SIGAR

Special Inspector General for Afghanistan Reconstruction

SIGAR 15-83 Audit Report

Afghan Refugees and Returnees: Corruption and Lack of Afghan Ministerial Capacity Have Prevented Implementation of a Long-term Refugee Strategy

AUGUST

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WHAT SIGAR REVIEWED

As a result of more than three decades of war and instability, millions of Afghans have fled for protection in Pakistan, Iran, and other neighboring countries. As of December 2014, the United Nations High Commissioner for Refugees (UNHCR) reported that nearly 2.5 million Afghans, including 1.5 million registered refugees, were living in Pakistan, and 950,000 registered Afghan refugees were living in Iran. Since 2002, the Department of State (State) has allocated over $950 million to programs intended to assist Afghan refugees in Pakistan and Iran and returnees in Afghanistan, as well as other vulnerable groups of Afghans. State's Bureau of Population, Refugees, and Migration oversees the department's refugee and returnee programs. State provides funding to UNHCR, other international organizations, and non-governmental organizations to implement assistance programs. State relies on UNHCR—which in turn relies on the governments of Pakistan and Iran—to determine the number of Afghan refugees and returnees, and uses this estimate, among other data, to help form the basis for the bureau's funding requests.

In May 2012, the governments of Afghanistan, Pakistan, and Iran developed the *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries* (*Solutions Strategy*) to address the problems that Afghan refugees and returnees face. According to the strategy, the three countries agreed to work towards providing a minimum standard of living and livelihood opportunities for returnees, and preserving asylum space for refugees, among other initiatives.

The objectives of this audit were to assess the extent to which (1) State and UNHCR verify the number of Afghan refugees in Pakistan and Iran, and (2) the Afghan government has implemented the *Solutions Strategy*. In this report, SIGAR discusses, but was unable to provide details about, how the Iranian government determines the number of Afghan refugees.

August 2015

Afghan Refugees and Returnees: Corruption and Lack of Afghan Ministerial Capacity Have Prevented Implementation of a Long-term Refugee Strategy

SIGAR 15-83 AUDIT REPORT

WHAT SIGAR FOUND

The United Nations High Commissioner for Refugees (UNHCR) and the Department of State (State) are unable to independently verify the number of Afghan refugees reported by the Pakistani and Iranian governments. According to UNHCR's 2003 Handbook for Registration, refugee registration is a primary source of information for the agency, and the registration process remains the responsibility of the countries where refugees reside. Despite this, UNHCR has been able to identify potential discrepancies in the data based on its analyses of the data it receives and its general knowledge of the Afghan refugee situation. For example, in 2006, UNHCR determined that the number of Afghan refugees in Pakistan in 2001 was underestimated by nearly 4 million. Since 2001, UNHCR and the Pakistani government have implemented additional processes to improve the accuracy of the data, but weaknesses in these processes limit assurances that the data is accurate and reliable. For example, the Pakistani government's reported death rate for Afghan refugees in Pakistan is significantly lower than UNHCR's estimate. UNHCR estimates that there are approximately 23,000 deaths among Afghan refugees in Pakistan each year. However, the Pakistani government reported only nine total deaths among Afghan refugees from January 2008 through June 2014.

Despite international assistance, the Afghan government has made limited progress in implementing the *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries* (*Solutions Strategy*). The Afghan Ministry of Refugees and Repatriation (MORR)—the ministry responsible for coordinating refugee and returnee affairs with other ministries and international organizations—has limited capacity to fulfill its obligations under the *Solutions Strategy* or to work with other ministries, and had been beset by allegations of corruption. For example, the MORR has been unable to effectively distribute land to Afghan returnees under the Land Allocation Scheme, as called for in the *Solutions Strategy*, as well as by presidential decree and Afghan law. Additionally, the MORR has failed to achieve one of the main objectives of the *Solutions Strategy*—identifying the needs of returnees in areas of high return—and communicating those needs to other ministries, as called for in the strategy. The MORR developed memoranda of understanding with each of the ministries responsible for implementing 13 National Priority Programs, which include development projects, such as constructing roads, health clinics, and schools, that UNHCR identified as having a direct effect on refugee reintegration. According to the memoranda, the MORR is supposed to identify returnee needs, communicate those needs to its partner ministries, reassess the needs annually, and update partner ministries on any changes. In addition to the MORR's shortcomings, there was a lack of will on the part of the MORR's partner ministries to incorporate returnees' needs into their programs. Citing a high-ranking Afghan government official, in November 2013, a State official with the Bureau of Population, Refugees, and Migration stated that "refugees do not get much attention because they are not a priority issue and ministries do not think refugees are directly related to their work."

Corruption within the MORR, under the prior Afghan administration, further limited its ability to implement the *Solutions Strategy*. For example, a 2013 Independent Joint Anti-Corruption Monitoring and Evaluation Committee assessment of the MORR's operation found several instances of corruption. For example, the assessment found that the MORR's process for distributing land under the Land Allocation Scheme is afflicted by institutional corruption. The assessment also cited bribery, forgery, nepotism, embezzlement, and poor customer service as obstacles to the program's implementation. Additionally, in a 2014 report, the committee referenced a United Nations Inspector General's Office investigation, which found that the MORR misappropriated approximately $117,000 in UNHCR funds for staff bonuses, reimbursements to officials supported by forged documents, and an office rental that included conditions in direct contravention of UNHCR rules and Afghan laws. Similarly, an evaluation of the UNHCR Shelter Assistance Program, conducted in the fall of 2012, stated that the MORR is not a reliable partner to take over or continue UNHCR's Shelter Assistance Program due to numerous instances of corruption, inefficiency, mishandling of funds, lack of human resources, and an inability to demonstrate technical or thematic knowledge of the populations falling under the ministry's responsibility. UNHCR has since restricted its assistance to the MORR to mainly non-financial items.

Furthermore, State's 2-year capacity-building program, which was implemented by the International Organization for Migration (IOM) and intended to develop the MORR's capacity, was hampered due to an "extremely challenging" working relationship with the MORR under its prior leadership. Prior to the conclusion of the program in 2014, and after discussing its concerns about the MORR with State, IOM decided to focus the program solely on the MORR's provincial offices. When the program ended, State did not extend it or replace it with another capacity building program, citing ongoing capacity and corruption issues within the MORR.

As a result of the MORR's limited capacity and its problems with corruption, it has been unable to effectively lead and coordinate Afghan refugee and returnee efforts across the Afghan government and with international partners, thus preventing the ministry from fully implementing the *Solutions Strategy* and addressing the challenges refugees and returnees continue to face. The new Afghan national unity government has expressed its commitment to addressing refugee integration needs and dealing with capacity and corruption issues within the MORR, but it is too soon to tell how effective its efforts will be.

WHAT SIGAR RECOMMENDS

Because the MORR, under the previous Afghan administration, faced problems with corruption and a lack of capacity, State currently has no plans to provide monetary assistance to the ministry. The new Afghan administration has indicated its commitment to addressing these issues within the ministry and assisting Afghan refugees and returnees. SIGAR is making one recommendation. To assist the new Afghan administration in addressing the needs of Afghan refugee and returnees, and ensure effective implementation of the *Solutions Strategy*, SIGAR recommends that the Assistant Secretary of State, Bureau of Population, Refugees, and Migration monitor the Afghan administration's efforts to increase capacity and reduce corruption within the MORR. If State determines that the MORR has made the necessary progress and that future U.S. assistance to the ministry is warranted, SIGAR recommends that such assistance include working with: (a) the MORR, in coordination with UNHCR and other implementing partners, to conduct an assessment that identifies the needs and challenges of returnees and develop a timeframe to address those needs and challenges, as called for in the *Solutions Strategy*; (b) the Afghan administration to ensure that other ministries incorporate the returnee needs the MORR identifies into Afghanistan's national development priorities; and (c) the Afghan administration to hold the MORR, and other relevant ministries, accountable for implementing the Land Allocation Scheme, as required by Afghan law and presidential decree. In commenting on a draft of this report, State largely concurred with SIGAR's recommendation, stating that the department is discussing with IOM ways to support the MORR in increasing its technical capacity to best assess the needs and challenges of returnees, and effectively communicate returnees' needs with relevant ministries.

SIGAR | Office of the Special Inspector General for Afghanistan Reconstruction

August 27, 2015

The Honorable John F. Kerry
Secretary of State

The Honorable Anne C. Richard
Assistant Secretary of State
Bureau of Population, Refugees, and Migration

The Honorable P. Michael McKinley
U.S. Ambassador to Afghanistan

This report discusses the result of SIGAR's audit of U.S. efforts to assist Afghan refugees living in Pakistan and Iran, and Afghan returnees. Specifically, we assessed the extent to which (1) the Department of State (State) and the United Nations High Commissioner for Refugees (UNHCR) verify the number of Afghan refugees in Pakistan and Iran, and (2) the Afghan government has implemented the *Solutions Strategy for Afghan Refugees, to support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries* (*Solutions Strategy*).

Because the Ministry of Refugees and Repatriation (MORR), under the previous Afghan administration, faced problems with corruption and a lack of capacity, State currently has no plans to provide monetary assistance to the ministry. The new Afghan administration has indicated its commitment to addressing these issues within the ministry and assisting Afghan refugees and returnees. To assist the new Afghan administration in addressing the needs of Afghan refugee and returnees, and ensure effective implementation of the *Solutions Strategy*, we recommend that the Assistant Secretary of State, Bureau of Population, Refugees, and Migration monitor the Afghan administration's efforts to increase capacity and reduce corruption within the MORR. If State determines that the MORR has made the necessary progress and that future U.S. assistance to the ministry is warranted, we recommend that such assistance include working with: (a) the MORR, in coordination with UNHCR and other implementing partners, to conduct an assessment that identifies the needs and challenges of returnees and develop a timeframe to address those needs and challenges, as called for in the *Solutions Strategy*; (b) the Afghan administration to ensure that other ministries incorporate the returnee needs the MORR identifies into Afghanistan's national development priorities; and (c) the Afghan administration to hold the MORR, and other relevant ministries, accountable for implementing the Land Allocation Scheme, as required by Afghan law and presidential decree.

We received written comments on a draft of this report from State, which we incorporated as appropriate. State largely concurred with our recommendation. The department's comments are presented in appendix III.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended; and in accordance with generally accepted government auditing standards.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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ABBREVIATIONS

IOM	International Organization for Migration
MORR	Ministry of Refugees and Repatriation
NADRA	National Database and Registration Authority
POR	Proof of Registration
PRM	Bureau of Population, Refugees, and Migration
State	Department of State
UNHCR	United Nations High Commissioner for Refugees

As a result of more than three decades of war and instability, millions of Afghans have fled to Pakistan, Iran, and other neighboring countries. As of December 2014, the United Nations High Commissioner for Refugees (UNHCR) reported that nearly 2.5 million Afghans—1.5 million registered refugees and approximately 1 million undocumented Afghans—were living in Pakistan, and another 950,000 registered Afghan refugees were living in Iran. Since 2002, the Department of State (State) has allocated more than $950 million in Migration and Refugee Assistance funds to assist Afghan refugees living in Pakistan and Iran, facilitate voluntary repatriations to Afghanistan, and help returnees and internally displaced persons.[1,2] State's Bureau of Population, Refugees, and Migration (PRM) is responsible for overseeing the department's refugees and returnee programs. State provides funding to UNHCR, the International Organization for Migration (IOM), and other international organizations to assist Afghan refugees in Pakistan and Iran, and returnees to Afghanistan. It also provides funding to non-governmental organizations to implement assistance programs for returnees in Afghanistan.

The Afghan, Pakistani, and Iranian governments have also pledged to address the problems that Afghan refugees and returnees face. In May 2012, these three countries presented to donor nations the *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries* (hereafter referred to as the *Solutions Strategy*), in which they agreed to work toward providing a minimum standard of living and livelihood opportunities for returnees and toward preserving asylum space for refugees, among other things.[3] More recently, on March 9, 2015, the Afghan and Pakistani governments agreed to form a joint committee to formulate a comprehensive plan regarding the legal stay of registered and unregistered Afghan refugees in Pakistan.

According to UNHCR, Afghan refugees will continue to need a large amount of assistance through 2016—partly due to the continuing insurgency, the reduced U.S. military presence, and the transition to the newly elected Afghan national unity government—resulting in requests for increased funding from donors, including State.

The objectives of this audit were to assess the extent to which (1) State and UNHCR verify the number of Afghan refugees in Pakistan and Iran, and (2) the Afghan government has implemented the *Solutions Strategy*.[4]

To accomplish our objectives, we reviewed State's federal assistance policies, international humanitarian assistance principles and guidelines, and the *Solutions Strategy*. We also analyzed reports issued by the Afghan government and by international organizations on the progress made in implementing the strategy. We interviewed PRM officials at State headquarters in Washington, D.C., at the U.S. Embassy in Kabul, and at the U.S. Mission to the United Nations in Geneva. In addition, we interviewed officials from the Afghan Ministry of Rural Rehabilitation and Development, and the Afghanistan National Disaster Management Authority. We also interviewed officials from the Pakistan Mission to the United Nations in Geneva, UNHCR, IOM, and the Norwegian Refugee Council, among others. We conducted our work in Washington, D.C.; Kabul, Afghanistan;

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[1] Congress appropriates Migration and Refugee Assistance funds to enable the Secretary of State to carry out the certain provisions of the Migration and Refugee Assistance Act of 1962 and other activities to meet refugee and migration needs.

[2] The 1951 Convention Relating to the Status of Refugees, as modified by the 1967 Protocol Relating to the Status of Refugees, defines a refugee as someone who, "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his or her nationality and is unable to or, owing to such fear, is unwilling to avail himself or herself of the protection of that country. . . ." UNHCR defines returnees as refugees who have returned to their country of origin, and internally displaced persons as people who have been forced to leave their homes or places of habitual residence, in particular as a result of or in order to avoid, the effects of armed conflict, situations of generalized violence, violations of human rights or natural- or human-made disasters, but who have not crossed an international border. We are conducting a separate audit examining U.S. efforts to provide assistance to internally displaced persons in Afghanistan and expect to issue a report in fall 2015.

[3] Governments of Afghanistan, Pakistan, and Iran, *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries*, May 3, 2012.

[4] We did not attempt to obtain information from the Iranian government about their method for determining the number of Afghan refugees living within the country's borders.

and Geneva, Switzerland, from March 2014 through August 2015 in accordance with generally accepted government auditing standards. Appendix I contains a more detailed discussion of our scope and methodology.

BACKGROUND

According to UNHCR, between 1979 and 1992, over six million Afghan refugees entered Pakistan and Iran, fleeing the violence of the Soviet invasion and the ensuing civil conflict. After Soviet forces withdrew from the country in the early 1990s, two million Afghans returned to their homeland. However, beginning in the mid-1990s, factional violence, the Taliban's control of major areas of the country, and widespread drought renewed the exodus. Although the U.S.-led intervention in late 2001 initially caused further displacement, a large number of refugees returned to Afghanistan, in part because of the subsequent overthrow of the Taliban and the increasingly difficult conditions refugees faced in Pakistan and Iran. UNHCR—the United Nations organization responsible for leading and coordinating international action to protect refugees and resolve refugee problems worldwide—estimates that over five million Afghans returned between 2001 and 2012.[5]

As of December 2014, UNHCR reported that nearly 2.5 million Afghans—1.5 million registered refugees and 1 million undocumented Afghans—were living in Pakistan and another 950,000 registered Afghan refugees were living in Iran. To support these refugees and returnees, State, UNHRC, IOM, and other donor countries and organizations have spent billions of dollars in humanitarian assistance over the past several years. The United States is the largest donor to Afghan refugee and returnee assistance efforts, with PRM allocating more than $950 million in Migration and Refugee Assistance funds between 2002 and 2014 to programs intended to benefit Afghan refugees and returnees.

More than 85 percent of the Migration and Refugee Assistance allocated by PRM goes to UNHCR, IOM, the International Committee for the Red Cross, and other international organizations to assist refugees and returnees.[6] State reports that the funding has been used to pay for transportation and initial return needs for over 4.7 million Afghan refugees from 2002 to 2014. UNHCR also states that its repatriation program, which is also funded by PRM, has helped millions of returnees gain access to water, shelter, basic health services, and education. State also provides funding to non-governmental organizations to implement the assistance projects that focus on meeting returnees' immediate needs. For example, State has funded projects that provided Afghan returnees access to health services, clean drinking water, and improved sanitation. It also has programs aimed at increasing education opportunities and preventing gender-based violence. See appendix II for more details on the types of projects and programs State has funded to assist Afghan refugees and returnees.

State relies primarily on UNHCR to determine the number of Afghan refugees and returnees. UNHCR, in turn, relies on the governments of Pakistan and Iran—in accordance with its 2003 Handbook for Registration—for the reported numbers of Afghan refugees living in their country.[7]

According to the UNHCR Handbook for Repatriation and Reintegration Activities, voluntary repatriation and reintegration are the preferred "durable" solutions for refugees and returnees. The handbook also stresses that reintegration is a shared responsibility, requiring full engagement of the government and development

[5] *UNHCR Global Appeal 2013 Updated,* December 1, 2012.

[6] State provides funding to UNHCR, IOM, the International Committee for the Red Cross, and other international organizations, as authorized by the Migration and Refugee Assistance Act of 1962, 22 U.S.C. § 2601. State calls its contributions to UNHCR "voluntary." According to PRM, a voluntary contribution provides funds to a public international organization when the purpose of the appropriation is to support the organization itself by explicitly allowing the contributions to (1) directly support the activities of the organization or (2) sustain the general budget and operations of the organization. Although these funds may advance specific activities and goals of the U.S. government, the central purpose of the voluntary contribution is to enable the organization to carry out its activities.

[7] UNHCR's Handbook for Registration provides detailed information on how to set up refugee registration activities, population data that should be collected, and how to manage and protect the information gathered.

partners. However, several factors make it unlikely that all the remaining refugees will repatriate voluntarily. According to UNHCR, roughly 60 percent of Afghan returnees are not fully reintegrated into their communities and live far below the standards of other residents of those communities in terms of livelihood, shelter, access to land tenure, access to basic services, recognition of rights, and protection. In addition, most Afghan refugees in Pakistan and Iran were born in those countries and have little or no links to Afghanistan to help them find livelihood or a temporary place to live. Furthermore, a substantial number of refugees have integrated themselves into urban areas in Pakistan and Iran. Finally, most refugees have no property in Afghanistan.[8] As a result, between January 2009 and December 2011, only 235,015 Afghan refugees returned to Afghanistan from Pakistan and Iran. This figure was nearly 40,000 less than the number of Afghan refugees who returned in 2008 alone.

In May 2012, in response to these challenges and the decline in the number of returnees to Afghanistan from 2009 through 2011, the governments of Afghanistan, Iran, and Pakistan, with UNHCR's assistance, developed the *Solutions Strategy*, which was the result of an extensive and collaborative negotiation process. Three main themes underscore the multi-year regional *Solutions Strategy*:

- "creating conditions conducive to voluntary repatriation through community-based investments in areas of high return;
- building Afghan refugee capital based on livelihood opportunities in Afghanistan in order to facilitate return; and
- preserving asylum space in host countries, including enhanced support for refugee hosting communities, alternative temporary stay arrangements for the residual caseload, and resettlement in third countries."[9]

UNHCR AND STATE HAVE BEEN UNABLE TO INDEPENDENTLY VERIFY THE NUMBER OF AFGHAN REFUGEES

As discussed above, both UNHCR and State rely on the Pakistani and Iranian governments' refugee registration systems to identify the number of Afghan refugees residing in those countries and use this information, along with other factors, to help justify their funding decisions to assist those refugees. UNHCR's 2003 Handbook for Registration states that refugee registration is a primary source of information for the agency and that the registration process remains the responsibility of the countries where refugees reside. The handbook further states that UNHCR will assist with the registration process only when necessary.[10] UNHCR has some involvement in the Pakistani government's process for registering Afghan refugees living in its country, but has no involvement in the Iranian government's processes, relying exclusively on that government's reports. UNHCR uses the information it receives from these governments to develop its global appeal reports, which it then provides to the donor nations, including State. Among other things, these reports identify the estimated number of Afghan refugees living in Pakistan and Iran, as well as assessments on the overall Afghan refugee situation. State uses the information from UNHCR to prepare its annual policy paper on Afghanistan, Pakistan, and Iran. These policy papers help inform funding recommendations to support refugees and returnees in the Southwest Asia region, which includes Afghanistan, Pakistan, and Iran.

Although the initial registration of Afghan refugees in Pakistan in 2006 and 2007 was carried out under a memorandum of understanding between the Pakistani government and UNHCR, and UNHCR co-owns

[8] According to a Middle East Institute report, 90 percent of Afghan refugees claimed to have no property.

[9] Governments of Afghanistan, Pakistan, and Iran, *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries*, May 3, 2012.

[10] The Handbook for Registration states that "UNHCR assumes an operational role for registration only if needed. In all such cases, this role should be assumed jointly with the authorities of the host country, and/or the capacity of the host country should be developed to enable it to take on this responsibility at a later stage."

Pakistan's Afghan National Registration database, UNHCR officials stated that they have "limited access to fix records because the database is under Pakistani government control" and that any UNHCR access to the database is strictly monitored by the Pakistani government. Because of its limited access to the database and involvement in the registration renewal processes in Pakistan and Iran, UNHCR is unable to independently verify the number of Afghan refugees in those countries. However, based on the data it receives and its general knowledge of the Afghan refugee situation, UNHCR is able to identify potential discrepancies in the data. For example, according to UNHCR officials, prior to 2006, there was no accurate data on the number of Afghan refugees; as a result, donor nations and their implementing partners used estimates. According to UNHCR and State, at that time the donor nations and their implementing partners based their estimates on the number of Afghans requiring assistance or residing in the camps. This estimate did not account for Afghan refugees working in cities or living with their families. UNHCR officials told us that the estimated number of refugees living in Pakistan in 2001—reported as 2.2 million refugees at the time—may have been underestimated by over 4 million.

State relies on UNHCR current- and future-year projections on Afghan refugees, among other factors, to help inform its annual funding requests to Congress for programs intended to support Afghan refugees. According to PRM officials, "the accuracy of the data on the number of refugees plays a substantial role in the development of UNHCR's funding requirements and therefore can impact the level of annual contributions that PRM provides to UNHCR for Afghan refugees living in Pakistan and Iran." However, State has a limited ability to independently verify UNHCR information related to Afghan refugees. State PRM officials told us that when they receive UNHCR's future-year population and funding projections, they compare that information with the projections provided by other international organizations, such as the International Committee of the Red Cross and IOM, the non-governmental organizations implementing the bureau's refugee assistance programs, and State officials monitoring those programs and reporting on the refugee situation from Pakistan. PRM officials stated that they discuss with UNHCR any significant deviations in assumptions and estimates among those international and non-governmental organizations and State. However, most international organizations, as well as some non-governmental organizations, rely on UNHCR's data. Therefore, State's comparison of UNHCR's data to other organizations' data is not an independent verification based on new information, but a repetition of UNHCR's reported numbers.

This is especially true for the reported number of Afghan refugees living in Iran. In Iran, State provides humanitarian support to Afghan refugees through its contributions to UNHCR, which handles protection activities and facilitates specific programming, such as enhancing Afghan refugees' access to healthcare through a joint health insurance program arranged in concert with the government of Iran. UNHCR also coordinates directly with the Iranian government on strategic and policy issues regarding Afghan refugees in Iran. State PRM officials stated that in the absence of U.S. government relations with or presence in Iran, the bureau has limited options to monitor its programs in that country and is unable to verify the accuracy of reporting on the refugee situation. As a result, State is reliant on UNHCR, other international organizations, and non-governmental organizations for information.

Processes Have Been Put in Place to Better Account for the Number of Afghan Refugees in Pakistan, but Weaknesses Limit the Accuracy and Reliability of the Data

Although the Pakistani government and UNHCR have implemented additional processes to improve the accuracy of data on the number of Afghan refugees living in Pakistan, weaknesses in these processes limit assurances that the data is accurate and reliable. In October 2006, the Pakistani government and UNHCR began registering Afghan refugees' biometric and socio-economic information into a database maintained by Pakistan's National Database and Registration Authority (NADRA).[11] Information recorded in the database

[11] NADRA is attached to Pakistan's Ministry of Interior. It was established in 2000 with the merging of the Pakistan's National Data Organization and the Directorate General of Registration. NADRA's mandate was to reregister millions of

includes the refugee's photo, name, year of birth, a registration and identification number, home district and province in Afghanistan, and the district and province where the refugee lives in Pakistan. This information is printed on a Proof of Registration (POR) card issued to the refugee. NADRA issues individual cards to Afghan refugees over 5 years of age; names of children under 5 years old are listed on the back of a parent's card. In total, NADRA registered and issued POR cards to approximately 2.2 million Afghan refugees during the initial registration period. Since 2007, NADRA has conducted two POR card renewals, in 2010 and 2014. During these renewal periods, existing card holders received new cards, and children who had turned 5 since the previous registration/renewal period were issued cards in their own names. In 2010, PRM officials indicated that unregistered family members of registered Afghan refugees were also given the opportunity to register with their families and were subsequently issued POR cards. In addition to serving as proof of registration, the POR cards are proof of the refugees' legal right to live in Pakistan. They are also required when the refugee seeks cash assistance from UNHCR to repatriate to Afghanistan.

According to UNHCR, the introduction of the POR cards has allowed it to better account for the number of refugees and returnees in Pakistan. Agency officials explained that when a refugee goes to UNHCR's repatriation centers in Pakistan to request cash assistance to return to Afghanistan, UNHCR staff members void the individual's POR card by cutting a corner of it. When the refugee arrives in Afghanistan and visits one of UNHCR's "encashment centers" to receive cash assistance, UNHCR staff members there collect the POR card. According to UNHCR officials, before the 2006 POR card registration and issuance, donor nations and their implementing partners estimated the number of refugees in Pakistan.

Despite having these additional processes in place, weaknesses in the processes limit UNHCR's ability to obtain accurate data on the number of Afghan refugees in Pakistan. For example, the Pakistani government's reported death rate for Afghan refugees in Pakistan—another factor that affects the overall number of refugees in the country—is significantly lower than UNHCR estimates. UNHCR estimates that there are approximately 23,000 deaths among Afghan refugees in Pakistan each year. However, the Pakistani government reported only nine total deaths among Afghan refugees during the 6 and half years from January 2008 through June 2014.

Furthermore, NADRA has not conducted any new refugee registrations since 2007 when it registered 2.2 million Afghan refugees living within its borders. Other than those children born to registered parents or those children who were 5 years old or under and previously registered under their parents' names, and some other unregistered family members of registered refugees, UNHCR and State PRM officials stated that NADRA has not registered nor issued POR cards to any new refugees. In fact, aside from possibly the family members registered in 2010, a PRM official told us that NADRA does not consider Afghans who arrived in Pakistan after the 2007 registration to be refugees because they have not been registered or issued POR cards. According to State officials, the unregistered Afghan population in Pakistan is not recognized as refugees and encompasses a wide range of Afghan migrants.

Although the introduction of the POR cards was an improvement, the POR card renewal process is vulnerable to fraud, making it an unreliable tool to account for the number of refugees. For example, NADRA does not require a refugee to appear in person to renew his or her POR card. Rather, NADRA allows the head of household to renew POR cards for the entire family. According to UNHCR officials, it is possible that the head of household might not report the death of a family member and keep the POR card instead of turning it in as required. UNHCR and State PRM officials also stated that some refugees, those who are not in need of UNHCR's transportation assistance, do not turn in their POR cards even after they have permanently returned to Afghanistan. Some use their cards as travel documents to enter Pakistan to conduct business or to simply ease their movements between the two countries. One Afghan ministry official told us that "there are a number

Pakistani citizens, and it created the Multi-Biometric National Identity Card in order to accomplish that mandate. In 2006, the agency was assigned to conduct the registration of Afghan refugees in Pakistan. The registration process began in October 2006 and ended in February 2007.

of families who are registered refugees in Pakistan but spend their summers in Afghanistan and winters in Pakistan."

THE AFGHAN GOVERNMENT HAS MADE LIMITED PROGRESS IN IMPLEMENTING THE *SOLUTIONS STRATEGY*, DESPITE INTERNATIONAL ASSISTANCE

A Lack of Capacity and Corruption within the Afghan Ministry of Refugees and Repatriation Have Hindered Implementation of the *Solutions Strategy*

The multi-year *Solutions Strategy* has been difficult to implement due to weaknesses within the Afghan Ministry of Refugees and Repatriation (MORR), the ministry charged with leading this effort. The governments of Afghanistan, Pakistan, and Iran developed the *Solutions Strategy* to achieve five outcomes:

1. support to voluntary repatriation;
2. access to shelter and essential social services for refugees, returnees and host communities;
3. improved and diversified livelihood opportunities and enhanced food security;
4. social and environmental protection of refugees, returnees, as well as assistance and support to host communities; and
5. capacity development of national authorities, association, organizations, and communities concerned with refugees, returnees, and host communities.

As the Afghan government's lead ministry for coordinating refugee and returnee affairs with other Afghan ministries and international organizations, the MORR has primary responsibility for implementing the *Solutions Strategy*. Its responsibilities include facilitating the voluntary return of Afghans from Iran, Pakistan, and other host countries, and strengthening Afghanistan's national capacity for reintegrating those returnees.

However, under the prior Afghan administration, which was replaced by the national unity government in late September 2014, a lack of capacity and corruption prevented the MORR from implementing the strategy. For example, in 2005, the President of Afghanistan signed Presidential Decree 104, which called for distributing the land to eligible returnees and assigned the MORR responsibility for implementing the decree.[12] However, to date, the MORR has been unable to effectively distribute land to Afghan returnees, an essential component of the *Solutions Strategy*. Poor access to land and shelter in Afghanistan continues to be a key challenge to the successful reintegration of returnees and an obstacle to the voluntary repatriation of refugees.[13] The MORR manages land distribution under the Land Allocation Scheme—a law established in 2005 to provide land to returning refugees. In 2011, State's Office of Inspector General reported that the Land Allocation Scheme had not met demand because of the MORR's mismanagement of the program. The report stated that out of 266,000 families that applied, only 38,000 (14 percent) had received plots. Of those families who received plots, only 9,200 had moved in.[14] Similarly, a 2011 Middle East Institute report stated that in 2009, the MORR

[12] President Hamid Karzai, Decree No. 104, *Decree President of the Islamic Republic of Afghanistan On Land Distribution for Housing to Eligible Returnees and IDP*s, December 6, 2005.

[13] A November 2013 UNHCR comprehensive needs assessment of returnees reported that returnees in half of the highreturnee locations listed shelter as their first priority need.

[14] State Office of Inspector General, Report Number MERO-I-11-10, *The Bureau of Population, Refugee and Migration's Reintegration Assistance Program for Refugees Returning to Afghanistan*, July 2011.

distributed plots of land to 31,000 families (24 percent) of the 270,000 families that applied. Of the families that received land, only 10,684 eventually moved onto their plots.[15]

Reportedly, corruption within the MORR further limited its ability to implement the *Solutions Strategy*. A 2013 Independent Joint Anti-Corruption Monitoring and Evaluation Committee assessment of MORR's operation found several instances of corruption.[16,17] Specifically, the assessment found that the MORR's process for distributing land under the Land Allocation Scheme is afflicted by institutional corruption. The report cited bribery, forgery, nepotism, embezzlement, and poor customer service as obstacles to the program's implementation. Additionally, in a 2014 report, the committee referenced a 2013 investigation by the United Nations Inspector General's Office that found that the MORR misappropriated approximately $117,000 in UNHCR funds for staff bonuses, reimbursements to officials supported by forged documents, and property rentals that were against UNHCR rules and Afghan laws.[18] Similarly, an evaluation of the UNHCR Shelter Assistance Program, conducted in the fall of 2012, stated that the MORR is not a reliable partner to take over or continue UNHCR's Shelter Assistance Program due to numerous instances of corruption, inefficiency, mishandling of funds, lack of human resources, and an inability to demonstrate technical or thematic knowledge of the populations falling under the ministry's responsibility.[19,20] UNHCR has since restricted its assistance to the MORR mainly to non-financial items.

State identified similar shortcomings in the MORR and funded a program to improve the ministry's capacity. In 2011, State provided funds to IOM to establish a comprehensive multi-year capacity building program for the MORR. According to IOM, the key areas of support include training approximately 600 MORR staff, both in Kabul and the provinces, in information technology, administration, procurement, and finance; supporting the development of the ministry's 5-year strategy; providing migration management training to senior managers; and upgrading the MORR's training and information technology facilities. However, according to IOM officials, prior to the conclusion of the program in 2014 and after discussing their concerns about the MORR with State, they decided to focus solely on the MORR's provincial offices, citing an "extremely challenging" working relationship with MORR under the prior minister's leadership. Even before this, in November 2013, State reported that the MORR, under the Karzai administration, lacked the capacity to fulfill its mission, to include working with other ministries.

According to PRM officials, the new Afghan national unity government has expressed its commitment to addressing refugee reintegration needs. Similarly, PRM officials stated that "under the new leadership of Minister Sayed Balkhi, the MORR has demonstrated that it is taking positive steps towards fulfilling its mandate." PRM officials also stated that the new minister's priorities for this year include "developing the MORR Five-Year Strategic Plan, adopting the National Refugee and Asylum Law, implementing the National [Internally Displaced Persons] Policy and the Solutions Strategy for Afghan Refugees, and fighting against corruption at MORR."

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[15] Ingrid Macdonald, Middle East Institute, *Landlessness and Insecurity: Obstacles to Reintegration in Afghanistan*, February 9, 2011.

[16] The Afghan government established the Independent Joint Anti-Corruption Monitoring and Evaluation Committee in 2010. The Committee independently monitors and evaluates national and international efforts to fight corruption in Afghanistan, and reports to the Afghan President, Parliament, and the public, as well as donor nations and international organizations.

[17] Independent Joint Anti-Corruption Monitoring and Evaluation Committee, *Vulnerability to Corruption Assessment Report on the Process of Land Distribution for Repatriation and Displaced People*, October, 2013.

[18] Independent Joint Anti-Corruption Monitoring and Evaluation Committee, *Fifth Six-Month Report (July 1, 2013-December 31, 2013)*, January 30, 2014.

[19] Maastricht University and Samuel Hall, *Evaluation of the UNHCR Shelter Assistance Programme*, November 2013.

[20] According to UNHCR, in 2002, it established the Shelter Assistance Program to help returnees and other vulnerable households in Afghanistan. According to the program's criteria, UNHCR only provides shelter to returnees with access to land or with access to enough money to buy land. Although many returnees with land who receive assistance under the program are vulnerable, the program does not assist landless returnees, who are the most vulnerable.

Afghanistan's National Development Priorities Do Not Fully Support Implementation of the *Solutions Strategy*

Despite its role in developing the *Solutions Strategy*, the Afghan government's National Priority Programs have not fully supported its implementation of the strategy.[21] According to UNHCR, in order to have a sustainable reintegration of Afghan returnees, as advocated in the *Solutions Strategy*, the initial assistance must be supplemented by long-term national development. In other words, sustainable reintegration depends on Afghan institutions' ability to deliver better services, such as health and education, create jobs, protect citizens' rights, and maintain the peace.

Of the 23 National Priority Programs that the Afghan government has identified as priorities for effective development, UNHCR identified 13 as having a direct effect on the sustainability of refugee reintegration. These programs include development projects, such as constructing roads, health clinics, and schools in areas with large returnee populations. UNHCR and the MORR advocated for the inclusion of returnees' needs in those 13 programs, and developed memoranda of understanding with each of the ministries responsible for implementing the programs. According to the memoranda, the MORR is supposed to identify returnee needs, communicate those needs to its partner ministries, reassess the needs annually, and update partner ministries on any changes.

Similarly, one of the *Solutions Strategy*'s objectives is to achieve parity among returnees and their local communities in the high return areas in Afghanistan. To that end, the strategy calls for the MORR to identify the needs and challenges of returnees in those areas, and develop a timeframe to address them. Additionally, according to the *Solutions Strategy*, the MORR is responsible for pursuing "coordination, assessment, and intervention planning with key Afghan ministries, including the Ministry of Foreign Affairs, Ministry of Urban Development Affairs, and Ministry of Rural Rehabilitation and Development."[22]

However, the MORR has been ineffective at communicating returnee needs to those ministries and other ministries charged with delivering essential services affecting this population. According to State PRM officials, the MORR's partner ministries—including the Ministries of Public Health (which aims to improve the health and nutritional status of the Afghan people); Rural Rehabilitation and Development (which oversees rural poverty reduction and community development programs); and Labor, Social Affairs, Martyrs, and Disabled (which helps Afghans with vocational training and starting businesses)—accused the MORR of failing to provide any information on returnees' needs, preventing those ministries from incorporating those needs into their National Priority Programs or effectively targeting their programs to assist returnees.

In addition to the MORR's shortcomings in facilitating a sustainable reintegration for Afghan returnees, under the prior Afghan administration, there was a lack of will on the part of the MORR's partner ministries to incorporate returnees' needs into their programs. Citing a high-ranking Afghan government official, a State PRM official stated that "refugees do not get much attention because they are not a priority issue and ministries do not think refugees are directly related to their work."

The National Solidarity Program is an example of a national development program that has not supported returnee integration, as advocated for in the *Solutions Strategy*. A Danish government-funded study on the impact of the Ministry of Rural Rehabilitation and Development's implementation of the National Solidarity Program on returnees found that the program's bylaws excluded coverage of returnees.[23] The Ministry of Rural

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[21] According to the Afghan Ministry of Finance, the National Priority Programs refer to a set of 23 priority programs that were announced at the Kabul Conference of 2010. These programs represent a prioritization of the *Afghanistan National Development Strategy* and include specific deliverables and costs. The programs concern such areas as governance, infrastructure development, and agriculture and rural development.

[22] Governments of Afghanistan, Pakistan, and Iran, *Solutions Strategy for Afghan Refugees, to Support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries*, May 3, 2012.

[23] Post-War Reconstruction & Development Unit, *The Study of NSP's Impact on IDP/Refugee Returnee Reintegration in Afghanistan*, July 7, 2012.

Rehabilitation and Development created the National Solidarity Program in 2003 to develop the ability of Afghan communities to identify, plan, manage, and monitor their own development projects. According to the program's bylaws, the selected communities would receive assistance in setting up community development councils, and training on the management small-scale projects funded by the grants from the government. To receive funding for projects under the National Solidarity Program, a community had to be able to form a community development council and create a community development plan listing the projects that they wish to undertake. The Danish study determined that the communities the MORR established specifically for returnees were often underdeveloped and lacked the organization and basic infrastructure that generally existed in other communities. This prevented the many returnee communities from completing the steps required by the National Solidarity Program's bylaws, thus making them ineligible to receive assistance under the program.[24] Furthermore, the National Solidarity Program is constrained by its mandate to work in rural areas only, even though returnees are increasingly moving to urban areas.

According to PRM officials, the new Minister of Refugees and Repatriation visited Pakistan in March 2015 for Afghanistan–Pakistan–UNHCR Tripartite Commission meetings, during which the parties emphasized the importance of including returnees in Afghanistan's new reform agenda by facilitating their access to the National Priority Programs and growth and job creation plans, as well as by prioritizing community-based investments benefiting both returnees and local communities in areas of return.

Little Progress Has Been Made on International Efforts to Support Implementation of the *Solutions Strategy*

Sustainable repatriation and reintegration is a component of the *Solutions Strategy*. Yet international efforts have not made areas in Afghanistan with large returnee populations conducive to permanent repatriation and reintegration. At the outset of strategy implementation, UNHCR and the MORR identified 48 areas throughout the country that had large returnee populations on which to focus its repatriation and reintegration efforts. Such efforts would include establishing programs to improve livelihoods, build capacity, and increase access to basic services, shelter, and education. Due to the tendency for new returnees to move to other areas, UNHCR decided to expand the number of target return areas and to direct assistance in line with actual refugee flows. However, UNHCR did not prepare a portfolio of proposed development projects for these areas until January 2014. According to a report by Pakistan's Chief Commissionerate for Afghan Refugees, "very little progress" has been made in developing these areas.[25]

Although UNHCR, donor nations, and their implementing partners have implemented programs for returnees in high return areas, independent assessments of these programs have found weaknesses in their implementation that could put the sustainability of reintegration and repatriation process at risk. For example, a 2013 evaluation of UNHCR's Shelter Assistance Program—a program established to provide shelter for returnees—found:

- the lack of access to safe water, livelihoods, and basic services were impediments to the program's sustainability;
- UNHCR's development efforts were short-term in nature and could not address deeper issues of the absence of employment and livelihoods; and

[24] Community development committees are local governing bodies elected by eligible voters who, in consultation with their communities, develop a community development plan, which includes projects that can be carried out with funding from the National Solidarity Program or other sources.

[25] Muhammad Abbas Khan, Commissioner, Chief Commissionerate for Afghan Refugees, "Pakistan's National Refugee Policy," *Afghanistan's Displaced People: 2014 and Beyond*, May 2014.

- "close to no follow-up of beneficiaries, which limits any internal assessment of sustainable reintegration or longer-term impact of the program."[26]

Similarly, a 2014 evaluation of IOM's returnee assistance program found, among other things, that:

- current reintegration programming followed a more short-term model ill-suited to making reintegration efforts sustainable;
- staff members had limited ability to properly select beneficiaries and target groups; and
- the lack of financial and technical follow-up and post-activity monitoring limited sustainability and effectiveness.[27]

Furthermore, the International Labour Organization completed an assessment of livelihood assistance in 22 pilot reintegration sites and found that typical livelihood program-supported jobs were "extremely badly" paid and often unsustainable because the donor community was not linking livelihood support for reintegration communities to the product and labor markets.[28]

CONCLUSION

The U.S. government has a long-standing commitment to provide humanitarian assistance to Afghan refugees and returnees, as evidenced by the over $950 million State has allocated to programs intended to assist those groups since 2002. Equally long standing is State's support of, and reliance on, international organizations, such as UNHCR, IOM, the International Committee of the Red Cross, and other international organizations to deliver such assistance. Despite efforts to achieve a sustainable solution to this protracted refugee situation, the Afghan government has been unable to implement the *Solutions Strategy* due, in part, to lack of capacity and to corruption within the MORR. State recognized these problems as impediments to its own efforts to develop the ministry's capacity to carrying out its responsibility both within the Afghan government and with respect to the *Solutions Strategy*. In response, State made the difficult—but necessary—decision to cease support for the MORR. However, these problems continue to prevent the ministry from effectively leading and coordinating refugee and returnees efforts across the Afghan government and with international partners. The new Afghan national unity government has indicated its intent and commitment to addressing these issues within the MORR. However, until the MORR is able to identify returnee needs and communicate those needs to other ministries responsible for implementing Afghanistan's national priority programs, effectively implement the Land Allocation Scheme, and address ongoing corruption issues, refugees will continue to face challenges reintegrating into Afghanistan. This not only undermines U.S. and other donor efforts to address the ongoing Afghan refugee situation, but also discourages the Pakistani and Iranian governments from abiding by their commitments under the *Solutions Strategy* to support Afghan refugees residing in their countries.

RECOMMENDATIONS

Because the MORR, under the previous Afghan administration, faced problems with a lack of capacity and corruption, State currently has no plans to provide monetary assistance to the ministry. The new Afghan administration has indicated its commitment to addressing these issues within the ministry and assisting Afghan refugees and returnees.

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[26] Maastricht University and Samuel Hall, *Evaluation of the UNHCR Shelter Assistance Programme*, November 2013.

[27] IOM and Samuel Hall, *Evaluating IOM's Return and Reintegration Activities for Returnees and Other Displaced Population: Afghanistan*, August 2014.

[28] International Labour Organization, *Assessment of Livelihood opportunities for returnees/internally displaced persons and host communities in Afghanistan*, 2013.

To assist the new Afghan administration in addressing the needs of Afghan refugee and returnees, and ensure effective implementation of the *Solutions Strategy*, we recommend that the Assistant Secretary of State, Bureau of Population, Refugees, and Migration:

1. **Monitor the Afghan administration's efforts to increase capacity and reduce corruption within the MORR. If State determines that the MORR has made the necessary progress and that future U.S. assistance to the ministry is warranted, we recommend that such assistance include working with:**
    a. **The MORR, in coordination with UNHCR and other implementing partners, to conduct an assessment that identifies the needs and challenges of returnees and develop a timeframe to address those needs and challenges, as called for in the *Solutions Strategy*;**
    b. **The Afghan administration to ensure that other ministries incorporate the returnee needs the MORR identifies into Afghanistan's national development priorities; and**
    c. **The Afghan administration to hold the MORR, and other relevant ministries, accountable for implementing the Land Allocation Scheme, as required by Afghan law and presidential decree.**

AGENCY COMMENTS

We provided a copy of this draft report to State for review and comment. State PRM provided written comments, which are reproduced in appendix III. State PRM also provided technical comments, which we incorporated into the report, as appropriate.

State largely concurred with our recommendation and stated that the MORR's initial efforts to tackle corruption will be best supported by increasing its technical capacity. To that end, State commented that it is discussing with IOM ways to support the MORR to best assess the needs and challenges of returnees and effectively communicate returnees' needs with relevant line ministries.

With regard to part (a) of our recommendation, State noted that it does not believe that the assessment should be limited to identifying the needs and challenges of returnees located in areas of high return, but should instead be a comprehensive assessment of returnees' needs in all locations where they return. We agree and have revised that part of the recommendation accordingly. With regard to part (c) of our recommendation, State commented that the Land Allocation Scheme has limited benefit for returnees in urban and semi-urban areas, and the MORR will need to adjust the program accordingly to better meet the needs of an increasingly urban returnee population. State also noted that the MORR is only one among several ministries involved in implementing the program. The department stated that it will continue to work with IOM, UNHCR, the MORR, and other relevant Afghan ministries to ensure that a robust system of support to returnees is put in place. We have revised part (c) of the recommendation to reflect the involvement of other Afghan ministries.

APPENDIX I - SCOPE AND METHODOLOGY

This report provides the results of SIGAR's audit of U.S. efforts to assist Afghan refugees living in Pakistan and Iran, and Afghan returnees in Afghanistan. The objectives of this audit were to assess the extent to which (1) the Department of State (State) and the United Nations High Commissioner for Refugees (UNHCR) verify the number of Afghan refugees in Pakistan and Iran, and (2) the Afghan government has implemented the *Solutions Strategy for Afghan Refugees, to support Voluntary Repatriation, Sustainable Reintegration and Assistance to Host Countries* (hereafter referred to as the *Solutions Strategy*). Our scope was U.S. assistance for Afghan refugees and returnees provided from 2002 through September 2014, as well as data on Afghan refugees and returnees from 2001 through September 2014. A key limitation we faced in conducting this audit is the U.S. government's lack of a formal diplomatic relationship with Iran. Consequently, we were unable to speak with officials from or obtain information about the Iranian government's processes for determining the number of Afghan refugees living within the country's borders. Although we reference UNHCR's information on Afghan refugees in Iran, we were unable to provide details as to how the Iranian government determines the number Afghan refugees.

To assess the extent to which State and UNHCR verify the total number of Afghan refugees living in Pakistan and Iran, and returnees in Afghanistan, we reviewed the State Bureau of Population, Refugees, and Migration's (PRM) annual policy and its program review committee's regional policy paper for Southwest Asia, the U.S. Government Accountability Office's previous audit of PRM operations,[29] and UNHCR's global appeal reports for Afghanistan, Pakistan, and Iran from 2001 to 2014. We reviewed PRM contribution letters to UNHCR for fiscal years 2010 through 2013. We also reviewed the U.S. government's, the Afghan government's, and international organizations' plans, agreements, and other program documents on their humanitarian programs in Afghanistan. We reviewed data on the number of Afghan refugees and returnees, and descriptions of the methods for collecting this data. We met with officials from PRM, the Afghan Ministry of Rural Rehabilitation and Development, UNHCR, the International Committee of the Red Cross, and the International Organization for Migration. We also met with a representative from Pakistan's Mission to the United Nations.

To evaluate the implementation of the long-term strategy for Afghan refugees and returnees, we reviewed the *Solutions Strategy*, which was developed by Afghanistan, Pakistan, and Iran. Additionally, we reviewed Afghan laws and long-term development strategies, such as Presidential Decree 104 and the *Afghanistan National Development Strategy*, that legalize the distribution of intact and uncultivated government land to landless returnees and guide programs to seeking to create conditions that promote voluntary, sustainable repatriation of refugees. We also analyzed the Afghan government's and international organizations' reports regarding the progress made in implementing those laws and strategies. We also interviewed officials from PRM, UNHCR, and the Afghan Ministry of Rural Rehabilitation and Development.

We did not use computer-processed data for the purpose of the audit objectives. With respect to internal controls, we assessed the extent to which UNHCR had processes in place to verify the number of Afghan refugees and returnees, data that impact State and UNHCR funding for efforts to support the refugees and returnees. The result of our assessment is included in the body of the report.

We conducted our audit work in Washington, D.C.; Kabul, Afghanistan; and Geneva, Switzerland, from March 2014 to August 2015, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was performed by SIGAR under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

[29] Government Accountability Office, *Iraqi Refugee Assistance: Improvements Needed in Measuring Progress, Assessing Needs, Tracking Funds, and Developing an International Strategic Plan*, GAO-09-120, April 21, 2009.

APPENDIX II - STATE-FUNDED REFUGEE PROGRAMS TO ASSIST AFGHAN REFUGEES IN IRAN AND PAKISTAN

In Iran, the Department of State (State), through its Bureau of Population, Refugees, and Migration (PRM), provides humanitarian support to Afghan refugees through its contributions to the United Nations High Commissioner for Refugees (UNHCR), which handles protection activities and facilitates specific programming. For example, through an arrangement with the Iranian government, UNHCR implements a joint health insurance program to enhance Afghan refugees' access to healthcare. UNHCR coordinates directly with the Iranian government on strategic and policy issues regarding Afghan refugees in Iran.

In Pakistan, State provides support for communities hosting Afghan refugees through the Refugee Affected and Hosting Areas program. This is a joint UNHCR–Pakistani government program that seeks to promote regional stability and compensate for the social, economic, and environmental impact on host communities of the presence of nearly 6 million Afghan refugees living in Pakistan over the past 30 years. According to State, one of the main objectives of the program is to ensure peaceful co-existence between host and refugee communities, thus helping to preserve asylum space. According to UNHCR, 15 percent of the beneficiaries of the Refugee Affected and Hosting Areas program are Afghan refugees.

State also funds cooperative agreements to non-governmental organizations to fill specific gaps in humanitarian assistance, and to provide livelihoods support and skills training to empower refugees in Pakistan to sustain themselves and provide for their families. State's funding opportunity announcement for fiscal year 2014 requires its implementing partners to focus primarily on one of four sectors:[30]

- Health projects promote the transition of health services, including reproductive health, to governmental authorities, local non-governmental organizations, and development partners in refugee villages in the Pishin and Quetta districts in Balochistan province, and the Mansehra, Peshawar, Swabi, and Buner districts in Khyber Pakhtunkhwa.

- Livelihood projects aim to provide vocational training, livelihoods, and business development linked to job opportunities. This includes projects that provide complementary training in fields such as adult literacy and teacher training.

- Education projects seek to improve access to quality primary and secondary education services outside the refugee villages. Projects should support eventual repatriation and reintegration of refugees in Afghanistan, help refugees earn a livelihood in Pakistan, or both.

- Protection projects seek to increase refugees' access to basic services and legal assistance; promote rights awareness, empowerment, and child protection; and prevent gender-based violence PRM prioritizes activities that enhance the protection of women, children, and other extremely vulnerable individuals.

[30] State, *Fiscal Year 2014 Funding Opportunity Announcement for NGO Programs Benefiting Afghan Returnees and IDPs in Afghanistan and Afghan Refugees in Pakistan*, February 14, 2014.

United States Department of State

Washington, D.C. 20520

August 7, 2015

Gabriele A. Tonsil
Assistant Inspector General for Audits and Inspections
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive Suite 900
Arlington, VA 22202

Re: SIGAR Audit 96A

Dear Ms. Tonsil:

This letter conveys comments from the Bureau of Population, Refugees, and Migration (PRM) in response to SIGAR's draft audit report "Afghan Refugees and Returnees: Corruption and Lack of Afghan Ministerial Capacity Have Prevented Implementation of a Long-term Refugee Strategy."

Below please find responses to SIGAR's specific recommendation: *To assist the new Afghan administration in addressing the needs of Afghan refugee and returnees, and ensure effective implementation of the Solutions Strategy, SIGAR recommends that the Assistant Secretary of State, Bureau of Population, Refugees, and Migration monitor the Afghan administration's efforts to increase capacity and reduce corruption within the MORR. If State determines that the MORR has made the necessary progress and that future U.S. assistance to the ministry is warranted, SIGAR recommends that such assistance include working with*

(a) the MORR, in coordination with UNHCR and other implementing partners, to conduct an assessment that identifies the needs and challenges of returnees located in areas of high return and develop a timeframe to address those needs and challenges, as called for in the Solutions Strategy;

(b) the Afghan administration to ensure that other ministries incorporate the returnee needs the MORR identifies into Afghanistan's national development priorities; and

(c) the Afghan administration to hold the MORR accountable for implementing the Land Allocation Scheme, as required by Afghan law and presidential decree.

PRM largely concurs with this recommendation. We assess that the initial efforts that the Ministry of Refugees and Repatriation (MORR) has made in tackling corruption will be best supported by increasing their technical capacity. To that end, we are discussing with the International Organization for Migration (IOM) ways to support the (MORR) to best assess the needs and challenges of returnees and effectively communicate returnees' needs with relevant line ministries. Together we aim to increase the technical capacity of MORR in managing returnee information and coordinating a reintegration referral mechanism. With regard to the recommendation to assess the needs and challenges of returnees located in areas of high return,

PRM does not believe that the assessment should be confined to areas of high return, but rather should be a comprehensive assessment of returnees' needs in all locations where they return. With regard to the recommendation part c, PRM notes that the Land Allocation Scheme (LAS) has limited benefit for returnees in urban and peri-urban areas and MORR will need to adjust accordingly to meet the needs of the increasingly urban returnee population. Additionally, we note that MORR is only one entity among several involved in the LAS. PRM will continue to work with IOM, UNHCR, and MORR and other relevant Afghan government ministries to ensure that a robust system of support to returnees is put into place.

SIGAR comment 1

On the issue of the number of refugees, we recognize the potential small discrepancies in the refugee figures in Pakistan. However, we note that Pakistan has a robust registration system, through the Proof of Registration cards, developed in coordination with UNHCR, which includes individual-level biometric data. When appropriate registration and verification measures are in place, as they are in Pakistan, it is not a best practice to have a secondary redundant verification system.

We appreciate SIGAR's work on this report. We also appreciate the inspection team's willingness to receive feedback throughout the development of this report.

Sincerely,

Anne C. Richard
Assistant Secretary
Bureau of Population, Refugees, and Migration

SIGAR Response to Comments from State

1. Although we agree that the refugee registration process and introduction of the Proof of Registration cards (POR) is an improvement in determining the number of refugees in Pakistan, we maintain that the POR card renewal process is vulnerable to fraud, making it an unreliable tool to account for the number of refugees. That said, as noted in the report, we acknowledge the challenges State and its implementing partners face in verifying refugee figures in Pakistan.

APPENDIX IV - ACKNOWLEDGMENTS

Gabriele Tonsil, Senior Audit Manager

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This performance audit was conducted under project code SIGAR-096A.

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