



Afghanistan: U.S. Foreign Assistance

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July 14, 2009

Congressional Research Service

7-5700

www.crs.gov

R40699

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 \$38 billion has been appropriated toward this effort.

More than half of U.S. assistance—roughly 54%—has gone to security programs, mostly the training and equipping of Afghan forces. Another 32% has gone to development and humanitarian-related activities from infrastructure to private sector support. About 5% has been targeted at governance and democratization efforts. More than 9% has been directed to counter-narcotics programs.

Key U.S. agencies providing aid are the Department of Defense (56% of aid), the Agency for International Development (28%), the Department of State (14%), and the Department of Agriculture (1%).

In June 2009, Congress approved the FY2009 supplemental appropriations (P.L. 111-32, H.R. 2346), closely following the Administration request for Afghanistan aid. The legislation provides \$861 million in the Economic Support Fund (ESF); \$133 million in the International Narcotics and Law Enforcement (INCLE) account; \$3.6 billion in the Afghan Security Forces Fund (ASFF); and \$453 million in the Commander's Emergency Response Program (CERP), the latter to be shared with Iraq.

On May 7, 2009, the Administration submitted an FY2010 budget request to Congress. It would provide \$2.8 billion in economic assistance under the State, Foreign Operations budget, mostly composed of \$2.2 billion in ESF and \$450 million in INCLE funds. The DOD appropriations request for FY2010 includes \$7.5 billion for the ASFF and \$1.5 billion for the CERP, the latter shared with Iraq. On July 9, 2009, the full 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, and the Senate Appropriations Committee reported S. 1434, its version of the FY2010 appropriations (S.Rept. 111-44), providing \$2.15 billion in ESF and \$450 million in INCLE funds to Afghanistan.

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 U.S. security assistance provided by the Department of Defense, see CRS Report R40156, *War in Afghanistan: Strategy, Military 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.

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Most Recent Developments

On July 9, 2009, the Senate Appropriations Committee reported S. 1434, its version of the FY2010 State, Foreign Operations Appropriations (S.Rept. 111-44), providing \$2.15 billion in ESF and \$450 million in INCLE funds to Afghanistan.

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In June 2009, Congress approved the FY2009 supplemental appropriations (P.L. 111-32, H.R. 2346), closely following the Administration request for Afghanistan aid. The legislation provides \$861 million in ESF—\$22 million above the request; \$133 million in INCLE—\$4 million above the request; and matching the request with \$3.6 billion for the ASFF and \$453 million for the CERP (the latter to be shared with Iraq).

On May 7, 2009, the Administration submitted an FY2010 budget request to Congress. It would provide \$2.8 billion in economic assistance under the State, Foreign Operations budget, mostly composed of \$2.2 billion in ESF and \$450 million in INCLE funds. The Defense appropriations request for FY2010 includes \$7.5 billion for the ASFF and \$1.5 billion for the CERP, the latter shared with Iraq.

On March 11, 2009, the President signed into law P.L. 111-8, the FY2009 Omnibus appropriations, providing “no less than” \$1 billion in regular FY2009 economic assistance (Division H) to Afghanistan.

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 \$38 billion in U.S. foreign assistance serving multiple objectives. Nearly two-thirds of this assistance has been provided since 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. 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 U.S. security assistance provided by the Department of Defense, see CRS Report R40156, *War in Afghanistan: Strategy, Military 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.

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, about half 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. In FY2009, 63% is going to this security purpose. According to data collected by the Special Inspector General for Afghanistan Reconstruction (SIGAR), the Department of Defense (DOD) has been responsible for more than half—56%—of total U.S. aid from 2001 to 2009 (up through the June 2008 FY2009 “bridge” appropriation). A January 2009 DOD report on U.S. assistance puts security-related aid since 2002 as comprising 53.6% of total aid.¹

The second-largest portion of assistance has been aimed at economic and social development efforts, roughly 27.4% of total aid since 2002 and about the same percentage of FY2009 aid. The main provider of these programs, the Agency for International Development (USAID) accounts for 28% of all assistance since 2001. The Department of Agriculture (USDA), accounting for about 1% of assistance, also provides economic growth aid through its technical assistance to the agriculture sector. A third element of assistance, humanitarian aid, largely implemented through USAID and international organizations, accounts for about 4.5% of total aid.

The fourth main component of the aid program, democracy and governance, represents 4.9% of assistance. These programs are usually implemented by both USAID and the Department of State, which itself accounts for 14% of U.S. assistance. Another major State Department activity, in conjunction with DOD, USAID, and the Drug Enforcement Agency, and a fifth element of the aid program, counter-narcotics, accounts for about 9.6% of aid.

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.

Of the \$58.2 billion pledged in assistance to Afghanistan by donors since 2002, U.S. assistance represents about 57%.² Apart from the World Bank, Asian Development Bank, and Japan, the bulk of remaining aid contributions comes from the other NATO nations operating in the country

¹ Proportion of agency role is based on data in SIGAR, *Quarterly Report to Congress*, April 30, 2009, p. 59. Proportion of aid sector figures are derived from data in Department of Defense, *Progress toward Security and Stability in Afghanistan*, January 2009 Report to Congress, p. 90.

² SIGAR, *Quarterly Report to Congress*, April 30, 2009, p. 45.

as part of the International Security Assistance Force (ISAF). For related discussion, see CRS Report RL33627, *NATO in Afghanistan: A Test of the Transatlantic Alliance*, by Vincent Morelli and Paul Belkin.

Fourteen NATO countries lead the 26 Provincial Reconstruction Teams (PRTs) located in the majority of Afghan provinces. The United States leads 12 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 facilitating a secure and stable environment. PRT personnel work with government officials to improve governance and provision of basic services. PRTs are composed of both civilian and military personnel in conjunction with military forces providing physical security. In the case of the United States—the model differs by lead country—PRTs, with one exception, are led by a military officer and report up a military chain of command. They have a predominance of military staff—generally only three to five civilians among 50 to 100 total personnel. The civilians usually include at least one from the State Department, one from USAID, and one from Department of Agriculture. As of January 2009, there were 1,021 military staff and 35 civilian in all U.S. PRTs in Afghanistan.³ A USAID representative is also often posted in the non-U.S. led PRTs. Civilian representation in the PRTs, as in the country generally, is expected to “surge” in the coming year. Also, creation of an additional 8 to 10 new U.S.-led PRTs is anticipated, with possible new varieties of civilian assistance teams introduced.⁴

The U.S. PRTs utilize funding under two main programs to meet their objectives—DOD’s Commander’s Emergency Response Program (CERP), discussed below, and USAID’s Local Governance and Community Development Program. Both programs provide targeted infrastructure aid to meet locally identified needs and aid to address employment and other local concerns. The USAID program also provides management training to local government personnel. Most 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 political progress in Afghanistan during the past eight years—a new constitution and successful presidential elections in 2004, parliamentary elections in 2005—and increased personal freedom for Afghan citizens, especially the participation of women in economic and political life, 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

³ SIGAR, *Quarterly Report to Congress*, January 30, 2009, pp. 48-57.

⁴ According to the State Department and USAID FY2009 supplemental justification, the FY2009 supplemental would begin to fund an increase of State personnel of 173 U.S. staff and 33 local staff in Kabul, and 110 U.S. temporary posts and 73 local staff in PRTs. It would also support an increase of USAID personnel of 150 U.S. staff and 200 locals. Additional staff from other agencies are also expected. In addition to new PRTs, under consideration are a regional embassy office in Herat, district reconstruction teams “to provide capacity building at the district level,” tribal engagement teams, and fly-away teams “to assess needs rapidly and organize community programs for essential services” (Department of State, FY2009 Supplemental Justification, p. 11).

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 is a focus not only on adding U.S. troops—although at least 21,000 are being added in 2009—but also on enhancing steps such as economic development and coordination among international donors, building local governing structures, building capacity and reforming the Afghan government, expanding and reforming the Afghan security forces, and trying to improve Pakistan’s efforts to curb militant activity on its soil. In practice, the 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, and a significant increase in civilian aid personnel to formulate, administer, and monitor appropriate development programs.

Below is a menu of the range of assistance programs the United States is implementing in Afghanistan.⁵

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 to date has gone 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.

⁵ The program breakdown in this section largely draws on USAID project descriptions, many available at <http://afghanistan.usaid.gov>; Department of Defense Reports to Congress, *Progress Toward Security and Stability in Afghanistan*, most recently January 2009; and Special Inspector General for Afghanistan Reconstruction *Quarterly Reports to Congress*, most recently April 30, 2009.

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, 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 April 2009, over 21,000 CDCs had been established. Program grants generally support drinking water and irrigation systems, rural roads, school buildings and community centers, and electrification facilities.

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. 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, such assistance includes conducting commercial law and dispute resolution training for judges, a seminar series on commercial law for government officials, and assisting 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, and loans to farmers. 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 Agriculture Development Teams, 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, some believe, is one of the few ministries considered sufficiently transparent to handle donor funds.

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 and thousands of teachers trained. 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 support the 2009 Presidential and Provincial Council elections, 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,

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, is building 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 \$150 million in total FY2009 funding from ESF and INCLE accounts be used for this purpose (P.L. 111-32, section 1102).

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. Pending is a USAID plan to introduce legal rights education to women audiences and increase 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)

Although, technically, the CERP is intended to improve the security environment in which U.S. combat troops operate, it does this by offering small grants to local villages to address urgent relief and reconstruction needs. While funded by DOD appropriations and implemented by the military, the CERP performs a development function often 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 to date has gone for road repair and construction alone.

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 2008. 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 counternarcotics 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. The Department of Defense supports eradication and interdiction efforts mostly by provision of equipment and weaponry to Afghan counternarcotics entities. 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. At \$18.6 billion, the ASFF accounts for 50% of total U.S. assistance to Afghanistan since FY2001.

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 167,000 is expected to rise to 220,800 by 2011. For discussion, see CRS Report R40156, *War in Afghanistan: Strategy, Military 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.

Table I. U.S. Assistance to Afghanistan
(appropriations in \$ millions)

| Fiscal Year | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2001-2009 Total |
|-------------------------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|-------------------|-----------------|
| Economic Support Fund (ESF) | 0.0 | 105.5 | 223.8 | 900.2 | 1,312.8 | 489.7 | 1,210.7 | 1,399.5 | 2,048.0 | 7,690.2 |
| Development Assistance (DA) | 0.0 | 18.3 | 35.4 | 152.0 | 165.8 | 187.6 | 166.8 | 148.7 | 0.0 | 874.6 |
| Child Survival/Health (CSH) | 0.0 | 7.5 | 49.7 | 31.0 | 38.0 | 41.5 | 100.8 | 63.5 | 58.2 | 390.2 |
| Migration & Refugee Asst. (MRA) | 32.6 | 135.5 | 61.5 | 63.3 | 47.1 | 36.0 | 16.0 | 42.1 | 7.0 ^e | 441.1 |
| Food Aid ^a | 133.6 | 207.2 | 71 | 88.3 | 108.6 | 109.6 | 60 | 154.7 | 47.5 | 980.5 |
| Int'l Narcotics & Law Enforcement (INCLE) | 0.0 | 66.0 | 0.0 | 220.0 | 706.3 | 232.7 | 251.7 | 307.6 | 484.0 | 2,268.3 |
| Nonprolif, Anti-Terror, De-mining (NADR) | 2.8 | 44.0 | 34.8 | 66.9 | 40.8 | 36.1 | 36.6 | 28.1 | 48.6 ^e | 338.7 |
| Int'l Military Ed & Training (IMET) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | 1.7 | 1.4 | 4.3 |
| Foreign Military Financing (FMF) | 0.0 | 57.3 | 191.0 | 413.7 | 396.8 | 0.0 | 0.0 | 0.0 | 0.0 | 1,058.8 |
| Other ^b | 23.2 | 262.6 | 111.8 | 43.1 | 22.3 | 0.5 | 0.0 | 0.4 | 0.0 | 463.9 |
| Total 150 Account | 192.2 | 903.9 | 779.0 | 1,978.5 | 2,838.5 | 1,133.7 | 1,843.8 | 2,146.3 | 2,694.7 | 14,510.6 |
| DOD—Afghan Security Forces Fund (ASFF) | 0.0 | 0.0 | 0.0 | 0.0 | 995.0 | 1,908.1 | 7,406.4 | 2,750.0 | 5,606.9 | 18,666.4 |
| DOD—CERP | 0.0 | 0.0 | 0.0 | 39.7 | 136.0 | 215.0 | 206.0 | 486.0 | 726.5 | 1,809.2 |
| DOD—Other ^c | 0.0 | 12.7 | 176.2 | 364.2 | 778.4 | 108.1 | 178.1 | 84.7 | 188.0 | 1,890.4 |
| Total 050 Account | 0.0 | 12.7 | 176.2 | 403.9 | 1,909.4 | 2,231.2 | 7,790.5 | 3,320.7 | 6,521.4 | 22,366.0 |
| Other Functional Accounts ^d | 0.4 | 25.5 | 26.6 | 52.1 | 147.0 | 136.1 | 83.6 | 352.1 | 89.4 | 912.8 |
| Total U.S. Assistance | 192.6 | 942.1 | 981.8 | 2,434.5 | 4,894.9 | 3,501.0 | 9,717.9 | 5,819.1 | 9,305.5 | 37,789.4 |

Sources: SIGAR Report to Congress, April 30, 2009; Department of State annual budget presentation documents; and CRS calculations.

Notes: FY2009 figures are estimates. In some cases where funding level is not specified in appropriations language or explanatory statement, amount included is request level or final allocation when available. CERP level is reported allocation, except in FY2009 when it assumes half of appropriation (shared with Iraq) will be allocated to Afghanistan.

The 150 budget function account encompasses International Affairs spending and is mostly appropriated in the State/Foreign Operations bill; food aid is appropriated in the Agriculture appropriations. The 050 account is Defense appropriations. This table does not contain agency operational costs, including USAID OE, USAID Capital Investment Fund, and IG Offices, except where these are embedded in the program accounts.

- a. Includes P.L.480 Title II, Food for Education, Food for Progress, and 416b Food Aid.
- b. Other 150 account includes International Disaster Assistance, Office of Transition Initiatives, Treasury Technical Assistance, and Peacekeeping accounts.
- c. Other 050 account includes DOD Counternarcotics and DOD Humanitarian Assistance.
- d. Other budget function accounts here include Drug Enforcement Administration anti-narcotics and Health and Human Services Disease Control and Prevention activities.
- e. Assumes FY2009 supplemental request level is allocated.

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 expects all aid to be provided under the regular appropriations. 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.

FY2009 Regular and “Bridge” Appropriations

In February 2008, the Bush Administration requested \$1.0 billion in State, Foreign Operations FY2009 regular appropriations for Afghanistan—\$52 million in USAID Child Survival/Health, \$707 million in ESF, \$1.4 million in IMET, \$250 million in INCLE, and \$31.5 million in NADR accounts. At the same time, it requested \$12 million in P.L. 480 food aid from the Agriculture appropriations.

In May 2008, the Administration also requested \$3.7 billion for the ASFF and \$1.7 billion for the CERP (for both Iraq and Afghanistan) under DOD appropriations and \$50 million in MRA, \$175 million in INCLE and \$750 million in ESF under State, Foreign Operations appropriations for an emergency FY2009 “Bridge” fund. In June 2008, Congress approved P.L. 110-252, the FY2008 emergency supplemental which included the FY2009 “Bridge” funding, providing \$455 million in ESF (of which \$20 million for the NSP, \$35 million for election support, and \$35 million for rural development) but not specifying amounts from the INCLE and MRA accounts. The bill also provided \$2 billion to the ASFF. While CERP funds were not specifically appropriated in the FY2009 portion of the bill, DOD has allocated \$1 billion from the “bridge” for this purpose (again, for both Iraq and Afghanistan).

In March 2009, Congress approved the FY2009 Omnibus appropriations (P.L. 111-8, H.R. 1105), including the regular FY2009 State, Foreign Operations appropriations (Division H). It provided “not less than \$1,041,950,000” for Afghanistan economic aid programs (sec. 7077). According to the explanatory statement that accompanied the bill, this amount included \$732 million in ESF—\$12 million for the Afghan Civilian Assistance Program, \$50 million for the National Solidarity

Program, and \$100 million for the programs benefitting Afghan women and girls.⁶ The explanatory language also expressed support for vocational and higher education efforts. The bill and explanatory language did not specify other amounts for Afghanistan, but funds have since been allocated from the USAID Child Survival/Health, IMET, INCLE, and NADR accounts.

FY2009 Supplemental

In April 2009, the Administration submitted its FY2009 supplemental request to Congress. The request reflected the Obama Administration's new Afghanistan strategy by significantly increasing economic aid to Afghanistan provided under the 150 account, State, Foreign Operations appropriations portion of the proposed legislation. If the requested funds were included, total FY2009 non-humanitarian economic aid to Afghanistan would amount to \$2.6 billion, an increase of 32% (\$631 million) over the previous year's appropriations.

The newly requested funding for Afghanistan, totaling \$980 million, would come from three accounts—\$839 million under the Economic Support Fund (ESF), \$129 million under International Narcotics and Law Enforcement account (INCLE), and \$12 million under the Nonproliferation, Anti-Terrorism, and Demining (NADR) account. More than a third of the new funding would be devoted to improving governance at all levels of the Afghan government, including anti-corruption and other efforts to strengthen the justice system. Substantively, according to the Administration, the request also “represents a major shift” from short and long-term reconstruction and development activities scattered throughout all of Afghanistan to programs “focused on countering the insurgency, primarily in the south and east.”⁷

The \$839 million ESF request consisted of five components. Security-related programs, including counternarcotics alternative development programs, stabilization projects targeting critical districts, construction of district centers where citizens can meet with local officials, and quick support projects delivered by Provincial Reconstruction Teams (PRTs) represented \$214 million. Governance programs, accounting for \$295 million, include building the capacity of the Afghan government at all levels, anti-corruption activities, election support, Ministry of Justice assistance, and U.S. contributions to the World Bank's Afghanistan Reconstruction Trust Fund. Providing basic services to vulnerable populations and creating short-term employment opportunities amounted to \$135 million. Economic growth efforts, totaling \$170 million, encompass projects in agriculture, monetary and fiscal policy reform, expansion of a central business registry, creation of a national land registry, and micro and small business credit activities. Funding of administration and oversight of these programs amounted to \$25 million.

The \$129 million INCLE program in Afghanistan would focus on counternarcotics programs (\$46 million), including special assistance to communities adopting anti-narcotics policies to tide them over until development efforts take effect and support to the Afghan Counternarcotics Advisory Team; rule of law efforts (\$78 million), including legal education, support for women prisoners, and assistance to the Central Prison Directorate; and program administrative and oversight support (\$5 million). The \$12 million NADR program would bolster the capacities of the Afghan Presidential Protective Service.

⁶ Explanatory statement in the February 23, 2009 Congressional Record, p. H2413.

⁷ Department of State and USAID, *FY2009 Supplemental Justification*, p. 51.

Besides the economic assistance, the State, Foreign Operations portion of the request also included \$261.5 million in State Department Diplomatic and Consular Program account funds, most of which would support operational expenses of the proposed civilian staff surge from multiple agencies that would bring staff levels in Kabul up from 394 to 567 and expand PRT staff by 110 temporary posts. Similarly, there was a \$140 million request for USAID Operating Expenses, funding 150 U.S. personnel and 200 local staff, most of which is meant to increase USAID staff in the PRTs. In addition, \$101.5 million would go to security protection for U.S. facilities and personnel, and \$87 million would go to embassy physical expansion to provide room for new housing. The Special Inspector General for Afghanistan Reconstruction (SIGAR) request was for \$7.2 million. In all, these operational expense requests amounted to about \$600 million.

In addition to these State, Foreign Operations accounts, the Administration request included \$3.6 billion in DOD appropriations for the Afghan Security Forces Fund (ASFF), which supports the training and equipping of Afghan army and police. The Administration also asked that \$125 million previously appropriated to the ASFF in the FY2009 “bridge” legislation be rescinded and re-appropriated in the new FY2009 supplemental bill. In essence, this request was made in order to extend availability of these funds. The “bridge” appropriation would have expired at end of September 2009; with this new appropriation it would be available until end of September 2010. The Administration’s \$500 million request for the Commander’s Emergency Response Program (CERP) was, as has been the case in the past, for both Iraq and Afghanistan.

Table 2. FY2009 Supplemental and Afghanistan Aid: Request and Conference Report

| Request | | Conference Report (P.L. 111-32) | |
|-----------------------------------------------------|-----------------------------------------|------------------------------------|---------------------------------------------------------|
| 150 Foreign Operations Accounts | | | |
| Economic Support Fund (ESF) | \$839 million, of which: | \$861 million, of which: | |
| | Security & Stabilization (PRT programs) | \$214 million | Afghan Civilian Assistance Program \$12 million |
| | Governance | \$295 million | Afghan Reconstruction Trust Fund \$115 million |
| | Social Services/Employment | \$135 million | Agriculture \$100 million |
| | Economic Growth | \$170 million | Alternative Development \$65 million |
| | Program Support | \$25 million | Widows Assistance \$5 million |
| | | | Women NGOs \$30 million |
| | | | Unallocated \$534 million |
| International Narcotics and Law Enforcement (INCLE) | \$129 million, of which: | \$133 million, of which: | |
| | Counter-narcotics Planning | \$46 million | Good Performers Initiative \$23 million |
| | Rule of Law | \$78 million | Combating Violence Against Women and Girls \$10 million |
| | Program Support | \$5 million | Unallocated \$100 million |

| Request | | Conference Report (P.L. 111-32) | | |
|------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------|---------------|--------------------------------|
| Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) | \$12 million | Level for Afghanistan not Specified | | |
| Migration and Refugee Assistance (MRA) | \$7 million | Level for Afghanistan not Specified | | |
| 050 DOD Accounts | | | | |
| Afghan Security Forces Fund (ASFF) | \$3.6 billion | Coinciding with cancellation of \$125 million from FY2009 "bridge" (P.L. 110-252). | \$3.6 billion | |
| Commander's Emergency Response Program (CERP) | \$453 million | For both Iraq and Afghanistan. | \$453 million | For both Iraq and Afghanistan. |

Source: Department of State, OMB, and Conference Report (H.Rept. 111-151 on H.R. 2346).

House Action on Afghanistan FY2009 Supplemental Assistance

H.R. 2346, approved by the House on May 14, 2009, largely matched the Administration request for economic assistance to Afghanistan. Bill language provided the requested \$3.6 billion for the ASFF. Explanatory language in the Appropriations Committee report (H.Rept. 111-105) would provide the Administration request for the CERP (\$453 million, shared with Iraq), NADR (\$12 million), INCLE (\$129 million), and ESF (\$839 million) accounts. The report language broke out the ESF in slightly different amounts and categories than the request—\$70 million for the National Solidarity Program, \$159 million for the PRTs, \$85 million for Agriculture, \$55 million for Alternative Development, \$200 million of Economic Growth, \$25 million for Elections, \$115 million for Governance and Civil Society, and \$20 million for Rule of Law.

The House bill would provide more in the State Department operating expense account, the Diplomatic and Consular Program account, than the Administration requested—\$448.9 million instead of the \$363 million request. Most of the difference is in staff expense allocations, as opposed to security costs. The House provided \$327.4 million for State and other agency staff expenses, rather than the \$261.5 million request. This was meant to support the proposed staff surge—170 U.S. Direct Hires in Kabul, 251 temporary PRT staff, and 106 local staff, as well as 59 existing staff from other agencies (Agriculture, Treasury, etc.) and up to 73 new staff from these agencies. The House bill matched the Administration request for USAID operating expenses at \$140 million and for the SIGAR at \$7.2 million.

Senate Action on Afghanistan FY2009 Supplemental Assistance

The Senate version of the FY2009 supplemental, approved on May 21, would match the Administration request for the NADR account (\$12 million) and would slightly alter the request

for ESF (\$866 million vs. a request of \$839 million), and INCLE (\$133 million vs. a request of \$129 million). The Senate bill would also provide \$25 million for MRA assistance to internally displaced people and refugees versus a request of \$7 million. The bill provided the requested amount for the CERP and the ASFF, but did not cancel and re-appropriate the \$125 million in FY2009 “bridge” funds sought by the Administration.

The Senate bill provided \$308.6 million for State D&CP staff operating expenses (vs. \$261.5 million request) and \$100 million for USAID operating expenses (vs. \$140 million request). It matched the \$7.2 million request for the SIGAR.

Conference Report on FY2009 Supplemental

The conference report on H.R. 2346 closely follows the Administration request levels for most accounts with regard to Afghanistan assistance (see **Table 2**). It provides \$861 million in ESF—\$22 million above the request; \$133 million in INCLE—\$4 million above the request; and \$3.6 billion for the ASFF and \$453 million for the CERP (to be shared with Iraq), matching those requests. Afghanistan funding levels for NADR and MRA accounts were not specified in the conference report, but are likely to be allocated funds at the requested levels. Although the explanatory statement (H.Rept. 111-151) accompanying the conference report broke down ESF and INCLE accounts in a somewhat different form than the Administration, congressionally mandated programs within these accounts are not likely to substantially alter the profile of the planned assistance program. H.R. 2346 does not rescind and re-appropriate the \$125 million previously appropriated to the ASFF in the FY2009 “bridge” legislation.

Of special note, the legislation provides not less than \$150 million of ESF and INCLE be used for programs addressing the needs of women and girls. It requires that 10% of INCLE funds be withheld until the Secretary of State reports that the Afghan government is taking steps to remove officials engaged in narcotics or human rights crimes. It provides \$70 million for the National Solidarity Program.

The conference report provides \$413.2 million in State Diplomatic and Consular Program operating expenses vs. the \$363 million requested. Half of the additional amount is an early response to the FY2010 budget request for air transport needs of the Embassy. The Embassy Security account, however, is allocated \$67 million less than the request, due to concerns regarding the plan to acquire land adjacent to the Embassy to meet civilian expansion needs. The USAID Operating Expense account request of \$140 million is met by the legislation as was the SIGAR at \$7.2 million.

FY2010 Regular Appropriations Request

On May 4, 2009, the Administration submitted an FY2010 budget request to Congress. The State, Foreign Operations request includes \$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 represents a roughly 6% increase from the total FY2009 level.

The DOD budget request for FY2010 includes \$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.

House Action on FY2010 Aid to Afghanistan

On June 26, 2009, the House Appropriations Committee reported 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. The full House approved the measure on July 9, 2009. Among other things, the Committee report recommends not less than \$175 million of ESF be used for the National Solidarity Program; \$175 million for programs for women and girls, including \$20 million to improve the capacity of women-led NGOs; not less than \$25 million for maternal and child health; and \$15 million for USAID's Civilian Assistance Program.

Senate Action on FY2010 Aid to Afghanistan

On July 9, 2009, the Senate Appropriations Committee reported S. 1434, its version of the FY2010 State, Foreign Operations Appropriations (S.Rept. 111-44), providing \$2.15 billion in ESF and \$450 million in INCLE funds to Afghanistan. Of the ESF, the committee directed that \$15 million go to the Civilian Assistance Program, \$100 million to the National Solidarity Program, \$150 million for programs benefitting women and girls, and \$10 million for strategic communication activities highlighting the efforts of the Afghan government and international partners to bring security, services, and the rule of law to the Afghan people. The committee directed that two reports be submitted: one on the use of funds for Afghan women and girls, and the other on steps being taken to standardize condolence payments.

Major Conditions and Reporting Requirements on Afghan Aid

Congress has imposed conditions and reporting requirements on its authorization and appropriations of aid. In both regular and supplemental FY2009 appropriations, conditions are imposed on the INCLE account. No regular FY2009 funds (P.L. 111-8) 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 FY2009 supplemental (P.L. 111-32) 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 regular FY2009 ESF until the Secretary of State certifies that the Afghan government is cooperating fully with U.S. poppy eradication and interdiction efforts. This latter 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, 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.

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