting public forums and through discussion in the media. USAID supports the introduction of legal rights education to women audiences and legal aid through legal service centers. Another project provides financial support to NGOs working to improve the lives of women and girls and seeks to strengthen their policy advocacy capacities. U.S. assistance also is supporting the establishment of a Women's Leadership Development Institute to train women for leadership roles.

Commander's Emergency Response Program (CERP)

The CERP seeks to improve the security environment in which U.S. combat troops operate by offering small grants to local villages to address urgent relief and reconstruction needs. It also

increasingly has supported large-scale projects. While funded by DOD appropriations and implemented by the military, the CERP often performs a development function, on the surface indistinguishable from the activities of USAID, and is a major assistance tool of the U.S.-run Provincial Reconstruction Teams. Most of the CERP has been used for infrastructure purposes—nearly two-thirds through FY2008 went for road repair and construction. From FY2011, large-scale infrastructure efforts are to be funded under the Afghanistan Infrastructure Fund discussed above, while the CERP concentrates on more small-scale initiatives.

While Congress has strongly supported the program—doubling Afghanistan funding in FY2010 from the previous year’s level—it has also increasingly questioned DOD’s management and oversight of the program. The FY2010 DOD appropriations statement of managers voiced the concern that there are an insufficient number of personnel responsible for these functions.

Humanitarian Assistance Programs

U.S. funds address a number of humanitarian situations in Afghanistan, most stemming from the years of war that preceded the U.S. intervention as well as the insurgency that has followed. During this period, large numbers of people fled from their homes, many of whom became refugees in neighboring countries. U.S. assistance in Afghanistan, provided through international organizations and NGOs under the State Department’s Migration and Refugee Program and through USAID’s International Disaster Assistance program, targets both those individuals who are returning and those who have been displaced. According to the U.N. High Commissioner for Refugees, there were an estimated 231,000 internally displaced persons (IDPs) and 278,000 returning refugees in early 2009. Roughly 3 million Afghans remain outside the country.

Where the insurgency is ongoing, assistance programs address the needs of affected vulnerable populations. USAID’s Civilian Assistance Program provides assistance targeted to individuals or communities directly affected by military incidents. Medical care to those injured, vocational training to make up for loss of an income earner, and repair of damaged homes are among the activities supported by the program. The NATO/ISAF Post-Operations Humanitarian Relief Fund, to which the United States contributes, provides immediate food, shelter, and infrastructure repair assistance following military actions. The DOD’s CERP also provides battle damage repair as well as condolence payments for deaths or injury.

U.S. food assistance has been aimed at both short- and long-term food security needs. During the 2008-2009 drought, which led to a shortage of wheat, the United States contributed food aid. Chronic malnutrition has been addressed in U.S. funding of a school feeding program implemented by the World Food Program and a World Vision program aimed at children under two years of age.

The United States also supports demining and disposal of other explosive ordinance remaining from years of war. These efforts protect the civilian population and clear land that can be utilized for agriculture.

Counter-Narcotics Programs

According to Administration officials, narcotics profits are a major source of funding for the insurgency. Counter-narcotics efforts, therefore, are viewed as an intrinsic part of the U.S. stabilization strategy. Counter-narcotics programs are managed through the State Department’s

International Narcotics and Law Enforcement Affairs Bureau (INL), funded under the INCLE account; through USAID's alternative development program funded under the ESF account; and through the DOD counter-narcotics program account.

The United States supports a "5 Pillar Strategy" in addressing counter-narcotics concerns. First, alternative development, noted above, is largely the USAID effort to develop other sources of income for poppy farmers. In addition, INL funds a "good performers" initiative that offers rewards to provinces that are making progress in reducing poppy cultivation. Second, a U.S.-supported Poppy Eradication Force seeks to eliminate poppy. Third, assistance seeks to build the capacity of the Counternarcotics Police of Afghanistan and other forces to interdict heroin and opium traffic. Fourth, a range of law enforcement and justice reform programs noted above address the investigation and adjudication of drug trafficking cases. The fifth pillar is the raising of public awareness through dissemination of information to farmers, opinion leaders, politicians, and others.

As a result of the March 2009 strategic review, greater emphasis has been given to alternative development, eradication efforts have been diminished for fear of alienating farmers, and interdiction aimed at drug lords has been increased. Along with INL, the Department of Defense has supported eradication and interdiction efforts mostly by provision of equipment and weaponry to Afghan counter-narcotics entities.

DOD and the State Department report that the total area of poppy cultivation remained unchanged in 2010 from the previous year, and the amount of opium declined by 50%, mostly due to plant disease. There were also significant increases in seizures of most drug types in the six-month period ending in April 2012 compared to the preceding period.¹⁶

Security Assistance Programs

Security assistance programs address the capabilities of the Afghan police, army, and other security forces.

Afghan Security Forces Fund

Most U.S. security assistance efforts are funded through the Afghan Security Forces Fund (ASFF), an account supported under the DOD appropriations. The ASFF accounts for \$39.4 billion since it was established in FY2005. Prior to that time, \$1 billion in military assistance was provided through the Foreign Military Financing account.

The United States provides equipment, training, and mentoring to police and army forces and works with responsible Afghan ministries—Interior and Defense—to ensure they are capable of organizing and leading these forces. The total Afghan National Security Force level of roughly 284,952 (as of March 2011) is expected to rise to 305,600 by end of 2011 and 352,000 by 2014.¹⁷

¹⁶ Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, April 2011, p. 101.

¹⁷ Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, April 2011, p.13.

Many observers have expressed concerns regarding the speed and effectiveness of training.¹⁸ There has been a continuing shortage of trainers. Of the 2,778 trainers identified under NATO's Combined Joint Statement of Requirements, apparently issued in winter 2010-2011, 1,371 trainers were in place, another 667 were confirmed pledges, leaving a 740 shortfall.¹⁹ Amid concern that training of the Afghan National Police is well behind that of the Afghan army and the results of a joint DOD-State IG report that found shortcomings in the State Department's civilian police program, contractual control of police training was shifted from the State Department to DOD in 2010.²⁰ For discussion, see CRS Report R40156, *War in Afghanistan: Strategy, Operations, and Issues for Congress*, by Catherine Dale; and CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman.

Other Security Programs

The State Department's Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) account supports a program for the training and equipping of the Afghan Presidential protection service, which protects the Afghan leadership and diplomats. It also funds counter-terrorist finance and terrorist interdiction efforts. The International Military Education and Training Program (IMET), co-managed by the State Department and DOD, exposes select Afghan officers to U.S. practices and standards.

¹⁸ See, for example, International Crisis Group, *A Force in Fragments: Reconstituting the Afghan National Army*, Asia Report No. 190, May 12, 2010.

¹⁹ Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan*, April 2011, p. 19.

²⁰ Department of State and Department of Defense Offices of Inspector General, *DOD Obligations and Expenditures of Funds Provided to the Department of State for the Training and Mentoring of the Afghan National Police*, State Report No. MERO-A-10-06, DOD Report No. D-2010-042, February 9, 2010.

Table 2. U.S. Assistance to Afghanistan, by Fiscal Year

(appropriations/allocations in \$ millions)

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2011 Total	2012 Req
Economic Support Fund (ESF)	117.5	239.3	894.8	1,280.3	473.4	1,210.7	1,399.5	2,048.0	3,346.0	1,967.5	12,977.0	2,803.6
Development Assistance (DA)	18.3	42.5	153.1	169.6	185.0	166.8	149.4	0.4	0.3	0.0	885.4	—
Global Health/Child Survival (GHCS)	7.5	49.7	33.4	38.0	41.5	100.8	63.1	58.2	92.3	69.9	554.4	1.0
Refugee Accounts: MRA/ERMA	160.5	61.5	63.3	47.1	36.0	53.8	44.3	77.0	81.5	65.0	690.0	—
Food Aid	206	74.5	99	96.7	108.3	69.5	220	77.5	27.4	15.5	994.4	15.5
Int'l Disaster Asst (IDA)	197.1	85.8	11.2	4.2	0	0	17	27.0	29.9	34.0	406.2	—
INCLE (Int'l Narcotics & Law Enforcement)	60.0	0.0	220.0	709.3	232.7	251.7	307.6	484.0	589.0	400.0	3,254.3	324.0
NADR (Nonprolif, Anti-Terror, De-mining)	44.0	34.7	66.9	38.2	18.2	36.6	26.6	48.6	57.7	69.3	440.8	66.3
Int'l Mil Ed & Training (IMET)	0.2	0.3	0.6	0.8	0.8	1.1	1.6	1.4	1.8	1.5	10.1	2.4
Foreign Military Financing (FMF)	57.0	191.0	413.7	396.8	0.0	0.0	0.0	0.0	0.0	0.0	1,058.5	—
Other	32.0	23.1	36.3	18.1	0.2	0.1	23.1	9.9	3.3	0.2	146.3	—
Total 150 Budget Function	900.1	802.4	1,992.3	2,799.1	1,096.1	1,891.1	2,252.2	2,832.0	4,229.2	2,622.9	21,417.4	3,212.8
DOD – Afghan Security Forces Fund (ASFF)	0.0	0.0	0.0	995.0	1,908.1	7,406.4	2,750.0	5,606.9	9,162.8	11,619.3	39,448.5	12,800.0
DOD – CERP	0.0	0.0	40.0	136.0	215.0	209.0	488.3	550.7	1,000.0	400.0 ^a	3,039.0	400.0
DOD – Afghan Infrastructure Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0	400.0	500.0
DOD – Business Task Force	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	150.0	150.0	150.0
DOD – Counternarcotics	0.0	0.0	71.8	224.5	108.1	291.0	192.8	235.1	391.1	333.6	1,848.0	—
DOD – Other	7.5	165.0	285.0	540.0	0.0	0.0	0.0	0.0	0.0	0.0	997.5	—
Total 050 Budget Function	7.5	165.0	396.8	1,895.5	2,231.2	7,906.4	3,431.1	6,392.7	10,553.9	12,902.9	45,883.0	13,850.0
DEA Counternarcotics	0.6	2.9	3.7	16.8	23.7	20.4	40.6	18.8	0.0	0.0	127.5	—
Total U.S. Assistance	908.2	970.3	2,392.8	4,711.4	3,351.0	9,817.9	5,723.9	9,243.5	14,783.1	15,525.8	67,427.9	17,062.8

Sources: SIGAR Report to Congress, July 30, 2011; Department of State and DOD annual budget presentation documents; and CRS calculations.

Notes: The 150 budget function encompasses International Affairs spending and is mostly appropriated in the State/Foreign Operations bill; food aid is appropriated in the Agriculture appropriations. The 050 budget function is Defense appropriations. Funding does not include Inspector General oversight or State/USAID operations, which are calculated by the SIGAR at roughly \$5.1 billion since 2002.

Refugee accounts include Migration and Refugee Assistance and U.S. Emergency Refugee and Migration Assistance. Food aid includes P.L.480 Title II, Food for Education, Food for Progress, 416b Food Aid, Emerson Trust, and USAID CCC. Other 150 function category includes USAID Other, Office of Transition Initiatives, Treasury Technical Assistance, and Peacekeeping accounts.

a. Total appropriation was \$500 million for both Iraq and Afghanistan. Estimated \$400 million will go to Afghanistan. Amount will be changed as allocations are available.

Congress and U.S. Assistance

Although authorization of aid programs for a specific country are usually not required, in 2002, Congress approved the Afghanistan Freedom Support Act (P.L. 107-327). It authorizes the full range of economic assistance programs supporting the humanitarian, political, economic, and social development of Afghanistan. A separate title (II) authorized support for the development of the Afghanistan security forces; its authority expired at the end of September 2006. Since then, security aid has been authorized in annual DOD authorization legislation.

Economic assistance to Afghanistan has been provided in most years since 2001 in both regular appropriations and supplemental appropriations bills. Defense assistance has largely been provided in emergency supplemental appropriations legislation. For FY2010, the Obama Administration expected all aid to be provided under the regular appropriations. However, the “surge” announced in December 2009 will require a supplemental appropriation to support additional U.S. military forces, and a request for additional assistance funds accompanies that proposal.

As noted in **Table 2**, most aid has been provided in accounts that fall under one of two budget functions. Most economic and humanitarian aid, as well as IMET and the operational expenses of the Embassy, the Special Inspector General for Afghanistan Reconstruction, and USAID, is in the 150 International Affairs function, encompassed largely by the State, Foreign Operations appropriations. Food aid, also under the 150 function, is provided in the Agriculture appropriations bill. Most security aid, as well as the CERP, is in the 050 Defense budget function, encompassed by the DOD appropriations.

FY2010 Supplemental Appropriations

On February 1, 2010, the Administration submitted a request for FY2010 supplemental appropriations, mostly aimed at supporting DOD war-fighting requirements in Afghanistan, but also including foreign aid needs. Under the State, Foreign Operations (international affairs 150 budget function) portion of the request, the Administration sought \$1.6 billion in Economic Support Funds (ESF), \$200 million in International Narcotics and Law Enforcement (INCLE) funding, and \$211 million in State Diplomatic and Consular Programs (D&CP) funding to provide civilian personnel supporting the aid effort. Under the DOD (defense 050 budget function) portion, \$2.6 billion in funding was requested for the Afghan Security Forces Fund (ASFF). In both cases, the aid was meant to support the assistance strategy complementing the “surge” of U.S. forces, including the accelerated training and equipping of Afghan security forces and civilian follow-up to the military initiatives in insurgent infested areas, such as is currently being undertaken in Helmand and Kandahar provinces.

The \$2.6 billion ASFF request would continue provision of equipment and training to the Afghan police and army forces. The \$1.6 billion ESF request, most of which would be channeled through USAID, breaks down as follows:

- Alternative development: \$135 million, mostly for agriculture in poppy-production areas.

- Conflict mitigation and reconciliation: \$216 million to support consultative processes in local communities, including quick impact, small grants projects.
- Rule of law: \$50 million to support the judicial system, especially in recently secured areas.
- Good governance: \$760 million to strengthen Afghan government agencies, including \$450 million in support of the Afghanistan Reconstruction Trust Fund which funnels funds to the National Solidarity Program, and \$115 million in direct budget support to the Ministry of Finance.
- Health: \$50 million to expand Ministry of Health services.
- Education: \$50 million to expand secondary and vocational education.
- Macroeconomic growth: \$7 million to help the Ministry of Finance improve revenue collection through tax administration reform.
- Trade and investment: \$19.5 million to support implementation of trade agreements and support trade infrastructure, such as industrial parks and border facilities.
- Financial sector: \$4.5 million to strengthen branches of the Central Bank.
- Agriculture: \$215 million to build capacity countrywide in the Ministry of Agriculture, and support watershed rehabilitation and irrigation, agriculture credit, extension services, and market development.
- Private sector competitiveness: \$60.4 million to promote the private sector.
- Economic opportunity: \$8.6 million to expand credit union services, including Islamic-compliant financing.

Three-quarters of the \$200 million INCLE request was aimed at supporting the justice sector, especially to inject rule of law activities into the provinces. The remainder targeted counter-narcotics programs. The INCLE account is implemented by the State Department. The request included:

- \$60 million to expand the corrections program;
- \$25 million for model prisons;
- \$50 million to increase the number of judges, prosecutors, criminal investigators;
- \$25 million for the Counter-Narcotics Justice Center, the Criminal Justice Task Force, the Anti-Corruption Unit and Anti-Corruption Tribunal;
- \$5 million to support legal aid;
- \$8 million specifically for women's justice activities;
- \$22 million for counternarcotics police; and
- \$2 million for drug treatment facilities and support for children.

In support of the international affairs assistance programs, funding was requested under the State Department's Diplomatic and Consular Programs (D&CP) account (\$211 million) for 457 civilian personnel positions. These positions include 212 U.S. direct hires to work at the district level and startup funding to hire 245 staff for work with Kabul ministries and in PRTs. These positions

would be filled with individuals from State, USAID, USDA, and other U.S. government agencies. Rather than requesting this funding out of each individual agency's operational account, the State Department chose to request funding for needed personnel out of this one State Department account.

Additional funding for the SIGAR (\$14 million) was also requested to support its oversight of the assistance program.

Table 3. U.S. Assistance to Afghanistan: FY2009/2010 Appropriations and FY2010 Supplemental/FY2011 Requests

(in \$ millions)

Fiscal Year	2009 Total	2010 Regular P.L. 111-117	2010 Supp. Request	P.L. 111-212, FY2010 Supp. Enacted	FY2010 Total as Enacted (regular and supplemental)	2011 Regular Request
Economic Support Fund (ESF)	2,048.0	2,037.0	1,576.0	1,309.0	3,346.0	3,316.3
Global Health/Child Survival (GHCS): State & USAID	58.2	92.3	—	—	92.3	71.1
Int'l Narcotics & Law Enforcement (INCLE)	484.0	420.0	200.0	169.0	589.0	450.0
Nonprolif, Anti-Terror, Demining (NADR)	48.6	57.8	—	—	57.8	69.3
Int'l Military Ed & Training (IMET)	1.4	1.5	—	—	1.5	1.5
Total 150 Budget Function Aid	2,640.2	2,608.6	1,776.0	1,478.0	4,086.6	3,908.2
DOD - Afghan Security Forces Fund (ASFF)	5,606.9	6,562.8	2,600.0	2,600.0	9,162.8	11,600.0
DOD - CERP	550.7	1,000.0	—	—	1,000.0	1,100.0
Total 050 Budget Function	6,157.6	7,562.8	2,600.0	2,600.0	10,162.8	12,700.0
Total U.S. Assistance	8,797.8	10,171.4	4,376.0	4,078.0	14,249.4	16,608.2
Operations and Oversight:						
State Diplomatic & Consular Programs (D&CP) ^a	368.6 ^a	485.6 ^a	211.0	200.0	685.6	754.1 ^b
SIGAR	12.2	23.0	14.0	7.2 ^c	30.2	35.3
USAID Inspector General	N/A	N/A	0.0	3.4	3.4	N/A
State Inspector General	N/A	4.5	3.0	3.6	8.1	7.1

Sources: Department of State annual budget presentation documents; and CRS calculations.

Notes: The 150 budget function account encompasses International Affairs spending and is mostly appropriated in the State/Foreign Operations bill. The 050 account is Defense appropriations.

- \$25 million provided under the FY2009 supplemental (P.L. 111-32) and counted here as FY2009 funding was considered by appropriators forward funding to address in advance a portion of the FY2010 request.
- Figure does not include security.
- Bills rescind \$7.2 million from FY09 supplemental and reappropriate it here.

Congressional Action on the FY2010 Supplemental Request

On July 29, 2010, the President signed into law P.L. 111-212 (H.R. 4899), the FY2010 supplemental appropriations, providing a total of \$4.1 billion for Afghanistan foreign economic and military assistance, \$298 million below the request.

Previously, on May 13, 2010, the Senate Appropriations Committee reported H.R. 4899, the FY2010 Supplemental Appropriations (S.Rept. 111-188), and the full Senate approved the bill on May 27, 2010. The original House version of H.R. 4899 did not include Afghanistan-related funding, but, on July 1, the House approved an amendment to the Senate-approved version, entirely adopting the Senate's language and funding levels on Afghanistan aid.²¹

While the enacted version meets the \$2.6 billion Administration request for the ASFF, there are several major differences between P.L. 111-212 and the Administration request (see **Table 3**). The enacted version cuts the ESF request by \$267 million. The Senate Appropriations Committee report on its bill recommends specific funding levels for multiple program sectors within the ESF account, most notably slashing proposed good governance activities by \$160 million and alternative development by \$35 million. The Senate report expresses concerns regarding provision of aid, even in the form of project assistance, directly to the government of Afghanistan, and recommends assessments and reviews of the effectiveness of this type of aid. The Senate report limits direct government budget support (i.e., cash funding) to \$100 million. The enacted version cuts the INCLE account by \$31 million, as reported by the Senate committee, because of concerns that the political will may not exist in the government of Afghanistan to justify large investments in reforming the "weak and corrupt" justice system.

P.L. 111-212 addresses oversight issues. It rejects the request for SIGAR, because, as Senate appropriators reported, sufficient funding was still available from previous appropriations. In order to extend the availability of that funding to the end of FY2011, the legislation rescinds \$7.2 million in FY2009 supplemental SIGAR appropriations and reappropriates it in the FY10 supplemental.

The enacted bill contains a number of conditions on Afghanistan aid. Among these are that aid may be obligated only if the Secretary of State reports that Afghan local and national government representatives, local communities, and civil society have been consulted and participated in the design of projects and will participate in their implementation, and that progress will be measured by specific benchmarks. Further, aid will only be made available if the Secretary determines that the government of Afghanistan is cooperating in reform efforts, respecting internationally recognized human rights of women, and demonstrating a commitment to removing corrupt officials. Funds to support the Electoral Commission may only be provided if the commission has no members or employees who participated in or covered up acts of fraud in the 2009 elections. Further, aid is available to support the reconciliation with former combatants (i.e., members of the Taliban) only if the Secretary of State determines that Afghan women are participating in the reconciliation process in all levels of government and their rights are protected in this process and that funds will not protect from prosecution those responsible for war crimes.

²¹ On May 26, 2010, the House Appropriations Committee published a press release containing elements of draft legislation it expected to mark up on the following day as a substitute for the Senate-approved H.R. 4899. It would provide \$3.9 billion in economic and military aid to Afghanistan, \$462 million below the request. The mark-up was postponed indefinitely and the draft legislation was dropped in favor of the Senate-approved language.

P.L. 111-212 would allow up to \$300 million in DC&P and Embassy Construction and Maintenance funding to Afghanistan, Iraq, and Pakistan from any year's appropriation to be transferred or merged with funding for activities supporting U.S. civilian security in any of these countries.

FY2011 Regular Appropriations

Along with the FY2010 supplemental, the Administration, on February 1, 2010, also issued its regular FY2011 budget request (see **Table 3**). Included under the 150 account, foreign operations request, is \$3.3 billion in ESF, \$71.1 million in Global Health Child Survival, \$450 million in INCLE, \$69.3 million in NADR, and \$1.5 million in IMET funding. The total 150 account FY2011 request of \$3.9 billion would be 11% higher than the FY2010 total if the supplemental request is approved by Congress.

The DOD 050 account request provides \$11.6 billion for the ASFF and \$1.1 billion for Afghanistan programs under the CERP. The total 050 account FY2011 aid request of \$12.7 billion would be 25% higher than the FY2010 total if the supplemental request is approved. The total of all aid requests for Afghanistan for FY2011, at \$16.6 billion would be 14% higher, if the supplemental is approved as requested.

To meet the State Department's personnel needs, it has requested \$754.1 million. The SIGAR request is \$35.3 million.

Congressional Action on FY2011 Aid to Afghanistan

On June 30, 2010, the House State, Foreign Operations Subcommittee of the Committee on Appropriations marked up and approved a draft of the FY2011 State, Foreign Operations appropriations bill. With the exception of humanitarian aid, no funds for Afghanistan were allocated in the bill. Approval of economic aid funding for Afghanistan was deferred until the subcommittee could investigate recent reports of corruption by Afghan officials in order to ensure that no U.S. funds are diverted for corrupt purposes. The subcommittee held hearings on this issue in July. Further, it has asked the GAO to audit FY2008 through 2010 State and USAID assistance for instances of waste, fraud, and abuse. The draft legislation directs the SIGAR to establish an audit task force for combating corruption.

On July 29, 2010, the Senate Appropriations Committee reported S. 3676 (S.Rept. 111-237), its version of the FY2011 State, Foreign Operations appropriations, providing \$2.5 billion in economic assistance to Afghanistan under the ESF and INCLE accounts, roughly \$1 billion below the total request for those accounts. The committee bill set the level for ESF at \$2.1 billion, a \$1.2 billion cut from the \$3.3 billion request. Of this amount, \$20 million is meant for the civilian assistance program. The bill also provides \$400 million for INCLE, \$50 million below the request. Afghanistan allocations for the IMET, Global Health, and NADR accounts were not specified in the bill or report, but are likely to match the request.

On May 28, 2010, the House approved an FY2011 Defense authorization measure (H.R. 5136, H.Rept. 111-491) that would authorize \$10.965 billion for the ASFF, \$625 million less than the Administration request, and \$800 million for the CERP in Afghanistan, \$300 million less than the request. On June 4, the Senate Armed Services Committee reported S. 3454 (S.Rept. 111-201), authorizing FY2011 defense appropriations of \$11.6 billion, matching the Administration request,

and \$800 million for the CERP in Afghanistan. In their report, Senate authorizers voiced concerns regarding management of the CERP as well as the ability of Afghanistan to absorb the level of assistance requested.

Following a series of continuing appropriations, in April 2011, Congress approved the FY2011 Defense Department and Full-Year Continuing appropriations (H.R. 1473, P.L. 112-10). The legislation provided \$12.6 billion in DOD assistance—\$11.6 billion for the Afghan Security Forces Fund; \$500 million for the CERP, of which about \$400 million would likely be allocated to Afghanistan; \$400 million for a new Afghanistan Infrastructure Fund; and \$150 million for the Task Force for Business Stability Operations. The broad foreign operations funding accounts from which most non-security Afghanistan aid is drawn were substantially cut by the legislation, and the amounts allocated to Afghanistan reflect this. In all, Afghanistan was allocated \$2.5 billion of the \$3.9 billion FY2011 request for the country. It will receive just under \$2 billion in ESF, \$1.3 billion less than the request. It was also allocated about \$70 million in global health assistance, \$400 million in INCLE, \$69.3 million in NADR, \$1.5 million in IMET, and \$15.5 million in P.L. 480 assistance.

With regard to operational and oversight expenses, the FY2011 appropriations provided \$24 million for the SIGAR directly and provided that an additional \$1.5 million be transferred to it from ESF.

FY2012 Regular Appropriations

In February 2011, the Administration issued its FY2012 budget request, including \$3.2 billion in foreign operations assistance to Afghanistan and \$13.9 billion in DOD aid. Under the latter, \$12.8 billion is for the ASFF, \$400 million for the CERP, \$500 million for the Afghan Infrastructure Fund, and \$150 million for the Business Task Force. The foreign operations assistance includes \$2.8 billion in ESF. For FY2012, the Administration has sought to differentiate regular assistance requirements from those temporary needs emanating from the war which it categorizes as Overseas Contingency Operations (OCO) funds. Of the ESF request, \$1.6 billion is in regular “enduring” costs and \$1.2 billion is in OCO funds. Other requests—\$1 million in State and USAID Global Health, \$15.5 million in food aid, \$324 million in INCLE, \$66.3 million in NADR, and \$2.4 million in IMET funds—are considered regular costs.

In its FY2012 request, the Administration has also proposed \$948 million in State Department Diplomatic and Consular Programs (D&CP) operational expenses for the Afghanistan diplomatic and aid effort over and above the ongoing so-called enduring expenses in these countries. The figure includes funding of civilian personnel from the Department of State, USAID, and other agencies that are deployed throughout Afghanistan. These numbers have grown significantly in the past two years, from 320 in January 2009 to nearly 1,000 in early 2010, and an estimated 1,500 in 2011. In addition, \$44.4 million in OCO funds has been requested for the operations of the SIGAR.

Congressional Action on FY2012 Aid to Afghanistan

On July 27, 2011, the House State, Foreign Operations subcommittee of the Committee on Appropriations marked up its version of the FY2012 State, Foreign Operations bill. While funding for Afghanistan under the regular accounts was not specified, the Afghanistan funding request under the OCO accounts was met, including \$1.3 billion in ESF OCO, \$44.4 million in

SIGAR OCO, and \$948 million in D&CP OCO funding. The full House Appropriations Committee is expected to take up the measure in September.

With regard to DOD assistance, on May 26, 2011, the House approved H.R. 1540, the FY2012 National Defense Authorization Act. It authorizes appropriations of \$12.8 billion for the ASFF, \$425 million for the CERP, \$475 million for the Afghanistan Infrastructure Fund, and \$75 million for the Task Force for Business and Stability Operations. On July 8, 2011, the House approved H.R. 2219, the FY2012 Department of Defense Appropriations, providing \$12.8 billion for the ASFF, \$400 million for the CERP, \$475 million for the Infrastructure Fund, and up to \$150 million for the Business Task Force.

Major Conditions and Reporting Requirements on Afghan Aid

Congress has imposed a wide range of conditions and reporting requirements on its authorization and appropriations of aid to Afghanistan. For example, the FY2011 appropriations contains a provision (§2122 (b), P.L. 112-10) that no funds are to be available for ESF or INCLE until the Secretary of State certifies that the Government of Afghanistan is committed to reducing corruption, taking steps to facilitate public participation in governance and oversight, and taking steps to protect the human rights of women; that the U.S. government has a unified anti-corruption strategy; that funds will be programmed to strengthen the capacity of Afghanistan to reduce corruption; that civil society and government representatives will be consulted; that the funds will be used to train and deploy U.S. government direct hire personnel to improve monitoring and control of assistance; that a framework and methodology is being utilized to assess the range of risks to public financial management of U.S. assistance. Another provision requires that ESF and INCLE funds be used in a manner that emphasizes the participation of Afghan women, and those funds for police, military, or judicial training must address gender-based violence (§2122 (c)).

Among congressional reporting requirements, there are several of special note with regard to assistance to Afghanistan. The 2008 Defense Authorization (§1229, P.L. 110-181), which established a Special Inspector General for Afghanistan Reconstruction, requires the SIGAR to submit a quarterly report describing aid activities and funding. The same legislation (§1230) requires DOD, in coordination with all other agencies, to submit a report every six months on progress toward security and stability in Afghanistan, including descriptions of the ASFF, PRTs, counter-narcotics activities, and other assistance matters. The FY2009 supplemental (§1117, P.L. 111-32) requires a report to be submitted by the President by March 30, 2010 and every six months thereafter (until end of FY2011), on the objectives of U.S. policy in Afghanistan with metrics to assess progress, an assessment of progress by U.S. agencies, including the Departments of State, Defense, Justice, and USAID, and recommendations for additional resources. The FY2011 Defense Authorization (§1235, P.L. 111-383) requires the DOD Inspector General to submit a report by July 2011 on the Afghan National Police training program.

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