



# 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, nearly \$52 billion has been appropriated toward this effort.

More than half of U.S. assistance—roughly 56%—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 December 2009, Congress approved the FY2010 State, Foreign Operations appropriations (H.R. 3288, Division F, P.L. 111-117), providing \$2 billion in the Economic Support Fund (ESF) and \$420 million in the International Narcotics and Law Enforcement (INCLE) accounts. It also approved the FY2010 DOD appropriations (H.R. 3326, P.L. 111-118), providing \$6.6 billion to the Afghan Security Forces Fund (ASFF) and allocating \$1 billion for the Commander's Emergency Response Program (CERP) activities in Afghanistan.

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.

On February 1, 2010, the Administration issued its FY2011 regular budget request for foreign operations and DOD foreign assistance programs totaling \$16.6 billion.

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, Military Operations, and Issues for Congress*, by Steve Bowman and 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.

## Contents

Most Recent Developments.....	1
Introduction .....	1
U.S. Assistance Programs.....	2
Development Assistance Programs.....	5
Infrastructure .....	5
National Solidarity Program.....	5
Economic Growth .....	6
Agriculture.....	6
Health.....	6
Education.....	7
Democracy and Governance.....	7
Rule of Law .....	7
Women and Girls .....	8
Commander’s Emergency Response Program (CERP).....	8
Humanitarian Assistance Programs .....	9
Counter-Narcotics Programs .....	9
Security Assistance Programs.....	10
Afghan Security Forces Fund.....	10
Other Security Programs .....	11
Congress and U.S. Assistance.....	13
FY2010 Regular Appropriations.....	13
FY2010 Supplemental Appropriations.....	14
Congressional Action on the FY2010 Supplemental Request .....	17
FY2011 Regular Appropriations.....	18
Congressional Action on FY2011 Aid to Afghanistan .....	18
Major Conditions and Reporting Requirements on Afghan Aid.....	19

## Tables

Table 1. U.S. Assistance to Afghanistan by Fiscal Year .....	12
Table 2. U.S. Assistance to Afghanistan: FY2009/2010 Appropriations and FY2010 Supplemental/FY2011 Requests .....	16

## Contacts

Author Contact Information .....	19
Key Afghanistan Assistance Policy Staff .....	20

## Most Recent Developments

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.

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 assistance to Afghanistan.

On June 30, 2010, the House State, Foreign Operations Appropriations Subcommittee approved a draft FY2011 appropriations bill, prohibiting all non-humanitarian aid to Afghanistan pending an investigation by the subcommittee on corruption by Afghan officials to ensure that no U.S. funds are diverted to corrupt purposes.

On February 1, 2010, the Administration issued its FY2010 supplemental and FY2011 regular budget requests. The supplemental request for foreign operations and DOD foreign assistance programs totals \$4.4 billion. The FY2011 regular request equals \$16.6 billion.

On January 28, 2010, an international donor conference on Afghanistan convened in London. Participants supported a phased transition to an Afghan government lead in security by end of 2010/early 2011, an increased civilian surge to match the military surge, and increased targets for the Afghan Army and Police forces, among other points. Additional pledges of military forces, police trainers, and financing were made.

## 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 nearly \$52 billion in U.S. foreign assistance serving multiple objectives. About three-quarters of this assistance has been provided since the beginning of FY2007. 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, Military Operations, and Issues for Congress*, by Steve Bowman and 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.

## **U.S. Assistance Programs**

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, more than half (56%) 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 aid accounts. About 63% of U.S. assistance is going 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 31% of total aid since 2001.

A third element of assistance, humanitarian aid, largely implemented through USAID and international organizations, represents about 4% of total aid since 2001.

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 9% of total aid since 2001.

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.

According to the Afghan government, of the \$46.1 billion in donor assistance committed to Afghanistan through mid-2009, U.S. assistance represented about 62%.<sup>1</sup> An international donor conference held in London on January 28, 2010, produced additional pledges of troops, police trainers, and funding.<sup>2</sup> Participants issued a communique supporting a phased transition to an Afghan government lead in security by end of 2010/early 2011, an increased civilian surge to match the military surge, and increased targets for the Afghan Army and Police forces, among other points. A follow-on conference of foreign ministers was held in Kabul on July 20, 2010, at which the goal of channeling half of all aid directly to the government within two years was approved.

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<sup>1</sup> Afghanistan Ministry of Finance, Donor Financial Review, November 2009, p. 38.

<sup>2</sup> For a listing of pledges, see <http://afghanistan.hmg.gov.uk/en/conference/contributions/>.

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.

Fourteen NATO countries lead the 27 Provincial Reconstruction Teams (PRTs) located in the majority of Afghan provinces. The United States leads 13 of these. 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 3 to 5 civilians living with forward-deployed military units, were introduced to help build Afghan government capacity at a more local level. There are currently 32 U.S.-led DSTs, with 8 more expected in 2010. 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 three to five civilians among 50 to 100 total personnel, civilian representation 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 continues 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.

Despite significant progress in Afghanistan during the past eight years, insurgent threats to Afghanistan's government have escalated since 2006 to the point that some experts began questioning the success of stabilization efforts. 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 has been 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 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 new strategy is leading 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—a total of 11 government departments and agencies in all—has tripled from about 320 in early 2009 to 992 in March 2010. Total staff numbers, both in Kabul and in the field, are expected to grow by a further 20-30% in 2010.

The changes in aid strategy are well-illustrated in several significant steps USAID has been taking. For one, it is promoting the Afghanization of assistance, directing assistance as much as feasible through Afghan entities, public and private. In autumn 2009, USAID anticipated that, by early 2010, as much as 40% of assistance would go to the Afghan government.<sup>3</sup> More recently, that objective appears to have shifted to the end of 2010.<sup>4</sup> 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.

Another key shift in USAID policy is 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. More funding is going 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. At least \$1.2 billion over three years is expected to support this sector.

Below is a menu of the range of assistance programs the United States is now implementing in Afghanistan.<sup>5</sup>

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<sup>3</sup> 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, 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.

<sup>4</sup> Daniel Feldman, Deputy Special Representative, Afghanistan and Pakistan, State Department, in testimony to Senate Homeland Security and Governmental Affairs Subcommittee, December 17, 2009.

<sup>5</sup> 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* (continued...)

## **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**

As much as a quarter of total USAID assistance to Afghanistan through FY2008 went to road construction throughout the country. As of September 2008, USAID had constructed or rehabilitated over 1,650 miles of roads—with a particular focus on 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 100-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. 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.

### **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 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 December 2009, over 22,000 CDCs had been established. Program grants generally support drinking water and irrigation systems, rural roads, school buildings and community centers, and electrification facilities. The extent to which the program has been affected by the departure of NGOs administering the NSP due to an increasing lack of security in rural areas is not yet clear.<sup>6</sup>

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(...continued)

*Reports to Congress*, most recently April 30, 2010.

<sup>6</sup> See letter to editor by Ted Callahan, a former cultural advisor to the military, in the *New York Times*, December 5, 2009.

## **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 effort to improve land titling, through simplification of the registration process 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.

## **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 Veterinary Field Units, seed distribution, capacity building for extension services, loans to farmers, 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. 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. DOD fields Agribusiness Development Teams (ADTs), composed of National Guard personnel with backgrounds in agribusiness who provide training and advice to universities, provincial ministries, and farmers.

## **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. 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. Direct U.S. funding goes to support the Afghan government's Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS) that deliver basic health care provided through five provincial level hospitals and 22 Afghan and international NGOs serving 480 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. Independent radio stations have been built with U.S. aid. 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 assistance to the civil service training commission to make it independently capable of training government personnel and 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.

## **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, and DOD—are all involved to some extent in rule of law issues. There is some overlap between agency programs; these efforts are coordinated through the Kabul embassy Special Committee for Rule of Law, chaired by a Rule of Law Coordinator. 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.

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 about 1,900 Afghan justice professionals as of April 2009. 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 30 U.S. corrections advisors who provide training and mentoring. As of April 2009, these had trained more than 3,800 Afghan corrections staff.

## **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, section 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 supports 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.

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 voices the concern that there are an insufficient number of personnel responsible for these functions. Authorization levels below the FY2011 Administration request set by both Senate and House Armed Services Committees further reflect these concerns (see congressional action below).

## **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. A December 2009 State Department Inspector General report asserts that the Department lacks a long-term strategy and has insufficient personnel for adequate oversight.<sup>7</sup> See CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher M. Blanchard, for further information.

## 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 \$27.8 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 235,758 (as of June 2010) is expected to rise to 305,600 by end of 2011.

Many observers have expressed concerns regarding the speed and effectiveness of training.<sup>8</sup> In mid-June 2010, the Chairman of the Senate Armed Services Committee noted that only 2,600 of 5,200 required trainers were at their posts and that NATO had failed to provide 750 trainers pledged and did not pledge another 450 required.<sup>9</sup> 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

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<sup>7</sup> Department of State Inspector General, *Status of the Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Programs in Afghanistan Performance Audit*, MERO-A-10-02, December 2009. For another recent look at the program, see GAO, *Afghanistan Drug Control, Strategy Evolving and Progress Reported, but Interim Performance Targets and Evaluation of Justice Reform Efforts Needed*, GAO-10-291, March 2010.

<sup>8</sup> See, for example, International Crisis Group, *A Force in Fragments: Reconstituting the Afghan National Army*, Asia Report No. 190, May 12, 2010.

<sup>9</sup> Senator Carl Levin, quoted in *CQ Today*, “Committee Concerned about Speed of Training for Afghan Army and Police,” June 16, 2010, p. 16.

report that found shortcomings in the State Department's civilian police program, contractual control of police training is being shifted from the State Department to DOD.<sup>10</sup> For discussion, see CRS Report R40156, *War in Afghanistan: Strategy, Military Operations, and Issues for Congress*, by Steve Bowman and 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.

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<sup>10</sup> 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 I. U.S. Assistance to Afghanistan by Fiscal Year**

(appropriations/allocations in \$ millions)

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2002-2010 Total
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	11,009.5
Development Assistance (DA)	18.3	42.5	153.1	169.6	187.0	166.8	149.4	0.4	0.0	887.1
Global Health/Child Survival (GHCS)	7.5	49.7	33.4	38.0	41.5	100.8	63.1	58.2	94.3	486.5
Refugee Accounts: MRA/ERMA <sup>a</sup>	160.5	61.5	63.3	47.1	36.0	53.8	44.3	86.8	50.0	553.3
Food Aid <sup>b</sup>	206	74.5	99.0	96.7	108.3	69.5	219.7	77.5	27.4	978.6
Int'l Disaster Asst (IDA)	197.1	86.7	11.2	4.3	0.0	0.0	17	27.3	2.8	346.4
INCLE (Int'l Narcotics & Law Enforcement)	60.0	0.0	220.0	709.3	232.7	251.7	307.6	484.0	589.0	2,854.3
NADR (Nonprolif, Anti-Terror, De-mining)	44.0	34.7	66.9	38.2	18.2	36.6	26.6	48.6	57.8	371.6
Int'l Mil Ed & Training (IMET)	0.2	0.3	0.6	0.8	0.8	1.1	1.6	1.4	1.5	8.3
Foreign Military Financing (FMF)	57.0	191.0	413.7	396.8	0.0	0.0	0.0	0.0	0.0	1,058.5
Other <sup>c</sup>	39.8	24.6	41.3	17.8	0.3	1.2	36.0	16.3	3.4	180.7
<b>Total 150 Budget Function</b>	<b>907.9</b>	<b>804.8</b>	<b>1,997.3</b>	<b>2,798.9</b>	<b>1,098.2</b>	<b>1,892.2</b>	<b>2,264.8</b>	<b>2,848.5</b>	<b>4,172.2</b>	<b>18,784.8</b>
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	27,829.2
DOD - CERP	0.0	0.0	40.0	136.0	215.0	209.0	488.3	550.7	1,000.0	2,639.0
DOD - Counternarcotics	0.0	0.0	71.8	224.5	108.1	291.0	189.6	230.1	310.2	1,425.3
DOD - Other	7.5	165.0	285.0	540.0	0.0	0.0	0.0	0.0	0.0	997.5
<b>Total 050 Budget Function</b>	<b>7.5</b>	<b>165.0</b>	<b>396.8</b>	<b>1,895.5</b>	<b>2,231.2</b>	<b>7,906.4</b>	<b>3,427.9</b>	<b>6,387.7</b>	<b>10,473.0</b>	<b>32,891.0</b>
DEA Counternarcotics	0.6	2.9	3.7	16.8	23.7	20.4	40.6	18.8	0.0	127.5
<b>Total U.S. Assistance</b>	<b>916.0</b>	<b>972.7</b>	<b>2,397.8</b>	<b>4,711.2</b>	<b>3,353.1</b>	<b>9,819.0</b>	<b>5,733.3</b>	<b>9,255.0</b>	<b>14,645.2</b>	<b>51,803.3</b>

**Sources:** SIGAR Report to Congress, July 30, 2010; Department of State 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 \$1.3 billion since 2002.

- a. Includes Migration and Refugee Assistance and U.S. Emergency Refugee and Migration Assistance Fund
- b. Includes P.L.480 Title II, Food for Education, Food for Progress, 416b Food Aid, Emerson Trust, and USAID CCC.
- c. Other 150 account includes USAID Other, Office of Transition Initiatives, Treasury Technical Assistance, and Peacekeeping accounts.

## 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 1**, 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 Regular Appropriations

On May 4, 2009, the Administration submitted an FY2010 budget request to Congress. The State, Foreign Operations request included \$2.8 billion in economic aid to Afghanistan—mostly consisting of \$2.2 billion in ESF, \$450 million in INCLE, \$93.8 million under USAID’s Global Health and Child Survival account, and \$57.8 million in NADR funds. The total FY2010 foreign operations request represented a roughly 6% increase from the total FY2009 level.

The DOD budget request for FY2010 included \$7.5 billion for the ASFF, a 33% increase over total FY2009 appropriations. The Administration also requested \$1.5 billion for the CERP, the latter shared with Iraq.

On July 9, 2009, the House approved H.R. 3081 (H.Rept. 111-187), the FY2010 State, Foreign Operations Appropriations, providing \$2.1 billion in ESF and \$420 million in INCLE funds to Afghanistan. On July 30, the House approved H.R. 3326 (H.Rept. 111-230), the DOD appropriations, providing \$7.5 billion for the ASFF, matching the Administration request, and \$1.3 billion for the CERP, a cut of \$200 million from the request.

The full Senate never took up S. 1434, the version of the FY2010 State, Foreign Operations Appropriations reported by the Senate Appropriations Committee on July 9, 2009 (S.Rept. 111-44). It provided \$2.15 billion in ESF and \$450 million in INCLE funds to Afghanistan. On October 6, 2009, the Senate approved H.R. 3326, its version of the DOD appropriations,

providing \$6.6 billion for the ASFF, a \$900 million cut from the Administration request, and \$1.2 billion for the CERP, a \$300 million cut from the request.

In December 2009, Congress approved the FY2010 State, Foreign Operations appropriations (H.R. 3288, Division F, P.L. 111-117, H.Rept. 111-366), providing \$2 billion in the Economic Support Fund (ESF) and \$420 million in the International Narcotics and Law Enforcement (INCLE) accounts. From amounts appropriated in ESF, the legislation (sec. 7076) designates that at least \$175 million will go to the National Solidarity Program. In addition, the conferees directed that \$15 million be used for the Civilian Assistance Program. The legislation further requires that at least \$175 million of ESF and INCLE funds will go to programs addressing the needs of women and girls. 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.

In December 2009, Congress also approved the FY2010 DOD appropriations (H.R. 3326, P.L. 111-118), providing \$6.6 billion to the Afghan Security Forces Fund (ASFF) and allocating \$1 billion to Afghanistan (of the total \$1.2 billion shared with Iraq) under the Commander's Emergency Response Program (CERP).

## **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 2. 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, enacted version of H.R. 4899, as passed by the Senate 5-27-10 and by the House 7-27-10	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
<b>Total 150 Budget Function Aid</b>	<b>2,640.2</b>	<b>2,608.6</b>	<b>1,776.0</b>	<b>1,478.0</b>	<b>4,086.6</b>	<b>3,908.2</b>
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
<b>Total 050 Budget Function</b>	<b>6,157.6</b>	<b>7,562.8</b>	<b>2,600.0</b>	<b>2,600.0</b>	<b>10,162.8</b>	<b>12,700.0</b>
<b>Total U.S. Assistance</b>	<b>8,797.8</b>	<b>10,171.4</b>	<b>4,376.0</b>	<b>4,078.0</b>	<b>14,249.4</b>	<b>16,608.2</b>
<b>Operations and Oversight:</b>						
State Diplomatic & Consular Programs (D&CP) <sup>a</sup>	368.6 <sup>a</sup>	485.6 <sup>a</sup>	211.0	200.0	685.6	754.1 <sup>b</sup>
SIGAR	12.2	23.0	14.0	7.2 <sup>c</sup>	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.<sup>11</sup>

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 2**).

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

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<sup>11</sup> 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.

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.

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 2**). 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.

## **Major Conditions and Reporting Requirements on Afghan Aid**

Congress has imposed conditions and reporting requirements on its authorization and appropriations of aid to Afghanistan. In the FY2010 appropriations, conditions are imposed on the INCLE account. No FY2010 funds are available for eradication through aerial spraying of herbicides unless the Secretary of State determines that the President of Afghanistan has requested such a program. Ten percent of the FY2010 INCLE appropriations available to assist the Afghan government are withheld pending a report from the Secretary of State that the Afghan central government is taking steps to remove any official credibly alleged to have engaged in narcotics trafficking, gross violations of human rights, or other major crimes. Congress also withholds \$200 million in FY2010 ESF until the Secretary of State certifies that the Afghan government is cooperating fully with U.S. efforts against the Taliban and Al Qaeda and U.S. poppy eradication and interdiction efforts. This condition may be waived on national security grounds.

Among congressional reporting requirements, there are several of special note with regard to assistance to Afghanistan. The 2008 Defense Authorization (section 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 (section 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 (section 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 statement of managers of the FY2010 DOD appropriations (P.L. 111-118) required a report by June 2010 containing a thorough review of the CERP.

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