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**Reconstructing
Afghanistan**

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Oral and written evidence

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Independent Directorate for Local Governance of the Islamic Republic of Afghanistan:

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- *Strategic Framework*
- *Communities Self-Defense Programme*

Oral evidence

Taken before the International Development Committee

on Tuesday 23 October 2007

Members present:

Malcolm Bruce, in the Chair

Richard Burden
James Duddridge
Ann McKechin

Mr Marsha Singh
Sir Robert Smith

Witnesses: **Mr Jim Drummond**, Director, South Asia Division, **Ms Lindy Cameron**, former Head of Department for International Development (DFID) Afghanistan, and **Mr Peter Holland**, Head, Afghan Drugs Inter-Departmental Unit (joint DFID-FCO unit), DFID, gave evidence.

Q1 Chairman: Good morning and thank you for coming to give evidence in our first session on development assistance in insecure environments with the emphasis on Afghanistan for which you have particular DFID responsibilities. Mr Drummond, perhaps for the record you would first introduce the members of your team and their particular areas of expertise and responsibility.

Mr Drummond: My name is Jim Drummond and I am the director for South Asia in DFID. I started this job at the beginning of the month and so I am a relative new-comer. On my right is Lindy Cameron who in September finished a period of 18 months or so as head of the DFID office in Afghanistan based in Kabul. On my left is Peter Holland who is head of the Afghan Drugs Inter-Departmental Unit, generally known as ADIDU. Mr Holland has been in his job for a while and therefore also has considerable expertise on the subject. ADIDU is responsible for the counter-narcotics effort but is also the lead on policing and justice issues and so Mr Holland will help with questions that you may have on those subjects.

Q2 Chairman: When the international compact for Afghanistan was signed in London in January 2006 the Committee had the opportunity to meet informally a number of the Afghan representatives. Obviously, that was a significant development and there were high hopes as to where it would lead. By any standards Afghanistan is a very poor country and presumably would always be a priority for funding by DFID regardless of the current situation and recent history. Can you give an indication of how that country fares in terms of the aid it receives compared with other post-conflict countries in recent times and to what extent the scale of the poverty in Afghanistan is being taken fully into account? In some of the written evidence we have received from a variety of sources a number of people have commented that the resources being made available are inadequate for the scale. Can you provide an indication of what resources per capita are being made available and to what extent the

extremity of poverty in Afghanistan is being taken into account in setting the level of aid that the country receives?

Mr Drummond: Perhaps I may start with a little background to that question. The development challenge in Afghanistan is still huge. We started from an extremely low base in development terms in 2001 when the Taliban regime fell. From the statistics we have, in 2004 life expectancy in Afghanistan was 46 years and adult literacy was 28% compared with the average in Least Developed Countries of 52.4 years and 63%. One in five Afghan children dies before its fifth birthday. That is an improvement from one in four dying at the end of the Taliban regime, but it is still a very serious state of affairs. Half the population lives on less than \$1 a day and about one third of the population eats less than the minimum daily calorie requirement. Afghanistan will miss the Millennium Development Goals but it has a target for meeting them by 2020. Set against that, there have been some pretty remarkable achievements in the past five years. We now have 5.4 million children in school, one third of them girls. As you know, the Taliban excluded girls from school. Nearly five million refugees have returned to Afghanistan. There have been improvements in infant mortality rates and the immunisation of children. It is estimated that immunisation against measles has saved about 35,000 lives annually. Attendance at school and access to basic healthcare have improved. There is a mixed picture of achievements from a very low base but which often go unreported. It varies around the country as you will know. In terms of the resources that DFID puts into Afghanistan, Ministers made a commitment to provide 330 million over a three-year period. The last year of that is the next financial year. We expect to meet that commitment. If you look at the resource allocation model from which DFID starts its process—obviously, resource allocations are political decisions but they are based on evidence of poverty—Afghanistan would get about one third of what it gets now. We have made extra provision for Afghanistan.

Q3 Chairman: I completely accept the statistics you have given us and the scale of improvement, which is welcome. I also accept your answer in terms of

DFID's particular commitment, but, to put that in context, the International Crisis Group—I accept this is historical—says that in the first two years after the removal of the Taliban the international aid commitment was \$52 per Afghan compared with \$1,400 per person in Bosnia. I do not query what DFID does—it is probably one of the big donors—but what is the context? What is everybody else doing, and what is the level per head now and how does it compare with others?

Mr Drummond: We may need to write to you with precise figures because we do not have them in our heads.¹ We acknowledge that there is an international issue about how we balance the response to conflicts. You will be familiar with the figures for the DRC² because you have been there recently. In that country the response per capita is much lower than for Sudan and many other post conflict countries. Afghanistan is clearly much better placed than DRC in terms of the response to the crisis it faces and the amounts of aid available to it, but it is less well aided than certain parts of the Balkans.

Ms Cameron: We believe that aid is being disbursed along the lines pledged at the London conference two years ago to which you referred. Therefore, the issue you are describing is a known one: Afghanistan has consistently received lower levels of per capita aid than some other countries. One must also recognise that Afghanistan in 2001 did not have the capacity to absorb very high levels of aid because it had such a limited government capacity. Every year we have seen a dramatic increase in the ability of the Government to spend money—in most years it has risen between 50 and 100%—so from our perspective we are probably less worried about the level of aid it is receiving. There is a longer term issue about ensuring it receives sustained aid to enable it to continue to make the dramatic progress we have seen so far. Afghanistan started from a dramatically lower base than either Bosnia or Kosovo in particular in terms of both much higher levels of poverty but also much lower levels of state capacity to do something with the aid. It had a programme that was much more focused on humanitarian assistance to start with, transitioning to development. It is less focused on reconstruction per se because there has been less to reconstruct. The infrastructure in Afghanistan was much more devastated but also there was much less of it in the first place. Most Afghans have seen very little of the Afghan state historically and therefore there is an awful lot more to do. We have not seen a dramatic change in levels of aid since the London conference but certain countries, particularly the US and Canada, have made increased commitments. The Canadians have raised their level of commitment since then partly because of the perception of increased need in the south. The international development banks are also clear that the need they previously identified—to maintain levels of post-conflict assistance—is still there. We have a dialogue with both the World Bank and the Asian

Development Bank about the need to maintain the higher levels of post-conflict assistance that they have been delivering to Afghanistan.

Q4 Chairman: Do you reject some of the evidence we have received which suggests that the levels of aid are inadequate for the need? Do you also accept that the limited capacity to absorb aid has been a problem that has been overcome? In that context is DFID trying to encourage other donors to contribute more? Is that part of the department's broader objective?

Mr Drummond: I do not think we would say the problem about capacity has been overcome. At the starting point, there was a Taliban regime which really did not run a government budget that we would recognise as such, disbursing maybe \$100 million as a central government budget. There is now a government budget of \$2.6 billion which the evidence shows is being disbursed pretty well. There is a little lag on the investment budget side, but the recurrent budget is almost all spent. Five years into a post-conflict situation that is not bad, but there is still a major issue about the capacity of some ministries to spend. Some quite innovative things are being done in particular ministries. For example, the Ministry of Health does not try to be a deliverer of health services; it subcontracts to NGOs and others to deliver those services around the country. I believe that has been relatively successful.

Q5 Chairman: In parallel we are running a separate inquiry on maternal health in developing countries. Is that improving? The information we have is that access to antenatal care stands at 30% of the eligible population. The worst figure is in Balochistan where 6,500 women die for every 100,000 babies born. Is maternal health a priority, and does DFID have a particular engagement with that?

Mr Drummond: DFID is not directly funding the health sector. When Ashraf Ghani was Minister of Finance in Afghanistan he was very clear as to what he wanted donors to do. He did not want them to work in any more than three sectors. In terms of donor effectiveness that was pretty good leadership from the government of a country that had emerged from a conflict only two years before. DFID made choices for its three sectors. It did not include direct involvement in health, but the money we put into the Afghan Reconstruction Trust Fund goes to pay the salaries of health workers, so we are making contributions indirectly. You are absolutely right that maternal and child health is a very serious issue in Afghanistan. There have been significant improvements in the past five years, but it still puts Afghanistan way down the league table.

Ms Cameron: The figures have improved dramatically specifically for antenatal care. Access has gone up from 5% in 2003 to 30% in 2006, so that is a six-fold increase. That is a very good example of the extraordinarily low base that we are talking about. Similarly, one in five children used to die before the age of five; now it is one in four. They are still appalling figures, but there have been dramatic improvements over the past few years.

¹ Ev 60

² Democratic Republic of Congo (DRC)

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Chairman: That is a problem with which the Committee will be wrestling. We are trying to gain information both here and when we visit the country in due course. Clearly, a very mixed picture emerges. In terms of sustaining international commitment one needs to have identifiable and measurable results, but obviously there are many anecdotes about areas where nothing is happening, or nothing is being reached, which raise the whole question of the capacity to absorb aid and the role of government. Sir Robert Smith will explore a little further the status of budget support.

Q6 Sir Robert Smith: When we looked at the annual report of the department in July we heard something about the Afghanistan Reconstruction Trust Fund—I believe that 66% of DFID's spend goes through that mechanism—as a means of coping with the fact that the Afghan Government was not ready to receive direct budget support. What sort of assessment have you made of its effectiveness? I know that the Afghan Government has found it a welcome means.

Mr Drummond: In the first couple of years when we provided assistance to Afghanistan it was based very much on the direct funding of humanitarian agencies. After two or three years we got to a point when we wanted to make a decision about what should be the role of the Afghanistan Government and how we could strengthen its capacity to deliver services. At that point a conscious decision was taken to switch funding into Afghanistan's own budget systems in order to start giving it some authority over the way in which donors worked. Obviously, if one has donors doing just direct funding of individual agencies in particular parts of the country then that is not very visible to the Government. Compared with the problems we have had in trying to help governments set up budgets that work in other post-conflict countries I believe that the ARTF³ has been very effective. It is not direct budget support in the sense that we have a conversation with the Government and we are satisfied with its procedures and allocation process; it is a stage removed from that. The ARTF has within it accountability mechanisms. It is a trust fund that is managed by the World Bank and audited by PriceWaterhouseCoopers. We reimburse and do not pay upfront. It is divided into two main segments with a recurrent cost element that pays the salaries of teachers, nurses and so on. There is also an investment budget which runs four or five different national programmes, some of which have worked better than others, but there is good evidence of money getting down from the centre into the community certainly through the National Solidarity Programme. Studies that have been made of Afghan systems—the World Bank has done the work—demonstrate that the ARTF process has made them stronger. In a sense it is building up systems from absolutely nothing.

Ms Cameron: An external review was made a couple of years ago and a second one is now taking place.

Q7 Sir Robert Smith: By whom?

Ms Cameron: I believe it is being made by independent consultants hired by the World Bank. As a contributor we input into the terms of reference and the World Bank essentially sets up the review. Obviously, we all contribute to that and I am sure they will also be interested to hear your views. The review is expected to be in two parts. One is backward-looking and assesses the effectiveness of the ARTF so far; the second part is forward-looking and assesses how the ARTF can respond to the changing needs of a post-conflict country five years later. The expectation is that they will look at both the recurrent and investment parts of the ARTF to consider the different kinds of results flowing from it. As to recurrent spending, it has been a very effective way to mobilise a range of different countries' funds to contribute to what is essentially a gap between Afghan tax revenue and the costs of running even the most basic level of government. The results in areas like health and education are pretty good. For example, in healthcare the basic figures show that access has grown from 9% to 82%. We were so shocked by those figures when we looked into them. In some areas the differences in the very basic levels of service are very impressive. Similarly, in education the number of kids in school has gone from something like one million to over five million. Nearly two million of those are girls. The basic services that the Government delivers, funded by that recurrent investment, have clearly delivered some very good results. The investment programmes funded by the ARTF need to be looked at individually. Recurrent reviews of those programmes, that is, the micro-credit programme, the National Solidarity Programme (NSP), the National Rural Access Programme (NRAP), and so on, take place and we engage as they happen.

Q8 Sir Robert Smith: Approximately what proportion of development aid to Afghanistan will go through the trust fund from around the world?

Ms Cameron: That is a very good question. This year about \$474 million is disbursed by it. The total commitment of the London conference over a five year period was \$10 billion. I do not have the figures to hand for the precise percentage this year; they will probably not be available until next year, but we can write to you with that information or provide it during the inquiry.

Mr Drummond: The total Afghan budget is about \$2.6 billion for the current year. Of that, about \$500 million will be delivered through the ARTF. It is probably also worth noting that DFID has about 80% of its expenditure in Afghanistan on budget, so the Government clearly knows what is happening to it and has some power to direct that, but two-thirds of the aid money going into Afghanistan are still off-budget, so there is quite a serious issue about how much control the Afghan Government has over the whole piece.

Q9 Chairman: Does that mean there is about \$5 billion of bilateral aid of one sort or another that does not go to the Government?

³ Afghanistan Reconstruction Trust Fund (ARTF)

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Mr Drummond: On budget the Government itself raises about \$500 or \$600 million. That is tiny compared with what most governments raise, but it has risen from \$100 million five years ago. The amount of money on budget on top of that is \$2 billion from other sources, largely donors, and there is also money off budget. I will have to check the figure but you are about right in terms of orders of magnitude.⁴

Q10 Sir Robert Smith: The permanent secretary said that the department was looking to see whether this could be replicated in other post-conflict states. How far progressed is that assessment? How much is the department itself assessing that as a model for use elsewhere?

Mr Drummond: We have struggled in a lot of post-conflict environments to find the mechanism which bridges the gap between the humanitarian phase and government taking control. I do not know of other examples where the exact Afghan model has been replicated, but I know that in DRC which you have visited and in Sudan it has been quite a struggle to get trust funds moving.

Ms Cameron: And also in Iraq. The idea is that the trust fund model is an effective way for the international community to pool resources rather than set up a series of parallel bilateral interventions.

Q11 Sir Robert Smith: Who controls the priorities of the trust fund?

Ms Cameron: It is a negotiation between the Government and steering committee. Essentially, there are two committees: one comprises the Government, the World Bank and key donors to the ARTF. Essentially, that discusses the way the trust fund is managed. In terms of the actual disbursements, there is a smaller committee comprising the World Bank and a number of other key partners such as the ADB,⁵ UN and government which decides exactly how the money should be allocated. That is precisely to try to ensure there is some separation and to lower the level of preferencing so that, rather than donors using it simply as a bank account to transfer money to specific projects they want to implement, the Government has a certain discretion over those funds and can prioritise them.

Q12 Sir Robert Smith: What other action is DFID taking to try to assist the Government of Afghanistan to develop its own accountability and ability to deliver services?

Ms Cameron: Two key parts of our programme are the state building component and the economic management component. We work with the Ministry of Finance both to raise more tax revenue but also to manage the tax revenue that it collects effectively. We work closely with both the revenue department and also the budget department to try to ensure that the Afghan Government has the best possible control and oversight of its own budget and as much visibility as possible of donor funds within

that budget. We are also a very strong advocate in the donor community for transparency so that government can see what donors are doing. We chair the External Advisory Group which is the committee of donors that interacts with the Government on the Afghanistan National Development Strategy (ANDS). I believe that we are the primary advocate for the use of the strategy as a vehicle for donors to co-ordinate what they are doing. That strategy is now in development and will be produced by next spring. We would like to see donors producing a collective response which says, "If this is the Government's strategy this is how we as donors will prioritise the assistance available from us to respond to it." In our own programme we help to build accountability mechanisms for government to disburse the budget but we also act as a lobbyist and advocate within the donor community for ways to help make donors easier to manage by government. Within our state building programme we also look particularly at the public sector and the role of the civil service. In the past we have done a number of pieces of work with the Government on civil service reform, looking at how the whole public sector can become more effective to make sure that pay is at the right level, that the size of government is appropriate and that, for example, a department has the civil servants it needs rather than people in place who perhaps are not appropriately qualified.

Q13 Sir Robert Smith: Some NGOs have expressed concern that since 2003 the support channelled through them has been reduced quite dramatically. Does that leave a gap in delivery of services on the ground?

Mr Drummond: We are very conscious of NGO concerns about this. We made a conscious decision to try to shift the way we did business to give the Government authority over it, but when we look at the way government does business a lot of the money put through it is then delivered by NGO programmes. The health sector is a good example. The Ministry of Health subcontracts NGOs to deliver programmes. So they still have a big role to play. Obviously, there are things that NGOs do which are beyond service delivery, and we need to ensure the capacity of advocacy NGOs is still being built up to hold government to account. A number of NGOs get resources from DFID pots of money held either centrally or, in one or two cases, at country level for advocacy work on gender, for example the Womankind programme. As the security situation improves in some places but not others there is a constant question in our mind as to how to deliver services in the less secure areas. One must also take account of where the NGOs are able to deliver. If NGOs are to help to deliver services in the more difficult places where the Government's national programmes find it hard to operate we should think hard about helping them.. If the NGO proposals for delivering services are in places where the Government's programmes can start to reach, then there is much more of a case for the delivery of those services to be provided or subcontracted by government.

⁴ Ev 60–61

⁵ Asian Development Bank (ADB)

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Q14 Chairman: In its evidence to us BAAG⁶ made one or two comments that slightly concerned us. One understands that the NGOs have their own agenda and naturally they will lobby for it, but, first, BAAG makes the specific complaint that British NGOs remain particularly challenged due to little direct support from their national government. Second, it says that since NGOs have become so closely associated predominantly with government programmes—you say that the Government is using NGOs—they are now considered to be representatives of the Afghan Government and so are targeted by the insurgency. Do you think there is any substance to those concerns?

Ms Cameron: British NGOs have the option to apply for funds that DFID has centrally. It is true that we made a significant shift in the way we run our bilateral programme, but we are the biggest contributor to the ARTF and NGOs received \$450 million of funding from the Afghan Government in 2005-06. Therefore, there is very significant DFID funding available via the Government to NGOs for service delivery. In a sense, the method of funds being channelled through NGOs for service delivery from the UK Government is indirect rather than direct. That means British NGOs have to compete with the full range of other international and Afghan NGOs for those funds from the Afghan Government. I believe that that helps to ensure that they are accountable to the Afghan Government for the services they provide. In terms of security, obviously that is a huge concern in terms of ensuring that NGOs have as good security as possible. I have not seen any specific evidence to support that particular view, but obviously perception is key. Ensuring that NGOs' security is managed as well as possible is a key concern, particularly for some of them working in extremely difficult areas. For example, Afghanaid has done some excellent work in challenging areas in the east of the country.

Q15 James Duddridge: When the Select Committee on Defence returned from Afghanistan it asserted that failure to address corruption was holding back the Afghan Government. Specifically, it came back with a request from the Afghan Attorney General for support in relation to corruption. What support has DFID been able to provide?

Mr Drummond: Perhaps I may provide some context for the way we view corruption. Corruption in Afghanistan is undoubtedly a serious problem and we do not deny it. If one looks at the perception surveys that have been done, the International Corruption Perception index rates Afghanistan as 117th out of 159. Perhaps given its circumstances one may think that is not too terrible. If one asks the Afghan population, they report concerns about rising corruption particularly in municipalities, customs, and the justice and security sectors. The Afghan Government has done some good things on corruption. It has signed up to the UN Convention on Corruption, established a task force that we have supported on corruption and implemented a

number of new laws. A civil service law has led to merit-based recruitment for 1,500 senior appointments. It has also passed a public expenditure and financial management law and a procurement law and has introduced an internal audit function. DFID has been providing advice to the Government throughout this process. The Government has started to restructure state-owned enterprises. A lot has been done. Clearly, this does not match the perceptions of ordinary Afghans that there is an increasing problem. It is said quite often that what is required is leadership from the Government in dealing with the tougher cases. Do we have hard evidence? The answer is: not very often.

Q16 James Duddridge: My question was very specific. Has DFID provided any support to the Attorney General following the passing on of a request by the Defence Committee?

Ms Cameron: As far as I am aware, DFID has not provided specific support to the Attorney General. The drugs team does, however, work with the Attorney General.

Mr Holland: We work specifically with the US to establish an anti-corruption unit and that will be linked to the Criminal Justice Task Force on counter-narcotics, so it will look specifically at corruption cases relating to counter-narcotics. That will work with the Attorney General. It is not exactly clear what he wants; he wants a unit specifically in his own department, but the Criminal Justice Task Force is an already established justice mechanism and we feel it is more appropriate to set up an anti-corruption unit under that structure rather than a new one.

Q17 James Duddridge: What gives us the right to decide that is more appropriate? It is their country, not ours.

Mr Holland: That has been the subject of discussion with the Afghan judicial authorities about where it would be best to site it.

Q18 James Duddridge: Effectively, the Attorney General has been gazumped by other Afghans, not external agencies?

Ms Cameron: The Attorney General's view is only one view of what the institutional arrangements should be. There are a number of different Afghan Government views on what the arrangements should be for anti-corruption, which I do not believe have been fully resolved yet. It is perhaps worth adding that in terms of DFID's role we are one of the five key donors who helped to draft a proposed anti-corruption roadmap to give the Government some ideas on the first steps it could take to tackle corruption. We are one of the key partners who work closely with the Government. In addition, the work on public financial management to which I referred earlier is a key part of improving the Government's own systems to ensure that both we and the Afghan Government have confidence in its systems for spending its own money. In particular, the ARTF not only provides a good deal of

⁶ British and Irish Agencies Afghanistan Group (BAAG)

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reassurance about our funds but also gives the Government a very good role model in terms of how to provide that level of transparency and accountability. The Government has adopted some of the techniques that the ARTF uses to scrutinise expenditure for the entire government budget because it sets a good example and this has demonstrably improved the financial performance of the Government over time. The level of what is called ineligible expenditure, which is not capable of being reimbursed by the ARTF, has gone down over time because of better compliance with things like procurement rules but there are also incentives: one is not reimbursed unless the transaction is seen to be valid and fair. Therefore, it provides better incentives for the Government to improve its own financial management performance. That has spread not just within the ARTF funds but to the whole government budget.

Q19 James Duddridge: Is there any estimate as to the cost of corruption? For every 1 that goes in how many pence are lost through corruption or inefficient spending because of corruption?

Ms Cameron: I have not seen a good estimate of that figure.

Chairman: Obviously, the UK Government is heavily involved in Helmand province on which I will ask Mr Burden to ask some questions.

Q20 Richard Burden: About 16 million of DFID's 100 million budget goes to Helmand and about one quarter is devoted to quick impact projects. Can you tell us a bit about how it is possible to do quick impact projects there? What is the interface between that and the security situation? In that situation how do you monitor the effectiveness of those projects, and who does the monitoring?

Mr Drummond: The system for quick impact projects in Helmand has developed over the past year or two. What is now in place is quite a good co-ordination mechanism between the three or four UK government departments involved but also the other governments involved in Helmand. The Helmand Executive Group is at the pinnacle of this and meets weekly to consider proposals for quick impact projects the ideas for which usually come from Afghan people, local government; or they may come through our own development advisers, or the PCRU⁷ staff based in Helmand. There is quite a good supply of local Afghan contractors in Helmand whom we can use to deliver programmes. In the area round Lashkar Gah it is relatively easy to get out and see what is going on; in other parts of Helmand the security situation has been more difficult. I guess that it is more dependent there on the military to do some monitoring of what has been achieved. My colleague Ms Cameron has lived with this for longer than I have.

Ms Cameron: There are over 180 quick impact projects completed, ongoing or planned. They are very diverse and include improvement of flood defences along Helmand River, humanitarian

assistance to drought victims, improving children's playgrounds, working with Lashkar Gah prison, improving two local markets and training programmes for drug addicts and security infrastructure. Much depends on how they are identified, implemented and then monitored. DFID staff have been out to see some of the projects that are more easily accessible and we have used others to monitor them. The military has been very helpful in being part of that. In that respect it has been a very joined-up operation. But that is not where the majority of our funding in Helmand goes. The majority goes through the national programmes which have well established implementation and monitoring methodologies: the National Solidarity Programme; the National Rural Access Programme which builds local feeder roads; and the Water and Sanitation Programme that has been responsible for providing wells. More than 225 wells have now been completed. There is also the micro-credits programme. All of these programmes have their own different methodologies for implementation and monitoring. In part we have used them to extend our influence in Helmand province because they are tried and tested methodologies. For each programme it is challenging to operate in a more difficult environment than in the past and it has to find different ways. For example, the micro-credit programme focuses on slightly larger-scale lending based in Lashkar Gah because it is harder to get out to villages. Programmes that are dependent on NGO facilitation find it a more challenging environment, whereas for those that can use local contractors, like the water and sanitation programme, the response by local contractors has been very impressive. Quite a lot of construction companies are keen to bid for these projects, which is good. The Ministry of Rural Development has changed its methodologies to allow it to contract more effectively locally.

Q21 James Duddridge: I understand what you say about the quick impact projects being a minority of the spend, but from the amalgam of ways that you monitor them—I understand what you say—that must be a matter of horses for courses. Is the purpose of those to make a long-term impact on people's lives and, if so, how far do they contribute to that? How far are they about achieving a greater level of trust in the military which in itself is a legitimate but different objective?

Mr Drummond: To be perfectly honest, they try to achieve both. A quick impact project is something that will deliver a rapid benefit. Typically, it is pretty small scale. If one builds a new classroom on a school one expects it to last, so it will usually have a long-term benefit as well, but one does it quickly to establish in the eyes of the community that one is providing real help in real time. Obviously, that has a spin-off benefit for the troops who are there who worry about the security situation.

Q22 James Duddridge: To pursue the same line, obviously it is quite important to ensure that the work of the Provincial Reconstruction Teams is not

⁷ Post Conflict Reconstruction Unit (PCRU)

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seen simply as an extension of the NATO⁸ security agenda. How do they engage local communities and ensure that they are committed to the projects in which they are involved? Do they have the capacity to do more?

Ms Cameron: I think the answer is hard to generalise with PRTs⁹ because they look very different in different parts of Afghanistan. The Swedish PRT in Mazar-e-Sharif looks quite different from the American PRTs in the east, and in turn these look different from the UK PRT in Helmand. That is largely a reflection of the very different kinds of security environments in which they work and also the very different capacity of government each PRT faces. For example, the UK ran a PRT in Mazar-e-Sharif for a couple of years before handing it over to Sweden so that we could take over the PRT in Helmand. It has been quite a different challenge because the security situation is more severe. It is very hard to generalise and that is partly why on your visit, as I understand it, you will see two different provinces to give you a sense of the different models that exist. PRTs are usually quite dependent on funding from their own national troop-contributing nation or supporter, so how much funding the PRT gets depends on the policy of the country that is running it. There are some funds which can then be used across different PRTs—NATO has some funds available—but there is no single model. Increasingly, there is an attempt by ISAF¹⁰ and various partners to try to provide a better framework in which PRTs operate. Again, you are to see Major General Garry Robison who is the UK's Deputy Commander (stability) for ISAF. He will be able to give you a sense of the governance framework he is trying to set up to institute a better sense of purpose for PRTs and, for example, to shift them so they focus more generically on things like security sector reform. It is different in different parts of the country. There are a number of similarities between the PRTs run by different countries in the same area. For example, the Canadian PRT in Kandahar, the Dutch PRT in Oruzgan and the British PRT in Helmand all share experience and work quite closely together to understand what has worked in quite similar security situations in the south.

Q23 James Duddridge: Earlier you spoke about non-quick impact projects and the range of community and other projects. From the briefing we have had, there are 482 community projects run through the Helmand Agriculture and Rural Development Programme. Are those the ones you are talking about?

Ms Cameron: That is right. The Helmand Agriculture and Rural Development Programme is the title we use for the funding for the five national programmes we are running in Helmand, so in a sense it is the way that we describe the basket of funding that is available to Helmand specifically as a province for those national programmes.

Mr Drummond: Essentially, we are saying that national programme funds will reach the southern provinces, but security makes access for them difficult. Because we have a particular interest in Helmand we have provided some extra targeted funds through the national programmes to make sure that Helmand does get at least its fair share.

Ms Cameron: That is an approach very similar to that taken by the Canadians and the Dutch in Kandahar and Oruzgan..

Q24 Mr Singh: I should like to focus on the Afghan National Police. The Defence Committee commented that it found the police service to be quite inadequate. I understand that about 70,000 people now serve in the police and that training is quite limited and poor. What role does DFID play in terms of recruitment, training and support for the police service? What are the strengths and weaknesses of the Afghan national police? Has it contributed anything to the security situation and to law, order and justice in Afghanistan?

Mr Holland: We would very much share that assessment of the police. The international community would recognise that the police are weak. In terms of numbers the total figure that is meant to be established is 82,000, but the best estimates we have seen are that probably 50,000 are currently available across all the arms of the Afghan National Police. The quality varies but there are consistent problems in terms of both levels of training received and capability. That is particularly true in the most insecure areas in the south. The international community's effort has been led by Germany which has focused particularly on high level training of officers. The US is the major donor; it has put in about \$2 billion this year to train the police. The US focuses much more at local level to train police officers. The US has recently carried out a review of its training programme. It recognises that more needs to be done. Essentially, it is looking at it on a district-by-district basis, taking the police out of the districts for some intensive training over a two-month period to sort out the problems and then putting them back into the community and mentoring them intensively over the next few months to ensure much better quality. Depending on where one is, the nature of the policing problem faced in Afghanistan is not the same. In the south it is much more about backing up the other security forces; in the north and the centre where the security situation is much better one has a more typical approach to policing. Again, the district-based approach is meant to address that problem so one has a rather more specific approach to training than has been carried out so far. In terms of UK support, we are not a major player on the policing side. We support in a number of ways. First, we support the EU mission which has now taken over from the Germans. There is an EU police mission based in Kabul which is just getting going. That will work very closely with the US. We are providing a number of specific posts at the centre to work on the policy and training programmes; in particular, we provide the deputy head of the EU mission. We also provide

⁸ North Atlantic Treaty Organization (NATO)

⁹ Provisional Reconstruction Team (PRT)

¹⁰ International Security Assistance Force (ISAF)

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support specifically in Helmand and are looking to increase that support so we can work particularly on supporting the district training programmes in Helmand. We have a number of mentors and trainers down there. The other area where we have specifically provided assistance has been counter-narcotics policing. That has been the main focus of our effort because of our role in counter-narcotics. That is designed to develop both the generic counter-narcotics police and the specific interdiction forces.

Q25 Mr Singh: Have the 50,000 made any difference in terms of law and order in Afghanistan?

Mr Holland: It depends on where you are. Some places are better than others. No one disputes that in the south it is weak. In the area we know best—which is counter-narcotics—they are beginning to have an impact and make arrests of fairly significant figures. For example, in the past year and a half there have been over 500 convictions for drug trafficking. Similarly, in the centre and north one sees better quality policing on the ground. It is varied across the country.

Q26 Mr Singh: What is the public perception of the police force? Do people fear the police? Do they believe that the police commit crimes, as has been said somewhere? Is the police accepted and respected?

Mr Holland: The public perceptions are very similar to those relating to corruption. Particularly in the south one sees real anxieties about the way the police behave. The police are perceived to be part of the problem as well as the solution, and that is really what the district training programme seeks to change. Until people have confidence in the police they will not be able to fulfil their role.

Q27 Mr Singh: I understand that accusations of serious corruption have been pointed at the Ministry of the Interior which is a crucial body in any state-building exercise. Are there any plans to reform the Ministry of the Interior? I understand that drug lords and warlords are part of the ministry. What is being done about that?

Mr Holland: We hear exactly the same allegations. There are some examples where we know those allegations go beyond that. President Karzai has recently recognised that himself and is committed to a process of political change within the Ministry of the Interior. One aspect of it is that the functions of the ministry have recently been split. The Ministry of the Interior now focuses purely on internal security issues and the wider responsibilities for local government have been removed from it. The next stage in that process is a change in personnel. The US leads on the reform programme and has a fairly extensive mentoring and training programme within the Ministry of the Interior.

Q28 Mr Singh: Do we and other international bodies have any mechanism to monitor police abuse, police corruption and involvement by the police in the narcotics trade?

Mr Holland: There is no systematic assessment of it. In the area of narcotics, investigations are done rather more on an ad hoc basis. In that area we provide support in terms of investigation and evidence gathering around the trade. As those cases emerge one begins to get a broader picture.

Q29 Mr Singh: Although DFID is not the lead agency, is there anything positive that it can do to improve the police force?

Mr Holland: We do believe that policing is a priority and is important, so we are deliberately devoting more resources to that area. We work at the centre through the EU mission and at a policy level to try to ensure that that mission and that of the US join together and have the same approach to training the police force. As to where we believe we can have the greatest impact, we are concentrating on Helmand in terms of training and on the counter-narcotics side.

Mr Drummond: Obviously, DFID is a partner in this exercise through the funding that goes into the conflict pool. I think that the bits of the DFID programme that would have an impact across government are the work we do on budget management, which will affect the way that the Ministry of the Interior ought to be managing its own budget, and public service reform which ought to impact on the way recruitment processes in the Ministry of the Interior work. We believe that through the central things we are doing there will be spin-off benefits to the Ministry of the Interior, but it is not a place where DFID is leading.

Chairman: You mentioned earlier some of the improvements in education. I will ask Ann McKechin to pursue that in a little more detail.

Q30 Ann McKechin: You indicated in your written submission that between 50 and 55% of school age children in Afghanistan are currently in school. Can you advise us what percentage of those who are enrolled and regularly attend school are girls? What is the difference as between Kabul, outlying areas and places such as Helmand in the south?

Mr Drummond: About one third of pupils are girls and 28% of the teachers are women. DFID is not directly funding the education sector. In the choice of three sectors, we did not choose education; others are doing that. It is not a sector where we have a lot of direct expertise. Remarkable progress has been made in this area. As you know, Afghanistan is a very conservative society. The number of female teachers is a constraint particularly on older girls staying in school. The level of literacy amongst women is still very low; it is 13%, which is shocking.

Q31 Ann McKechin: Given that the British and Irish aid agencies in Afghanistan report that 80% of the teachers are untrained, do you believe that the Afghan Government gives enough priority to training and the building of schools? It is estimated that 72,000 classrooms would have to be constructed. If DFID is not one of the primary donors who are they?

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Mr Drummond: Let me give the Committee one or two numbers and then Ms Cameron can talk about the donors. The figure I have, which comes from UNICEF,¹¹ is that since 2001 nearly 2,000 schools have been built or rehabilitated. According to UNICEF, since 2001 the number of teachers has increased from about 21,000 to 128,000. There are teacher training programmes. You are absolutely right that this is an area where there is a huge amount more to do. As to donors, this is an area where the Bank, the UN and EU are active.

Ms Cameron: The World Bank is a key player in this sector, as are some of the Scandinavian donors particularly the Danes. They are working in partnership with the US. I believe that US funding of textbooks is being spent through the Danish assistance programme. There are a number of quite large donors in this sector. Essentially, the Government prioritised education much more heavily about 18 months ago when Hanif Atmar was appointed the new Minister of Education. Formerly, he was a very successful Minister of Rural Development who did a transformative job with that ministry. He was appointed Minister of Education to get a grip and push it forward. He has introduced a new strategy, of which we can provide you with a copy in country.¹² There will also be an opportunity in country to talk to some of the other donors, particularly the World Bank, who are more active in this sector. It is a sector in which we have seen a significant improvement in government leadership, dynamism and planning in the past 18 months to two years. As a result, there is now pressure because there are bigger spending plans. The ministry is keen to see its funding go up.

Q32 Ann McKechin: Given that it is a key area in terms of gender in Afghanistan not just in the field of education but a whole range of other factors, to what extent is it your view that the donor community is giving it sufficient priority? It is good to hear that the Afghan Government now appears to be doing that, but is the donor community now stepping up to the plate in terms of providing funds?

Ms Cameron: It is partly because of the issue that you highlight—the importance of gender—that it is a popular sector, but I expect that in the discussions around the Afghanistan National Development Strategy early next year the Government will make a decision about what percentage of overall aid it would like to see going to this sector. There will then be a dialogue with donors about whether the funds that donors are providing are correctly allocated to ensure they get the funds they need to meet those targets. Afghanistan is so far off track on the education Millennium Development Goal as well as the rest of them that clearly one of the challenges for them will be figuring out what to prioritise in the short term as well as the long term to meet those goals.

Q33 Ann McKechin: Given that about 70% of the aid is off budget, is that being focused on education or on other areas of policy? Obviously, that is still a very important part of the total pot.

Ms Cameron: I do not have with me figures to show what the US is doing in the field of education, but we can provide them in country. It is however a large part of the off budget aid. Quite a large part is related to the security sector and that is not so readily available for education. We can try to provide a better breakdown in country of the precise figures for education.¹³

Mr Drummond: As a footnote, the ARTF which we do fund provides the salaries of almost all the teachers in the country. British Government money flowing through the ARTF is finding its way into the education sector.

Q34 Chairman: The Afghanistan Compact requested more co-ordination amongst donors but did not require it. The evidence suggests that not only is that not very strong but quite specifically as far as concerns the United States it is entirely divergent. In the January/February issue of *Foreign Affairs* Barnett Rubin was very critical. He summed it up by saying: “Contemptuous of nation building and wary of mission creep, the Bush administration entered Afghanistan determined to strike Al Qaeda, unseat the Taliban, and then move on, providing only basic humanitarian aid and support for a new Afghan army.”¹⁴ He goes on to say that that was clearly short-sighted and asks to what extent they have changed that. We understand that the US Government does not usually give money to other governments directly. It does not trust the Afghan Government and would find it politically unacceptable to put money into a collective pot such as the Afghan reconstruction trust fund because such funds cannot be directly traced. That is a pretty fundamental divergence between the approach of the US Government and the approach of the British Government. To what extent does that make your life that much more difficult, or how do you practically engage with the United States and other donors to get the money where it delivers effective results?

Mr Drummond: The US Government is a huge donor to Afghanistan and provides through USAID¹⁵ \$1.4 billion per year. That is to be compared with British Government money through DFID of about \$200 million a year. You are absolutely right that it is by far the biggest player. We have a regular dialogue with them and say that it would be much better for more of their money to be on budget than is done at the moment. There are some signs that they are taking interest in that argument now because they recognise the need to build up the Afghan Government’s capacity and decision-making about its own country. There is a strong feeling in the US that it needs to be involved

¹³ Ev 60–61

¹⁴ Barnett Rubin, “Saving Afghanistan”, *Foreign Affairs*, January/February 2007

¹⁵ United States Agency for International Development (USAID)

¹¹ United Nations Children’s Fund (UNICEF)

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in direct delivery and account even more strongly than we account to you for the direct delivery of each dollar. We think that the ARTF establishes a mechanism which provides adequate audit and there is sufficient evidence on the ground of aid being delivered and therefore that the ARTF is a good mechanism to use. We hope that the new Afghanistan National Development Strategy will provide a framework for the Afghan Government to have discussions with the donors about where they focus their priorities. In a sense, that will recalibrate the decisions made three or four years ago. The US Government is very closely involved in that process.

Q35 Chairman: Even allowing for the difference in approach, does the United States at least ask the Afghan Government to give a steer as to what it wants so it can do it, because clearly if there is that degree of co-ordination the divergence is not as great as it would be if the US Government simply decided its own priorities and told the Afghan Government what it wanted to do?

Mr Drummond: There is a constant dialogue with the Afghan Government about the priorities for its resources, so that is happening. We say to the US very openly that it would be better if its funding was within the overall budget framework and therefore more visible to the Ministry of Finance than perhaps it is now.

Q36 Chairman: Given that the military activity is being led by NATO and predominantly non-US forces on the ground, in terms of aid and development, allowing for Mr Rubin's somewhat acerbic comments, do you detect a fundamental change of attitude at least where the US sees co-ordination as relevant and long term capacity-building, if not nation-building, as a clear objective compared with what he describes as its original thinking?

Mr Drummond: The US Government is investing a huge amount of money in capacity-building in the police and other areas of Afghanistan. Where it is delivering infrastructure, for example road-building in Helmand, it will tend to do that with a more direct relationship with contractors than going through an Afghan process.

Ms Cameron: I think that the key challenge for the Afghan Government is to ensure that it has full transparency about aid money so it can make trade-offs between donors as well as prioritise what any one donor does itself, because there is an issue of complementarity. Clearly, the US is the largest single bilateral donor and has a particular effect on how the overall balance of aid money is spent. As we say to them openly, it is particularly important that they are as transparent as possible not just with the Government but also with donors about their plans because that also affects what it makes most sense for the rest of us to do. We have been very impressed by the dialogue we had with them in the run-up to the full Afghanistan National Development Strategy and we have seen a real willingness to engage in trying to get a better collective donor response to a good government plan. The US has

been responsible for providing quite a lot of technical assistance to the Government to try to improve its own strategic capacity to plan and prioritise and have something to which we can respond.

Q37 Chairman: But it is not helpful to those of us who are supporting the British aid programme internationally as well as in Afghanistan if we are told by American commentators that the US Government does not trust the Afghan Government. Clearly, the British Government is investing in the Afghan Government. Are you being naïve or are they being unreasonable?

Mr Drummond: We have a slightly different approach and they have different requirements placed upon them by Congress. There are accountability levels for each dollar and for what is expected. We believe that we have the balance right; otherwise, we would not be doing it our way. We accept that there are lots of issues in building up the capacity of the Afghan Government. We have talked about problems of corruption but also about the safeguards that we have put in place to make sure that our money is spent in a way that meets the priorities of the Afghan Government but has sufficient safeguards to ensure it is spent in the way intended. We have a good relationship with different parts of the US effort in Kabul and this debate will carry on.

Ms Cameron: It is also worth saying that the US does contribute to the ARTF, so this is not a black-and-white debate; it is a question of proportions and percentages. The US contributes to it and sits on the committee, so it is prepared to put money through government systems. It is also a major intervener in the health programme where there is a structure designed to ensure that different donors can help to deliver the same package of health outcomes to suit the different mechanisms that they are able to implement. There are a number of different ways to try to improve the outcome. The key challenge is to ensure that the Afghan Government has maximum visibility for whatever it is doing and is able to feel that it can prioritise the resources for the outcomes it wants to achieve.

Chairman: If we are in Afghanistan for the long haul, as we are consistently being told, it seems to me that for the purposes of both national and international public good will there should be a clear strategy and co-ordination of activity amongst the key players so people understand there is a long-term commitment. I understand that Ann McKechin would like to ask how that may be taken forward.

Q38 Ann McKechin: Earlier this month I attended the NATO Parliamentary Assembly in Reykjavik. That body was addressed by NATO's Secretary General, Mr Jaap de Hoop. He indicated that he would prefer to appoint a special UN envoy for Afghanistan with the specific task of co-ordinating the development and security structure, because he felt that the different tracks, donors and priorities were muddying the water and causing severe difficulties. Given the fact that such a senior

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international figure should call for that, has the UK Government had any dialogue with NATO or other donors about that possibility?

Ms Cameron: There is already a UN Special Representative of the Secretary General for Afghanistan, Tom Koenigs. He chairs the Joint Co-ordination and Monitoring Board (JCMB) which is the forum set up to monitor the implementation of the Afghan Compact and the Afghanistan National Development Strategy. In a sense, there is already a UN special representative who chairs a co-ordinating body that is designed to be a forum for development, political and security matters. The JCMB meets up to four times a year and has a significant membership of key players both on the Afghan Government side and the donor and security side. There is already a significant UN co-ordinating role in place. That UN envoy has two deputies, one of whom focuses on the political issues and the other of whom focuses specifically on development issues and is also joint-hatted as head of the UN Development Programme (UNDP) in country.

Q39 Ann McKechin: It would appear that NATO is not yet reassured that there is sufficient co-ordination and, given that it has its troops on the ground, surely that should be given proper weight?

Mr Drummond: We have been saying to the UN for a little while that we would like it to play a stronger role in co-ordination on this matter. It has been strengthened with the arrival of Bo Asplund who is now the Deputy Special Representative responsible for the development side. Tom Koenigs will be moving on at the beginning of next year, so there will be a new appointment to that post. Compared with what you have seen in DRC where there is an integrated mission and the UN is very clearly at the apex of all of this, in Afghanistan we have a more complex relationship because of ISAF as well as the UN. To bring these two bodies together is more challenging, and we would like to see the UN playing an even more determined role in this.

Q40 Richard Burden: Ms Cameron, you spoke about the US and the ARTF. Did you say that the US put money into that?

Ms Cameron: It is a contributor. We do not have the number to hand but we can provide it.¹⁶

Q41 Chairman: In passing, we note that President Karzai is in town today. I know that he is meeting some parliamentarians, but he is not going to meet any members of the Select Committee. Are these questions that can usefully be explored with him either here or in Afghanistan? We are to meet a number of Afghan Ministers who are directly responsible.

Mr Drummond: Yes.

Chairman: It is a slightly tangential point. This Committee is very focused on the development of Afghanistan, as is the President, so perhaps some exchange may be desirable. We have not discussed in detail the longer-term strategy to deal with poppies,

livelihood development and so forth which is clearly very important for the longer-term establishment of a functioning economy, particularly in rural areas. I ask Ann McKechin to ask questions.

Q42 Ann McKechin: Mr Holland, can you indicate how the alternative livelihoods approach which is promoted by DFID seeks to address the structural and institutional causes of poppy cultivation in Afghanistan?

Mr Holland: Perhaps I may set some of the context and then ask my colleagues to pick up the specific "livelihoods" question. The Afghan Government has a National Drug Control Strategy which is based on that which was successful in Pakistan and Thailand. Essentially, it recognises that there will not be one approach to tackling poppy cultivation. That strategy has eight pillars which I will not discuss but can be given to the Committee.¹⁷ Essentially, they cover the law enforcement and justice side; livelihoods; the institutional development that is needed to build Afghan capacity; and the eradication of poppies targeted on those areas where farmers have the option to have alternative livelihoods. The deliberate aim of the strategy is that it should be a balanced, targeted approach.

Q43 Ann McKechin: In a recent article on alternative livelihoods David Mansfield criticised the programme as being a mismatch between the geographical focus of the NSP programme and the location of the areas of highest poppy cultivation. He suggested that the programme appeared to be based more on where there was a possibility of greater alternative production rather than on where the greatest problem existed.

Ms Cameron: The National Solidarity Programme is not only intended to address poppy cultivation; it is a key vehicle for the Afghan Government to extend its reach to the people of Afghanistan and to become visible to them and it is a source of funding for community level development projects not just in poppy growing areas but across Afghanistan as a whole. It has been incredibly successful. More than 17,000 communities have been reached; more than 30,000 projects have been undertaken. It has been the most visible sign of the Afghan Government to most communities in Afghanistan. A number of the rural livelihood programmes that we support are intended not only to tackle poppy production but also to ensure that incomes in rural areas of Afghanistan rise in general, because clearly Afghanistan is an overwhelmingly poor rural society. The approach to legal livelihoods is really about replicating the kind of opportunities that the drug trade offers, that is, improving access to markets, security and credit and ensuring that farmers have better technology, seeds and inputs. Basically, it is a matter of making sure that farmers have all the things they need to do something else and raise their incomes. On average, farmers in

¹⁶ Ev 60–61

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Afghanistan do 17 different things in a year as part of their income; it is not a choice between all poppy and all something else.

Q44 Ann McKechin: There is a mixture of alternatives?

Ms Cameron: Yes. For example, DFID's Research into Alternative Livelihoods Programme is investigating mint and saffron as high value alternatives to poppy and trying to look at ways that those can become alternatives. The horticulture programme is looking at horticulture more broadly as an option. That requires looking at orchards which are quite long-term investments. We put 20 million into a credit programme because credit is a key constraint. Essentially, what we are looking at are binding constraints that prevent people from having a real choice. Those are quite similar to the kinds of constraints that poor farmers face in Afghanistan generally.

Q45 Ann McKechin: There are multiple schemes. Is there a uniform system by which they are monitored so we can review the most effective interventions?

Ms Cameron: That is a really challenging issue and is something that we are trying to work on with the Ministry of Counter Narcotics. One of the key challenges that we would like the Government to tackle more effectively is to review the kinds of things that ministries—agriculture, rural development and the other rural departments—across the board are doing to make a better assessment of what can have an impact on poppy cultivation specifically. As David Mansfield highlights in his article, trying to make sure that the rural development programmes are as focused as they possibly can be to make maximum impact on poppy cultivation is a key challenge. We are now at a stage where we have enough results and can begin to do that, but for a while and until some of these programmes had been implemented it was hard to see how the target could be achieved.

Q46 Ann McKechin: Realistically, they are more likely to work in the north of the country than the more insecure areas in the south such as Helmand?

Ms Cameron: Given that security is a key constraint for farmers in terms of what, how and when they can get their produce to market, almost any rural development programme is easier and cheaper to implement in more secure areas.

Q47 Ann McKechin: Is that where the donor priority would be?

Mr Drummond: Poppy is a high value and low volume crop which tends to be collected from farms rather than farmers having to take the stuff to market. Therefore, in insecure areas it is an easier crop to grow.

Q48 Ann McKechin: Can we anticipate that poppy cultivation in the south of Afghanistan will continue to be at very high levels for the short term at least?

Mr Holland: It is very hard to predict what the levels will be because they fluctuate pretty dramatically year on year depending on local economic circumstances as well, but now the trend is that poppy cultivation decreases in those areas that have better security and stability and the converse is true in areas which are more insecure. I believe that that trend will continue. One will see more provinces which have low poppy cultivation or are poppy free, but cultivation will be concentrated in those provinces where it is now high. Whether it will be as high next year is difficult to say. There is some evidence that prices at the farm gate are dropping which may persuade farmers not to cultivate as much next year.

Q49 Chairman: To raise a broader topic, the Government has announced the scaling down of our troop involvement in Iraq. Leaving aside the question whether we are moving towards exit or minimal retention and increasing the troop levels in Afghanistan to provide for security, from your point of view as a development agency what would be your message to the British people about the need for more troops on the ground to create space for development and to start making a material impact to demonstrate that what is happening in Afghanistan, albeit a long haul, is achievable and measurable in this situation? Is not the danger that people may start to say that we are pulling out of Iraq? You well know that there is a campaign that maybe we should pull out of Afghanistan. The first question is: could you cope with development in Afghanistan with fewer troops? Second, if the argument is about maintaining or increasing troop involvement, can you give people confidence that that will create space for significant development opportunities in Afghanistan?

Mr Drummond: You are beginning to take me into areas where Ministers would probably want to comment.

Q50 Chairman: It has just been pointed out to me that Des Browne is giving evidence to the Defence Committee on exactly this issue now. I am asking you as the Department for International Development what can be achieved and what the security situation and troop level must be to create that space. I do not ask for specific numbers but can you respond in general terms?

Mr Drummond: What we have seen in Afghanistan is in many ways quite remarkable progress on the development numbers in the past five years considering where we started from. Despite our best efforts, I do not think that is tremendously well publicised in the UK because the press tends to concentrate on other things. The Taliban problem in the south is obviously serious. It is localised and it has been contained, and at a tactical level we are making good progress. Clearly, if it spread that would have a major impact on development in Afghanistan overall and so it is extremely important that our forces do what they are doing. They are doing a tremendous job. I do not think I can comment on whether or not it is sensible to have

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fewer or more forces helping to do this because it is not really my area of expertise, but there is a tremendous opportunity in Afghanistan to make progress on development even though it will be a 20 to 30-year haul. People need to recognise that there are few quick fixes to development in Afghanistan, just as there are few quick fixes to the narcotics problems that we have been talking about.

Q51 Chairman: How do you respond to the argument that has been put to us by some people that the potential for development is greater in the centre and north of the country and perhaps more resources should be put in there because you get results that (a) may improve the absolute performance of the economy and (b) even encourage those in the south to believe that if they can get the security right there is something for them to share?

Mr Drummond: Clearly, the problem in the south needs to be addressed through a mixture of security, development and politics, and we know that from the OECD guidelines on working in fragile states. Obviously, that is what people are trying to do. If we neglect the south then it will become a bigger problem for the whole of Afghanistan. I do not believe we can neglect it. As we have been trying to do, we need to find ways to get development assistance in there even though it is more difficult to do it in some areas of the south because of insecurity than in the north.

Chairman: Thank you for your evidence this morning. We look forward to finding out more for ourselves and hope to make an evaluation of how things are proceeding. In that process we shall be seeing more of you.

Thursday 15 November 2007

Members present:

Malcolm Bruce, in the Chair

Hugh Bayley
Richard Burden
James Duddridge

Ann McKechin
Sir Robert Smith

Witness: Mr David Mansfield, Independent Consultant, gave evidence.

Q52 Chairman: Mr Mansfield, good morning and thank you very much for coming to give evidence to our inquiry on Afghanistan. For the record, I should say that recently the Committee spent a week in Afghanistan. We were based in and around Kabul but Members of the Committee split up and some visited Helmand and some visited Mazar-e Sharif in Balkh in the north. Therefore, we have some perspective. I do not suggest that a week gives us total knowledge and understanding of a hugely complicated situation, but at least we feel we have some exposure to a variety of the issues. Obviously, you do not spend much time in Afghanistan before the issue of poppy production and narcotics—opium, heroin and so forth—comes up. By way of starting the discussion, perhaps you could comment on the effectiveness of the control of poppy. What seems to happen is that you hear sweeping statements that poppy production has been eliminated or cut back here or there, but when you look across the piece it goes up and clearly it is concentrated in some parts of the country and diminishes in others. We heard some explanations for that while we were there. Perhaps it would be helpful to know how you see the wide variation in poppy production which increases in some parts of the country and decreases in others. I half-expect what the answer would be, but it would be helpful to have your take on why that happens.

Mr Mansfield: Thank you for the invitation to speak. I do not want to give the usual explanation of how complex this is in some ways, but regional context is very important within Afghanistan. In the past 10 years I have spent a lot of time doing field work in Afghanistan and looking at why there are changes in poppy cultivation in different areas. In the past three years I have looked particularly at Nangarhar in the east, Ghowr province just north of Helmand and I have also gone into Badakhshan. I have spent a lot of time looking at the very specific circumstances of those areas. A colleague of mine for AREU¹ has also been looking at Balkh. For instance, in an area like Nangarhar in 2005 there was a very strong effort to reduce poppy cultivation. They had 28,000 hectares in Nangarhar in 2004; by 2005 it had reduced to 1,200 hectares. There was a big political push to reduce poppy cultivation but it was on top of economic changes against poppy. For instance, wheat prices had increased quite significantly in Nangarhar during the winter of 2004/05. Regardless of the returns on wheat, it does not

have to compete with poppy. People become concerned about food security and so they have to balance their livelihood strategies. If there is concern about accessing wheat because prices are rising or because there are controls in Pakistan about wheat smuggling into Afghanistan people will start to think. It is not a question of whether it is competitive; they need to grow some wheat to feed themselves and their livestock. Therefore, they expand wheat cultivation and reduce poppy. That process was already in place. In 2004 because of disease there was also a poor poppy yield in Nangarhar and prices fell. Wheat prices rose and there was concern over access. Poppy prices fell and there were problems over yield. On top of that there was a big political push to say “You will not grow poppy”. There was a concerted effort to go out into the districts, learn from the way the Taliban ban was implemented, press people not to grow poppy and promise development assistance. I have been looking at the consequence of this over a two or three-year period. The consequence was to create a quite significant income deficit not just amongst poppy farmers but others. If you reduce poppy cultivation by 96%, as happened in Nangarhar that year—it is happening in Balkh at the moment—you end up impacting not only on the poppy farmer himself but there is a multiplier effect across the economy. Businesses systematically reduced their wholesale and profit, the numbers they employed and the wage labour rates they paid. There were similar falls in wage labour rates in the construction industry. That created economic pressure which subsequently meant a shift in the political dynamic. We predicted that in Nangarhar in December 2006. It went from 28,000 hectares to 1,200 hectares and then to 4,800 hectares. It is now back to 18,500 hectares because of the sheer economic pressure on households which faced an income deficit. In Badakhshan in the north east we have seen another shift in the dynamics in relation to the balanced livelihood strategy that people pursue. They balance their cash needs with food security and issues around their livestock which needs fodder and wheat straw. We saw the price of poppy fall again and wage labour rates increased significantly. Poppy is an incredibly labour-intensive crop. The net returns on poppy were decidedly unattractive even compared with wheat to some extent but particularly in relation to things like improved onion or potato. Again, the Government came in and pushed down on poppy cultivation. People are already producing less. The authorities pressed harder, essentially

¹ Afghanistan Research and Evaluation Unit (AREU)

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expending a degree of political capital to make themselves look a bit better; they can attribute the reduction to government effort rather than shifts in the economy in the way that livelihoods are working. In Balkh there is a big push by Governor Atta. I can commend the work of Adam Pain of AREU who has done a lot of work on this and looked at the deals struck between Governor Atta and various stakeholders in the drugs and non-drugs business to press down on poppy cultivation. There is a big question over whether that reduction will be sustained. You will have seen and heard a number of times how there appears to be an increase in cannabis cultivation. That is in the nature of substitution to reduce the winter opium crop and increasing the summer cannabis crop. There is a question of how that will be sustained and how it is perceived by some. If we look at poppies as a low-risk crop in a high-risk environment, I do not think we have seen Helmand as being as high risk as it is today. In the late 1990s I used to wander round Kajaki and Musa Qala in Helmand province talking to opium traders to understand more about the farm gate opium trade. Today in Helmand whilst there is enormous agricultural potential in some areas, particularly the canal-irrigated lands, you could grow onions and a whole range of different legal crops that potentially could bring in more money, especially through inter-cropping, than poppy because they are less labour-intensive crops. You would not have to hire labour. But insecurity is such that poppy is essentially your best option. If I grow onions I have to take them to the market and in doing so I may have to go through a number of checkpoints. In doing so I will have to pay a bribe known as a 'backsheesh' to the ANP,² militia or whoever it might be. By the time I get to the market I am uncompetitive at best; at worst I can suffer physical injury. It is far better to grow a crop where the trade comes to you; it arrives at your farm gate and buys from you. The traders inherit the transaction and transportation costs. If there is a degree of insecurity and you have to leave the house you can take with you a few kilograms of opium; you cannot carry a bag of onions. This is a liquid asset. Therefore, in the context of Helmand for me it is a rational choice in a highly insecure environment. I do not hold with the idea that farmers in Helmand opt to grow poppy only because it can provide a high income. There is some element of that but they have an economic potential in Helmand but cannot realise it due to the insecurity.

Q53 Chairman: Referring to Balkh, we had a meeting with Governor Atta who said that he had made the province poppy-free. The chairman of his district council said that poppy production had gone up until that council got stuck in, so there was a little argument about who had made Balkh poppy-free. You do not sound very optimistic that it will remain poppy-free even under the auspices of a "strong" governor like Governor Atta.

Mr Mansfield: We have seen it before, if I can put it like that. In 1995 we saw Haji Oadeer reduce poppy cultivation in Nangarhar by 50%; we even saw Sher Mohammad Akhondzada reduce poppy in Helmand in 2003 by 50%. We saw Haji Din Mohammad, the governor, do it in Nangarhar in 2005. Some of us talk of Balkh as being the 'new black' or new fashion. Nangarhar illustrates how the economic consequences shift the political dynamic. Once you have a critical mass of the population suffering a degree of economic crisis, which is exactly what we saw in Nangarhar, the governors become understandably a bit more reluctant to enforce a ban that makes them unpopular with the people. The political context shifts. If the price increases we also see a similar phenomenon. These kinds of sustained reductions even with 'strong' leadership are quite difficult. No matter how strong the leadership we are talking about armed populations. There are rivals who are more than happy to marginalise the leadership. In Nangarhar we saw a reduction, but in some areas around the provincial centre there was a very interesting process in which people made the transition from an 'illegal' to a legal livelihood. They expanded their horticultural crops; they sent their sons to the bazaar or into Pakistan to find work. Those areas did quite well around the provincial centre of Jalalabad, but beyond that area, people replaced their poppy crop purely with wheat which is an 'inshallah' crop. You put it in and walk away; it is not labour-intensive and you hope to get a crop. Essentially, they relied on off-farm and non-farm income. A lot of Nangarharis went to Balkh and played a role in the increasing cultivation in Balkh in 2005 because they were perceived to have particular skills. They get a premium rate as itinerant harvesters. Therefore, a process of change took place in those areas which was not sustainable. Essentially, they could not grow enough wheat as a surplus to sell; they needed non-farm and off-farm income. They did that for a while but it had its limits and wage labour rates were going down. Therefore, where you see poppy replaced by wheat be concerned that it is not a sustainable shift; where you see poppy replaced by high value horticultural crops and non-farm income opportunities you see a genuine process of transition taking place. You have to look at the qualitative nature of the change, not just the reduction in cultivation. Too often we focus purely on hectareage or eradication rather than what is filling the gap.

Q54 Sir Robert Smith: You have dealt with all the economic factors. I picked up a lot of local addiction to the poppy, especially among children, in processing it and handling it. Is any element of the cultivation of poppy dictated just by the growing problem of addiction amongst the local population?

Mr Mansfield: There seems to be a growing problem of drug use within Afghanistan. You see many surveys but how accurate they are I do not know. Certainly, when you do field work people will discuss the issue of opium use and pharmaceutical use. There is a whole range of different products. In many ways we should not only focus on opium when

² Afghan National Police (ANP)

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it comes to demand issues. Some very good work is done in Afghanistan on this. You can buy a month's worth of Valium for \$1 in Kabul. People use a whole range of different products of which opium might be one. In some communities particularly in the Wakhan in Badakhshan there are drug use problems. I am sure that colleagues who know Badakhshan better than I, in terms of those kinds of areas, can comment. There is also a definite element of local demand that fuels this trend, but fundamentally it is about addressing your economic needs.

Q55 Ann McKechin: What are your views on the Afghan National Drugs Control Strategy and where you think it is placed or viewed by the major donors? Why is there currently such a difference of opinion between, say, the European donors on the one hand and the US on the other who still seem to be married to the idea that crop eradication is the first priority? What is your view on the Strategy? Is the UK Government right in trying to align its policies with that strategy?

Mr Mansfield: I suppose one of the questions is whether the National Drug Control Strategy is a strategy, but it contains a lot of the right policy elements for me in terms of international experience. I have been involved in various aspects of it over the past five or six years. It contains elements to do with eradication only where viable alternatives exist, no conditionality, ie making development assistance contingent on reductions in poppy cultivation, which has proven not to work. As to how eradication might be done, typically it is manual with no use of spraying et cetera. I think it contains many of the important ingredients in relation to international experience on drugs policy in terms of supply reduction. As to whether its sequences and prioritises the assistance required, clearly that is not within the programme. There are issues around the mechanisms by which line ministries will implement it. It is all very vague on that kind of thing and that is why there has been an attempt to do CN³ implementation plans with which I am a bit unfamiliar these days. The strategy itself contains the right policy elements. There is constant discussion about those. The more the figures go up the more eradication comes to the fore. At a certain level you can see the arguments on eradication that are presented. You look at the experience in Colombia. I have had these discussions time and time again. If people grow more opium poppy you just destroy more. I do not understand the logic of it. To some degree this is a faith-based issue. If people grow poppy it is perceived as illegal. The farmers are perceived to be making more money than non-poppy farmers. If you look at the latest UNODC⁴ survey and the kind of analysis it presents that is exactly the argument that is made. Therefore, if they are wealthy and grow poppy and it is illegal and you destroy it because of their wealth they should be able to pick up an alternative; they can become second-hand car dealers or who knows what. Reality is very

different from this. Often the figures that are presented on the drugs issue are quite problematic. The idea that poppy farmers in Helmand are rich rather than potentially wealthy fuels this discussion. The whole understanding of why people grow opium poppy in the context of Afghanistan today informs your policy response and view on that strategy. There are differing views about the understanding of the causal factors and drivers of poppy cultivation in Afghanistan today and those are fuelled by a lot of the numbers and some quite problematic methodologies that generate them.

Q56 Ann McKechin: I take it from what you have said that you do not think crop eradication should be used as a technique unless there are alternative livelihoods, but there are some suggestions that focusing on alternative livelihoods only in the area of opium production could act as an incentive to people who are currently producing legal crops to move into illegal production so they benefit from alternative livelihood schemes. Do you think there is there any validity in that criticism?

Mr Mansfield: In many ways I think they are two separate arguments. In relation to eradication, we have seen that experience not only in Afghanistan but other countries where you destroy the crop and there is no alternative, you create an economic and political crisis. In Thailand in the 1970s there was heavy emphasis on eradication and it ended up pushing people into the Thai communist party. We have Colombia, Afghanistan et cetera. But I do not think that means that you do development only in poppy-growing areas; not at all. You need the right balance. You can see some of the arguments. I have heard Afghan ministers say—I have to agree—there is a danger that if you do work only in Helmand, Nangarhar et cetera and not in Ghowr and other marginal players in poppy cultivation you create the wrong motives. Some of these areas have fewer security problems, less criminality and few problems of poppy cultivation. Neglect them at your peril. There is an argument for containment, making sure these areas do not feel neglected. I confess that I have not come across many farmers in the field who say they are growing poppy to attract development assistance because, quite frankly, they do not believe it will come anyway. Therefore, it is not realistic that they would waste valuable resources—land, labour, water et cetera—purely to attract development assistance in which often they have little confidence. I tend to hear that argument from the malik or head of a village or a governor with a bit more political savvy. You go back to the issue of what is happening in Balkh and Nangarhar. We already see statements from Governor Atta, as we did from Haji Din Mohammad and Sher Mohammad Akhondzada, saying that they have “not received a dime”. They have reduced poppy but where is the development assistance? Potentially, this opens the door to them saying they have done their bit but we have not done ours. They cannot control it and people will have to return to poppy. In many ways the governor does very well because he is seen to be a good citizen for reducing poppy. Therefore, he gains from the

³ Counter-Narcotics (CN)

⁴ United Nations Office on Drugs and Crime (UNODC)

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national and international community for doing that and if development assistance comes he argues that he provided that assistance; he negotiated with the international community and the government and he is therefore seen as a benevolent leader. If development assistance does not come he can say that people should feel free; if they have to grow poppy, so be it.

Q57 Chairman: There is a slight problem in that there is a difference of view as to what development assistance is. We had exactly that discussion with Governor Atta. I believe that the week before the head of DFID⁵ who had been reconnoitring our visit got the rough end of Governor Atta's tongue before he understood that the department was putting 80% of its money into the Government of Afghanistan which was spending money in Balkh province and therefore aid money was arriving but it was not perceived as such. He was looking at things that he controlled as opposed to things that the Government of Afghanistan controlled.

Mr Mansfield: If you will forgive me, there is also an issue about the label "alternative livelihoods" which I find singularly unhelpful.

Chairman: We shall come to that.

Q58 Hugh Bayley: I want to turn to the Counter-Narcotics Trust Fund. Why has it been so slow disbursing funds? If you were running it what would you do to get some wind in its sails?

Mr Mansfield: I feel a little outside my comfort zone on the CNTF;⁶ I have not poured over it in great detail. I have seen a version of a very interesting review that has been made of it. One of the fundamental issues has been vision and ownership of it. Some people, particularly the former minister of the Ministry of Counter-Narcotics, saw it as almost a competitor of ARTF⁷ and that it would have \$1 billion in it in due course. I believe that to some extent UNDP⁸ also viewed it in that sense, whilst others saw it as catalytic funding. Why would you need to compete with ARTF? This is the Counter-Narcotics Trust Fund and the "CN" is the value-added aspect of it. Therefore, what would you be funding from that in relation to delivering on the vision of drugs as a cost-cutting issue across the whole of the Afghan national development strategy? The former minister saw it as a way of having money where he could almost become a proxy implementer of development programmes. That was never how others saw it, particularly on the UK side. You do not want to set up parallel systems where MRRD⁹ and the Ministry of Agriculture are doing livelihoods programmes in non-poppy-growing areas and MCN¹⁰ through the trust fund is implementing them in poppy-growing areas. That was not the idea here. This is about national

programming. I thought that these were meant to be elements that would make, say, a national priority programme more CN-focused. National priority programmes can contribute to reductions in poppy cultivation, but there are things that you might be able to do to increase the CN outcome in terms of where the assistance is going, how it is targeted and who gains from that assistance, be it irrigation, roads or whatever it might be, also bringing together the national priority programmes so you create development synergies. The CNTF should have been part of the process of assisting NPPs¹¹ to be more CN-focused; maybe it could fill in strategic gaps, or maybe you had an area where you had irrigation, ag-extension¹² but no micro-finance. Therefore, plug in sectoral gaps through NGOs¹³ and others who are flexible and can work in the field. Do that diagnostic and say, "Look, we are seeing a reduction in poppy but there is a gap. People are being marginalised and there is a danger that poppy may increase over time if we do not address that gap." You could be constantly doing a diagnostic on the ground as to what is missing in relation to sectors and technical assistance to make development programmes more CN-focused. I think that should have been its vision, but it became \$80 million, or whatever it is—I do not even know—to fund greenhouses in Nangarhar at \$2,000 a shot, or mushrooms. All of these have validity, but where is the CN value-added? If you can justify that and ground it in terms of how the programme will assist the transition from poppy cultivation dependency to a reduction in poppy then it is fine, but I think a lot of that context was lost. I see the CNTF as having a problem of vision more than anything. The issues around how it reviewed the projects and subsequent issues of disbursement and institutional capacity I leave to others.

Q59 James Duddridge: In the paper that you co-authored with Adam Pain you challenged the use of the term 'alternative livelihood'. What are your reservations about that terminology with respect to Afghanistan?

Mr Mansfield: The point at which you have an alternative livelihood as an end state; it is not a programme or set of specific interventions. The causal factors that have led me to the point where I have a viable alternative to poppy cultivation are a process of economic growth, security, governance and to some degree the threat of eradication. It is there at the end; it is not a series of discrete interventions that we can call 'alternative livelihoods'. Road building and irrigation can contribute to a reduction in poppy. There is a danger that national priority programmes and development are here and alternative livelihoods are there and so when Governor Atta says he is not receiving any assistance he is not looking at the national priority programmes and the role they can play in reducing poppy cultivation; he is thinking of his "alternative livelihoods programme". It serves the purpose of

⁵ Department for International Development (DFID)

⁶ Counter-Narcotics Trust Fund (CNTF)

⁷ Afghanistan Reconstruction Trust Fund (ARTF)

⁸ United Nations Development Programme (UNDP)

⁹ Ministry of Rural Rehabilitation and Development (MRRD)

¹⁰ Ministry of Counter-Narcotics (MCN)

¹¹ National Priority Programs (NPPs)

¹² agricultural extension (ag-extension)

¹³ Non-governmental Organisation (NGO)

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compartmentalising the drugs issue in a way that is counter-intuitive and makes no sense. To deliver a drugs outcome we need governance, security, development and economic growth, not a certain set of interventions. They do not exist outside those elements. I just find it an unhelpful term and a way of saying that insufficient alternative livelihoods assistance has been received. There are national priority programmes and other assistance. It is a way of negotiating for more money.

Q60 James Duddridge: Christian Aid uses the term you do not like but argues that there is considerable scope for improving DFID's existing alternative-livelihood programmes. What is your assessment of that assertion?

Mr Mansfield: Again, what is it classifying under "alternative livelihoods"? I see the national priority programmes as contributing to a CN outcome. I have been helping with NRAP (the National Rural Access Programme) which looks at how that might better maximise CN outcomes. There is a range of different interventions in the portfolio that can contribute. I just find the 'AL'¹⁴ label an abstraction. I believe that people are talking about different things at different times and it does not help. We should be talking essentially about rural development and economic growth, not using a term which you might use in a different way from me. We constantly hear people say that they do not have enough money in AL. Yet AL is the national priority programme. We are constantly talking at cross-purposes. I find that an unhelpful term. As to DFID's work, fundamentally I support the idea of national priority programmes and the development of synergies between them. I think it has also done various things in relation to the AALP¹⁵ in Balkh and Herat and the work that it used to do in Badakhshan through its development forum. There are centralised national programmes to be brought together so they work in a more synergistic way, but you must also come up from the bottom with BDF¹⁶ and others to try to get communities empowered to make demands of those programmes so they are not so top down centralised and are more demand-led and responsive to communities' needs. That is the challenge.

Q61 James Duddridge: What are your views on the DFID programme to encourage the production of mint and saffron and melon further north, for example?

Mr Mansfield: They are all essential elements. There is a range of different interventions going on across Afghanistan, looking at high-value horticulture. The Dutch have GSE¹⁷ in Oruzgan buying up saffron. There are various interventions by USAID.¹⁸ DFID is doing its own project with mint and saffron with Mercy Corps and others. All of these are

important elements in terms of increasing the value added of horticultural production, but they are not sufficient on their own. They are a necessary but insufficient condition. To deliver a CN outcome and reduce dependency on poppy cultivation in the Afghan economy will require a broader effort based on economic growth, security and governance. They are valid efforts.

Q62 James Duddridge: Paradoxically, at a time when the Common Agricultural Policy in Europe is moving away from paying farmers not to produce there is increasing talk about paying poppy farmers not to produce. What is your view of that, and is it sustainable?

Mr Mansfield: The mechanisms to implement something like that are non-existent in Afghanistan today. A farmer will not see subsidy; there are too many interlocutors who will take their cut. Looking at the costs of implementing it and the capacity to monitor it, the prerequisite is to have some kind of state that is out there doing service delivery with infrastructure. It is the same in relation to legal cultivation. The prerequisite for any magic bullet is a well functioning state across Afghanistan. We are not there.

Q63 James Duddridge: Lord Malloch-Brown said that we were muddling along in relation to counter-narcotics. Is it a somewhat naïve view to assert that there is a single solution and that whilst politicians would like that from what you are saying it is not that simple; it is highly complex with a whole range of solutions and we should not really typify what is happening as "muddling along" rather than using a range of solutions and experimenting with them and that will be much more effective than a single new policy.

Mr Mansfield: It is an incredibly complex environment. Where we have some successes you will see a response in relation to the drugs business and wider livelihoods. You constantly must evolve with the drugs business and the economy of Afghanistan and the changing security situation. Whether or not it is muddling along? After 10 years of doing this kind of work I have sympathy for the phrase but I think we have a far better understanding of the problem and what is required. There are issues around what can be done in the current environment, particularly in relation to the levels of insecurity. I am sure you will hear from colleagues later that this is not just in the south but in other areas. In 1994 a friend of mine who worked for DFID did a one-month review in Afghanistan. When he came back his political analysis was that the Taliban would remain a small organisation restricted possibly to Helmand and Kandahar in the south. By 1996 they had Kabul; by 1998 they were in much of the country. I am wary of predictions about Afghanistan and any idea that there is a unique solution. As soon as you come up with a solution the situation has already adjusted. You must constantly evolve, move and understand the context so you can shift your responses.

¹⁴ Alternative Livelihood (AL)

¹⁵ Afghanistan Alternative Livelihoods Program (AALP)

¹⁶ Bakhtar Development Foundation (BDF)

¹⁷ Growing Sales Exchange (GSE)

¹⁸ United States Agency for International Development (USAID)

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Q64 Sir Robert Smith: Historically, obviously agriculture has been a major part of the Afghan economy and yet the NGOs are concerned that support for agriculture is considerably underfunded. DFID does put money through the Ministry for Rural Rehabilitation and Development which has related impacts on agriculture, and 3% of the funding of the US goes towards agriculture. Has agriculture been neglected by donors?

Mr Mansfield: The Ministry of Agriculture has probably been somewhat neglected by the donors. There has been a lot of investment in rural development. There are more investments in relation to horticulture. USAID debates how it is operated but has put a lot of money into RAMP¹⁹—I cannot remember what the acronym stands for—which is an agricultural marketing programme and then it is put into ASAP²⁰. It puts a lot of money through its alternative livelihoods programmes. A lot of it focuses on value chain work in the agricultural sector. The emergency horticulture and livestock programmes of the World Bank are quite significant. There have been whole issues about working with the Ministry of Agriculture; it has been problematic in terms of working with NGOs. It had a range of advisers who were stuck in the old days of the collectives and wanted to provide all kinds of price subsidies and have large tractor plants that they could rent out. There has been a whole range of issues in terms of working with the Ministry of Agriculture. From what people are saying they appear to be working their way through. The agricultural base of Afghanistan is fundamental, but if you consider what has been successful in other countries you must also look at the non-farm income side of it. If you look at Pakistan, Thailand and areas where poppy cultivation occurred you see a process of movement away from the land. In many areas of Afghanistan where opium is most concentrated they cannot sustain the population with poppy. There are such small land holdings and such high population densities. People must move down from the hills. There is a natural process of development where people move down to non-farm income opportunities in urban areas. Agriculture is fundamental but that side also must be considered.

Q65 Sir Robert Smith: Colleagues who went north said that farmers had diversified into melons and then the crop failed because of a melon flea. Wheat could be much more productive with more inputs in terms of managing the crop. Are skills and advice not being provided in that sense?

Mr Mansfield: What the Ministry of Agriculture is doing out in the field is debatable. If you go around looking at the ag-extension and provision of advice and support clearly it is wanting. Much of that support comes from the NGO community and through some of the large programmes. A lot more can be done in those areas to pump-prime the legal economy. I am a great fan of the Peace Dividend Trust. I do not know whether you met them. There is an issue about local procurement and the fact that

we have PRTs,²¹ the military et cetera who fly in all this food when that money could be put into the legal economy or used to pump-prime horticultural production. Some people estimate that there could be \$1 billion worth of investment in the rural economy if the various military and civilian forces bought locally. Efforts are being made there by the Peace Dividend Trust. The US military used to spend \$38 million on importing bottled water; it now buys locally. These kinds of efforts could be helpful.

Q66 Chairman: In one village that we visited a clean water supply had been installed for the villagers and they had switched from poppy—they did not say so but we got that impression—and were growing melons. They said that the melons were failing and there was nobody who could advise them how to deal with the problem, or whether they should grow alternative crops. Their animals were suffering from a shortage of drinking water. Again, they wanted an irrigation scheme and there was nothing there. There seemed to be a clear gap. They knew what they wanted but there was nobody to provide it.

Mr Mansfield: Yes.

Q67 Richard Burden: You have emphasised the importance of constructing a functioning state in order to get the integrated strategy that you think will be important. That requires all sorts of things but certainly co-ordination between different departments and so on. Where do you think in all of that the 22,000 community development councils sit? How effective do you think they are or could be in developing the kind of strategy you are talking about?

Mr Mansfield: Again, that probably takes me a bit outside my comfort zone. Given the nature of the way I do my field work I tend not to engage too much with the CDCs,²² but I am very much aware of some of the discussions that are taking place around sub-national governance. I think they can be enormously helpful as a development platform in terms of engagement with them in understanding community needs and clustering CDCs. That is very much what AKDN²³ and others have been doing; they have been clustering them so they can make the national priority programmes more demand-led. I see them having a very important role, but the next witnesses will probably be able to give you a far better idea.

Q68 Sir Robert Smith: We were told in Helmand that some of the reduction in poppy in the past had been to do with just shortages of water and given that the rains had come back and the forecast was more rain we should not expect any reduction in poppy cultivation in the province for the foreseeable future. From your earlier answer you suggested that all the drivers are for continued poppy cultivation.

Mr Mansfield: I go back to my earlier comment about making predictions about Afghanistan. If you look at poppy cultivation in Helmand today,

¹⁹ Rebuilding Agriculture Markets Program (RAMP)

²⁰ Accelerating Sustainable Agriculture Program (ASAP)

²¹ Provincial Reconstruction Team (PRT)

²² Community Development Council (CDC)

²³ Aga Khan Development Network (AKDN)

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economically it is not very attractive. If you consider that people were paying up to \$20 a day for hired labour—most households have to hire labour during the harvest period—it is an incredibly labour-intensive crop. During the harvest season the requirement is two hundred person days per hectare; it is 350 to 360 person days for the crop as a whole from the point of preparation of land to final clearing of the field. For harvesting you have to get the right amount of labour at the right time and labour must have the right skills. You do not want idiots doing it; they will reduce your yields. When I was in Nangarhar I met people who were going to Helmand because the wage labour rates were \$20 a day and they were getting a premium for working in an insecure environment. If you calculate the net return on opium poppy, not the gross returns that we are often presented with—for example that poppy provides 10 or 20 times more return than wheat—it is unattractive. Why do they continue to do it? They do it because the trader goes to them. It is low risk and so it is a better option for the farmer. Some households bring in share-croppers who do the bulk of the work. Eighty per cent of the total cost of opium poppy cultivation is labour. You need to find ways to access cheap labour, and share-cropping is one way to do it. At the current rates as an owner cultivator I am not making much money from poppy but it is a nice low-risk crop in a high-risk environment. If I am a landlord and I have share-croppers with the provision of credit I can buy the crop early as a distress sale at a low price. I am accessing their labour cheap because of the nature of the share-cropping arrangement under which they get 50% of the crop and I get the other 50% but they are doing all the work, and I can sell the opium later in the season. I can make money essentially from the surplus value of labour. Some farmers can still maintain a degree of profit; others are just managing risk. Too often we talk of these farmers as if they are all profit-maximising. Farmers the world over look at what kind of risk they can afford to take and manage it and within that risk they try to maximise profit. Farmers in Helmand are no different from farmers anywhere else in the world. Is it going to go up or down? I will be able to tell you in about a month's time because at the moment I have people there in various districts at their own risk doing field work; they are looking at the process of decision-making, so you will have to wait for that.

Q69 Richard Burden: Can you give your impressions of the narcotics/insurgency link? I know that it is difficult to define “Taliban”, “insurgents”, “drug-traffickers” and “foreigners”. That is a complex area. When we were there we were told in very broad terms that the Taliban, however defined, got between 20% and 40% of its income from poppy and that figure has been bandied around elsewhere. What is your assessment of that?

Mr Mansfield: I would be fascinated to know the methodology. There are some clear links, but how strong they are is under some debate. I see a significant shift. I used to do field work during the days of the Taliban in Helmand, Kandahar and

various places where I would not even think to go now. I saw an environment in which poppy cultivation thrived for a number of reasons. First and foremost, I did an ‘apprenticeship’ with opium traders in the south; I spent three weeks looking at the farm gate trade in Kajaki, Musa Qala and places like that. I would meet traders who had been involved for many years. I asked what had been the big change in the opium trade in the past 25 years. They said that in the old days when the Mujahideen were in charge there were checkpoints everywhere. They had camel bags on the back of motorcycles—the sort of thing you can buy in Camden market—and half would be filled with money and the other with a gun. They would travel through the checkpoints and pay money, so it was very difficult to operate. With the Taliban all those checkpoints went so basically they could travel from district *x* to the border and obtain a better return on the opium they sold. In terms of trade it could expand. The argument was that it was easier for them because there were a lot more new entrants into the opium trade as a consequence because the security environment allowed them to trade more easily. On the farming side there was very little development assistance. There was an ongoing drought and all the right ingredients for poppy cultivation to increase. I did not see the Taliban encourage poppy cultivation; I just saw a vacuum of governance essentially. Now I pick up from field work, especially last year, that the “Taliban”, whoever they are, to a certain extent encourage poppy cultivation. Is this about funding? Will the Taliban and insurgency go away if the drugs go away? I do not believe that will happen, but I think there is a play for hearts and minds. The Taliban are now encouraging poppy cultivation to some extent to provoke a reaction. What better propaganda coup than to provoke an aggressive eradication campaign, particularly with spraying? You hear Afghan farmers say that the foreigner cares about drugs but the priority for them is security, employment and corruption. The argument that you hear sometimes from farmers is that those issues are not addressed. This is right or wrong; it is the perception of truth that counts. The perception is that foreigners care about drugs and the Government of Afghanistan is trying to get rid of them to help foreigners deal with their drugs problem at home. If that is the perception in rural areas and you come in with an aggressive eradication campaign, what better way is there to win the hearts and minds of rural population? I think the funding side is there but I am sure they get their funding from all the usual sources with which we were so familiar in the late 1990s. Is that the primary motive? I tend to think not. I think it is about the hearts and minds of the rural population. Sometimes we underestimate the “Taliban” vision in some of this. They are more than able to look at the strategic picture about how the drugs issue can be fought over.

Q70 Sir Robert Smith: Dealing with what seems to me to be the madness of aerial spraying, presumably in the nature of the cultivation it is not just serried

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ranks of poppy fields that you can delineate and spray rather than food production. Presumably, the spray does not just sit on the field; it goes into the water courses. What are the practicalities of aerial spraying?

Mr Mansfield: The science is debated constantly in relation to what is being sprayed and subsequently what its half-life is. How resilient is it in the soil? Does residue stay within the water and so on? I am not qualified to go into the science. The reality is that in Afghanistan very few people mono-crop poppy. If you do typically it is because you have such a small land holding, labour density and a certain number of people where essentially the opportunity cost of labour is negligible and you maximise poppy cultivation. Even so, there will be a small amount of vegetable production for household consumption. Most people grow a range of different things.

Poppies are grown in irrigated areas typically near the household compound as well, so unless the accuracy of this process has reached a high level it strikes me that you are bound to have 'collateral damage', which I think is the phrase.

Chairman: Mr Mansfield, you have given us the scale of the problems inasmuch as what you are really saying is that you would need to provide viable alternative crops, security to trade them, alternative livelihoods and to some extent a functioning state. That is a pretty challenging set of deliveries. Obviously, that helps to explain why Afghanistan is such a difficult and challenging problem. In particular, you have described the link between insecurity and poppy production in that it brings the purchaser to the farm if the farmer cannot leave. Thank you very much both for your written evidence and the exchange this morning. It has been extremely helpful.

Witnesses: **Ms Elizabeth Winter**, Special Adviser, Policy and Advocacy, British and Irish Agencies Afghanistan Group (BAAG), **Mr Mudasser Hussein Siddiqui**, Policy, Research and Advocacy Co-ordinator, ActionAid Afghanistan, and **Mr David Page**, Chair of Trustees, Afghanaid, gave evidence.

Q71 Chairman: While we wait for other colleagues to return it may be helpful if you briefly introduce yourselves and your background to get it on the record.

Mr Page: I am the current chair of Afghanaid and have been a trustee for about 10 years. I came into it with a background in the media in that I worked at the BBC World Service for some 20 years and was involved in broadcasting to Afghanistan, Pakistan and other countries. I have been working with Afghanaid for 10 years and I have made annual visits for the past three or four years to some of the projects we are doing. We work as an organisation in four provinces. We have been working in Badakhshan for 10 or 12 years and in Ghowr and Samangan since 2000. We are also working in Nuristan in the east. That is probably the most difficult area in terms of the security situation. We have been finding it very difficult to work there recently because of the growing insurgency, but in the other three provinces we are still able to do our work. There are shortages in funding for the kind of work that we have done traditionally. Previously, we did integrated rural development work with funding from DFID in Badakhshan and from the EU in Ghowr. We have found it very difficult to replace that funding since DFID and the EU decided two or three years ago to change their priorities and fund the Afghan Government. In terms of DFID, 80% of its funding now goes to the Afghan Government.

Q72 Chairman: We will explore that with you.

Ms Winter: My name is Elizabeth Winter and I have been involved in Afghanistan since 1977. I still go there about three times a year. My main role is with BAAG which is an umbrella group for British and Irish NGOs. I am the special adviser on policy and advocacy. I also work as an independent specialist

and I am doing quite a bit on civil society development in Afghanistan at the moment. I am also a trustee of Afghanaid, having helped set it up.

Mr Siddiqui: I am the policy and advocacy co-ordinator for ActionAid in Afghanistan. I have been there since February 2005. ActionAid has been working in Afghanistan since 2002. Most of our prior operations have been in the provinces of Jowzjan and Balkh and also in Kabul. We also have small operations in Kandahar, Kunduz and Ghazni. We are a facilitating partner for the National Solidarity Programme. We also have projects for the demobilisation and re-integration of children affected by war. We are working on women in Parliament and also on issues of policy and advocacy with respect to governance, accountability, transparency and civil/military relations.

Q73 Chairman: Mr Page, you mentioned the difficulty of operating in some parts of Afghanistan. I am sure that it also affects your colleagues. According to BAAG 89 aid workers have been killed since 2003. Can you give us a feeling for the security situation and the extent to which—I think it is a point of discussion here—you are more or less vulnerable if either you are associated with the Government or you maintain neutrality? In which context are aid workers most vulnerable and what is the scale of the problem? Clearly, that kind of attrition is a serious consideration for attracting, retaining and delivering the work you do?

Ms Winter: Whatever way you look at it the scale of vulnerability has definitely increased. It is not just a risk of being killed but also being maimed. Local NGO staff are abducted and threatened and then perhaps assassinated. There are also kidnapping attempts. It has also increased our costs quite

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considerably. We are vulnerable in the sense we do not have close protection; we do not have armoured vehicles or the military looking after us.

Q74 Chairman: That makes you soft targets?

Ms Winter: Yes. At one point it appeared that the insurgents were considering not going for NGOs but much more for the military and government but that seems to have changed again. We are extremely vulnerable. As to working with the Government of Afghanistan, that is a tricky question. We have supported the Government; obviously, a country needs a state, but if we are too closely allied with some of it it can be used as a weapon against us. We have to address that dilemma constantly. Many of our partners and member agencies work closely with the Afghan Government in various ways, whether it is at policy level or being the implementing partner in programmes like NSP.²⁴

Mr Page: Certainly, Afghanaid has suffered quite a lot. Over the past year in Nuristan we have had three groups of staff kidnapped. Mercifully, they were released unharmed, but that kind of thing has been going on. In some cases this is not us being targeted because we are trying to implement a government programme but because there is a criminal element at play. That is equally an issue in the north. In the northern areas where development is still possible in the traditional sense and security has been reasonable we see some deterioration. For example, in Badakhshan in the north east and in Ghowr some districts are problematic; there is some overspill from Helmand. The fact that this coincides with a certain attrition in funding for the kind of frontline service tasks we have been doing in agriculture and veterinary work means that it makes matters worse. Obviously, the NSP is doing well and we have been very much involved in it, but it does not cover a lot of the interventions in agriculture, veterinary work and so on in which we have traditionally been involved. As David Mansfield said, obviously agriculture is a key area in which we find it very difficult to attract funding. It is the coming together of two factors, growing insecurity and an attrition in funding, which makes matters worse.

Q75 Chairman: We shall come to that particular point in a minute.

Mr Siddiqui: It is evident that the security situation has an impact on NGO operations and places a lot of strain on our work there. NGOs pretty much depend on the good will of the communities and they are the ones who provide security. It is not as if we go round with guns. In the absence of any development work taking place in the villages they tend to lose faith. They see us on a day-to-day basis and sometimes hold us responsible for funds not coming in, and that is contributed to by the local political dynamics. Local power holders also tend to blame each other or the NGOs for situations such as these. One of the important aspects is the lack of regular analysis of the situation to make adjustments on the ground. There is no regular political conflict analysis taking place in

the country. DFID says in its strategy paper that there should be regular conflict analysis to guide the department's intervention in the country, but it has not been happening in Afghanistan. Unless and until we do that we will not be able to position ourselves for the changing situation in the country.

Q76 Chairman: The relationship between agencies like DFID and NGOs is clearly a dynamic and changing one. As a committee obviously we constantly discuss the role of budget support and direct budget aid. Whilst in Afghanistan we looked at co-ordination through the Afghan Reconstruction Trust Fund which, to be fair, we felt was an effective way to try to pull together what donors did, but from your point of view do you understand that and do you think it is a valid objective? At the same time, does it adversely affect what you are doing? To be quite open and honest, the Government has a policy objective and you are independent NGOs with your own objectives. There is not an automatic right for you to be supported by the Government, or vice versa, so it might help if you explained how you think the dynamics work or do not work in that context.

Mr Siddiqui: As far as the ARTF is concerned we all think that it is needed and it is doing well, but we also think it can do better. There are a lot of issues with ARTF management in terms of accountability. It attempts to bring coherence to donor support in the country which is very much needed; otherwise, different owners will go in different directions. That is quite good. But where is the accountability of the donors when they do not fulfil their commitments and pledges. ARTF does not provide any mechanism for accountability? There is no aid monitoring and evaluation system. There is also no civil society participation with respect to oversight. Civil society is very much involved in the ARTF. As NSP implementers we get our money, implement our projects and then we say goodbye.

Q77 Chairman: We had a briefing from the World Bank which was instructed to provide the monitoring and accountability to the ARTF. It went out of its way to point out that it is done on the ground in country, not from Washington, and uses independent auditors. It maintains quite strongly that there is proper monitoring. That is very important to us because, after all, we are here trying to investigate our Government's accountability to the taxpayer and we need reassurances that that is the case.

Mr Siddiqui: My personal interaction with the World Bank has been in Kabul. It has said quite openly that it cannot hold donors accountable if they do not give money. They make pledges but there is nothing in writing. If they go back or delay their funding it can always request it but there is no mechanism to apply pressure.

Q78 Chairman: We are perhaps talking of two different things here: one is the extent to which donors commit funding and the other is what happens when the money goes to the ARTF.

²⁴ National Solidarity Programme (NSP)

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Mr Siddiqui: Yes. But there is a gap between the commitment and the money, whether or not it is coming. There is also a gap on how the money is spent and whether there is oversight of that. They definitely have auditors but how do they involve government and civil society, because the latter and also communities are part of the same building process? Is there a bottom up accountability mechanism over there? Unfortunately, not.

Ms Winter: To go back to the more general question of funding of NGOs, we support HMG's²⁵ view that it should be funding the Government of Afghanistan and building its capacity. There is no question about that. We have questions, however, about the way it is being done and the fact it was done by throwing the baby out with the bathwater at a time when the Afghan Government did not have the capacity to provide services or do things that the population or donors expected of them. We have also been told that the transaction costs for DFID are high and they cannot really fund NGOs in the way they used to. Therefore, these two things work together. What has happened instead is that these transaction costs have been passed on to NGOs which have been subsidising to a great extent programmes like NSP because of the delays in funding. You may hear more about that later. Therefore, it has been extremely difficult for NGOs to operate as partners in these programmes.

Q79 James Duddridge: When you refer to transaction costs to what exactly are you referring?

Ms Winter: NGOs are told that it is too expensive for DFID to give money to them and that asking for small amounts requires a lot of monitoring and supervision. We would argue that it should have more staff in that case.

Q80 James Duddridge: That is another issue.

Ms Winter: Yes. DFID has been given a lot more money and told to reduce its staff which is a huge problem. The main issue is that NGOs are not asking for money for themselves per se; they are asking to be able to provide services to Afghans who are in great need. At the moment, having had their programmes and funding reduced there has been a service gap, as identified in a recent ODI²⁶ report. That means many of the programmes NGOs have been running both because of lack of funds and security have had to close. That has been a real problem for beneficiaries. Our view is that funding of NGOs should have continued. Some of it will trickle down through the effective ministries, which at the moment tend to be education, MRRD and health, but by and large NGOs have had a major issue with that and with security and their programmes have been at risk. Therefore, beneficiaries have suffered in terms of the frontline work about which you have already heard. On top of that agriculture and other programmes are underfunded; higher education is not funded, et cetera. That is why we have been asking for a review of the policies and where we have got to. We need to have

a look at what we have achieved so far. Maybe the pendulum went too far in direct budgetary support, because the other aspect of it is that the capacity development of the Afghan Government has been done in a very piecemeal, ad hoc, unmonitored and unevaluated way. If you talk to Afghans in the Government as I have, they would welcome real capacity development and an independent review—the World Bank has gone some way towards doing that, showing this piecemeal effect—asking Afghans how they have experienced capacity development and what they really need to be able to fulfil the functions that they are required to fulfil in a good state that looks after its people.

Mr Page: In terms of the ARTF, we are an implementing partner, as is ActionAid, for the NSP. We are working in 900 communities. The NSP has been an extremely successful programme and has established community developments councils in over 20,000 villages. One sees that as a hugely important step forward having seen elections take place in some of these CDCs. Given that elections have not taken place in Afghanistan for 20 or 30 years they have made great strides. It has also involved women at the CDC level, which is extremely important. We are very pleased and proud to be involved in that. What we are disappointed and worried about is the fact that NSP funding as such for the whole programme is always unpredictable. As we speak today, there is an anticipation of a shortfall of something like \$200 million in March next year. There are constant cash flow problems. For example, between April and September of this year Afghanaid has been paying staff out of its own reserves. There was a six-month delay in receiving the payment for the work.

Q81 Chairman: Where was the money coming from—the Government of Afghanistan or the trust fund?

Mr Page: It was coming from the MRRD and the NSP organisation. There are two problems: one is that the donors are not providing the money which they pledged; the other is that there are cash flow problems in getting the money out.

Q82 Chairman: I am told that part of the problem is that it is all paid in arrears.

Mr Page: That is another factor. For example, you are helping villagers to decide on their priorities. This is a very democratic system. Mostly they decide on infrastructure improvements, but you help them as a facilitating partner to put up their proposals and they wait for 10 months to get the money.

Q83 Chairman: We met a number of them.

Mr Page: Some of these problems are now being sorted out, but there is uncertainty. Another worrying thing about NSP is that the first part is a three-year phase; the second is a two-year phase. If you have delays in funding there is a season in which you work and the whole thing can be delayed and so on. There is an expectation. We do not know what is going to happen. Is it just going to be two years when you do this work and then move on? If this is a

²⁵ Her Majesty's Government (HMG)

²⁶ Overseas Development Institute (ODI)

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critical democratic building block for the future development of the country in which men and women are involved there needs to be some further assurance that this money will be available.

Chairman: We might want to pursue that.

Q84 Ann McKechin: In my local community a delay of 10 months in the provision of money for infrastructure would not be unusual. I wonder whether it is just about people's expectation of what they think local government is when they see it simply as a funding agency and one in which at the moment there is no infrastructure for collecting revenue from local people, so there is a degree of responsibility and rights within the relationship with local government at one level. If they simply see it as a grant-making body and something to take from is that perhaps setting the wrong incentive and culture within local communities?

Mr Page: We are doing all sorts of things to encourage local empowerment. The NSP programme is one in which money is being made available for infrastructure improvements.

Q85 Ann McKechin: Should it not be a two-way process in that people contribute to it as well?

Mr Page: One has situations where the local community is expected to make contributions, for example to building or irrigation, whether it is labour or whatever. It is not simply a matter of handing out money. This has been the system and also the expectation. Obviously, it must be reinforced by the kinds of things that a lot of NGOs are doing, for example by encouraging self-help groups. It has proved to be a very useful initiative, particularly for women. To see the way in which women are now managing some of these projects is extremely encouraging.

Q86 Hugh Bayley: I turn to the Counter-Narcotics Trust Fund. Mr Page, you said some pretty harsh things about the fund. In your evidence you say that you have applied to the trust fund for resources and have been told to rewrite your proposal five times and you still have not received clear answers about whether or not you will get funding. What do you believe is the problem, and what is your prescription for changing it?

Mr Page: I think David Mansfield may well be right that there is been a lack of clarity about what is being attempted with the fund. The rules have changed quite dramatically since the beginning. I think that in April 2006 we applied for money from this fund and that was at a time when DFID funding for some of the work we were doing—integrated rural development in Badakhshan—was coming to an end. We were certainly encouraged by DFID to think that perhaps this might be a source of funding for continuing that important work. A new government fund had been set up and we might be able to get something through that.

Q87 Hugh Bayley: What are you bidding for? What does the Afghanaid project seek?

Mr Page: Basically, we provide a range of different interventions in Badakhshan to improve wheat varieties and help to increase productivity. We have a veterinary service for the villages with which we work. We provide women's resource centres. We have a child rights programme and also a micro-finance programme. We are involved in self-help groups.

Q88 Hugh Bayley: Broadly, you are saying that DFID and the EU have withdrawn funding for these programmes of work and you made a bid to the trust fund for a continuation of funding.

Mr Page: It was not exactly a continuation.

Q89 Hugh Bayley: It was for the next phase of this kind of work.

Mr Page: Yes. Badakhshan is one of the five major poppy-growing areas in the country and this is the Counter-Narcotics Trust Fund. We were providing a range of interventions, if you like, in an attempt to help farmers develop alternative livelihoods or encourage them to increase their productivity and economic situation. We were led to hope that this fund might be a source of assistance for that. We approached it first through the agriculture ministry, which we were encouraged to do. That took a long time. When it got to the counter-narcotics ministry we went to the bottom of the queue. The counter-narcotics ministry then decided that all these projects should be tendered, so they had to be neutralised and made less specific. We are not really sure why it has taken the turn it has, but 18 months later we still do not know whether our proposal has been accepted.

Q90 Hugh Bayley: My briefing note says that about \$19 million has been allocated or pledged to the fund and about \$3 million has been distributed. Can you remember what the value of your bid was?

Mr Page: I think we were asking for something like \$4 million in Badakhshan and Ghowr provinces for work in that area.

Q91 Hugh Bayley: You state in your paper that the intellectual property that you have in your way of working would be put at risk if there was a tendering process. It seems to me that you need to find some way to reconcile good practice with public money on the one hand and the way NGOs work on the other. I entirely understand the frustration if you are told two years into the process that the rules are being changed and they now want tendering rather than grant application, but why is tendering a bad idea for NGOs?

Mr Page: There is no problem with tendering. If they want to have a tendering process and they want to do some counter-narcotic work in Badakhshan let us have a tendering process; as many NGOs as wish can tender, but to ask people to apply through the agriculture ministry or other ministry for this fund and then tell them that the ground rules have changed completely does not seem to be a very sensible way of proceeding, particularly when we put forward a proposal that is based on our knowledge

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of that particular area. There are ministries in Afghanistan that work well and one should not knock them as a whole. The MRRD and education ministries have done extremely good work. It just appears that the counter-narcotics ministry, for whatever reason—there are other stakeholders as well, the DFID is one and UNDP is another—has not been able to develop a clear process for this.

Q92 Hugh Bayley: What is the role of UNDP in the trust fund?

Mr Page: I am not entirely sure of the precise role, but it is involved in managing the thing. DFID is the main donor and then the counter-narcotics ministry has the final say in looking at these things.

Q93 Hugh Bayley: We certainly saw a variable level of engagement, competence and corruption between different government departments, but it seems to me that the difficulty is that you face bureaucratic problems dealing with government ministries. The implication is that the funders, DFID and others, should really be managing ways through these processes.

Mr Page: Obviously, donors are involved in assisting and advising a lot of these ministries and that is the way the situation works. Our hope is that some greater clarity can be brought to this so this money is not simply locked up, because it is money that could be used for these purposes. Therefore, there is a degree of frustration. We do not say that we shall necessarily be successful, but to have a system where there is no decision and no clarity seems to be very unfortunate.

Ms Winter: Under this tendering process the problem would be that the programmes devised by Afghanaid based on its experience and abilities would then be tendered at a lower rate by an organisation that did not know how to run them. That was the fear. As to who runs the trust, it is administered by UNDP. DFID will tell you that it has done its utmost to try to get the bureaucracy to work. Somebody new was appointed in the summer to UNDP to get the thing right and to get it working because DFID's view was that that was where the money should come from for NGOs to do the rural development programmes that are so badly needed. I talked to that person in the summer and she told me that the plan was to evaluate the CNTF, where it was at and what it had already disbursed. There was an argument going on because DFID felt that it should disburse the money and then evaluate it. There was one bureaucratic hurdle after another, plus lack of clarity in the mission, as it were, on the part of all stakeholders involved in it. The upshot is that the money has basically not been disbursed and everybody is waiting around for it. It needs to be sorted out.

Q94 Ann McKechin: We have talked about the national trust fund the bulk of which I understand is used to pay public sector salaries of teachers, nurses and doctors. You have also spoken about problems occasioned by the capacity of individual government departments and some are doing much better than

others. Can you point to some examples of best practice where you think the donors have been assisting the capacity of departments? Other departments seem to be bedevilled by issues regarding corruption. Does that require a political rather than funding change?

Ms Winter: I think that political change and pressure need to be brought to bear so there is real capacity development and that the levels of corruption are dealt with. Those ministries that have good ministers in them are the ones that attract the support of development funding et cetera and they are the ones that are able to use it. You have the haves and have-nots. That was very clearly illustrated when the Minister of Rural Rehabilitation and Development moved over to education and money moved with him, as it were. That is something that needs to be looked at. Those ministries that are functioning well are the ones to which we have already referred: rural development, education and health. Not surprisingly, they are the ones that value and use NGOs in a very sensible way. For example, in the health ministry NGOs are involved very much in planning policy and implementation, looking to future programmes and so on. That works well. As to education, it was NGOs that provided the services by and large, particularly the Swedish Committee. It has handed over its schools wholesale to the Ministry of Education but retained a certain number that it is working with as model schools, particularly in terms of girls' education and so on. There is a very good working relationship between the ministries and money, therefore, does get to the NGOs. We need to evaluate what has already been done, because these are examples of good practice, and try to use them particularly with the Ministry of Agriculture and Ministry of Higher Education. Another issue has been lack of capacity because people did not receive education even to secondary, let alone tertiary, level, and that is being perpetuated. Non-formal education is also an area that needs to be looked at.

Q95 Ann McKechin: In Mazar-e Sharif we met a woman who was working with an NGO. She was a teacher by profession. I was very disappointed that an NGO should appoint a teacher given the vast shortage of members of that profession in state facilities. The point made repeatedly is that NGOs have been recruiting away from government the best quality staff and in many cases entrenching the problems rather than dealing with them.

Ms Winter: There will be odd cases where you have people who are appointed to jobs in areas that are not within their technical competence. One gets examples of that whether one looks at the UN or the Government of Afghanistan. There are also examples of NGOs having very good engineering departments, of which Afghanaid is one. The Government then scooped all of them up into the Ministry of Rural Rehabilitation and Development because it needed engineers; it sucked all of them from the NGO system. It works both ways.

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Q96 Ann McKechin: Ten thousand are working with the United Nations. That is a very high number.

Ms Winter: Some of them are specialists in rural development and they work as drivers and interpreters. It is a major issue. Another problem is that government departments pay very low salaries. In ministries where they know their way around the international system they will do top up, which means that they can attract people.

Q97 Ann McKechin: You recognise that there is a problem in that the NGO community does not appear to have a co-ordinated approach to tackle this. It is taking people away from the state sector at a time when it lacks enormous amounts of capacity.

Ms Winter: I will give you another example where I believe it is largely refuted. I would like to see the evidence, but certainly NGOs get the blame for things like this. More than any other institutions in Afghanistan NGOs have built the capacity of government officials. For example, when Ashraf Ghani and other ministers came in they took people wholesale from the NGO sector to work in the Government. I was asked whom they should approach. Several ministers—some are still in their jobs—came out of the NGO field. They did not come from higher education elsewhere or the Afghan system but from NGOs that had worked for years in Peshawar and Afghanistan. It is very easy—all of us probably do it from time to time—to blame another sector for doing things, but I would like to see the evidence. I would be very surprised if it is true that NGOs are taking the best people. Having said that, at the end of the day if you are an Afghan with some education who wants to look after your family, plus rebuild your country, you will try to make that contribution where you feel it will be most effective.

Q98 Ann McKechin: It would certainly be helpful if the NGOs kept accurate statistics which were readily available to the Afghan Government and Parliament so it could assess the level of the problem.

Ms Winter: Readily available statistics on what?

Q99 Ann McKechin: I am referring to statistics in terms of whom you are recruiting, what the academic qualifications are, how long they stay with you and what salaries you pay, so we can have an accurate analysis, because it seems to me the major problem is that the Afghan Government has very little control over a lot of areas about which you would expect any other government to know.

Mr Page: I totally sympathise with your concern that the Afghan Government should become more effective; we all want to see that, but as far as NGOs are concerned I do not believe we are seeing a huge increase in staff at the moment. It is not as if we are recruiting enormous numbers of people. For example, the staffing of Afghanistan has been fairly stable for the past three or four years. There is a tremendous capacity in NGOs which the Afghan Government itself recognises, in the sense that when it comes to implementing the NSP it decides that it needs to have NGO support to do it. The whole of the NSP programme and setting up of all 23,000

CDCs across the whole of Afghanistan has been done by NGOs. It is the skill of the NGOs that has made this possible. I agree that there is an issue about comparative salaries.

Q100 Ann McKechin: It is also a matter of statistics and having some idea of where skilled labour is based. It would be very helpful if NGOs could do that themselves. Surely, it is within their capacity to do so.

Mr Page: Obviously, we are monitoring fairly closely our staff recruitment. We are finding it more difficult to find Afghans who are competent to do the kind of work that we were employing them to do four or five years ago. We have had to look internationally for some of the people we need for our work simply because a lot of the experienced Afghans we had on our staff before have gone to take on work particularly in the UN sector, some of them with government.

Q101 Ann McKechin: This kind of analysis would be very helpful in finding out where skilled labour is in Afghanistan, which agencies it is passing between and what the various agencies are doing in respect of training up and recruiting new staff. Without that the ability of any government to find out where skill shortages are and how it will address them in future is incredibly weak. I put it to you that there is some onus on the NGO community, as with all other donors, to try to address this issue because at the moment there are so few skilled people in Afghanistan.

Mr Page: NGOs realise that they have these skills and they have been saying to government and others they would like those skills to be used to help build the capacity of the Afghan Government. If you go to a province like Ghowr you will find that the governor who is presiding over a growing administration where there is an issue of competence, skill and so on will want NGOs to help in that process. But the international community and Afghan Government have been quite reluctant to take that skill and capacity-building help from NGOs. One does not quite know why. Perhaps part of the reason is that there is a tendency with the management of all the donor funds to drive down costs to a point where the job cannot always be done at the necessary level.

Ms Winter: We will take away this point.²⁷ BAAG will look at it in conjunction with ACBAR²⁸ because if this is a recommendation that is coming to us we will take it seriously. It will be a difficult job to do. Perhaps we can have a word about it afterwards.

Mr Siddiqui: There is an argument that NGOs tend to get some of the quality staff. We should look into it. Having said that, one must also recognise the role that NGOs have played in developing capacity not only in providing on-the-job training to people. I can give you a recent example of the National Solidarity Programme where the Government has said that in the last year of implementation each district must have two staff from the local MRRD department

²⁷ Ev 72 and Ev 90

²⁸ Agency Coordinating Body for Afghan Relief (ACBAR)

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seconded to the NGO implementing the project to provide on-the-job training. NGOs have been doing that, but some of us have also faced problems where the Government has not been able to provide its own staff to deal with it. Further, NGOs have established some training institutes. BRAC, a Bangladeshi NGO, has been running a training institute and they are providing low-cost training on management and various other issues. ActionAid had its own capacity-building unit. We provided training on rural development and three-month fellowship programmes. There is a demand for it to the extent that we are now converting our department into an independent training institute which will provide fellowship training on development and human rights issues to create a cadre of local development workers who can work in the communities. Therefore, at one level one must look at the argument that NGOs have provided not only on-the-job training but contributed otherwise to developing capacity.

Chairman: I appreciate that you take that point and on that basis we will come back to it.

Q102 Sir Robert Smith: Obviously, one of the positive experiences in Afghanistan has been the ability to go to a school and sit with a whole lot of girls with textbooks who are studying, meeting women Members of Parliament and visiting micro-finance initiatives that mainly benefit women because they are more likely to repay loans than men. But underneath we heard concerns that lack of faith in the formal justice system meant that a lot of people looked to traditional justice and a number of attitudes to women and their involvement were still very negative. At some meetings we could not meet the women members of CDCs because we did not have a female interpreter. When we met the President he cautioned against the idea of radical approaches because of the lack of popularity and there was a need to move at the pace at which society was moving. What is your view of the position of women and where it is going? What is the role that NGOs can have in increasing the voice of women in parliament and in local consultation?

Mr Siddiqui: There is definitely a level of progress in terms of women's participation. We all agree that we cannot go for radical developments. There is a definite lack of faith in the justice system which is reflected in the latest human rights report on Afghanistan by UNDP. That argues that perhaps there must be a level of correlation between the traditional justice system and formal justice system. Having said that, NGOs have been providing support in terms of making staff available on the ground to work with women separately. For example, when we are implementing the National Solidarity Programme or any other community-based development programme we tend to employ women staff to go and work with women, understanding the fact that men cannot go and work with the women, but the same thing has to happen with the Government as well. Unfortunately, that has not happened. It employs more and more women staff who could go and work with women.

We are not at a stage in Afghanistan where men can go and work with women directly. I think that NGOs have pretty much pitched in over there.

Mr Page: We have certainly been involved in trying to empower women at the local level where we work. We have always done this on a holistic basis in the sense we have been working with communities and have tried to provide whatever support we can for women. We provide women resource centres in which we give vocational training; we have provided literacy and health training and so on. But we do that within communities and with the support of communities. Obviously, there are dangers if one has a one-item programme and one goes into communities. It is valuable to go in and say that you are helping with agriculture, veterinary work and so on and also want to help women to become more educated. It is extremely encouraging to see small self-help groups of women in Badakhshan in particular putting together small amounts of money and enabling one of their number to buy a cow, or whatever it is, and start a small business. As you say, women are good repayers and have tremendous acumen. Some of the projects that we are running with our CDCs are managed by women. From what we hear, they are also doing very well. One issue that emerges from some of the other submissions is whether the Afghan Government is itself perhaps providing the kind of funding for women's groups and civil society organisations that take an interest in these things. It is not doing so. DFID has recognised that by funding certain initiatives for women. There is a question about how you fund women's groups to raise the voices of women if that is not something that perhaps traditional society would naturally see as a priority. It is part of the broader question whether you need to find a better balance between, if you like, supporting the Government and seeing that as the main source of progress or whether you should also fund directly civil society as part of a better balance. Therefore, you seek to support civil society and its pressure on government to make it more accountable by that means.

Ms Winter: While it is true that one should not have radical, insensitive or not properly thought out solutions so one can just tick a box saying that one has said one will do something about women and therefore it is all right, that does not mean one should be too nervous of doing anything. There are solutions to this which will have to be gradual and long term. That means funding civil society development and providing support to people who run, often at great personal cost, shelters for women who have been subjected to abuse of all kinds and who are also working very hard to bring them into the judicial system and persuade members of the judiciary that they have a case and in turn they should try to support them. All these things take a lot of time. Meanwhile, there is a lot of underlying violence. Women are a particularly vulnerable group as are the children they look after. In a positive note CPAU (Co-operation, Peace and Unity) has done work in community peace-building which we strongly believe is another matter that

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ought to be supported. It has found as a spin-off that the age of marriage has increased in the communities and the amount of physical violence towards women decreased. There are sensitive, strategic ways in which this can be tackled, and I think you have seen some of the recommendations in the submissions that have been made to you.

Q103 Sir Robert Smith: Last night the all-party parliamentary group met members of the Afghan Parliament. When I first put this scenario I got a one-line answer: there was no problem with traditional justice and this issue did not exist.

Ms Winter: Perhaps we can look at who it was who said that.

Q104 Chairman: Men, I think!

Ms Winter: Part of the problem is not wanting to have shameful things in the public domain. If you are in a meeting like that you may feel that that is the appropriate thing to say. If you talk to women it is a very different story. If women begin to speak out on their own behalf, as many have done, they are also subject to assassination. There have been two or three notable examples of that recently. I think the international community needs to take a strategic view, put its money where its mouth is in terms of the commitments it has made and pursue a long, slow process in supporting the Afghan Government and others in dealing with this.

Q105 Chairman: When we raised with President Karzai that originally it had been agreed there would be a female vice-president and female ministers—now there is only one female minister and she is the minister for women—he said that he did not believe in gesture politics and what have you. Our response was that if he was telling us there were no able women we had met some of them. There seemed to be a reluctance right at the heart of government to have women role models. Is that something on which NGOs engage with government? It is not a question of putting people in particular situations; government is a good place to show that they are doing departmental, functional jobs, not ‘women’s jobs’, and just happen to be females.

Ms Winter: NGOs have discussed this and continue to press for it. There is no question that there is a problem at the heart of government. Having said that, it has taken us a very long time in our own society to get to the state where women begin to take positions of seniority. Many times in the past NGOs have argued with the UN and governments and asked why there are no women on their missions. As soon as you start to see women do these kinds of things you get a different perspective. It is part of the education process. We have to continue to support these initiatives.

Q106 Richard Burden: You expressed some concern earlier on about the future funding of the NSP and things like community development councils. If we look at it the other way round, perhaps you can give your perspective on how you see community development councils developing and their role in

relation to other sub-national government structures. When we were in Afghanistan there seemed to be a general consensus among commentators about the importance of developing sub-national structures to movement in Afghanistan. In addition to your worries about the money drying up, how do you think they should develop, and what should their roles be?

Mr Page: Mr Siddiqui would like to say something about this. I shall happily contribute, but he has looked at this recently in some detail.

Mr Siddiqui: The NGOs have been quite categorical from 2004 when the CDCs were just one year old in demanding that there be some legal recognition of these institutions. Millions of dollars have been put into them and capacity has been built up at local level. As we all know, elections have taken place. This is something very new for Afghanistan because for 30 or 40 years elections have not taken place. Recognising the importance of CDCs as institutions, NGOs demanded that there be a degree of legal recognition. To that there was initially no response, but in September 2005 the Ministry of Rural Rehabilitation and Development established a working group to look at the drafting of a law which would give some degree of legal recognition to the community development councils. NGOs were invited to participate but unfortunately it was a one-off event and NGOs heard of it only later. In December 2006 there was a presidential decree about a CDC bylaw giving those bodies legal status. In its current form that bylaw is vague and ambiguous in terms of whether they are local institutions of governance or parts of civil society. I think the response of NGOs varies; there is no single position where all NGOs say that CDCs should be only local civil society organisations or part of the government as they are in other developing countries. The current national consultation process in Afghanistan—today is the last day—on CDC sustainability and its future is supposed to look into it. NGOs did come out with a position paper on the CDC bylaw which gave a very detailed analysis based on their interaction with communities and our own field staff on the ambiguities in the current bylaw and legal status. What we have been arguing is that the Government has to come up with a clear and coherent strategy as to whether CDCs are village councils, as envisaged in chapter 8 and article 140 of the constitution of Afghanistan, or they will just be civil society organisations. Further, the CDC bylaw talks about an inter-ministerial working group which has to see whether it is limited only to MRRD and citizens or should be used by other ministries. It is unfortunate that the steering committee does not include the Ministry of the Interior which is the heart of governance in Afghanistan. There have also been contradictions in that MRRD is going ahead with the CDC bylaw but at the same time an independent directorate of local governance has been established within the presidential office with the status of a cabinet ministry to look into local government issues. There is no coherence at government level which makes things quite ambiguous at village level where people

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are not clear whether CDCs will or will not stay. Their performance also varies depending on the quality of facilitation and the time NGOs can spend working with them. There is a definite recognition that they are an important institution. A lot of money has been invested and capacity developed in those institutions. One should not let go of CDCs; as a project of NSP they should be taken forward.

Q107 Richard Burden: It is interesting that you refer to the commission that has been established nationally under the president's office. Presumably, that is Mr Popal's commission. The way it was put to us both by him and others was that that commission was established precisely to bring coherence and empower not specifically CDCs but to give some oomph, if you like, to the sub-national agenda. You appear to be saying that that commission could be a way of muddying rather than clarifying the waters. Do I read you aright?

Mr Siddiqui: One hopes that the directorate of local governance, the independent commission, produces greater coherence, but for me it is unfortunate that the day before yesterday it refused to participate in one of the sessions which was supposed to look at the sustainability of CDCs, saying that by its participation in the national consultation process with CDCs it did not want to give legitimacy to the recommendations that would come out of the consultation process. If it is supposed to bring coherence it should actively participate in organising the consultation which brings together different ministries and members of CDCs to Kabul. Three hundred delegates are sitting there to discuss and make recommendations on how CDCs should function. Everybody—donors and civil society organisations—is there, but we learned that the independent commission on local governance was reluctant to participate, thinking that that would give legitimacy to the recommendations that came out of it and that might not fulfil its expectations. Their participation in organising the national consultation process was also missing. It has been driven very much by the Ministry of Rural Rehabilitation and Development.

Mr Page: The CDCs have emerged as a very important unit of local governance. It would be a great shame if through lack of funding or clarity that building block was not established for the future. A lot of piecemeal work is going on to build up from the bottom, which is something in which NGOs are interested. CDCs are being built into clusters so that there is a greater demand-led approach to a lot of the issues that affect them, but at the moment it is all very piecemeal. We are doing something like this in Samangan at the moment with the support of the Swiss Development Corporation. There is no clarity about this nationally. It needs a national approach. I think that now everybody recognises that a great deal has been done to try to improve the capacity of the national government ministries, but if you go to the provinces that is where the concentration should now take place. Essentially, you have governors appointed in Kabul. There is a bit of a clash between the centralising tendency of a lot of the thinking

about how to drive forward progress and the natural diversity of Afghanistan and tendency towards autonomy in a lot of these regions. Marrying up these things and working out how democracy should be implemented at that level is something that needs to be sorted out.

Q108 Ann McKechin: Given the changes that are taking place and the proposals for sub-national governance, where do you think the National Solidarity Programme should fit? What should be its role? How do you see it being developed?

Mr Page: We believe that the National Solidarity Programme has achieved a great deal and helped to set these building blocks. What one would like to see is a continued stream of funding, not just for two years in a particular place but thinking about how it might be funded over a much longer period. From the building block which essentially sets up these elected councils one must start to do the work of development, encouraging all sorts of initiatives to make sure that the local economy grows, education comes and so on. That is the natural focus for doing it and it would be a great shame if it was abandoned.

Q109 Chairman: We have discussed briefly the importance of agriculture. Mr Mansfield made it clear that one had to bring in other livelihoods as well. Specifically, what do you think can be done to improve the delivery of agricultural development? Is it a role for DFID? Is it a matter of supporting the agriculture ministry, or is there a clear role for NGOs; in other words, where is the best capacity or potential for developing that capacity?

Mr Page: Obviously, some attention needs to be paid to the agriculture ministry because that is not as effective as it should be. As far as NGOs are concerned, certainly the experience of Afghanistan is that there is a shortage of money to do the kind of work that it was doing in agriculture and in the veterinary field. I think we employ the only Afghan vet in Ghowr which is one of the most important livestock provinces in that country. We find it very difficult to get funding for that work. That is an illustration of the problems. It would certainly be useful if funding could be made available for some of the frontline work that has been done which NGOs now struggle to keep going. That is one way to ensure that this kind of agriculture and veterinary development continues. If one has to wait until a great number of issues are sorted out in Kabul these projects dry up and that sends the wrong message to the people.

Q110 Chairman: Could DFID perform a useful role in training agricultural extension staff? We have agricultural capacity in this country which it claims is under-utilised. By pulling together those people could DFID help to develop with the agriculture ministry an extension network by training people locally in such work?

Mr Page: This is not one of the three issues which DFID regards as its priorities. If DFID was interested in doing that it would be a great advantage.

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Chairman: That is one recommendation to which we are giving consideration.

Q111 James Duddridge: I should like to turn to the provincial reconstruction teams. In areas of relative stability what should their role be going forward? Should they be disbanded in areas of relative stability?

Ms Winter: They should certainly have an exit strategy in areas of stability. We have always argued that their main role should be to bring human security and safety to an area. If that exists then we argue there is no longer a need for them and aid and development should be done by civilian actors.

Q112 Hugh Bayley: In Helmand the PRT is often described as a military-led initiative, but it appeared to me to be a good solid partnership between the Foreign Office, the military and DFID. In Helmand where there is virtually no UN presence it is very difficult for NGOs to work, yet it is necessary to provide initiatives to improve quality of life and the rural livelihoods of people. It is very difficult to see what the alternative would be if you did not have a PRT to supplement the work that the national government agencies are doing. Do you share that view?

Ms Winter: Certainly, in an area like Helmand it is very difficult for NGOs to operate. Nonetheless, there has been some capacity in Mercy Corps and others. I think you had meetings with Nigel Pont. Clearly, you need to provide some assistance to the population and if NGOs and the Government of Afghanistan cannot do it there must be an alternative. I do not believe we argue that PRTs should not exist, but in the past we would have argued that they were second or third best to expanding ISAF²⁹ outside Kabul and put in real development assistance. There are now lots of discussions about what effect the military presence has per se and the lack of single command with the coalition and so on. BAAG is undertaking some research at the moment to find out information about some of these issues, particularly from local populations to gain their experience of PRTs and the stabilisation forces.

Q113 Hugh Bayley: How would you do that research work?

Ms Winter: We have undertaken to take on two independent specialists along with Afghan researchers to go into three provinces and discuss with people their experience and to talk to the military, DFID and so on. It is an ongoing research initiative and we hope that the report will be published fairly soon. I understand that you will be drafting your own report before too long, so if we can give you the preliminary results of that work obviously we shall do so.

Q114 Hugh Bayley: You mentioned working with DFID. Are you doing field work in Helmand or not?

Ms Winter: Yes.

Mr Siddiqui: Oruzgan and Paktika are two of which I am aware.

Q115 Hugh Bayley: If you could provide us with information about consumer experience, as it were, of the work of PRT it would be very helpful. Having visited four sites where PRT-supported work was being done, I saw some valuable tasks being undertaken, but I had no idea how priorities were decided and in reality the extent to which local people were setting priorities. We were told that whenever work was proposed in a particular village there would be a local meeting to discuss the priorities. If your work can give some insight into how that process operates and whether it is as sensitive as it could be given the difficult working circumstances that would be very valuable.

Ms Winter: We have always said that we need a good evaluation of what work the PRTs do so we know what is valuable and can be done elsewhere as a result. Certainly, local consultation is probably fairly thin on the ground and by and large does not include women, but we will come back to you on these things.

Q116 Chairman: The problem is that they are patchy and variable. When we were in Mazar-e Sharif we learned that the Swedes had been very reluctant to divert their central government funding but had agreed to do so to fund a hospital. That was done just to provide visible proof that they were doing things; it was not their own preferred option.

Ms Winter: That is right.

Sir Robert Smith: The other worry in Helmand was about the decision to build a school and whether any thought had been given to the resource consequences of making it available.

Q117 Chairman: One of the people we met on our visit summarised the situation by saying that the problem with Afghanistan was that everything was a problem.

Ms Winter: I entirely agree.

Q118 Chairman: In an hour's conversation with anybody one goes from total pessimism to considerable optimism. All of these factors collide, which makes it very difficult for us to write a report but we shall do so.

Ms Winter: It is very timely and we are delighted you are doing it.

Q119 Chairman: If you have any further reflections that you think are helpful in the light of the exchange this morning please feel free to submit them to us so we can take them into account. Thank you very much.

Mr Page: We value the opportunity.

²⁹ International Security Assistance Force (ISAF)

Thursday 17 January 2008

Members present

Malcolm Bruce, in the Chair

John Battle
Hugh Bayley
Richard Burden

James Duddridge
Ann McKechin
Sir Robert Smith

Witnesses: **Rt Hon Douglas Alexander MP**, Secretary of State for International Development, **Mr Marshall Elliott**, Head of DFID Afghanistan, and **Ms Philippa Rogers**, Deputy Head of Afghan Drugs Inter-Departmental Unit (ADIDU), FCO, gave evidence.

Q120 Chairman: Good morning, Secretary of State, and welcome to the first formal occasion you have appeared in front of the Committee, and I am sure it will not be the last. We welcome you and your team. We know Marshall of course but I think for the record it would be helpful if you could introduce your team.

Mr Alexander: Marshall Elliott, as you know, is the Head of our DFID Afghanistan office based in Kabul. Many of you met him during the course of the Select Committee's recent visit to Afghanistan. Philippa Rogers is the acting Head of the Afghan Drugs Inter-Departmental Unit, physically based in the Foreign Office but a cross-government unit which leads the UK's work on counter-narcotics.

Q121 Chairman: Two or three things have happened since our visit which I thought we could explore with you first of all. Perhaps the most topical, sadly, is we as a Committee stayed in the Serena Hotel (and most people do although not everybody) which was subjected to a recent attack where a number of people were killed. I just wondered whether that was seen as a deterioration in the security situation and whether that has any implications for the Government's and DFID's work in Afghanistan, which is, after all, insecure and difficult enough as it is?

Mr Alexander: I would be cautious of drawing significance out of a single event, even one as serious as the attack at the Serena Hotel, where I know a number of you stayed in Kabul. Clearly as a British Government we have condemned in the strongest possible terms the attack that took place on the civilians in the hotel. I understand that the Taliban have claimed responsibility for the attack, but of course we want to see the perpetrators and sponsors of this crime brought to justice within the Afghan justice system. That being said, I think it is fair to say that when I visited Afghanistan prior to your visit, the force commanders who I met, particularly in the south and in Helmand, were clear that British military forces were prevailing in the specific engagements that they were having with insurgency forces, but were mindful of the possibility that in the light of the success that was being enjoyed by British forces working in support of the Afghan National Army, there was always the possibility that there would be moves towards a more asymmetric form of conflict. There have been a number of attacks, as you know, in Kabul in recent weeks and months of which the Serena Hotel is just one of the latest, so it is a

matter which is of concern both to the British Government and to the Government of Afghanistan, but it really is for others, both our force commanders on the ground and the Government of Afghanistan, to judge how best to respond to what is inevitably a changing security challenge that we face.

Q122 Chairman: Can I say on behalf of the Committee that we were very well looked after by the close protection (CP) team that was allocated to us. We were impressed by the seriousness of what they were doing and the seriousness of the potential threats. I am sure you will have appreciated when you actually go through that hour's training and presentation it brings it home to you what might or might not happen, and although we were very fortunate that there were no incidents, that attack last week demonstrates that all of that was absolutely necessary.

Mr Alexander: Yes, I could not agree more. On my own visit, there was a suicide bombing of the airport gate at Kabul when I left, and indeed the day preceding my visit to Kandahar in the south, there was an international force soldier lost to an Improvised Explosive Device (IED) incident. It is a very real security challenge that is faced, and it would be remiss of me to do anything other, as you have been generous enough to do, than to pay tribute to not just our own staff but the staff who support our operations within Afghanistan, because it is a challenging security environment.

Chairman: And they are very professional indeed. James?

Q123 James Duddridge: Whilst we were there we saw a balance between the security but also getting out, seeing the projects and actually feeling what the country is about and how it works and talking to the people. Given the threat of further attacks, particularly in Kabul, particularly targeted at the expatriate community, has DFID's ability to get out and about been further constrained subsequent to the attack on the Serena?

Mr Alexander: Firstly let me try and contextualise the security challenge that we face. This was best described to me by one of the Afghan ministers, who I met who said the best way to understand the challenges facing Afghanistan at the moment is to realise that we face four simultaneous challenges. Firstly, there is the insurgency; secondly, which no doubt we will touch on today, there is the issue of

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narcotics; thirdly, there is the issue of governance, and fourthly, there is the issue of poverty, which is the core work that we are addressing in the Department for International Development. We have always been mindful that security is one of the key challenges which contextualise the efforts that we make. There are a number of procedures in place whereby assessments are made as to the security environment in which we ask our staff to operate. We co-operate very closely with the Foreign Office in that endeavour. It might be helpful if Marshall as head of the country office sets out for you the steps that we take in country to be assured of the safety and security of our staff. There are two instances that I would cite. Firstly was obviously the attack on the Serena Hotel which is used by a number of internationals. Secondly there was a bomb that inflicted damage on properties in which DFID staff were present. Immediately following that attack, as you would expect, there was work undertaken by officials, at my request, to ensure that there was a further full audit of the security arrangements in place for our staff to ensure that all necessary measures are being taken. Once Marshall has set out the specifics of the steps taken in relation to the Serena, I would be happy to say a word or two about the implications more broadly across the country.

Q124 James Duddridge: It would be very helpful if Mr Elliott did that and focus his comments on the change in risk assessment and practices and the impacts on DFID since the attack on the Serena. Prior to that I think we are fully aware of the very comprehensive risk assessment process that you have gone through.

Mr Elliott: It is worth mentioning the incident which the Secretary of State has just mentioned. It was a device which exploded close to properties you saw during your visit. We have taken steps since then to strengthen security at these locations. Thankfully, testimony to the strength of the systems already in place, when the device went off, no-one was hurt. It does affect our social movements. Both that incident and the recent incident this week at the Serena have affected our ability to go out and about to do things other than work. In terms of doing our business it has not changed the situation. We are still getting out to do meetings. We can still go out and make visits elsewhere in the country, where we are supported very solidly and very professionally by CP, so it has not changed our business movements.

Mr Alexander: I would add at the policy level that while of course it is incumbent upon both myself and my officials to have due regard for the safety and welfare of DFID personnel working in Afghanistan, we also need to send out a very clear message that such attacks on civilians will not in any way diminish our resolve and our determination to continue to act in support of the Government of Afghanistan. In that sense, clearly it is not appropriate for us in every instance to discuss all the measures that are taken or the assessments that emerge from particular incidents, but I can assure you that the resolve and commitment to continue work in Afghanistan is in no way diminished by the attack on the Serena Hotel.

Q125 Chairman: In the light of press reports yesterday and today, which appear to confirm that Lord Ashdown is to be the UN Representative in Afghanistan, are you able to give us a formal confirmation of that and any more information as to how that will operate? In this specific context, according to the *Financial Times* it just put a comment at the end: "There is concern in Kabul that Lord Ashdown's appointment will heighten anti-British sentiment among ordinary people. One senior European diplomat warned Lord Ashdown that he should expect such antipathy." Firstly, could you comment on the general principle of his appointment and what he is going to be doing and, secondly, whether his being British, in the light of the previous discussion, has any further implications?

Mr Alexander: Firstly, I am not in a position to officially confirm because obviously the position of the United Nations Special Representative of the Secretary-General is a matter for Ban Ki-moon, although of course I have seen the same reports to which you refer. Let me begin by saying the term of the Special Representative of the Secretary-General finishes in February, although in fact Mr Koenigs left, I understand, late last year, so in that sense there is no secret that there are discussions underway in terms of what we are looking for. Let me therefore, if you would indulge me, speak in terms of what we are looking for from the senior high-level candidate who we hope will fill the position, and then let me say a word in terms of whether it would influence the views of the United Kingdom if such a candidate as Paddy Ashdown were to emerge, as the press reports indicate. What are we looking for first of all? This role has to be recognised as supporting the Government of Afghanistan, and in that sense the work that Paddy Ashdown did in Bosnia, while outstanding—and I was Europe Minister at the time and I had the opportunity to discuss with him the challenges that were being faced in Bosnia—the nature of the job is somewhat different from the High Representative role that he discharged with such distinction in Bosnia. There is of course a parallel to the Bosnian situation which is the need to effectively co-ordinate both the military and civilian dimensions of the work. It is crucial for us, in particular in tackling insurgency, that there is coherence in terms of the counter-insurgency work that is being taken forward. We would like to see a national counter-insurgency strategy, a COIN strategy, being accepted across Afghanistan. Thirdly, and this leads me naturally into the point that you raise about the possibility of it being a British representative, I think it is important that there is one face and one voice for the international effort. One of the points that I understand has already been raised in the course of discussions before this Committee, following your visit, is the perception that somehow there is a large proportion of the Afghan population who are unaware of the nature of the support being offered by the international community. In that sense, I regard it as an opportunity rather than a threat to better align the effort and work and the financial resource that has been put in, with a recognition of the supportive but vital role being played by the international

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community. In that sense, the United States obviously have been supportive of Paddy Ashdown's candidacy, he is an individual of outstanding integrity and ability, and we are very hopeful in terms of the role that this Special Representative can play in Afghanistan in the months to come.

Q126 Sir Robert Smith: Do you see the role being fulfilled through the personality of the holder of the office or will there be a change in terms of the office? Will there be a buy-in from the EU or NATO into recognising that if we are going to create this coherent strategy, it will have to be a bit more than symbolic?

Mr Alexander: Candidly, I do not see it as either/or. Of course the fact that both the EU and the NATO representatives are up for replacement around the same time offers opportunities for there to be effective co-ordination and discussion. There were some suggestions that have been floated in terms of a single candidate for all three offices. My understanding is that there are some difficulties in that proposed way forward in terms of the respective organisational structures of NATO and the EU. That being said, I am optimistic as to the ability for those organisations—the UN, the EU and NATO—to better align their work in the future, but clearly the character and attributes of the individual brought into the Secretary-General's Special Representative's role will be absolutely key to that not simply being a theoretical hope but being a practical result.

Q127 Chairman: I think General McNeill¹ characterised the requirements as being an 800 lb gorilla. I am not sure whether Paddy Ashdown would concur with that description!

Mr Alexander: I shall leave it to you. You have known Paddy for longer than I to judge whether he is equipped for that role!

Q128 Chairman: Another incident was the expulsion of two international diplomats by the Government of Afghanistan for apparently negotiating with the Taliban. That raised a slightly difficult area which is how you define negotiations with the Taliban. It was clearly stated to us by both the Afghan Government and representatives of the international community that there had to be some process where you tried to draw people away from the Taliban and back into co-operation with the Government, and that involved some kind of dialogue, not necessarily with the leadership but with elements of it. Obviously there was a concern here that two experienced diplomats had incurred the wrath of the Government of Afghanistan. I just wonder whether that was to do with who should be taking the lead on it, namely the Government of Afghanistan feeling that it was their job to lead on this, not the international community's, or some breakdown in communication, and what effect that has on where we go from here between the Government and the

international community in trying to bring about that reconciliation of the disaffected people, the people who are being pulled back from the Taliban?

Mr Alexander: Firstly the policy and then the specific matter to which you refer. The clearest articulation of our policy in relation to this, notwithstanding some misplaced headlines the day before, was the statement offered by the Prime Minister in the House of Commons towards the end of the year,² which made it clear that we were supportive of the efforts that were being made and being led by the Afghanistan Government to be able to move forward a process whereby a number of former fighters had re-entered the mainstream of Afghan society. Clearly when we talk to our own force commanders on the ground, they are clear that, notwithstanding the progress that has been made in the kinetic phase of the campaign, there does also have to be a political dimension to counter-insurgency, and they are themselves supportive of the work that has been taken forward by the Government of Afghanistan. In relation to the specific incident that you describe, our Ambassador Sherard Cowper-Coles, who I know you have met, discussed the expulsions with President Karzai on 29 December, at the turn of the year. In the course of those discussions, he strongly refuted the suggestion that as the United Kingdom we did not clear reconciliation projects with the relevant Afghan authorities in Kabul and Helmand, and I think in that sense the description that you offer in terms of respective roles and responsibilities lies at the heart of this issue rather than there being any fundamental divergence as to the need to align the kinetic phase of the counter-insurgency operation with other necessary aspects of that.

Q129 James Duddridge: For clarity's sake, given that British diplomats, the British Army and possibly (I do not know) DFID staff have discussions with the Taliban, what is the difference between discussions and negotiations and when do discussions technically become negotiations?

Mr Alexander: The position of the British Government in relation to that is that we have made clear that we are not negotiating with the Taliban. The Prime Minister made that clear in the course of his statement. On the other hand, it is of course the case that whether in terms of our responsibilities in the south and Helmand through the PRT,³ and for example the work that has been undertaken in Musa Qala, or whether it is through the work of our embassy in Kabul, there is a wide range of discussions with a wide range of interlocutors. I cannot better the words that our Prime Minister offered at the dispatch box in making clear that we wish to isolate and to remove the leadership of the insurgency, at the same time as supporting the efforts of the Government of Afghanistan in terms of bringing into the mainstream those who want to leave behind the insurgency and come back. My recollection is that the figure quoted was around 5,000 former fighters who have already

¹ Commander of the International Stability Assistance Force (ISAF)

² HC Deb 12 December 2007, cols 303–307

³ Provincial Reconstruction Team

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chosen to move back into the mainstream. Clearly we are supportive of that work, but this has to be a matter that is led by the Afghans.

Q130 Chairman: In the Prime Minister's statement on 12 December, he announced the increase in development funding to £450 million for the period 2009–12. That is an increase on £330 million over 2006–09. Is that extra £120 million additional money or is it coming from the Stabilisation-Aid Fund? How much of it is going into development and how much is going into stabilisation activities?

Mr Alexander: The announcement that the Prime Minister made combines both money for the Stabilisation-Aid Fund, which supports the particular work of stabilisation, and the on-going development needs. We are doing development work in Helmand and there are also decisions that will be reached in terms of allocations for the Stabilisation-Aid Fund. In terms of the proportions that are anticipated being spent from the Prime Minister's statement—DFID's £345 million, that is £115 million each year—that is new money and an additional and bigger allocation than our previous commitment of £330 million over the equivalent period of 2006–09. The total figure that was spoken of in the statement was £450 million and £105 million of that is for stabilisation activities. So of the £450 million, £105 million is for stabilisation activities and the additional money, the £345 million, is development.

Q131 Chairman: In that context I am going to bring in John Battle, but what we did find both in the UK and when we were in Afghanistan, inevitably and understandably because of the high level of military engagement in Helmand, is there was a presumption that all the British aid development was going into Helmand. I think it is perhaps important both on the record and from you to make it clear that a significant amount of our development activity is going directly towards the Government of Afghanistan and presumably the whole country?

Mr Alexander: I would fully accept that responsibility. I was looking at the figures in preparation for the Committee. My recollection is that from a budget of £107 million, £20 million is being spent in Helmand. When I was in Afghanistan, I visited work that we are doing in terms of allocation outside of Kabul. I also took the opportunity to visit a school where through the support that we are providing to the Government of Afghanistan we are helping to pay for the teachers' salaries at that school. I very much regard it as my responsibility to reflect the breadth of work that we are undertaking in the country, not least to the British public. I think it is probably inevitable, and certainly appropriate, that much of the coverage of Afghanistan in the UK media centres on the work that is being taken forward by the British troops principally in Helmand in the south, but in terms of the efforts that we are making, you are absolutely right to recognise that it is only a proportion of the development work that is underway. I think that bears on two issues. Firstly is our financing and secondly the nature of the challenges that Afghanistan faces. I think it is

important for people to realise the scale of the challenge. One in five children die before their fifth birthday, average life expectancy is 46; they are off track on every one of the MDGs. Even if there were no insurgency, this is a desperately poor country and therefore even if there was not the immediate challenge that we face in terms of stabilisation there would be a responsibility on us to be working to support the development objectives of the Millennium Development Goals.

Q132 John Battle: I concur with that last point; it cannot be underlined enough. It is not just the figures now but too often a glib comparison is made with Iraq because there seem to be parallels of tackling insurgency and working on development. When I joined this Committee in 2001, if I remember rightly, all the World Bank statistics showed Afghanistan at the bottom of the whole world in terms of all the poverty indices. We forget how far back Afghanistan was before the whole issue of the military insurgency and the movement to try and do something about it. Those figures from 2000 are still burned in my brain. Afghanistan was at the bottom of the league on every single one of the MDGs, so start from there and measure it from there. Even if there were no insurgency, it would be the biggest task in history to bring about development, to move Afghanistan society into the 20th century, never mind the 21st. I think that is often forgotten. On those terms though, I want to explore the relationship between the amount of aid going into development and the capacity to deal with the money and the expectations of what can be done. The resources are there but you cannot spend them, it is sometimes said. The DAC⁴ figures show that Afghanistan receives about \$67 per capita. I think that was the figure in the 2006 DAC report. That is a lot less than Bosnia Herzegovina, for example, and I think it is more than the Democratic Republic of Congo and Sierra Leone. The question has been raised, and DFID officials have raised it, that even if we have a budget for aid, there is not the capacity to actually do anything with the budget. My question to you would be is it a case of increasing the aid because the capacity is getting there now or is the emphasis on creating the capacity in order to be able to absorb more aid?

Mr Alexander: I do not want to give a very New Labour response but it is not either/or; it is both, in the sense that we have long recognised post-2001 the immediate challenges that Afghanistan faced. In terms of what shaped our work in the years immediately following the fall of the Taliban regime, it was firstly to develop a mechanism whereby the international donor community could effectively contribute resource, and we were key to the development of the Afghanistan Reconstruction Trust Fund (ARTF), but simultaneously we had to build the capacity of the institutions of governance to allow that money to be spent effectively. Of course, all members of the Committee will be aware that approximately 80% of our spending is now through the Government of Afghanistan. That reflects the

⁴ Development Assistance Committee of the Organisation for the Economic Co-operation and Development

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priorities which as a Department we have identified can make the biggest contribution to the work of poverty reduction within Afghanistan. One of the key contemporary challenges that we face is developing that capability of governance, the capacity of the state to spend money effectively. That is one challenge and explains, as I say, the work of the ARTF. Secondly, there is the issue of economic management. If you look at the proportion of revenue raised by the Government of Afghanistan against the GDP, that is desperately low, I think it is about 7%; far lower than many of the Sub-Saharan African countries who we would regard as desperately poor. In that sense, whether it is in terms of revenue-raising capability or indeed just basic state capability, it is vital that we strengthen economic management as well. So that is state capacity, economic management and, thirdly, of course livelihoods, given the desperate poverty and the fact that many people are agricultural workers who are looking for a means of sustaining themselves through a range of different livelihoods. I would certainly accept the analysis which says that capacity is a huge challenge for the emerging Government of Afghanistan. I would certainly accept that there do need to be increased aid flows, and the statement that the Prime Minister made reflected an up-lift, as I suggested, from the previous three years. I also would not diminish the scale of progress that has been made in a relatively short period of time. For example on the number of children going to school, when the Taliban fell, there were about 900,000 boys in education in Afghanistan; girls were barred. We are now in a position where there are in excess of five million children in school of whom more than two million are girls. One of the force commanders said to me when I asked him about the nature of the insurgency, "It is said here where the roads end the Taliban begin." More than 9,000 kilometres of roads have been rehabilitated in recent years. I think in terms of both the policy work we do but also our public messaging, we have to recognise this is for the long haul, we have to recognise the need for Afghan leadership, be honest about the scale of the capacity challenge and the need for continued external resources, but equally be clear that progress is being made in what, as you say, is a desperately poor country.

Q133 John Battle: I am tempted to be off the wall Chairman, but the poet Thomas Hardy said that the test of how we become human beings is our capacity to look the worst in the face and still develop forward. Could you give me some kind of vision where despite all the problems—security, political, the warlords and all the rest of it—where Afghanistan is the most advanced country in the world in bringing in development in a new way, with new patterns for personal and economic development, trying new methodologies locally, and the rest of it? Is that thinking even going on, would you suggest, within the Department and within the Government of Afghanistan, or is it really survival and trying to get on their feet day-to-day after a bombing and the hotels being blown up and the rest of it? Are we

anywhere near having Afghanistan, which is bottom of the league, as the test-bed for development policies in the 21st century?

Mr Alexander: I was appointed Development Secretary in July and Afghanistan was one of my earliest visits. Together with the Defence Secretary and the Foreign Secretary, who of course had taken up his post at the same time, we resolved that all of us would ensure that in the course of those summer months we would go to Afghanistan quickly. I think few would doubt the priority or significance that we attach to Afghanistan. That was reflected in the statement that the Prime Minister made on behalf of the Government at the dispatch box before the turn of the year, so I can assure you that there is an ambition for the people of Afghanistan. Significant numbers of refugees have returned since 2001. People have braved the threat of bombs, bullets and intimidation to vote in the country's elections. There is a determination and an ambition on the part of the British Government. It is right to recognise that that however is balanced by a very clear-headed sense as to the scale of the challenges that we face. That is why the Prime Minister was so clear in saying that this is a long-term objective. I think we owe it to the people of Afghanistan to be candid as to the scale of the challenge, while at the same time, as I sought to do at the beginning of this session, be very clear that our resolve and determination to work with others to find the way forward is undiminished by the kind of attack that we saw on the Serena Hotel. I think it is also important though, in discourse such as this, to have the humility to say all of those efforts, ambitious though they are, and although we have committed British troops and they are in harm's way on a daily basis in Helmand in their endeavour of supporting the Government of Afghanistan, and in light of the fact that we are raising the money—all of that should not diminish the fact that this needs to be an Afghan-led development strategy. In that sense we have to recognise the scale of the challenge, the need for Afghan leadership and also the fact that we are a significant player but by no means the only player. The Americans for example account for about 50% of the civilian effort and 70% of the military effort of the international community in Afghanistan, which is why it is so critical, as we have been doing, that we work closely with our American counterparts, our counterparts from NATO and our counterparts from the EU. I think the international community's resolve is undiminished that this must be one of the successes.

Q134 John Battle: In the jargon of bottom-line politics you see then the ODA⁵ increasing funding over the three, five, ten years in the future, so ODA money is in there to get that development shifted?

Mr Alexander: Yes of course we want to see an increase in development spending, but at the same time, as I sought to reflect earlier, part of what we are trying to do is to spend the money as wisely as we can to increase the revenue base of the Government of Afghanistan itself.

⁵ Official Development Assistance

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Q135 Chairman: Just on a clarification of that, before I bring in Hugh Bayley, on the figures you gave us before the development spend by DFID in 2006–09 was £330 million. On the 2009–12 figures it increases to £345 million, in other words of the £120 million £105 million is going to the Stabilisation-Aid Fund. I know the Prime Minister has said that he would regard some of that as development but, in the light of John Battle's questions, is there not capacity for more resources to go into development funding specifically? I guess what we are saying to you, Secretary of State, is might you be arguing for further funds specifically to your Department or an allocation within your budget for the work that you do for that purpose?

Mr Alexander: The easy point is to say of course I am always looking for more resources for the Department.

Q136 Chairman: What I mean is £15 million is not a big increase on the development figure.

Mr Alexander: With respect, this was a point I was going to come back to you on in terms of seeing the Stabilisation Fund as somehow not being development, in the sense that it is not ODA-scorable SAF money, and in that sense I would not want the impression to be left that it is only if it is coming straight out of DFID budget lines that it is real development. I think the figures that the Prime Minister announced, almost half a billion pounds, reflects the priority we do attach. It is not for me to prescribe where we will be in terms of either future Comprehensive Spending Reviews or further year-on-year budgets. I do assure you that this is a very high priority for my Department, as it is for the whole of the Government and in that sense we will continue to look very carefully at what are the development needs of the country. The scale of spend of the British Government reflects in large measure the security challenge that is faced, along with the development effort. I cannot at this stage predict what the security environment will be in the future and, in turn, the capacity for more money to be spent effectively, but it would be wrong to ignore the extent to which we are already contributing very significant additional funds as well as budgets specifically badged as development funds to the effort to secure an environment in which the Millennium Development Goals can be reached, and that is part of the work that is being taken forward by the MoD and the FCO.

Q137 Hugh Bayley: I want to ask you not about the volume of funds committed but the impact that development spending has on the ground. Marshall Elliott and his team, who work in a very difficult environment, as you know, went to great lengths to get the group of us who went to Helmand out in the field, away from the military umbrella, if I can put it like that, talking to farmers, getting in the countryside, getting our shoes dirty. I would like very briefly to share two development stories which made a great impact on me. We visited the state-run and funded hospital in Lashkar Gar. I was extremely impressed to find that they were providing services not just for people in the areas controlled by the

Government of Afghanistan but in insurgent-held areas. Patients were coming in from the insurgent-held areas to be treated and some of the staff trained at the hospital would go out and be allocated to work as peripatetic midwives in the insurgent areas. If the idea is to get development through to the people, doing it through the Government is extremely important. By contrast, we saw a fabulous road, built with stone sets, which you have obviously seen yourself, which is great for four-wheel drive vehicles but you see local people who are walking or cycling or going with animals walking on the dirt beside the road because the stone sets that the road is made out of twist the ankles of people and animals. That was provided by USAID without co-operation with the local government. The lesson I draw from that is that directing money wherever possible through the Government of Afghanistan creates a better local impact. We have had evidence from the Peace Dividend Trust that suggests that although the United States spends six times as much on aid in Afghanistan as we do, the impact in local terms is only twice that. In other words, the impact of their aid is a third dollar-for-dollar of the impact that our aid has. Given that the outcome in Afghanistan hangs so finely in the balance, what representations are you making, Secretary of State, to your counterparts in the United States to try to persuade them to put more of their enormous aid spend through the Government of Afghanistan?

Mr Alexander: You are right of course in recognising the scale of the development assistance being offered by the Americans. I think the figure is about US \$1.4 billion, but the majority of that does not go through the Government of Afghanistan in the way that, as I said, 80% of ours does. In terms of the specific contacts that we have had, obviously when I was there at the end of August I held quite a long useful discussion with the American Ambassador on the ground in Kabul. I have also had the opportunity when I was in Washington to meet with Henrietta Fore, who is the USAID head. I had a further discussion with her about Afghanistan in the margins of the Donors' Conference in Paris at the beginning of December for the Middle East peace process, and Afghanistan was one of the key issues that we discussed. That reflects some specific contact I have had with my counterparts. One of the challenges as Development Secretary is there is no obvious counterpart in the United States Administration, in the sense that some of the work is undertaken by the State Department, some of the work is undertaken by USAID, and some by others. There is minister level contact on that issue from DFID. Of course Marshall and Sherard, our Ambassador in Kabul, have regular dialogue with the Americans on a range of different issues, including the nature of the development challenge. There is also clearly strong military co-operation, as you would expect, at the highest levels of government. At every level of government there is engagement in these issues. It is ultimately of course for the Administration to explain and account for the actions that they are taking, but I would also observe that I am optimistic in terms of the discussions around a new United Nations Secretary-General's

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Special Representative that there is a genuine willingness on the part of the Americans to look and see how we can work together effectively as an international community. It is sometimes suggested that the Americans are not really involved with government funding of course, but that is not wholly true. They are part of the ARTF and part of their funding does go through the ARTF, but this is an issue which we continue to work on at every level. Marshall, is there anything else you would add from a country perspective?

Mr Elliott: I would just like to add that it is easy to knock the US for not channelling money through the government system but, as has already been mentioned by the Chairman, there is a capacity issue within government. In that context what is more important is that that support is aligned to Government priorities, doing what the Government is wanting us to do, rather than necessarily channelling all of the international effort at a point where capacity is a constraint through government systems. The US is putting some of their support through government systems and, as those strengthen, the indications they have given to me in country are that they will put more through those systems. They have also indicated that with the development of the ANDS,⁶ which sets out government strategy and its requirements much more clearly than in the past, they will align their support to the ANDS, so dialogue on the ground is positive in this respect.

Q138 Hugh Bayley: I am reassured by those answers. Aligning development activity with the Government's priorities, if not doing it through the Government, would be a big step forward. One of the reasons why the Peace Dividend Trust believes that the impact of American development assistance is lower than it might be is because a great volume of their money is spent on US contractors. When we met General McNeill we were told about I think it was called the Afghanistan Engineering Division, but I forget the precise name of the unit, a US military division with a budget of \$1 billion over a period of time to spend on infrastructure, roads, schools and so on, and they had taken a policy decision to spend all of that through Afghan building firms. I believe it would be worth exploring with the State Department whether they can follow a lead which the Department of Defense appears to be taking in contracting more from Afghan companies. After all, if you want to develop the Afghan economy you do that by providing business opportunity for Afghan entrepreneurs.

Mr Alexander: I take the point and I would be happy to ensure that those points are brought to the attention of the State Department. A couple of points on that. One is we have just received a jointly funded study from the World Bank looking at the issue of the alternative economics of non-poppy production, which perhaps we will touch on later in the session, and one of the recommendations in the course of that report is the capacity for international forces and

international bodies working within Afghanistan to source produce locally, which is in some ways an analogue of what you describe in terms of contractors building roads, to say can we ensure that in terms of fruit and vegetables and dairy products there is a means by which we can support the nascent Afghan economy in the work that we are doing. We are giving consideration to the report, as perhaps we will touch on in due course, but there is a lot of thinking on exactly these issues. The only other point that I would make, echoing Marshall's point about it being easy to knock the Americans, it is my slight fear in terms of making that representation to the State Department that they would, while no doubt listening to us, observe that they are not the only actors on the stage, in the sense that much of the US aid is earmarked by Congress, and in that sense it is an argument that would need to be won on the Hill as much as in Foggy Bottom.

Hugh Bayley: We must take that on board and as parliamentarians we will.

Q139 Sir Robert Smith: On the co-ordination of aid, I appreciate that decisions are taken in extremely difficult environments, but one of the things we did see in Lashkar Gar at the hospital was the very impressive new accommodation block built with British aid money for midwives in training. However, in terms of the co-ordination, that was built on the assumption the Americans were going to fund the training of the midwives. By the time the block was built with the British money, it was empty because the Americans had not got the money to pay for the training of the midwives. There was hope expressed while we were there that because the block was now there the Americans might find the money. I wondered a) if you could give us an update on whether that block is now in use and b) what can be done to improve things, because obviously if both sides are involved it is important to make sure that the follow-through is there?

Mr Alexander: Marshall, are you aware of anything on the ground?

Mr Elliott: I am afraid I am not but we can get that information to you.⁷

Mr Alexander: Frankly, the example you cite makes the case, whether it be at Helmand level in terms of the need for effective co-ordination, or in terms of the donor community. We would like to be in a position—and this reflects at a higher level the work that we did initially both in terms of working with the Government of Afghanistan to establish the National Development Strategy but also co-ordinating donors' responses to the National Development Strategy, to see that as a way that we should be working at every level, which is Afghanistan Government-led, them being clear as to development priorities, but then a co-ordinated donor response, which would avoid exactly the kind of example that you describe.

⁶ Afghan National Development Strategy

⁷ Ev 61

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Q140 Mr Singh: Secretary of State, you referred earlier to the Stabilisation-Aid Fund and it is my understanding that the stabilisation money has taken over from the Post-Conflict Reconstruction money and that the Stabilisation-Aid Fund is a replacement for the Global Conflict Prevention Pool. What is different with the new set-up from the old set-up and what is the reasoning behind this new set-up?

Mr Alexander: I think there is a growing recognition within government, and that has been the case over a period of time, as to how distinctive the challenge of post-conflict reconstruction stabilisation actually is. I think the PCRU was a significant and important start to the Government's joint working on that issue, but the Prime Minister has already made speeches about what he terms the "stabilisation gap". This is not a challenge distinctive to the United Kingdom. I cited the State Department a couple of minutes ago and, similarly, there is already a public debate in the United States as to whether in terms of their institutions of governance having one department that basically leads on defence, the Department of Defense, and one department that leads on diplomacy, is sufficient when actually there is a key element between diplomacy and defence which is actually that reconstruction work. It is an evolution and a step change from where we were previously. We will now be in a position where there are dedicated staff who will work to the Stabilisation Unit. I will ask Marshall to say a word or two in a moment about what that opens up in terms of, for example, the duty of care that we owe to the staff and the way that the staff can work, because obviously we have obligations as the Department for International Development which are long-standing, as do the Foreign Office for their own staff. Given that we are establishing this new unit, there is an opportunity for us to look at how we can get staff into environments where they can do the work that has been described. There has been mention of getting out of the British military facility in Lashkar Gar to see in those other requirements. In order to do stabilisation work, we need people qualified and protected to be able to do work outside of secure environments. In that sense, I think it reflects a number of things: firstly, a dedicated budget, which has been increased, some of which is ODA-scorable but not all, reflecting the three departments involved, the FCO, MoD and DFID; secondly, new opportunities to reappraise the skills mix and capabilities we need of the staff to do this vital but distinctive job; and thirdly, it reflects the higher priority that is attached to this work, not least given the progress that has been made by British military forces in the south and what that has taught us collectively as to the work that needs to be done. The other example that I would cite, before I ask Marshall to say another word or two, would be we are already beginning to see, I think, that closer working relationship taking hold in terms of the work that is being done in Musa Qala following the success of British military forces, working with the Afghans, in terms of the conflict with the insurgents there, where already work is happening on the ground, whether it be in terms of rebuilding mosques, rebuilding high schools, rebuilding the town centre in that

community. There is a stabilisation effort which has moved in very rapidly after the kinetic phase of that particular campaign.

Mr Elliott: The Stabilisation-Aid Fund does represent a very significant scaling-up of effort in terms of stabilisation and reconstruction activity in these volatile and hostile environments. Although the actual division of the total amount of money has not yet been decided, and will be done shortly, bids are under process, so planning is underway, and the expectation is a major expansion of both activity and staffing in Helmand. I think those who visited would have commented that the size of the civilian presence in relation to the military presence meant that there was a challenge on the civilian side to keep up with and have a comparable effort with regard to what we are trying to achieve in Helmand. Thus there will be a scaling-up and the proposal is that the majority of staffing, as part of the increase of staffing in the south, would be managed by the Stabilisation Unit. One of the benefits of doing that for DFID and the FCO is that the Stabilisation Unit could take on new terms and conditions and duty of care arrangements which would enable staff to get out alongside the military in a way that they are not currently able to do on the current duty of care arrangements. Again, I think you would have noted when you visited that current arrangements limit the movement of DFID and FCO staff.

Q141 Mr Singh: I might be the only person on this Committee who feels this but quite often I am bewildered by the terminology that comes out from the development industry.

Mr Alexander: Do not worry, I am the Secretary of State and I feel the same way!

Q142 Mr Singh: We went to see a school just outside Kabul which I think was a new school and that was called "development", but if you rebuild a school or reconstruct a school that is called "stabilisation". I am not quite sure where the difference lies between development and stabilisation. The Prime Minister, for example, said the funds would be "used to drive forward reconstruction projects and provide expert civilian support to rebuild basic services." That sounds like development to me.

Mr Alexander: I think there is a key distinction which can be drawn which is not so much is a brick laid outside Kabul different from a brick laid outside Lashkar Gar, or anywhere else in Helmand, it is the context which is different, in the sense that in these environments which are often hostile, and certainly volatile, in circumstances immediately post the kinetic phase of a campaign, then the skills of the staff that you need to be able to work in that environment are often different. The urgency and the need for immediate change can be different. In that sense, in effective stabilisation work there is a clear alignment between the military effort that has been expended and the capacity to secure and sustain consent following that. In that sense, I do think the more we have worked in Afghanistan the clearer it is. In certain parts of the country—perhaps the school that you visited—there is conventional development work

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which would be recognisable in many other countries of relative stability albeit desperate poverty. The skills mix that you need to work in Helmand in immediate post-conflict circumstances are different from running a conventional development project in a country such as Tanzania. In that sense, there is a growing awareness within government that we need to recognise the distinctiveness not of the projects but of the skills that are required, the context in which the work happens and sometimes the timescale in which that work needs to be undertaken.

Q143 Mr Singh: So would you say that this is a DFID rapid response unit?

Mr Alexander: I do not think it would be for DFID alone to claim the credit for this thinking. As I say, both internationally and within the British Government in every department directly involved there is a recognition that this is an area in which there needs to be competence and strength developed. Conventional humanitarian support is familiar, we have done it for many years, and conventional development work, whilst challenging, is also familiar to us. However, given the growing coincidence of conflict and poverty, this has to become part of DFID's core business in the years to come because we will be called on to continue to work in challenging environments.

Q144 Mr Singh: The Stabilisation-Aid Fund can be drawn upon by other countries, such as Iraq for example. Would money for Afghanistan be ring-fenced then or will it be up for grabs for each country to draw on?

Mr Alexander: Allocations have not yet been made by Ministers but I think there is a clear expectation that, given the significance of Afghanistan in terms of our development efforts and also the fact that the stabilisation needs are very clear, not least in our own PRT area, that there will be a significant call on those resources from Afghanistan. However, the allocations have not yet been made.

Q145 Richard Burden: On that same issue really, the way that both of you have described the Stabilisation-Aid Fund its significance really should not be understated, but there do appear to be an awful lot of potential calls on it, both in terms of some of the physical projects that it could be being used for plus the very major commitment, important though it is, as far as building up staffing and support for staffing in places like Helmand. I know exactly the kind of thing that Marsha was talking about there. I do have something of a nervousness about the quantity there. I understand that the allocations have not been made but if we are talking about a £260 million fund globally and you have got Iraq coming out of it as well, can we be confident that there will be sufficient to meet the various different objectives that we have been talking about?

Mr Alexander: I would start by drawing quite a clear conceptual difference between Iraq and Afghanistan. Iraq is a potentially much richer country than Afghanistan in the immediate term. If you look at the oil reserves that are being accumulated by the

Government of Iraq, the principal stabilisation/development challenge in Iraq is the capacity to spend the money, there is not an absence of resource, and in that sense I think it is in a different category from Afghanistan, albeit that there may be specific calls on specific resources. I visited Basra and Iraq late last year and on the basis of the conversations I had with the Prime Minister and others, my sense is that there is a recognition there that the challenge is to have resources to spend equally. It is fair to acknowledge—given we have discussed the Americans in the context of Afghanistan—that in the context of Iraq through the commanders' resources there are very significant American resources available for expenditure within Iraq. The real challenge is to make sure that that money is contracted and that the money is used wisely. In that sense, I would not regard the matrix of the commitment to stabilisation in Iraq as being the size of the Stabilisation-Aid Fund because it is in quite a different place from Afghanistan in terms of resources.

Q146 Sir Robert Smith: In these military engagements there is also a military compensation fund for damage done during the military engagement phase. How is that integrated? If a school is damaged by military action do you just get on with it and then sort out whether it comes out of military compensation or Quick Impact?

Mr Elliott: My understanding is that the compensation fund remains completely separate from the Stabilisation-Aid Fund, so it serves a different purpose.

Q147 Sir Robert Smith: But does that have to be sorted out first before you get on with it?

Mr Alexander: With respect, if it is helpful, I can get one of my colleagues in the MoD to write to you on it. In the sense of where we are with the Stabilisation-Aid Fund, we have not made the commitment of resources across country or within projects. The governance arrangements are well advanced across government. Ultimately the alignment of our respective departmental expenditure lines with the Stabilisation-Aid Fund rests with the host department and, in that sense, whilst you raise a perfectly legitimate point, it will more likely be a matter that will be being addressed by officials and ministers within the MoD in the first instance to ensure that there is alignment between what the MoD does, in the same way that our responsibility is to ensure that the development piece sits comfortably and without gaps alongside the stabilisation work from a different point of view.

Q148 James Duddridge: I think we all had great admiration for the DFID staff and particularly the conditions under which they operated down in Helmand, but on a professional level, one of the massive challenges was their inability on a regular basis to get out and about. As someone who has worked in developing countries before, you tend to only find out about what is happening when you go and try and buy some fruit and veg or you go into a shop and see what problems they have and what is in

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the shop, or by wandering between places, understanding security arrangements. The staff down in Helmand cannot do that, it is absolutely impossible, so it is inevitable that there is going to be a disconnect between what the community want and what we are giving them, particularly over Quick Impact Projects where decisions are having to be made incredibly rapidly. Whilst we were in Helmand there were question-marks over some decisions that had been taken. Invariably some of the decisions are going to be wrong because they are quick and based on limited information in difficult circumstances. How are you improving the Helmand Executive Group's decision-making processes and ability to spend money as effectively as possible in the way the community want, given the constraints that you have talked about and I have noted?

Mr Alexander: It is right, of course, as you say, to acknowledge the security constraints under which DFID staff have to operate. It is also right to acknowledge that there can be projects, the worth of which are disputed. I was challenged by the BBC correspondent when I was there in terms of money that had been committed to improving a local park in Lashkar Gah. That being said, that is one of the consequences of country-led development and local decision-making. If the decision was reached by those within Helmand in authority, in discussion with the local population, that this was what they wanted and some work that needs to be done to facilitate markets for fruit and vegetables to take place, then it maybe makes it a bit tougher for the Development Secretary when he is in front of the BBC, but ultimately the logic of that is true. I would not see the biggest challenge as being simply the Quick Impact Projects ensuring that there is strengthening within Helmand of provincial decision-making and that is why we are supporting the idea in terms of saying, "What can we do to strengthen local governance and accountability" because consistent with a country-led approach I do not want to be in a position where in the future the optimal circumstance is that DFID staff are able to get out and about and meet people at the market, although of course we want to see that, but to be in a position where DFID staff can be talking to locally empowered citizens who are deciding for themselves what are their priorities. Do you want to say a little more in terms of the strengthening of the provincial administration?

Mr Elliott: I would just say that perhaps in the past decisions about where to spend Quick Impact money may not have involved fully those who represent government in that particular location but that is definitely not happening now. Wherever decisions are taken about QIPs they are led by either the local shura or the governor if it is within Lashkar Gah itself. It is government, and there the governor advised by the provincial council, making the decision. It is the appropriate representative body for that particular body which is making the choices and we are following through on those with regard to QIPs. Working from that immediate reconstruction and what is the current arrangement of QIPs, which will become the new SAF,⁸ beyond that, moving into

obviously trying to get the national government to outreach as quickly as possible and deliver some of its national programmes into these locations, again establishing some systems like CDCs⁹ through the NSP¹⁰ but making the decisions themselves about where the development effort should go.

Q149 James Duddridge: You did mention the ladies' park, which we did see, and in retrospect I personally would say that probably was not good spend but at the time I am not convinced that the wrong decision was made. Governor Wafa made it very clear that was the project that he wanted, however Governor Wafa was appointed by the President and does not come from the Helmand area and does not have the credibility of a directly elected individual. I cannot remember his exact words but I got the impression that Governor Wafa felt that the provincial council were there to do his bidding rather than listening to the provincial council. Perhaps the Department will consider casting the net wider and maybe beyond the provincial council, certainly beyond the governor.

Mr Alexander: Your observation reflects the historic and still contemporary weakness of sub-national governance and that was why I mentioned the Independent Directorate of Local Government. We are working continuously to try and strengthen the capacity of sub-national governance, for example the provincial councils that you describe. Having provincial councils does mark a step forward, but I would not underestimate the work and challenge on the fact that frankly their power, accountability and strength is lumpy depending on where they are operating in different parts of the country and we have got a long way to go.

Q150 James Duddridge: We met Mr Popal, who talks a good game, but I am not sure how much credibility he had. Certainly when we met with Governor Wafa he was quite dismissive of restructuring sub-national governance. Are you optimistic?

Mr Alexander: As I say, there is a long way to go but we recognise that it is one of the key elements for the kind of future that the Government of Afghanistan has identified. If you look at the work that is underway on the Afghanistan National Development Strategy there is no doubt that the capacity not just to deliver national programmes but actually to align the service provision of the Government of Afghanistan in the future with local needs is in part going to be contingent on strengthening provincial councils and sub-national governance. As I say, I would not deny that there are real challenges there but it is important, and I am heartened by the recognition there has been up until now of the importance. There is also a review underway in terms of sub-national governance and looking at these issues over the longer term, so we will see where we get to.

Chairman: As you know, the Committee was in Afghanistan and we all visited Kabul and around Kabul, but the Committee divided with four members going to Helmand and three members going

⁸ Stabilisation Aid Fund

⁹ Community Development Councils

¹⁰ National Solidarity Programme

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to Mazar-e-Sharif, which gave a somewhat different perspective, and that raises a question from Ann McKechin.

Q151 Ann McKechin: Just before that, I have one question I would like to raise about the importance of getting out on the ground and finding the views and opinions of local people. I was deeply concerned that DFID has no access to female translators in their staffing. In one case when we visited a project outside Kabul to speak to the local CDC we were completely unable to communicate with the women involved in that CDC because we did not have a translator. This seems to me an exceptionally serious gap in our current resources and I wonder what attention the Secretary of State could give to it.

Mr Alexander: The Prime Minister himself recognised the need for there to be more translators and tribal experts in the statement that he made to the House of Commons towards the end of the year, and that is work which is underway in alignment with the work that is also being done by the FCO. More broadly, gender is an issue on which we have a very strong focus within the Department for International Development in Afghanistan but, frankly, it remains a contested issue and there is a great deal of work to be done. I had the opportunity, and requested the opportunity, to meet with a group of female parliamentarians when I was in Afghanistan and heard directly the very harrowing stories that they told me, for example their difficulty in returning to their home districts from the capital, Kabul. I left my own visit from Afghanistan with a very clear sense as to the importance of us continuing to stay engaged on this issue of gender. On the specific issue of interpreters, there is work underway and I note what you say in terms of female interpreters. On the other hand, it is a long but vital road that we are walking in terms of the gender issue more generally in development.

Q152 Ann McKechin: Thank you. Perhaps I could suggest it is given better priority. Coming on to the position regarding the PRTs, the position in the north is certainly not the same as in areas such as Helmand or Kandahar and when we visited Mazar-e-Sharif, as the Chairman mentioned, most of the primary security function has been largely fulfilled by the PRT there. There seems to be a great lack of clarity about what the role of the PRT should be in the north of Afghanistan once their security objective has been fulfilled and how the civilian aspects of reconstruction work can then be transferred to the local state authorities. I just wonder to what extent there has been any degree of discussion with the Afghan Government and with the international donor community as a whole about what the plans should be to cover this transition phase.

Mr Alexander: In terms of our own PRT, of course, in Helmand it is civilian-led. The establishment of PRTs was originally an American innovation and there are now 25 across the country led by 13 nations. They reflect the different characters and challenges of the different areas in which they work. I do not see PRTs existing forever, they are there to reflect the particular

circumstances that were encountered. What we are essentially trying to do, and our partner nations are doing the same, is to create the conditions in which government-led development can happen. The rate at which that capacity develops will vary from region to region in Afghanistan, not least because there are very different security situations. At this stage I would not want to prescribe how long the PRTs will continue in their present form, that might be an issue to which the new UN Secretary-General's Special Representative in the co-ordinating role we anticipate they will undertake might turn their mind.

Q153 Sir Robert Smith: In Helmand there was one other decision that was highlighted to us as maybe a concern that is being addressed by increasing staffing and the new arrangements. There was a school built in Sangin where the concern from the development side was it probably was not the right priority. There were two concerns and the education minister lectured us at quite great length on the need to put money into paying for teachers rather than building more schools. We wondered if you knew how that school had turned out? Is the school now active and are there teachers in place or have the worst fears come to fruition?

Mr Elliott: I am afraid you have asked another difficult question about a particular programme that I do not have the answer to.

Mr Alexander: We will find out and I will ensure a reply is forthcoming to you.¹¹ Can I make a general point from your specific example, which is I think we have to work harder to ensure that the recurrent costs to which we are contributing as an international community and as the UK Government through the ARTF is understood on the ground in the sense that the risk of Quick Impact Projects is you lose the impact of the other development spend that you are undertaking. We have certainly found circumstances elsewhere where we have had to explain to governors that in addition to specific identifiable projects, like the building of a school, the teachers or doctors or education salaries are actually being paid in large measure because of international contributions. That is as true in Helmand as anywhere else and it is one of our challenges, because I encountered similar issues when I was there, to ensure that people understand that in addition to the work that is being taken forward on Quick Impact Projects there are also these recurrent costs being met whether in that school or elsewhere.

Q154 Sir Robert Smith: We did visit a very popular project which was the new wells that DFID had funded and the water was extremely good, nothing happened to me from drinking from the well.

Mr Alexander: I can vouch for the same thing. I am not sure whether the presence of about eight-plus protection officers from the Met inhibited the local population from coming out and thanking me personally.

¹¹ Ev 61

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Q155 Sir Robert Smith: The local population were quite enthusiastic but the next phase feeding back was they were hoping something could be done about the irrigation system because historically there was quite a good irrigation system.

Mr Alexander: Actually, this World Bank report that we jointly commissioned and undertook with the World Bank that has just come on to my desk identifies irrigation as being one of the key challenges in terms of building sustainable agricultural alternatives to poppy. You are right, historically there has been effective irrigation in parts of the country and it was specifically identified by the World Bank study as being an issue that we should look at.

Chairman: People are creating their own demand. We were told in a school we visited that they were very glad there was a school but they wished there were more science teachers and immediately they were looking for a wider curriculum and that creates pressure as well to deliver a better quality rather than just numbers.

Q156 Hugh Bayley: I would like to return to the private sector. In his statement to the House in December the Prime Minister announced the creation of a new growth fund which was a joint initiative between the British Government, the Government of Afghanistan and the Aga Khan Development Network with an initial £30 million capital and he announced an additional £10 million for small loans to help women to start up or expand businesses. My question is when will this money come on-stream? Will it be part of the 2006–09 DFID spend or will its introduction be delayed until 2009?

Mr Alexander: It is due to start mid-2008.

Q157 Hugh Bayley: What is the intended relationship between the fund and the investment window of the ARTF?

Mr Alexander: The ARTF, as you know, is one of the recurrent costs basically dealing with salaries for teachers, doctors and others, the investment window being for specific projects. More of the money that we are looking at in terms of the Afghanistan Growth Fund will operate outside the ARTF but will link closely to it, the Microfinance Project, and also government spending itself. We need to build the capacity of the Government of Afghanistan to create an environment in which the private sector can work, and in that sense we are looking at technical advice to the ministries of commerce and finance and training of civil servants specifically out of the Growth Fund and also working to see how we can secure further direct investment.

Q158 Hugh Bayley: The culture within the civil service I would say still draws a lot from the Soviet command economy days.

Mr Alexander: Is this in DFID or Afghanistan? I will pay a heavy price for that comment!

Q159 Hugh Bayley: I forget when the Soviet occupation of London ended, it was much before my time and yours, Secretary of State! How are you going to do this? Can you give us some examples of ways in

which you could actually get the government looking at the private sector as a delivery agent and in what fields might this be possible?

Mr Alexander: Firstly, it might be helpful if I say why we alighted on the Growth Fund as being necessary. Obviously economic growth is one of the three priority areas identified for our work within Afghanistan as well as capacity and livelihoods. That reflects the fact that although we have seen very significant economic growth since 2001, present projections are that the growth rate will fall from somewhere around 14% this year down to 6 or 7% in the medium term. It has been 10% for the last three years. Clearly, if we want to see both the capability for jobs to be generated and, indeed, revenue to be generated for basic services we need to do what we can to sustain economic growth coming through. You are right in recognising quite how difficult an environment it is for the private sector to work, not just the security channels that we have discussed but also the regulatory environment that is presently operating and also, candidly, the private sector is under-developed. Although we are in a position where your average rural Afghanistan citizen is holding down a number of different positions in the course of a year, and therefore has an entrepreneurial capability, this is not a developed economy and has not been as a consequence of more than 30 years of conflict. One of the key challenges, therefore, is to help the government to understand what a government should do to create an environment in which the private sector can operate. It is not particularly glamorous to be paying for technical advice for the Ministry of Commerce but if we want to ensure there are people with sufficient capability to make the right judgments, and informed judgements, about best practice as to what should a regulatory environment look like, and what should a fiscal environment look like, then we have to start with the basics and in that sense part of this is building up the capacity of the government itself. Secondly, and this bears on Ann's earlier point in terms of women in Afghanistan, there is a huge amount of research indicating that spending money on women not just within the economy will yield stronger results over the longer term and in that sense we are confident that micro-financing has a key role to play in terms of stimulating basic economic growth, so creating an environment in which the private sector can take hold, trying to fill that investment gap at a local level, and looking at what we can do to facilitate inward investment from international private sectors and international sources of capital. The difficulty, not least given the kind of headlines we have discussed about the insurgency, is that potentially mobile international capital which could otherwise find its way into Afghanistan simply will not for the time being. We have got to help the Government of Afghanistan get a regulatory and fiscal environment in which they are able to attract that kind of capital in the future.

Q160 Hugh Bayley: Secretary of State, do you agree with me that the private sector, and especially the Afghan grown private sector rather than inward

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investment, is necessary not just to drive endogenous growth, which aid will never do, but also to provide goods and services which will be likely to be less of a target to the insurgents than services provided by the Government of Afghanistan, because there is conflict over the legitimacy of the government from the insurgents' point of view, in the same way that the Government of Afghanistan could get health services out to contested areas of Helmand which a USAID programme or a British aid programme could not? Do you not think that there are some areas where services provided by private entrepreneurs would be less of a target for attack by insurgents than services provided by government agencies?

Mr Alexander: I was just trying to reconcile my British commitment to public service ethos in the National Health Service with advocating the privatisation of services in Afghanistan. The point that you make in terms of the centrality of endogenous growth—one should be careful of using that phrase—jobs created in Afghanistan by the Afghan population themselves, is absolutely right. It is right because it is vital both for generating wealth and prosperity and the provision of those services in and of themselves, but it is also right, as you suggest, in giving people a stronger stake in the future. I was reading a book over Christmas which talked about what were the attributes of stability in countries and one of them was a burgeoning middle class and it said middle class is not actually determined by level of income but by whether a significant proportion of your population lives in rational hope. I think that is quite a good description of what we are trying to do in development in a number of different countries, which is to grow the proportion of the population who rationally see that they have a future in the country and, therefore, are less likely to be persuaded that future insurgency or violence holds any real future for them. That has a very practical effect in the immediate term in terms of the stabilisation work that we are doing because when you were talking about the need to create those jobs within Afghanistan what came to my mind was the fact that in Musa Qala one of the immediate stabilisation priorities is to provide work within that community, and I think the figure is 10,000 jobs that are being looked at immediately. Whether it is immediate in terms of the challenge of stabilisation, whether it is giving a broader share of the population a sense of stake in the future, or whether it is simply the wealth that will create, for all of those reasons the creation of those jobs in Afghanistan is absolutely key.

Q161 Richard Burden: The issue of sub-national governance has been a recurring theme today and, as we have already told you, we met Jelani Popal, the head of the newly formed Directorate of Local Government. I would just like to explore that issue a little further. First of all, when the Prime Minister made his statement to Parliament recently he announced UK support from existing funds for two new programmes in support of stronger provincial and local government. One of those was building up that Directorate and the other was support for the National Solidarity Programme, the Community

Development Councils and so on. Could you first of all perhaps clarify for us if you have the information available today and, if not, perhaps let us have it in writing, the amount of funding that has been allocated to the two programmes and also how it is split between the two.

Mr Alexander: I have the IDLG figure for you. We are providing in 2007–08 £1.5 million to the IDLG, initially via the ESA Foundation which is working closely with donors to see how collectively the IDLG can be best supported. This initiative, as I recollect, is one from the President's office and is looking at the issues we have already been discussing, which is, notwithstanding the progress that has been made in establishing 18,000 CDCs funded through the National Solidarity Programme, what is the future for sub-national governance. I certainly left Afghanistan at the end of August with a very clear sense that this was one of the key areas of vulnerability for the government in the medium term, never mind the long-term, in the sense that the capacity of Kabul to be identified with service provision at a local level was contingent upon effective sub-national governance, of which there was very little history. In that sense the alignment of the shuras, the traditional mechanisms of accountability at community or district level, with the model that was devised of establishing CDCs funded through the National Solidarity Programme, has made a lot of progress, but it is right given the weight of expectation there is on the ability of sub-national governance to be the principal service deliverer of those services delivered from national government but at local level that the IDLG is looking at. Do we have figures in terms of the National Solidarity Programme? That would be part of the 80% of the money we are spending but I am not clear how much of our funding of the National Solidarity Programme finds its way directly to the 18,000 CDCs part of its spending.

Mr Elliott: Just before finishing on IDLG, although we are giving £1.5 million support to their central national programme of developing first of all a national plan, whilst you were there you will have recognised that the IDLG has just been established with the mandate of formulating a plan for sub-national governance and its roll-out. In the first year it is a kind of planning phase for which we have given £1.5 million support. We have also given £2.4 million new support as local government support in Helmand which is the provincial council strengthening programme. There are two elements to the beginning of our new phase of support to governance. We would expect to do more once we have got the plan from IDLG later this year.

Mr Alexander: The National Solidarity Programme we fund through the Afghan Government. We should probably give the Committee under the national programmes as to how much we are funding through the National Solidarity Programme which is the internal funding source for the 18,000 Community Development Councils.

Mr Elliott: This is future support that we are planning to put through.

Q162 Richard Burden: You could let us have those figures in writing.¹²

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Mr Elliott: We have not decided new allocations under the new CSR¹³ period because the ANDS is being produced currently and as part of the ANDS there is obviously a budget for supporting the Afghan Government's development priorities and that is yet to be finalised. The ANDS is due in March of this year and they will need to submit to their own cabinet and parliament the budget for that and then we, together with other donors, will need to determine how much of our future allocation ought to go to specific elements of support of the ANDS, including putting further allocation through the trust fund instruments, of which the prime one is the ARTF which in turn then gives money to the NSP. The budgeting for that is not something for the future which has been completed yet.

Mr Alexander: As you can probably tell by the answer—

Q163 Richard Burden: I think I am following but in the next five minutes I will have lost that.

Mr Alexander: The expectation is the National Solidarity Programme, which we contribute to through the ARTF, will probably end in about 2009/2010, although that is unresolved, but the expectation is that the National Solidarity Programme will end. The issue of these 18,000 CDCs is itself contested. In part, the IDLG established in the President's office is to help clarify what will be either the successor or the evolution of both the National Solidarity Programme, which itself has been the funding stream to the CDCs, and where does the President see that sub-national governance going. So, as Marshall's comments reflected, it is a contested issue within the Afghan Government at the moment which is why we can not be specific on how we are funding the mechanism that will resolve it, but not yet, quite what we will be doing in terms of the CDCs in the future. All that being said, the evidence already from the CDCs, while it varies from area to area, is that this is one of the key areas that there needs to be progress on from the Government in Kabul because it is the principal service deliverer of those national programmes at a local level.

Q164 Richard Burden: Could I finally ask you to say a little bit more about that. Whilst ultimately the development of the plan for sub-national governance will be a decision of the Afghans, and that is absolutely right, there are contradictions there, are there not? As you say, the whole role of CDCs is contested, about how they fit in the overall framework. At one level we want to build up Kabul's writ in the provinces to strengthen central government and its role, but at the same time that has got to be responsive to forms of governance that arise locally, whether it be through the shura system or through the provincial councils or whatever. Presumably all around that there are particular issues where those tensions could easily come out of one particular element of that equation being criticised for, say, talking to the Taliban and upsetting another bit of it in doing that. What is your sense of the goals

in all of that? Accepting that it is ultimately their decision, do you have any sense of the kind of framework you would like to see developing out of this?

Mr Alexander: I think your last point is where I will start and this needs ultimately to be a decision in Kabul by the Afghan Government. In terms of the constitution that was established in 2004, the only institution of sub-national governance that was identified was the provincial councils. That being said, we have already had one example cited of disagreement between the governor and the provincial council in terms of relative priorities of spending. We have been encouraged by some of the examples we have seen, whether it be at provincial, district or village level, of what can exist at a lower level, and in that sense part of the conversation that I encountered when in Kabul, and is still taking place, is how best to align the traditional structures of authority at a local level, the shura principally, with the CDCs which were invented and funded as a part of the National Solidarity Programme. In that sense I think the real issue of resolution in the months to come will be how best to align the legitimacy and authority in the minds of the local community with the shura, mindful all the time of the need for genuine accountability and inclusivity there with having the reach of Kabul continue to be extended into the provinces in terms of basic service delivery. As I say, these are discussions that are ongoing, it is not a matter that is resolved within the Afghan Government itself. We hope in part through the funding that we are providing to the IDLG that there will be an informed and useful conversation on it and we certainly stand ready to participate, at the invitation of the Afghans, in those ongoing conversations.

Chairman: One of the things that I think it was Adib Farhadi, the Director of ANDS, said to us, was that the problem with Afghanistan was that everything was a problem, everything was a priority and everything was broken. We have a problem ourselves with time constraints. There are still a lot of areas which we hope to look at and I am going to ask colleagues if they can be brief.

Q165 Mr Singh: Secretary of State, one of the most important institutions in a democracy is a proper functioning and accountable police force. Whereas we heard in Afghanistan very positive things about the Afghan National Army, we heard exactly the reverse about the Afghan National Police Force. In fact, we heard that they were part of the problem rather than part of the solution, and the President said as much to us. One of the issues is about training and trainers, and the EU police mission is being fairly slow in getting to grips with this or in beginning to implement training programmes. What accounts for that and should we be pushing more to get trainers in place and get that EU mission moving more quickly? Secondly, there are divergent views about the nature of the Afghan National Police Force. The Germans are the lead donors on this and believe it should be a civilian law enforcement institution, whereas the

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Americans think it should have a counter-insurgency role and be part of the security forces. Where does the British Government stand on that?

Mr Alexander: You are right to recognise that there has been a lack of co-ordination and not full alignment between the Germans, who were the G8 lead and then the key partner of the Afghan Government on the police role, and the Americans, so the Americans have put in very significant amounts of resource and have a division in terms of having a paramilitary force and significant numbers being trained to take that role. I will ask Philippa to say a word or two in a moment about the way forward on that. In terms of your specific question on EUPOL and why the slow start, first I would say that there were issues in terms of lack of procurement which slowed them down in terms of security equipment, and also, candidly, a lack of effective leadership. That is why we are determined, while respectful of others' roles, to have a key role in EUPOL looking forward. I think the Deputy Head is a UK appointee and we hope that, given that a new mission head was appointed in October, just two or three months ago, we will see a significant degree of progress in terms of EUPOL. The target is to have 200 EUPOL international personnel in place by next March.

Q166 Mr Singh: This March?

Mr Alexander: Yes, March 2008.

Ms Rogers: In terms of where we go next or in terms of what the UK Government is doing, clearly, as has already been announced by the Secretary of State, the problem is that there is no coherent vision from the international community and from the Government of Afghanistan as to what a police force should look like. We in the UK have focused our efforts very much on trying to drive towards some Afghan-owned strategy for that police force which recognises that one size does not fit all and that you need to have police that are ready and able to work in permissive and less permissive environments, but I think you have to retain a degree of realism. We are not the key partner nation in this and in terms of our priorities, in terms of our resources, this is perhaps, whilst a really important priority, slightly lower than all the other very important priorities that are there.

Mr Alexander: Ultimately, in terms of our vision, we would like to see the police being law enforcement officers rather than soldiers with policing skills. To answer your specific question, in terms of the way forward I think we are pretty broadly aligned with our colleagues in EUPOL on that but this is a matter of trying to align where we are with the Americans who historically have had a somewhat different vision in terms of the way forward.

Q167 Ann McKechnin: The Ministry of Interior has been described by one report as "corrupt, factionalised and criminalised", and it was very difficult to get any good opinion of that particular ministry when we visited Afghanistan. How could donor governments collectively encourage the President to fundamentally reform the ministry and is

it possible that conditions on donor assistance are an option, given the current remit of most of the funds through the trust fund mechanism?

Mr Alexander: We are not the lead partner nation in terms of the MOI and we do not have a bilateral project working on MOI, although, as I have just said, we are involved in EUPOL who are engaged on the issue of MOI. It was an issue that I raised directly with President Karzai on one of the occasions that I met him, and in that sense you are right to recognise that there have been concerns expressed in terms of the Ministry of Interior. Given the substantial American resources that go into that particular ministry, I think it is important that there are approaches made directly to the Government of Afghanistan but also that we maintain a strong dialogue with the Americans, given that they have been very central to the work in terms of the security environment within Afghanistan, and in that sense those discussions are under way as well.

Q168 Ann McKechnin: I wonder if I could clarify for the record—we are now coming to the justice sector rather than policing *per se*—what contribution has DFID made towards reform of the justice sector?

Ms Rogers: The FCO and DFID work together to drive reforms in the national justice sector. We went together, as you know, to Rome where both DFID and the FCO at that stage pledged £2 million to drive national justice sector reform. That is mainly to leverage other support from the rest of the international community. Our stance on the justice sector in Afghanistan has been that it is for the Afghanistan Government to take this forward, to understand it. Like everything in Afghanistan, it started off at a very low level, so it is going to take time to get this to work, but we are very much of the view that we do not make mistakes that we might have made in other areas. We need to keep a focused international effort and the way to do that is by supporting the Afghan Government in developing their own justice sector strategy.

Mr Alexander: So, as the Government committed £2 million back in July, that justice strategy will in turn inform the Afghanistan National Development Strategy which is due out in March.

Q169 Ann McKechnin: I am sure you appreciate that, given that the police act under domestic law, the justice sector needs to be seen as key, but it did strike me when we visited Afghanistan that people were very unclear as to where the reforms in the justice system were going to go. There is a formal state justice system which is incredibly patchy and there are many allegations of corruption, and there is also the traditional justice system used in communities based on sharia law, and I have to say that we spoke to a number of parties in the international community who kept mentioning words such as "culture" and "tradition", and seemed to fail to recognise that the current system of law as operated is grossly discriminatory to both women and children, who combined represent 70% of the population, and there seemed to be a failure of trying to consider how Afghanistan is going to square its domestic law with

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its obligations under international law, which it already has contributed to. In that regard, in terms of the UK's contribution to the justice sector, what are you trying to contribute to the debate within Afghanistan about how they go forward on what are clearly fundamental reforms which are required?

Mr Alexander: First, it is important to give a sense of the nature of access to justice in Afghanistan at the moment.

Q170 Ann McKechin: Yes, practically none.

Mr Alexander: Approximately 80% of access to justice is delivered through the informal system and therefore one of the challenges the Government of Afghanistan faces is how to align access to the informal justice system with the international commitments that it has itself signed up to. We have made clear our support for the UN articulated position, which is to say that access to justice, particularly for those in remote rural areas often who are reliant on the informal system at the moment, can really be achieved by trying to combine the best practices of the traditional existing institutions, that is, their accessibility to the local public, with the modern justice system as envisaged in the kinds of documents that we have been describing. At a national level the donor assistance to which we have contributed a small amount is aimed at strengthening the formal systems and reconciling those tensions, although I do not dispute that they are there, whether it be with the international human rights instruments to which the Government of Afghanistan is now a signatory, or Sharia Islamic law and Afghan customary law, so I do not diminish the challenge, I do not diminish the need to find a way forward. I do say we are very alive to these issues. That is why, as I say, in part we assisted the Government of Afghanistan in entering into its international commitments and why we have in turn contributed a limited amount of resource in terms of support, because we are not the lead partner agency on it.

Q171 Ann McKechin: Secretary of State, I got the impression from government elected officials and others that this was a very long-term process which they saw as 20 to 30 years away, but I would ask you, particularly bearing in mind the fact that over half the population are women and children, how long the donor community and the people they represent in turn are going to support funding a government which still allows women to be put in jail for years simply because they did not marry the person their family chose for them or they ran away from home? It would appear to me that it does not get a sufficient level of priority in terms of the international community's attention to this matter. It seems to me that it has been downplayed at every opportunity but yet it is an utterly appalling human rights abuse which is occurring in this country but yet we are supporting the government with millions of pounds of aid.

Mr Alexander: As I say, the Government of Afghanistan has itself entered into international commitments in terms of human rights and we welcome the fact that it has done so. That being said, it seems to me that we do face real challenges in terms

of the commitment that we show to an Afghan-led approach if we are at every juncture seeking to prescribe their processes and the timescales by which the Government of Afghanistan operates. We are ourselves determined in the efforts we are making as a government and as a department to improve the lot of many desperately poor women in Afghanistan, whether that be through improving the security environment, whether that be through provision of basic health services (and if you look at infant and maternal mortality there are still desperately poor figures), or whether through the provision of education, as I say, where more than two million girls are now in school who were denied that previously in 2001. I do not diminish the scale of the challenge but I do say that this is one issue where we need to recognise that this is an issue which has to be worked out with the Government of Afghanistan rather than being in a position where we would be able to impose a justice system on a government, or indeed a country, which historically has seen the kind of discrimination that you describe.

Q172 Chairman: May I just reaffirm what Ms McKechin has said, that we had a very robust exchange of views with President Karzai on this matter. A slightly disturbing thing he said was that the last leader of Afghanistan that tried to take up the rights of women ended up dead. What Ms McKechin is saying is something the committee feels quite strongly about. The international community does have a right to say that there are standards which there has to be real aspiration towards, not hiding behind, "We have a different culture and it will take for ever". I just would reinforce that.

Mr Alexander: I think that is true. King Amanullah was who I was quoted when I asked the same question in terms of rule in 1918, but it is also fair to recognise that there was very significant resistance to the Communist regime when they implemented changes, which I am sure at least many in the international community would welcome in terms of procedural equality. I think it is important to recognise that there have historically been significant moves against the interests of the position of women in Afghan society after there have been significant advancements over the last century, and in that sense we need to continue to engage in this vital dialogue with the Government of Afghanistan to recognise that international standards do need to be adhered to, but equally to be mindful that this has been a very troubled road for Afghanistan to walk over a number of decades.

Q173 Sir Robert Smith: The Prime Minister talked about tackling the policing problem by increasing "our support for community defence initiatives where local volunteers are recruited to defend homes and families". What is the thinking behind the communities self-defence programme?

Mr Alexander: First, I would not in any way wish, and you would not expect me to, to resile from the Prime Minister's statement, but, notwithstanding its presence within the statement, I think it is important to recognise that we are simply proposing a small-scale pilot project at this stage that recognises the case

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for giving those local shuras the ability to recruit members of their own community to assist with security. It reflects the challenging security environment in which it works and it really is an attempt to respond to the request we have in turn received from the Afghan Government to work more closely with the grain of Afghanistan society in combating insecurity. It is being developed in full co-operation with the Government of Afghanistan and international partners such as ISAF, but we are at a fairly early stage in terms of developing exactly how this will operate.

Q174 Sir Robert Smith: Is the idea that they would be armed?

Mr Alexander: It is potentially that they would be armed but we certainly would not be paying for weapons or paying salaries to those bearing arms. In reality, if you look at somewhere like Musa Qala, there are a number of people, all of whom have weapons at the moment, who are part of family or planned systems who could be persuaded by the shuras to protect the community now that it has effectively been retaken from the insurgents. This is a complex area but, as I say, we are very clear that this needs to be led by the Government of Afghanistan. We ourselves would not pay for the purchase of arms for CDVs, nor would we pay the salaries of people to bear arms, but on the other hand we do think it is necessary to explore how we can secure the communities who are looking to be protected from the kind of violence that is still prevalent in society.

Q175 Mr Singh: Does this idea of community self defence have its roots in any way in the “awakening” in Iraq and that kind of model of self-defence that it seems to me is happening?

Mr Alexander: Actually, discussions that we had with the Government of Afghanistan reflected an older experience within Afghanistan itself of the *Arbakai*, which was in one particular part of Afghanistan a more traditional form of defence of communities, so no, it is more indigenous to Afghanistan rather than being imported from elsewhere.

Q176 John Battle: A topic that I want to raise is the poppy production, the heroin trade. I think as a topic drugs and development almost merit a separate session; it is a crucial area. I want to also connect it to heroin in Afghanistan but also, of course, coca in Latin America, particularly Colombia, and I wonder if we are joining up the script there. I might invite you to qualify rather than resile from the Prime Minister’s statement that the route forward should be eradication. Crop spraying did not work in Colombia at all, nor does spraying and burning necessarily work. I just think with the strategy we keep going backwards and forwards. The language of alternative livelihoods is there and welcome but we have to suggest what it might mean in practice and route it. One of the things that has happened, I think, in the efforts to do that is that there has been a single crop replacement solution. In Latin America, to draw the analogy, it was palm oil. Can we go there? Will they get as much money for that as they will for the coca? It

is the same in Afghanistan. I understand in Balkh province melons were one of the options as an alternative, but it was not joined up because there was not the water supply for the irrigation. In Colombia at the local level there are suggestions now for what is called building a sustainable village, so you build all the parts in of the economic rural alternative to displace the crop. I am just asking can we start to push down that line so it is not short-term one-crop replacement that a few wealthy farmers benefit from? It might include looking at the Colombian best examples where you grow the whole village which includes the clinic and the education as part of the full package. I am really encouraged by the World Bank’s report on it because the phrase in there is that “integrated programmes for rural development are now proposed”. Can we get on with them and can we include agricultural extension services?

Mr Alexander: First, in terms of was the Prime Minister suggesting aerial spraying or a variation thereof, no, he was not. The position of the British Government is again led by the Afghan Government but I am glad to say that they are in the same places. Our view has been that aerial spraying does not offer the way forward. Secondly, terminologically is “alternative livelihoods” the optimal description of what we are trying to do? No. I agree with you; I do not think it is. It suggests a kind of binary, one in, one out, when in fact it is a multi-faceted problem that needs to be engaged with. Thirdly, have we yet reached a definitive view in terms of the World Bank/DFID study that you reflected upon? No, we have not, although I have had the opportunity to look at it, and in the coming days and weeks we will be making policy determinations on that basis. It will be quite quick though. There is a meeting due in February, and by that point we will be in a position to offer a formal policy position in relation to the paper, but I have to say that it is no great secret that we have a great deal of sympathy with the comprehensive vision of challenging opium production that is articulated quite effectively within the document that you cite. It is a complex problem, it is a long term challenge. If you look at countries like Pakistan or Thailand we are talking 15 to 20 years for those countries to make themselves opium-free, but at the heart of that complexity I think there is still quite a simple calculation, which is that the task of eradicating opium production is inherently more difficult where you lack security and the rule of law, and in that sense how do you reconcile the fact that we have seen an uplift in opium production in Helmand while seeing a welcome move from six to 13 provinces opium-free over the course of the last year in Afghanistan? I would say at the heart of that complexity is the fact that if you have space which is either ungoverned or contested it is much more difficult to implement the kind of comprehensive approach identified in the World Bank/DFID document.

Q177 John Battle: Eradication is not just helicopters spraying from the sky, is it? What happened when we had eradication in Latin America was that it was pushed out of Peru but into Bolivia; it was pushed out of Bolivia and is now in Colombia, so we keep going

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round, and I know security is an issue but all our soldiers are there and, as was reported, if they are on the front line in the Afghan poppy war, unless we are getting on with the other bits --- I am just asking and pleading for a bit of joining up with what is going on experimentally on the ground in places like Colombia with communities to look at new forms of integrated development to really displace it in the longer term. We have still got the problem of people buying it in Britain and in my neighbourhood, and that is another matter. It is complex, but we seem to be permanently getting stuck in the short term is what I am saying, in terms of it being a security issue, not a displacement/redevelopment issue, and I am hoping we can get to there quickly.

Mr Alexander: I agree and I do not think there is perhaps as much divergence as the question implies. I will maybe ask Philippa, because she leads on these issues within the FCO at the moment, to say a word or two in terms of the multi-pillar approach of the Afghan Government itself in respect of which an announcement was made by the British Government back in August 2007, but that does reflect exactly the multi-dimensional nature of the development challenge that we face.

Ms Rogers: That is right. The National Drug Control Strategy, which is the Afghanistan's Government's own strategy, is just that. It is an eight-pillared full strategic priority approach that recognises that in order to achieve a sustainable reduction you need to bring those things together. You need to enhance risk, you need to target people that are the traffickers, the narco-traders, but you also need to enhance reward so people that do not grow poppy understand that they have other forms of supporting their families, and that is exactly the approach that the UK Government is behind.

Mr Alexander: We will look carefully at the recommendations, whether it is infrastructure, irrigation, expertise in terms of agricultural produce. We are giving consideration to that at the moment with our other international partners.

Q178 Chairman: Can I press you a little bit further on that, Secretary of State? Those of us who were in Balkh saw some of the practicalities there. We were in a village which had a drinking water extension and, although they did not tell us, we gathered they had switched from poppy to melons. The melons, however, were not very successful, partly because they were diseased, but they said that there was nobody advising them on how to grow melons, how to treat them, in addition to which they were not given the irrigation, which actually was not to supply their crops; it was to feed the animals, which were therefore dying. So having gone out of poppy they found themselves in a worse state and the point that was made to us was that Balkh may be poppy-free now but not for very long, and it was specifically pointed out to us—is that not something DFID could do, work with the Ministry of Agriculture in Afghanistan to help develop an agricultural extension service that would enable those communities that have come out of poppy to get real benefit from alternatives that would give them an alternative income?

Mr Alexander: Your example seems to reflect two challenges. One is production, as in can sustainable irrigation and decent crops be provided as a means of sustaining livelihoods, but also the distribution and sale of those goods in turn: is there a functioning market? One of the consequences of the profits that can be secured from drugs is that it is made fairly easy for opium producers to sell their goods. The drug dealers turn up, they purchase them at the site of production, and in that sense that was really a lot of the thinking behind the World Bank report which was how do we facilitate alternatives and make it easier? In that regard we will, of course, study very carefully the terms of the report. It would be wrong of me if I were not to recognise that actually the Americans have been the principal lead in terms of the Ministry of Agriculture and in that sense it has not been one of our identified priorities. The Afghans themselves asked for donors to prioritise three areas a number of years ago but we will certainly study the terms of the report very carefully.

Q179 Sir Robert Smith: I want to join with the others on the committee in paying tribute to the staff on the ground in DFID and the other civilian staff in Afghanistan because the commitment they are making on the work to be done and on what needs to be achieved there is great. To that end should we not wherever possible be making sure that where barriers can be got out of the way they are? The nature of Afghanistan is, as we saw, an awful lot of mountain ranges and an awful lot of difficulty in travel and the fact that DFID staff are reliant on hitching lifts with the military puts that easy operation at a disadvantage because, obviously, the military have sudden priorities that mean that the best laid plans get thrown out of the window. I understand there was a bid in from DFID and the FCO for a dedicated civilian aircraft that would be at their disposal, and we had the benefit of a borrowed aircraft from Customs & Revenue when we were there, but the ability to get around in their own time and at their own behest and the ability to take senior Afghan officials with them would make their job a lot easier. I understand the Treasury balked at the idea of this aircraft. What plans are there to get it?

Mr Alexander: First, just let me concur with your pride in the work that DFID does on behalf of the British people in Afghanistan. You are absolutely right. I think I have got, if not the best job, definitely one of the best jobs in the country in terms of the privilege that you have of seeing these staff, often in quite challenging circumstances, doing extraordinary work. It just makes you incredibly proud so I am grateful for those comments and I will make sure that they are passed on. In terms of the aircraft specifically, you are right: it has kind of rumbled around the system for some time. There have been developments, though. First, the Foreign Secretary agreed to the lease of the aircraft which I think some of you at least used in 2007. In addition to that there is now consideration being given to the Stabilisation Aid Fund funding of a fixed wing aircraft for the future, though we have not reached the allocation decision as we speak, but we will

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consider it. Also, in the Prime Minister's statement at the beginning of December he mentioned the fact that there will be additional Sea King helicopters provided which will be available for use as well and potentially could improve the civilian transportation. So at least the fixed wing aircraft was put in place; you have used it yourself, and we are actively considering whether the Stabilisation Aid Fund provides a single basis on which a fixed wing aircraft can be there, and even since your visit there is also the additional Sea King capacity there.

Q180 Mr Singh: I am sure we were all shocked to the core on Boxing Day when we learned about the murder of Benazir Bhutto and the impact of that will continue to unfold in Pakistan with elections coming. However, is there likely to be any impact in terms of stability and security in Afghanistan from Benazir Bhutto's murder? Has any assessment been made?

Mr Alexander: Obviously, these are issues which are under constant review, not least given the presence of the scale of British forces that we have in Helmand at the moment. The tragic death of Benazir Bhutto reflects the continuing serious threat that is posed by extremism in South Asia and we are mindful of that. One of the points that was made to me by the force commanders that I met in Helmand was the inter-related nature of the challenges in the Federally Administered Tribal Areas of Pakistan, Balochistan and Waziristan, where there continue to be real extremism challenges. However, that being said, we should recognise that before Benazir Bhutto's tragic death there had been some real progress made in Afghan/Pakistan relations in terms of the Joint Peace Jirga that took place in Kabul in August. That had just taken place when I visited, actually, and there was a degree of cautious optimism at that point that that held out a better prospect. I would simply make this observation, looking forward, that while, of course, we continue to monitor the situation and its potential impact on the cross-border activities of those involved in the insurgency it is vital that we find a way forward, both for Afghanistan and for Pakistan. When I first visited the Pakistan/Afghan border three years ago in my capacity as a then Foreign Office minister, it was demonstrated to me very graphically

that this is not a border that is widely recognised by the local community. Quite often people have fields on one side of the border and live on the other. There is a shared pasturing heritage. In that sense we have a very strong interest in ensuring not only that we bring stabilisation and development, working with the Afghan Government on one side of the border, but also that we are not in a position where the vulnerability of the other side of the border continues to impact in the way it has in recent years, so we are working very closely with our colleagues in the FCO while events unfold in Pakistan. We, of course, monitor the border very closely in terms of not least the protection of our own troops, but we are clear that this is an inter-related challenge and are trying to work on both sides of the border to address it.

Chairman: Thank you, Secretary of State, and your team for coming in to give us evidence. The evidence we have had today and our own visit and previous evidence reinforce the fact that it is a hugely complex problem. There is a huge number of issues of every dimension but, as we said in our interim letter to you, and we have not produced our report, the committee recognises that Afghanistan is a place where the UK and the international community should be and that we should recognise that it is for the long term. We want the British people to understand the positive reason for doing it and that it is a partnership with the Afghan people and the Afghan Government. Without getting into anything contentious, it is different from other arenas in which we operate. I hope our report will reflect that and I hope it will make not too many but worthwhile and constructive recommendations that will help your department and the teams with their work. I think we would all like to repeat very much the appreciation we have of everybody that we have worked with in the preparation of this report, in the Foreign Office and in the department, and indeed the ancillary services, not least the close protection teams as well. I think all of us would concur that it has been a fascinating inquiry. The visit to Afghanistan itself for all of us was a much more confused in some ways but positive experience than I think many of us anticipated. It is a fascinating country. It deserves to have a future, and anything we can do to contribute to that we hope will be a positive contribution. That is certainly our objective.

Written evidence

Memorandum submitted by the Department for International Development (DFID)

EXECUTIVE SUMMARY

1. Following twenty-five years of turmoil and conflict, Afghanistan is one of the poorest countries in the world, and remains off-track on all of the Millennium Development Goals. Because of conflict and insecurity, the people of Afghanistan were in the past denied basic services including health care and schooling.

2. There has been real progress since 2001, with life improving for many Afghans. Around 5.4 million children are now in school, over a third of them girls. 4.8 million refugees have returned home to Afghanistan. Infant mortality rates have declined. Under-five mortality rates have dropped. In the last three years, the proportion of women receiving ante-natal care has increased from 5% to 30%.

3. In economic terms, Afghanistan's progress over the last six years has been impressive. Afghanistan started from a very low base. Gross Domestic Product (excluding opium) grew 42% from 2002–03 to 2005–06, and by an average of 10% every year for the past three years. Real income has also been growing steadily since 2001, up to \$335 per capita in 2006. But it is still less than a dollar a day per person and half the average in the South Asia region (\$684). Afghanistan has one of the lowest rates of revenue mobilisation in the world (6% of Gross Domestic Product) and is heavily aid dependent. In 2006 aid accounted for about one third of total Gross Domestic Product and made up more than half of the national budget.

4. DFID is committed to supporting poverty reduction in Afghanistan over the long term. At the London Conference on Afghanistan in January 2006, the UK committed to provide £330 million of development assistance to Afghanistan over three years (2006–09) as part of a total UK package of £500 million. DFID's programme is focused on three of the Afghan Government's own objectives, as set out in their Interim Afghanistan National Development Strategy: building effective state institutions; improving economic management and improving the livelihoods of rural people.

5. We support the Government to deliver development and reconstruction nationwide. Over 80% of our assistance goes through Government channels. This helps the Government to develop the capacity to deliver basic services; to manage public finances effectively; and to build credibility and legitimacy with the Afghan people. It is also more cost effective.

6. DFID uses the Afghan Reconstruction Trust Fund as the main financing instrument to support the Government of Afghanistan's National Priority Programmes. These include the flagship National Solidarity Programme, which supports local community development priorities across Afghanistan. NSP is implemented through 23 national and international Non-Governmental Organisations, plus United Nations Habitat.

7. Nationally, NSP has set up over 17,500 Community Development Councils across Afghanistan with over 29,000 projects in the areas of agriculture, education, health, irrigation, power, transport and water supply. Through the national micro-finance programme over £140 million worth of small loans have been given to 375,000 recipients. The national roads programme has built over 9,300 km of rural roads and generated over 13.5 million days of labour. The Helmand Agricultural and Rural Development Programme supported the construction of four roads, 554 wells, and 482 community projects.

8. The drugs trade in Afghanistan presents an enormous challenge. According to the United Nations Office on Drugs and Crime's 2007 Annual Opium Survey the area under opium cultivation rose to 193,000 hectares from 165,000 in 2006 and the total harvest increased from 6,100 tonnes in 2006 to 8,200 tonnes this year. Opium production is heavily concentrated in areas of insecurity with Helmand now the world's biggest source of illicit drugs with 102,770 hectares under opium production. The Afghan Inter-Departmental Drugs Unit (London) and the British Embassy Drugs Team (Kabul) lead on the UK's counter-narcotics effort. DFID is assisting the Government of Afghanistan with institutional reform to help ensure that Government policies and strategies support the growth of legal livelihoods. DFID also has a substantial livelihoods programme aimed at strengthening and diversifying legal livelihoods.

9. Corruption is also a major problem. According to the Corruption Perception Index of Transparency International in 2005, Afghanistan ranked 117th out of 159 countries. In the Investment Climate Assessment for Afghanistan (2005) survey 53% of enterprises cited corruption as one of the top four major or severe constraints—along with electricity, access to land, and access to finance. High levels of corruption are a key indicator of a weak and ineffective state.

10. Co-ordination of the military and development effort stems from the strategic level discussions that take place in Whitehall, to operational discussions in Kabul, and to the tactical activities in Helmand. Security and development are linked in the UK Joint Plan for Helmand. Getting the balance right between security efforts and reconstruction and development, along with political engagement, requires robust, integrated planning. The Helmand Executive Group provides the mechanism through which this integrated planning can take place on an ongoing basis in the Provincial Reconstruction Teams. Provincial Reconstruction Teams are international civil-military teams, intended to further security and development

across the provinces and help extend the reach of central Government. Originally a US concept, there are now 25 Provincial Reconstruction Teams in Afghanistan, led by 13 different nations. The UK led the Provincial Reconstruction Team in Mazar-i-Sharif from July 2003, handing over to Sweden in March 2006, and has led the Helmand Team since April 2006.

11. DFID is playing a major role in helping improve donor coordination. There are two main areas of focus: (a) getting donors to help the Government develop a comprehensive National Development Strategy; and (b) the development of a joint donor strategy process which aligns donor support to the Government's National Development Strategy.

12. DFID is fully committed to the UK Government's comprehensive approach to Afghanistan, whereby all departments work towards a jointly-owned UK Strategy in support of the Afghan Government. Adopting an integrated approach to support the Government of Afghanistan to extend its influence and authority is being achieved through close cooperation and coordination between Departments. Each department contributes to overall strategy formulation and delivers according to its skills. DFID leads on the economic and social development strand, FCO on governance, rule of law and human rights, and MOD on security. The inter-departmental Afghanistan drugs unit leads on counter-narcotics, a cross-cutting priority.

CONTEXT FOR DEVELOPMENT ASSISTANCE IN AFGHANISTAN

13. Following decades of turmoil and conflict, Afghanistan is one of the poorest countries in the world, and remains off-track on all of the Millennium Development Goals. Because of conflict and insecurity, the people of Afghanistan have for years been denied basic services including health care and schooling. Against all human development indicators, Afghanistan ranks amongst the lowest in the world. One in five Afghan children dies before their fifth birthday; around one-third of the population are eating less than the minimum daily calorie requirement; and under one-third of 15–24 year olds are literate (only one-third of these are girls). The UN's 2004 figures measure Afghanistan's life expectancy as 46 years and adult literacy rate as 28.1%, compared to an average of 52.4 years and 63.7% for the world's least developed countries.

14. But we have also seen real progress since 2001, with life improving for many Afghans. Around 5.4 million children are now in school, over a third of them girls. This is up dramatically from an estimated one million children in school in 2001, of whom very few were girls, who were officially denied access to education under the Taliban. 4.8 million refugees have returned home to Afghanistan. Infant mortality rates have declined from an estimated 165 per 1,000 live births in 2001 to about 129 per 1,000 in 2005—equivalent to around 40,000 more babies surviving per year now than in 2002. Since 2000, under-5 mortality rates have dropped from around 1 in 4 to around 1 in 5. The proportion of women receiving antenatal care increased from 5% in 2003 to 30% in 2006.

15. In economic terms, Afghanistan's progress over the last six years has been impressive. Afghanistan started from a very low base. Twenty-five years of conflict destroyed much of the country's limited infrastructure, severely impeded private sector development and undermined normal patterns of economic activity. But the economy (excluding opium) grew 42% from 2002–03 to 2005–06 and has grown by an average of 10% every year for the past three years. The International Monetary Fund has forecast 12% economic growth this financial year, driven by a rebound in agricultural output and a sustained growth in the construction and services sectors. Key macroeconomic indicators such as inflation and the exchange rate have remained relatively stable. The Government, assisted by the donor community, has taken forward much needed reforms in public financial management and public administration reform.

16. But tough decisions on economic reforms are now needed to sustain growth and stability. Afghanistan has one of the lowest rates of revenue mobilisation in the world (6% of Gross Domestic Product compared to an average of 19% for African countries). At these rates, it is impossible for the Government to meet its own costs. In June 2006 the International Monetary Fund agreed a three year Poverty Reduction and Growth Facility arrangement with the Afghan Government to support macroeconomic reform, setting a series of targets for the Government to meet. This includes a set of challenging revenue mobilisation targets which (if met) will strengthen the Government's ability to cover its costs by 2013. However, progress on meeting the revenue targets is by no means guaranteed and will require tough policy decisions from the Government.

17. Politically, Afghanistan has progressed considerably since the fall of the Taleban in 2001: adoption of the constitution; Presidential (2004) and Parliamentary (2005) elections (with over 40% of votes cast by women) and the inauguration of the National Assembly in 2005. 28% or 87 MPs (out of 351) are women. 25% of these are constitutionally mandated. While the Assembly takes its oversight responsibility seriously, the relationship between, and authority of, Parliament and the Executive is weak. Former warlords and those running the drugs trade still exercise significant power across the provinces. The challenges faced by President Karzai and his Government are daunting in managing the different political constituencies and in exercising Government control over a complex and largely rural territory affected by corruption, the narcotics trade, and a long history of conflict.

18. Outside of Kabul, central government influence is (very) slowly being felt. But the links remain tenuous, and traditional local ethnic and tribal structures are still very important. Capacity in Afghan line ministries is variable. For example, the Ministry of Finance and Ministry of Reconstruction and Development are running as well as Afghanistan's limitations allow, however the Ministry of the Interior is weak. The major ministries have offices in each province but links between the centre and province are invariably weak.

19. Corruption is a major problem, and is viewed by most Afghans as getting worse, with the security sector and judiciary seen as the most corrupt institutions. In the short term President Karzai has established a high level Anti-Corruption Commission, chaired by the Chief Justice. However corruption is an ongoing challenge and long term success will require changes in behaviour at senior levels. Tackling corruption is a major focus of the UK's long term effort. DFID has supported this effort so far by working with the Civil Service Commission and other donors to scale up support for public administration reform. DFID has also provided advice to the Government of Afghanistan in developing an anti-corruption roadmap.

20. International development support for Afghanistan was cemented by the International Compact for Afghanistan, agreed at the London Conference in January 2006. The Conference was chaired by the Afghan Government and the United Nations, and the agreed Compact represents a framework for cooperation for the five years up to the end of 2010, with benchmarks for success. It includes commitments on improving aid effectiveness and is monitored by the Joint Coordination and Monitoring Board co-chaired by the Afghan Government and the UN Special Representative of the Secretary General. The Interim Afghanistan National Development Strategy was also launched at the London Conference, and was supported by pledges totalling \$10.7 billion from the international community.

21. The full Afghanistan National Development Strategy is currently being developed by the Afghan Government. It is due to be launched in March 2008 and needs to be implemented for one year as part of Afghanistan's bid for debt relief under the Heavily Indebted Poor Countries Initiative. It will be a key challenge to ensure that the strategy is realistic and credible, aligned with the national budget, and has full buy-in across the Government of Afghanistan and the donor community. It will be important for Afghanistan's future development that the donor community coordinates its assistance in support of the final strategy. Although the second largest bilateral donor, DFID's \$216 million commitment this year is small compared to US and multilateral financing which accounts for a large proportion of the \$4.3 billion international financing committed to development in Afghanistan this financial year. Coordination of international assistance and improved effectiveness of aid is a major objective of DFID's policy support to Afghanistan. Aid effectiveness would also be helped by a stronger UN coordination role, which DFID is encouraging.

22. Working in an insecure environment brings its own challenges. We invest a substantial amount of resources in ensuring that our staff are protected. The impact of the security situation in Kabul and neighbouring provinces limits the ability of UK staff to undertake regular project monitoring, increasing our reliance on project partners. In Helmand, the fragile security situation makes operating even more difficult. Civilian travel is limited and it is difficult to attract Non-Governmental Organisations as implementing partners, especially while the United Nations does not have a permanent presence. Coordination with the military is particularly important in Helmand, to ensure the comprehensive approach is implemented.

KEY QUESTIONS

The objectives of DFID's programme in Afghanistan; the trade-off between short term gains and long-term transformation; balancing and prioritising multiple goals and objectives; DFID's experience and knowledge of working in insecure environments

23. DFID is committed to supporting poverty reduction in Afghanistan over the long term. At the London Conference on Afghanistan in January 2006, the Prime Minister and Afghan President Hamid Karzai signed a 10-year Development Partnership Arrangement, showing the UK's long-term commitment to Afghanistan. This includes a commitment of £330 million of development assistance to Afghanistan over the next three years (2006–09) as part of a total UK package of £500 million—which includes funding for other activities such as counter-narcotics. DFID is Afghanistan's second largest bilateral donor, spending over £100 million in 2006–07 (the US is the largest, spending \$4.39 billion between 2002 and 2006 and with a budget of around \$1.4 billion for 2007). Over the last three years the size of DFID's programme has grown substantially. In 2007–08 we expect to spend £107 million, rising to £115 million in 2008–09.

24. Our programme is prioritised at the request of the Government of Afghanistan. We support three of the Afghan Government's own objectives, as set out in their Interim National Development Strategy:

- Building effective state institutions;
- Improving economic management; and
- Improving the livelihoods of rural people.

25. In addition to these three objectives, which account for the majority of our spending in Afghanistan, DFID's wider goals are to improve donor coordination in Afghanistan; to support the Government of Afghanistan in developing a full Afghanistan National Development Strategy; and to contribute to the

wider UK government effort in Helmand. We support development in Helmand both through our rural livelihoods programme and through HMG's Quick Impact Projects, designed to deliver immediate benefits to local communities. DFID spent around £16 million in Helmand in 2006–07, and we have committed to spend up to £20 million this year.

26. The majority of our programme is focused on work which will support the long-term transformation of Afghanistan. We direct over 80% of our assistance through Government channels because this helps the Government to develop the capacity to deliver basic services; to manage public finances effectively; and to build credibility and legitimacy with the Afghan people. We support the Government to deliver development and reconstruction nationwide, including in Helmand.

27. DFID has adapted the way we work to take account of the insecure environment in Afghanistan. DFID follows FCO advice on security related matters, including risk mitigation. We invest a substantial amount of resources in ensuring our staff are protected, both through provision of close protection and armoured cars and planning and monitoring movements. The security situation in Kabul and neighbouring provinces limits the ability of UK staff to undertake regular project monitoring, which is mainly undertaken by project partners, in close consultation with us. This is also to lower the profile of visits, which may increase the risk to local partners.

28. In Helmand, the fragile security situation makes operating even more difficult for a number of reasons. It is often difficult for civilians to leave the Provincial Reconstruction Team base, and the number of locations in the Province to which civilians can travel is limited. The number of project implementing partners prepared to work in Helmand is limited: there are currently only four national/international Non-Governmental Organisations working in Lashkar Gah (with limited outreach to the districts) and the United Nations is still not present. Security concerns also hamper Government of Afghanistan outreach in Helmand, with Governor Wafa rarely venturing beyond Lashkar Gah, and visits from Kabul-based Government of Afghanistan representatives even less frequent. Also, some partners are not willing to visit the Provincial Reconstruction Team compound as this can compromise their own security. The UK is working to improve the security situation and to help create the conditions in which longer-term development can be successful.

How much of DFID's work is in fragile states?

29. Fragile states are increasingly DFID's core business. 11 out of DFID's 25 Public Sector Agreement countries are fragile states (according to the list in DFID's 2005 policy paper, *Why we need to work more effectively in fragile states*). Between 2001 and 2006 DFID increased bilateral expenditure in fragile states from £243.5 million in 2000–01 to £745.6 million in 2005–06. This represents an increase from 17% to 30% of DFID's overall bilateral spend. In 2006–7 this increased further to £800.1 million or 31% of our bilateral spend.¹

30. Six of the top 20 recipients of DFID bilateral aid in 2005–06 were fragile states. In 2006–07, the 10 largest fragile states recipients accounted for 87% of DFID's expenditure in fragile states. These are Sudan, Afghanistan, Nigeria, Kenya, Ethiopia, Democratic Republic of the Congo, Indonesia, Nepal, Sierra Leone and Zimbabwe.

31. The late 1990s marked the beginning of a more systematic and strategic approach to fragile states in DFID and in other aid agencies. The Organisation for Economic Co-operation and Development Assistance Committee Principles on Good International Engagement in Fragile States and Situations, endorsed by Development Assistance Committee members in April 2007, represent a strong consensus on how to improve development effectiveness in fragile states and are in line with our own experience.

32. There is no single approach to programming—fragile states are too varied and we need a different mix of instruments depending on the circumstances. Our experience is showing that sustained commitment (eg through five to 10 year agreements), an integrated approach that brings together development, diplomatic and security actors, and innovative and flexible use of instruments can all help improve performance.

How does DFID manage risk in fragile states?

33. The risk of increasing our activities and focus in fragile states has to be balanced against the cost of not engaging, and the potential for significant gains. DFID is implementing an action plan to strengthen our business process to cope with risk and uncertainty, following the Capability Review. The Statement of Internal Control, the annual report on DFID's overall control environment, signed off by the Permanent Secretary, has been re-written to reflect a much more comprehensive treatment of the risks managed by our internal controls.

34. We are also putting in place additional risk management measures, such as contingency and emergency planning, in our most risky programmes. Scenario and contingency planning is currently being carried out in a number of fragile states in Africa and will be part of all future Country Assistance Plans in

¹ Provisional 2006–07 figures from Statistics for International Development.

South Asia including Afghanistan. Detailed contingency planning and business continuity plans are already in place for Europe, Middle East, Americas, Central and East Asia Division countries, and ongoing contingency planning is routine for Iraq and Palestine. In Iraq and Afghanistan contingency planning is put into practice on a regular basis, and forms part of operational security procedures which are reviewed on a daily basis. DFID's risk management in these countries is conducted jointly with the FCO.

35. Concerns over financial and political risk will continue to be strong factors in our choice of aid instruments in fragile states. For example, we are managing fiduciary risk by using instruments such as trust funds, pooled funding and social funds, where a third party (often the World Bank) administers the fund. Shifting staff resources to fragile states, using a mix of aid instruments and regular assessments of the political context, including through the Country Governance Analysis, are steps already being taken to help manage risk.

The geographical balance in the distribution, especially between the north and the south

36. Over 80% of DFID's assistance goes directly to the Government of Afghanistan in support of its own priorities. This includes support for the government's National Priority Programmes, which operate throughout the country. Maintaining nationwide support is important as Afghanistan remains in a fragile situation.

37. Decisions on which projects to support, and where, are driven by the Government Ministries in Kabul through which we provide support and locally, by the Provincial Department of Rural Reconstruction and Development. They decide their own priorities, in full consultation with local communities.

38. For example, the National Solidarity Programme and the National Rural Access Programme operate in all 34 provinces of Afghanistan. The Microfinance Investment and Support Facility Afghanistan operates in 23 provinces, and the Horticulture and Livelihoods Programme (still at an early stage) operates in seven provinces.

39. DFID has also provided support for Quick Impact Projects in Helmand (£4 million in 2006–07 as part of a total £6.2 million UK contribution), which are focused on delivering immediate benefits. In addition £10 million of our support to Helmand last year was directed through Government of Afghanistan National Priority Programmes, including work to improve rural infrastructure, water and sanitation facilities, and access to micro credit to promote legal livelihoods.

The contribution of budget support, through the Afghanistan Reconstruction Trust Fund, to strengthening institutional capacity and accountability

What form of support to the Government of Afghanistan's budget does DFID provide?

40. DFID channels 81% of its aid through Government of Afghanistan systems, of which a significant proportion (£70 million this year) goes through the Afghanistan Reconstruction Trust Fund. This Fund is managed by the World Bank and receives contributions from 24 countries. It has two strands: a recurrent window to support the operating costs of the Afghan Government (predominantly public sector wages) and an investment window to fund development programmes. DFID is the largest single contributor to the Trust Fund since it began, accounting for a third of all unearmarked contributions in 2006–07.

41. The Afghanistan Reconstruction Trust Fund differs from more conventional forms of budget support in two major ways. First, resources are provided to Government of Afghanistan on a reimbursement basis. Funds are transferred to the Government only when it has demonstrated that actual expenditures (such as salaries) have been paid, and conform to strict criteria that are scrutinised by an independent monitoring agent. Second, funds are not totally fungible; they cannot for example be used for security expenditures.

42. DFID's largest Afghanistan Reconstruction Trust Fund contribution is to the recurrent window—£55 million this financial year. Since 2002–03, the recurrent window has disbursed close to \$900 million (\$437 million of which is from DFID). Around 70% of this funding goes to paying the wages of non-security public sector workers, including around 90% of the Ministry of Education's wage bill. This has contributed to the increase in pupils from 2 million in 2002 to 5.4 million today and the increase in teachers from approximately 21,000 in 2001 to more than 128,000 today.

43. DFID also provides funding to the investment window of the Afghanistan Reconstruction Trust Fund to support the Government's National Priority Programmes. These programmes help put the Afghan Government in the driving seat on development. After two decades of conflict it is critical to national solidarity that it is the Government—and not donors—that are seen to be providing services and investment programmes. In addition, the Government has demonstrated that it can deliver services at a fraction of the cost of international donors and NGOs. The investment window has provided around \$300 million of development spending since 2002. DFID has contributed £40 million to the investment window since 2003, supporting key rural development programmes such as the National Solidarity Programme, the

Government's micro-finance facility, and the National Rural Access Programme. In addition, DFID funds Government-led programmes specifically in Helmand through the Helmand Agriculture and Rural Development Programme to which DFID has committed up to £30 million over three years.

Institutional Capacity

44. The majority (70%) of the Afghanistan Reconstruction Trust Fund recurrent window currently supports the salaries of teachers, nurses and other public servants. In the absence of a large revenue base (Afghanistan currently mobilises only 6% of Gross Domestic Product in domestic revenues), the Afghan Government will be reliant on donors to cover a large percentage of its recurrent and development costs for many years to come.

45. Public sector salaries are currently low. This makes it difficult for the Government to attract and retain enough high quality recruits, especially as it is in competition with the private sector and donors who can offer higher salaries. This undermines prospects for building basic state capacity. Consequently, in 2007 the Afghan Cabinet agreed a new Pay and Grade system for the public service, intended to introduce pay increases linked to grade and responsibility. The Afghan Ministry of Finance devised the system on the basis of sustainability—they think Afghanistan will be able to cover the wage bill in ten years. While the Government of Afghanistan revenues grow, the Afghanistan Reconstruction Trust Fund will continue to ensure adequate financing of the new public sector wage bill and public administration reforms, hence strengthening the Government's basic capacity.

46. Financing the Afghan Government's own development programmes through the Afghanistan Reconstruction Trust Fund has also helped to build core capacity in key Ministries. Ministries are improving their performance in delivering basic services through Government systems, often subcontracted to Non-Governmental Organisations at the point of service delivery. The Ministries of Reconstruction and Rural Development, Health and Education are demonstrating progress in delivering basic services across the country, which has contributed in large part to the improvement in education and health indicators since 2001. Institutions which have not channelled the same level of support from Afghanistan Reconstruction Trust Fund investment resources are demonstrating much lower performance, including the justice sector. Alignment of the budget to the Afghanistan National Development Strategy will further strengthen key sectors' capacity to match resources and staffing to institutional priorities.

Accountability

47. Accountability is built between state and people when citizens have incentives and opportunities to hold Government to account on the use of resources. Building this link is going to be a very long-term effort in Afghanistan because democracy is young and Afghanistan has a very low revenue base and small economy. The challenge in the medium-term for donors is how to promote accountability between Afghan citizens and the state on how it spends available aid resources—\$2.6 billion of aid is projected to be spent "off budget" in the external budget for fiscal year 1386. Afghan citizens cannot hold lots of different donor projects to account, nor should they. Our aim is to help build a sustainable Afghan state where donor money flows through Afghan systems.

48. The Afghanistan Reconstruction Trust Fund is a key mechanism through which greater accountability can be achieved. The National Solidarity Programme is a good example. Using Afghanistan Reconstruction Trust Fund money, communities, with help from Non-Governmental Organisations, have identified their own priorities. Since 2003, DFID has provided £17 million support to the National Solidarity Programme. As of July 2007, the National Solidarity Programme has established over 17,832 Community Development Councils across Afghanistan with over 30,463 projects approved and 12,887 projects completed. Rural people in all 34 of Afghanistan's provinces have benefited from National Solidarity Programme projects including improved water, roads and other small infrastructure projects. That builds a strong link and oversight between state and citizens. We want to extend the principle to other big sectors like education.

49. Since the inception of the Afghanistan Reconstruction Trust Fund, revised legislation on Public Financial Management and Procurement has been adopted, and the World Bank, through the independent monitoring agent, is helping the Afghan Government to apply best practice measures and improve public financial management procedures. Donors and the Government have recently agreed that the Trust Fund will be underpinned by a results framework (the Performance Assessment Matrix). This will help to track the development impact of Trust Fund funds on key pro-poor sectors such as health and education and will strengthen mutual accountability and dialogue between the Government and donors on strategic resource allocation.

Coordination of the military and development effort, in particular the UK military effort; progress in the “whole of government” approach

50. Co-ordination of the military and development effort stems from the strategic level discussions that take place in Whitehall, to operational discussions in Kabul, and to the tactical activities in Helmand. In Helmand, the co-ordination comes under the control of the Helmand Executive Group. The Helmand Executive Group comprises the leaders of each of the four strands of the UK Joint Helmand Plan: the Deputy Commander of Task Force Helmand for security, senior FCO representatives for Governance and Rule of Law, and a senior DFID representative for Development. These four are co-located to facilitate joined up decision making on issues such as disbursement of Quick Impact Project funds (US\$17 million in the last year) and reviewing progress on implementing the UK Joint Helmand Plan.

51. The UK Joint Plan for Helmand was predicated on the military establishing a secure zone around Lashkar Gah (often referred to as a secure “lozenge” due to its shape) and preparations were made on that basis. The original concept of establishing a “lozenge” remains substantially sound but owing to changed circumstances, it has extended beyond the area of Lashkar Gah, Gereshk and the road in between, to include the gateway towns of Sangin and Garmsir. This has in some way been driven by the military’s involvement in counter insurgency operations but also changes in the UK’s priorities, such as to provide support to the USA in Kajaki, the site of USAID’s largest project in Afghanistan—the rehabilitation of the Kajaki multi-purpose dam in the Helmand river valley. This hydropower project will restore water supplies for local communities, rehabilitate irrigation systems for farmlands, and provide electricity to around 200 residents, as well as industries.

52. The comprehensive approach is being followed in the Provincial Reconstruction Team. The security context has a major impact upon sustainability of development efforts. To the maximum extent possible, the current stabilisation effort ensures that projects benefit from community partnership and Government of Afghanistan support, and that they are fit for purpose. However, where security is not yet adequate, and the rule of law is absent, from the beneficiary’s and the donor’s perspective, ensuring interventions are sustainable is hard to achieve.

53. It is important to note the relationship between the military effort, reconstruction and development work and the ongoing political transition through national development programmes. The concept of the “lozenge” is driven by military action, yet it can only be stabilised by reconstruction and development, governance and political engagement. The National Development Programmes engage in the “space” created. It is only through sustainable efforts being encompassed in all the activities that the objectives set out in the UK Helmand Plan will be realised.

54. More widely, the UK Strategic Plan for Afghanistan (December 2005) provides an agreed cross-government strategic framework and reflects UK priorities, resources and capabilities. The strategy outlines the UK contribution to the Afghanistan Compact, the Afghanistan National Development Strategy and the National Drug Control Strategy. The plan has six objectives: security; governance, rule of law and human rights; economic and social development; counter narcotics; international and regional engagement; and strategic communications. The Joint UK Plan for Helmand was also agreed across Whitehall. Both plans were reviewed and revised in late 2006 (Helmand) and early 2007 (Afghanistan). Departments work closely together on implementing these strategies in Helmand, Kabul and Whitehall.

Possible tensions between the development and the security agendas; clarity of budget lines and overlap of stabilisation, reconstruction, humanitarian and development assistance

55. DFID does not consider development and security to be separate agendas in Afghanistan. They are interdependent, and both are central to the UK’s comprehensive approach. They are intrinsically linked in the UK Joint Plan for Helmand, with its four “strands” of governance, security, economic and social development, and rule of law. There is common consensus that you cannot have sustainable development without security, nor maintain security without development.

56. Nevertheless, there are issues around how to achieve both development and security, and the best order in which actions should be taken to achieve this. The UK addresses this in Helmand through the Helmand Executive Group, the executive decision-making body in the Provincial Reconstruction Team which brings together all four strands of the UK Plan. Civilians and military work together on the Helmand Executive Group to develop operational approaches that serve the interdependent security and development agendas. The DFID Development Adviser in the Provincial Reconstruction Team is a core member of the Helmand Executive Group.

57. There is clarity of budget lines for UK activities in Helmand. DFID provides funding in two main ways: central funding of Government of Afghanistan’s National Priority Programmes to bring longer-term development to the Province (£30 million through the Helmand Agriculture and Rural Development Programme with £10.3 million allocated this financial year); and funding to the Provincial Reconstruction Team for Quick Impact Projects through the Global Conflict Prevention Pool. DFID, FCO and MOD all currently contribute funds through the Global Conflict Prevention Pool for Quick Impact Projects, supporting work across all four strands of the UK Plan and ensuring good coordination and simple application of processes for disbursement and accountability.

58. Stabilisation, reconstruction, humanitarian and development assistance can (and do) overlap. There is no clear point at which one stops and another begins. For example, in Helmand development activities are currently taking place in and around Lashkar Gah, where some DFID-funded Government of Afghanistan National Priority Programmes are being implemented, while stabilisation activities (aimed at supporting the preconditions for longer term development) are being pursued in Sangin and Gereshk. Ideally, over time we will see a shift from “consent winning activities” through Quick Impact Projects and stabilisation activities to more long-term development. Getting the balance right between security efforts and reconstruction and development, along with political engagement, requires robust, integrated planning. A good understanding of local politics and dynamics is also essential. The Helmand Executive Group provides the mechanism through which this integrated planning can take place on an ongoing basis in the Provincial Reconstruction Team.

The effectiveness of the Post Conflict Reconstruction Unit stabilisation effort in Helmand Province

59. The Post Conflict Reconstruction Unit has been involved in delivering UK stabilisation objectives in Helmand since October 2005. To date, the unit has played an important contributory part in delivering the UK’s stabilisation effort in Helmand. As the Unit’s role increases, the Post Conflict Reconstruction Unit’s performance will become ever more critical to the overall success of the UK’s efforts. The Unit’s role to date has been in three important areas.

60. First, supporting Departments to undertake integrated stabilisation planning. The UK Joint Plan for Helmand was the UK’s first attempt at creating a genuinely integrated plan for a joint (civilian-military) operation in a complex environment. The Post Conflict Reconstruction Unit played a key role in “facilitating” this process by:

- supporting the Cabinet Office to coordinate planning involving numerous parts of government;
- providing experienced advisers to assist in the analysis of issues and development of options;
- providing the logistical means which allowed an inter-departmental planning team to deploy.

61. Secondly, supporting the critical review and revision of the UK’s stabilisation effort. The 2006 joint review of the Helmand Plan came at a critical time in the UK’s engagement. Post Conflict Reconstruction Unit’s support to Cabinet Office in facilitating the review helped to ensure a rigorous and “joint” exercise. The subsequent adoption of key review recommendations, particularly those around co-location of the civilian and military leads, has been important in improving the effectiveness of the UK’s efforts.

62. Thirdly, providing stabilisation expertise. The Post Conflict Reconstruction Unit’s comparative advantage in finding and deploying staff to deliver stabilisation tasks is increasingly recognised across Whitehall. Throughout the Helmand deployment, the Unit has been able, often at short notice, to deploy experienced, security trained and cleared staff to the Provincial Reconstruction Team. Initial interim deployments in 2006 gave impetus to the Helmand Plan, notably the Quick Impact Projects programme and early direction on governance and rule of law issues.

63. More recently, deployment of the Stabilisation Adviser and the creation of the Stabilisation Cell has significantly increased the overall civilian effort and improved civilian-military linkages, particularly the link to military planning. Deployment of a Stabilisation Adviser in Regional Command South Head Quarters has added an important civilian advisory capacity to that Head Quarters which has a bearing on stabilisation in Helmand.

The sustainability and effectiveness of counter-narcotics policies and their impact on development

64. The drugs trade in Afghanistan accounts for just under 30% of the Afghan economy and involves 12% of the population. Poppy cultivation has risen for the second successive year, with Helmand responsible for over half of the crop. At the same time, the number of “poppy free” provinces in the north and centre—where there is access to development, rule of law and security—has risen to 13 from 6 last year. While noting this success, we need to bear in mind evidence from other countries that sustainable results will require effort over a number of years across a range of issues such as improved governance, rural livelihood opportunities, security, and justice systems. We must be wary of thinking that there is a quick, simple solution to the drugs problem in Afghanistan and of diverting attention away from our main effort in pursuit of a “silver bullet”. For example, untargeted eradication of poppy crops would risk alienating farmers and increasing rural poverty. Legalising poppy growth would also fail to solve the problem; there is insufficient infrastructure to administer a licit cultivation scheme and Afghanistan’s farmers would only be contributing to an already over-supplied opiates market. The solution to the narcotics problem in Afghanistan will be long-term and multi-faceted, and led by the Government of Afghanistan, which has ruled out both untargeted spraying of poppy crops and legalisation.

65. The UK supports the Afghan government’s five year National Drug Control Strategy, which is now in its second year. The goal is to secure a sustainable decrease in cultivation, production, trafficking and consumption of illicit drugs, with a view to complete elimination. This goal is pursued through four national priorities: disrupting the trade by targeting traffickers and their backers, strengthening and diversifying legal

rural livelihoods, developing state institutions, and reducing the demand for illicit drugs and the treatment of problem drug users. The UK has focused on the first three of these (livelihoods is covered in a separate brief).

66. Law enforcement is essential to increase the risk associated with the drugs trade. Improved law enforcement also helps improve wider governance and security, which are essential for development. The UK has: (i) provided substantial support to the Counter-Narcotics Police, widely considered to be the most effective Afghan law enforcement body; and (ii) allocated over \$20 million to the Criminal Justice Task Force which prosecutes key figures in the drugs trade. Since May 2005, the Criminal Justice Task Force has secured around 400 convictions. The UK is also seeking tough action against narco-corruption, which will make a key contribution to strengthening support for the Government.

67. Eradication of the crop can reinforce rule of law as part of a comprehensive Counter-Narcotics strategy. The UK supports eradication where alternative legal livelihoods exist. Eradication this year reached 19,000 hectares, and we are now working to improve the capability of the Afghan eradication forces.

68. Strong state institutions are essential to ensure coordinated implementation of the National Drug Control Strategy. The UK is pressing for reform of the Ministry of Counter-Narcotics to ensure the Ministry's costs are sustainable, and affordable by the Government of Afghanistan. The Ministry of Counter-Narcotics leads the annual pre-planting campaign which highlights the risks and negative impacts associated with poppy. Such a voluntary approach to the reduction of cultivation is likely to be more sustainable in the longer-term; this is therefore a key element of the overall strategy.

The level of funding for and the appropriateness of the Alternative Livelihoods Programme

69. DFID is playing a major role in supporting the development of legal livelihood opportunities through Government of Afghanistan national programmes, and providing policy advice to key ministries on how to support the growth of legal livelihood opportunities. DFID's alternative livelihoods programme contributes to the National Drugs Control Strategy as well as to the Interim National Development Strategy.

70. In order to spread risk, most Afghans need several income streams to survive. In rural areas, these income streams may include agriculture, remittances and welfare. Poppy is one of the most profitable Afghan crops, and provides an income for many poor labourers. Legal alternatives therefore need to provide a reasonable rate of return.

71. There are also a number of other factors that need to be in place for farmers to be able and willing to take up legal livelihoods. These include security, access to markets, access to credit, agricultural inputs and equipment, labour opportunities and training. More broadly, rural Afghans need access to education, healthcare and adequate sanitation if they are to be in a position to take advantage of livelihood opportunities. DFID is working to help create these positive conditions, recognising that substantial progress will need sustained effort over many years.

72. DFID is one of the biggest donors in the livelihoods sector. The majority of this funding supports the Government of Afghanistan's own national programmes. These programmes are:

- (i) The **National Solidarity Programme** (over £38 million) which supports the planning and implementation of community-based projects, funded by the Government of Afghanistan, but chosen by the communities themselves. Since May 2003, the project has led to the establishment of 17,832 village councils in all 34 provinces of Afghanistan, and has funded 30,463 projects, of which 12,887 are completed. This programme is valuable both for the physical assets it provides, but also for the impact it has in raising the Government's visibility across the country.
- (ii) The **Microfinance Investment and Support Facility Afghanistan** (£20 million) which offers access to legal credit. Since 2004, credit has been provided to 375,000 clients in 23 provinces, of whom around 70% are women).
- (iii) The **National Rural Access Programme** (£18 million) which funds the rehabilitation of rural roads. Since 2004, over 9,070 km of roads have been rehabilitated, generating 13m employment days in all 34 provinces. This programme therefore helps improve access to markets, and also provides a useful source of income for people in rural areas.
- (iv) The **Horticulture and Livelihoods Programme** (£7 million) which will improve incentives for private investment, and strengthen institutional capacity, in key agricultural sectors. This programme is still at an early stage, but is expected to deliver an increase in outputs from horticulture, poultry and dairy sectors.

73. In addition to funding these programmes at a national level, DFID funds the Helmand elements of the National Solidarity Programme, National Rural Access Programme, Microfinance Investment and Support Facility for Afghanistan, and the Government's Rural Water and Sanitation Programme, under its **Helmand Agriculture and Rural Development Programme** (£30 million). Since the start of this year, the programme has funded the construction of over 550 wells, and the rehabilitation of 40 km of rural roads.

74. DFID also funds a number of bilateral projects designed to support the National Drug Control Strategy objectives of strengthening and diversifying legal livelihoods:

- (v) The Food and Agriculture Organisation **Alternative Livelihoods Programme** (just under £3 million over three years) which is supporting the Ministry of Agriculture, Irrigation and Livestock to integrate a counter-narcotics approach into all of its programmes.
- (vi) The **Research in Alternative Livelihoods Fund** (£3 million over three years) which funds applied research into legal livelihoods such as alternative crops, livestock, and post-harvest processing, increasing income for communities.
- (vii) The Food and Agriculture Organisation **Sustainable Livelihoods in Eastern Hazarajat** project (£3.77 million over five years) which is designed to develop the capacity of the rural population in Eastern Hazarajat to pursue sustainable legal livelihoods.

75. The final element of DFID's livelihoods programme is the **Support to Strategic Planning for Sustainable Rural Livelihoods** programme (£4.5 million over five years), which provides advisory support to strengthen the Ministries' capacity in policy formulation and planning, budgeting, and monitoring and evaluation.

76. DFID is working with the World Bank on a study of economic incentives to reduce opium cultivation, to be completed mid-October. Initial analysis has identified rural enterprise development, support for high value agriculture, and improved infrastructure as the most promising avenues to encourage farmers to move away from poppy. Once the work is complete we will be discussing with the Bank and the GoA how best to take forward its recommendations.

The role of Non-Governmental Organisations; the impact of the decline in direct core funding on the provision of humanitarian services; the impact of the security situation on Non-Governmental Organisation activity

The role of NGOs

77. As well as independent operations funded directly from donors, Non-Governmental Organisations are the main implementing agencies in many UN programmes and in the Government of Afghanistan's National Priority Programmes. For example, the flagship National Solidarity Programme is implemented through 23 national and International Non-Governmental Organisations. Non-Governmental Organisations also play an important donor and implementation role in the health and education sectors.

78. DFID values its partnerships with Non-Governmental Organisations in Afghanistan and conducts regular consultations on programme and policy issues. DFID, MOD, and FCO hold quarterly meetings on Afghanistan with Non-Governmental Organisation representatives in London. DFID would like to see international and national Non-Governmental Organisations focus increasingly on building local civil society and appropriate accountability mechanisms.

The impact of the decline in direct core funding on the provision of humanitarian services

79. DFID's funding to the Afghanistan Reconstruction Trust Fund goes towards key GoA-led programmes which are delivering essential services and encouraging long-term development. Non-Governmental Organisations are the main implementing partners for the National Solidarity Programme and the Microfinance Investment and Support Facility for Afghanistan, and are therefore continuing to use their skills to deliver humanitarian services and foster sustainable development.

80. UK funds are also directly available for Non-Governmental Organisations working in Afghanistan—through the FCO/MOD/DFID Global Conflict Prevention Pool, and the DFID-wide Civil Society Challenge Fund, Global Conflict Fund, and Governance and Transparency Fund. The Civil Society Challenge Fund is currently supporting Womankind and War Child programmes in Afghanistan and proposals for work in Afghanistan are currently being developed by Non-Governmental Organisations for submission to other funding pools. DFID's Conflict, Humanitarian, and Security Department also funds Non-Governmental Organisation de-mining work in Afghanistan.

81. Since 2001 DFID has provided £120 million of humanitarian assistance to Afghanistan. Prior to 2003, the majority of DFID aid to Afghanistan was focussed on immediate reconstruction and humanitarian needs. In 2003–04, following a change in the needs of the Government of Afghanistan our focus shifted to long term developmental programmes.

82. DFID continues to provide humanitarian assistance. In 2006–07, the UK committed the following humanitarian aid to Afghanistan: £1 million for drought mitigation; £1.2 million to support HALO Trust's de-mining programme; and £30,000 to provide food and other essential items like soap and blankets for 3,000 internally displaced families in Helmand.

83. In addition to our own bilateral aid to Afghanistan, DFID provides 17% of the European Commission's 2007 commitment of EUR 140 million and over 10% of the World Bank's commitment of \$250-300 million a year. We also contribute to UN agencies and to the Asian Development Bank. A proportion of this funding can be attributed to Humanitarian assistance.

The impact of the security situation on NGO activity

84. Security in most provinces across Afghanistan allows the Government, Provincial Reconstruction Teams, the United Nations, donors, and Non-Governmental Organisations to continue their work. The large United Nations and Non-Governmental Organisation presence in Afghanistan is testament to their ability to operate in the majority of the country. However, in the southern provinces where violence has been more intense, security is a major constraint on Non-Governmental Organisation activity.

85. Many international Non-Governmental Organisations have decided that it is too insecure to have bases in the southern provinces. However, there are some United Nations agencies and Non-Governmental Organisations operating in Helmand and the other southern provinces. DFID and other Provincial Reconstruction Teams members in Helmand work closely with these Non-Governmental Organisations who are involved in identifying and implementing Quick Impact Projects, and who act as implementing Government of Afghanistan partners for DFID-funded rural development programmes operating in Helmand. DFID works hard to ensure the needs of Non-Governmental Organisations on security and independence are met in this complex, civil-military environment.

Harmonisation and coordination of the donor response; the relationship between different aid modalities; the role and effectiveness of the integrated mission

86. DFID Afghanistan is deeply engaged in work to improve harmonisation and coordination of the donor response in Afghanistan, which at present is weak. Around two-thirds of aid does not go through the Afghan government's budget, and is therefore difficult to track, monitor or factor into planning. DFID strongly believes that putting funding through the government, using proven funding mechanisms with rigorous safeguards, is far better value for money and significantly reduces burdens on government. Going beyond both our Paris Declaration obligations and our commitment under the Development Partnership Agreement (which was for 50% of our money to go through the government budget), we now put 80% of our live portfolio through government.

87. This is supported by evidence from the Peace Dividend Trust, who in a recent study estimated the local economic impact of aid spent through government systems to be more than four times greater than aid spent through international contractors or Non-Governmental Organisations. The World Bank, similarly, estimates that health services contracted outside Government are 50% more expensive than those contracted by Government.

88. DFID is therefore supporting the Government of Afghanistan to produce a full Poverty Reduction Strategy Paper (the Afghanistan National Development Strategy) which will enable it to set clear priorities for the coming five years. To ensure this can be effectively implemented, DFID is also leading work on a joint donor response to the Afghanistan National Development Strategy. This aims to improve harmonisation and coordination of the donor response—bringing a greater proportion of aid into alignment with government priorities, as well as aiming to increase the proportion which is on-budget.

89. DFID is also working closely with other donors on an external review of the Afghanistan Reconstruction Trust Fund, due to report at the end of this year. The review will have two areas of focus:

- (a) a backward looking focus ie reviewing the extent to which the Afghanistan Reconstruction Trust Fund, as originally designed, has achieved its aims and objectives; and
- (b) a forward looking focus which will determine the extent to which the Afghanistan Reconstruction Trust Fund as currently structured is an appropriate vehicle to meet the development challenges of the next 10 years in Afghanistan. The World Bank will work with donors to examine the potential for the Afghanistan Reconstruction Trust Fund to evolve into a broader financing mechanism capable of supporting a wider range of sectors.

Supplementary memorandum submitted by the Department for International Development

Follow-up information requested during evidence on 23 October 2007.

1. Total per capita aid funding for Afghanistan and comparison with other recent post-conflict countries

The OECD Development Assistance Committee (DAC) provides an annual report on Official Development Assistance (ODA) flows to fragile states. The latest data available is for 2004. This shows Afghanistan ranked 15th out of 38 fragile states with aid per capita of \$67.

Aid to Afghanistan has continued to increase since 2004. For 2007, using data provided by the Ministry of Finance of total expected aid flows, we expect ODA per capita to be close to \$140. This is based on an estimated maximum population of 31 million. Population estimates range between 24 and 31 million. The DAC 2006 report *Monitoring Resource Flows to Fragile States* identifies countries of concern—those receiving low levels of ODA. Afghanistan is not one of these.

2. Percentage of donor funding which goes through the Afghanistan Reconstruction Trust Fund (ARTF) and how much is received “off-budget”

The total amount of donor expenditure expected for 2007 is \$4.3 billion. The breakdown of this expenditure is as follows:

- \$1.9 billion in total channelled through the core budget (ie spent through Government public financial management systems).
- ARTF component of this is \$500 million.
- \$2.4 billion in total channelled through the external budget (ie spent “offbudget”).

ARTF is 11.62% of total donor expenditure or approximately one-quarter (26%) of donor expenditure spent through the core budget

(Source: Ministry of Finance 1386 (2007) budget—based on reporting from donors.)

3. *More details of US aid expenditure in Afghanistan including*

The total US ODA to Afghanistan in 2006 was \$1.7 billion (USAID and State Dept—source OECD DAC).

US education spending: This is approximately 3% (\$50 million) of US development assistance in 2006 (Source: US Government and Accountability Office).

US funding through the ARTF: \$73 million (approximately 4.3% of US development assistance in 2006) (Source World Bank).

4. Percentage of school age girls who are enrolled in and regularly attend school

According to the Afghan Government’s National Risk and Vulnerability Assessment, conducted in 2005, the net enrolment ratio in primary education of kids aged six to 13 years is 37% in total: 29% female and 43% male. However in urban areas this rises to 51% female and 55% male. Distance and a shortage of female teachers are cited as the constraining factors.

November 2007

Supplementary memorandum submitted by the Department for International Development

Further information as requested in oral evidence:

1. Q139 [Robert Smith]: *What progress has been made on the Maternity teaching unit built with UK funds in Lashkar Gar? The US were supposed to fund the actual training if we built the building but it was empty when we visited. Also what budget line did UK funding come from DFID or Global Conflict Prevention Pool (GCPP)?*

Maternity Teaching Unit—The PRT provided funds for the midwives’ accommodation. The construction was completed in July 07, but the accommodation is not currently being used. The delay in attracting midwives to the facility has been due to the Afghan Government’s stringent training programme for midwives, which could not be modified. A solution has been found and a midwifery training programme is about to start using the Ministry of Health’s primary health implementer, Ibn Sina, with funding provided by the World Bank. The training is planned to start within the next few months, at which stage the accommodation will be used.

The funding for the midwives’ accommodation came from GCPP Quick Impact Projects (QIPs).

2. Q153 [Robert Smith]: *There was a school built in Sangin with UK funds (probably QIPs). Questions were raised about whether this was appropriate. Is this school now functioning? Does it have teachers?*

Sangin school—The PRT has supported two schools in Sangin. The first is located close to the district centre and involved classroom refurbishments only. The school is functioning, although it is not yet fully staffed. It has three of seven teachers required. There is an active student body. It is also providing some adult literacy classes outside of normal school hours.

The second school is a new build outside of the district centre. So far, only the footings exist and it will take approximately another six months to complete. It is our hope that it will achieve the same level of support as the school in the district centre.

3. Q162 [Richard Burden]: *The Government has agreed to fund two new programmes in support of stronger provincial and local governance. One is funding for the Independent Directorate for Local Administration/Governance (IDLG), the other is for the National Solidarity Programme. We were given the figure for the former (£1.5 million) but not the latter?*

DFID has been supporting the National Solidarity Programme (NSP) since 2003. In March 2007 the SoS approved a second phase of support to NSP of £15m over 2007–10 with a £5 million annual disbursement profile. We have brought forward £10 million support to help NSP meet its immediate funding shortfall this year.

The planning process for DFID's Country Assistance Plan (2009–11) will help determine whether we should provide additional funding to NSP. The Government of Afghanistan is in the process of formulating a policy on the future of community development councils, which are currently established under the NSP, and we will give careful consideration to this as part of our funding decision.

22 January 2008

Memorandum submitted by ActionAid

EXECUTIVE SUMMARY

ActionAid is a rights-based development agency with its international secretariat in Johannesburg. It reaches over 13 million of the world's poorest and most disadvantaged people in 43 countries in Asia, Africa and the Americas. ActionAid started working in Afghanistan in 2002 and through its contribution to policy debates and experience through projects in the field; ActionAid Afghanistan (AAA) critically looks at the development assistance in Afghanistan.

1. *The role of NGOs, the impact of the decline in direct core funding on the provision of humanitarian services; the impact of the security situation on NGO activity:*

Field activities have been severely hampered due to increased acts of violence and threats to staff; as a result of this volatile environment programme costs have significantly increased. Dependence of NGOs on government-led programmes has compromised their perceived neutrality. Reflecting on donor aid policy including that of DfID for Afghanistan, ActionAid is concerned that significant emphasis on state building is linked to wider political and military objectives of stabilisation and political transition.

- DFID in addition to its support to the ARTF should also make funds directly available to NGOs operating in Afghanistan

2. *Tensions between the development and the security agenda, overlap between stabilisation, reconstruction, humanitarian and development assistance:*

ActionAid recently carried out a political analysis of the security situation and trends towards disorder, which identified a number of issues that are fuelling the current instability. Findings include resentment of lack of development progress, foreign presence, funding delays, drugs, corruption, warlordism, incompetence of police, negative attitudes towards women's rights, and criminal and militant activity.

- DFID should continue to work with other donors focusing on police reform and review its counter narcotics policy along the lines suggested by NGOs.

3. *The contribution of budget support, through the Afghanistan Reconstruction Trust Fund to strengthening institutional capacity and accountability:*

NGO involvement in ARTF is purely at the project implementation level and there is no mechanism to include a wider civil society contribution for example in policy decisions or evaluation and monitoring. Policy level engagement is difficult owing to policy development taking place at World Bank HQ. Furthermore ARTF lacks any clear gender policy although gender components are reflected in some of the programmes implemented through it.

- DFID should work to influence World Bank policies and management of the ARTF to ensure that gender mainstreaming guidelines are applied across the board in the ARTF. DFID should also use its influence to ensure that CSOs are invited as observers on ARTF.

4. *Harmonisation and co-ordination of the donor response; the relationship between different aid modalities, the role and effectiveness of the integrated mission:*

An aid co-ordination and effectiveness group has been established in response to the Paris Declaration but again findings show that there is no CSO representation and it is only the donors who are invited to the meetings. Further, a lot of aid money coming to the country is going through external budget. Not all donors are reporting their contributions to the Ministry of Finance thus making it difficult to know the exact amount of money coming into the country.

- DFID should encourage other donors, who are channelling money outside ARTF, to report contributions on timely basis to the Ministry of Finance to ensure a clear picture about the aid money coming into the country.

1. INTRODUCTION

1. ActionAid is a rights-based development agency working in more than 40 countries across Asia, Africa, Caribbean and Americas, with its international secretariat in Johannesburg. ActionAid started working in Afghanistan in 2002 and operates in the provinces of Jawzjan, Balkh, Samangan, Kabul, Kunduz, Ghazni and Kandhar.

2. ActionAid implements a rights based approach in its projects and programmes in its fight against the poverty, injustice and insecurity that people and particularly women experience in Afghanistan. In addition of the projects in the field ActionAid Afghanistan (AAA) also contributes to policy debates through its research and advocacy work.

3. At no time since 2001 has the security situation in the country looked so dire. Over the last year, the Taliban have regrouped, reorganised and refunded their insurgency, launching bitter battles across the southern third of Afghanistan. In addition, northern Afghanistan has not escaped unscathed from the insurgency. There has been a spate of school burnings and attacks on police posts, which may be linked to the Taliban. There are also reports that Islamic militant groups have been able to pay disgruntled militia commanders to commit acts of violence. Economic motivation seems to be more prominent than ideology. In addition to this, the precarious law and order situation in various parts of the country has made humanitarian workers and NGOs vulnerable to attacks from criminally motivated gangs and individuals looking to make quick money from robbery, theft and kidnapping.

4. For the Taliban, it is important to show instability in northern as well as southern Afghanistan. That can be done by attacking NATO troops or killing NGOs that are implementing government projects such as the National Solidarity Programme (NSP).

2. THE ROLE OF NGOS, THE IMPACT OF THE DECLINE IN DIRECT CORE FUNDING ON THE PROVISION OF HUMANITARIAN SERVICES; THE IMPACT OF THE SECURITY SITUATION ON NGO ACTIVITY

5. Afghanistan is moving away from emergency relief to sustainable development. This transition warrants a long term strategy and commitment from all actors. But increasing insecurity is the greatest concern for Afghan civilians and NGOs operating on the ground. Threats of kidnapping and targeted attacks on NGOs and their personnel, perceived to be aligned with international military and/or the government of Afghanistan have rendered many areas out of bounds for any development or humanitarian work.

6. The murder of 3 AAA women staff members and their driver in May 2006 in northern Afghanistan sent shockwaves throughout the organisation and larger international development community. Up to now the investigation of the case remains inconclusive and like the pace with which similar cases involving other international NGO staff are progressing, it seems unlikely that anything concrete will emerge soon. Since the killing of staff members AAA has pulled out of the particular district in Jawzjan a relatively safe province in northern Afghanistan. The increase in violent acts involving humanitarian workers all over the country has put extra strain on NGO operations. Agencies including AAA are taking extra caution while deciding to operate in a particular area. Thus, leaving out people in areas where the security situation is perceived to be dangerous. Further, programme quality in the field is suffering due to periodic suspension of activities because of increased acts of violence and threats to staff security. Field staff are finding it difficult to achieve programme objectives in set time frames; and intimate relationships with communities are getting compromised in some areas as staff in not able to spend quality time with the villagers. Lastly, the cost of operations has gone up for all NGOs as they are now forced to hire security advisors and put in place effective but expensive modes of communication to speed up information sharing and mitigate the risk.

7. Donor aid policy including that of DfID for Afghanistan places significant emphasis on state-building linked to wider political and military objectives of stabilisation and political transition. As noted in the BOAG Afghanistan briefing paper of September 2006 around 80% of the NGO activities are currently tied to the government programmes. While ActionAid support the objectives of promoting effective and

accountable authorities, it has concerns on two counts. Firstly, the current emphasis on the state-building is coming at the expense of providing basic services to populations in regions outside the political or geographic reach or the capacity of government to deliver. Secondly, implementing government sponsored/lead programmes such as the National Solidarity Programme involves a certain degree of risk as NGOs implementing such programmes are seen by insurgents as collaborators and therefore legitimate targets for an act of violence in the ongoing conflict.

8. *Recommendations*

- DFID in addition to its support to the ARTF should also make direct funds available to the NGOs operating in Afghanistan. In the absence of direct funding NGOs are unable to maintain direct service delivery in areas where government programmes are yet to reach. Further, dependence of NGOs on government led programmes also compromises their perceived neutrality, which is important to ensure safety of humanitarian workers in the field.
- DFID should also focus on strengthening government's capacity to maintain law and order by focusing on Police reforms and training of new police recruits. It could do this by increasing contribution to Law and order trust fund (LOTFA) and also facilitating streamlining of disbursement processes under counter narcotics trust fund (CNTF).

3. TENSIONS BETWEEN THE DEVELOPMENT AND THE SECURITY AGENDA: OVERLAP BETWEEN STABILISATION, RECONSTRUCTION, HUMANITARIAN AND DEVELOPMENT ASSISTANCE

9. International non-government organisations such as ActionAid operate in a highly political and narrowly defined humanitarian space in Afghanistan, steering a course between the people in the communities it works with on the one hand and the myriad national and international actors which impact the political and security situation on the other.

10. In September 2006 ActionAid's political analysis of the security situation in Afghanistan identified the following flash-points and trends towards disorder, as well as identifying a number of issues which are fuelling the current instability:²

11. *Growing resentment about the lack of progress in development*

The peace dividend has not been felt by people living in many communities throughout the country. This combined with continuing and growing insecurity and criminality has undermined the public's confidence in the government to maintain control and move the country forward.

12. *Resentment towards the foreign presence*

Local people resent the foreign presence, and often there is little or no distinction made between foreign troops, UN officials and staff of international ngos. Most Afghans have little or no access to running water, electricity or adequately paying jobs. Resentment towards aid agencies and UN officials, whose staff are often paid more than 10 times the salary of government officials has generated public ill-will.

13. *Funding delays*

ActionAid has been an implementing partner for the government's National Solidarity Programme. The programme has experienced major funding delays. Almost all 26 NGOs implementing the programme have experienced delays in receiving their instalments of funds, with ActionAid waiting in some instances up to 10 months for the government to release instalments of funds to facilitate implementation of the project. Similar delays have been experienced by the communities in receiving their direct block grant from the government;—translating into further delays. This is compounded by the fact that local government officials in some parts put the blame of this delay on NGOs, which in turn prompts communities to ask questions about whether the aid agencies are holding back the money for their own financial gain.

² Delivering Aid, Ensuring Security in a Changing Environment: A political analysis of the security situation of Afghanistan. ActionAid September 2006

14. *Role back of aid in the south*

As the security situation has worsened in the south over recent months many aid agencies which have operated in the area have pulled out or drastically curtailed their activities.

15. *Drugs*

Programmes to control and eliminate poppy cultivation fuel resentment, which can easily escalate to a generalised resentment against all “outsiders” who are not part of the affected community. A review of the current counter narcotics strategy is required along the lines of suggestions made by the NGOs such as increased focus availability of funds for alternative livelihoods, focus on drug trafficking and law enforcement, etc.

16. *Corruption*

ActionAid’s experience is that resentment in the south focuses most commonly on officialdom which is perceived as corrupt and making money out of foreign aid whilst the local communities suffer the effects of insecurity and attempts to curb poppy cultivation. In the north the resentment is aimed more at aid agencies and ngos who are also seen as siphoning off reconstruction money. Much of this perception stems from the fact that for many people their lives have not noticeably improved.

17. *Warlordism and ethnic divisions*

Many of the militia commanders from the 1990s hold positions of power at either the national or at the district or local level. The NSP is seen by many as an opportunity to supplement their income by charging protection money or a type of local “tax”. This presents a particular threat to agencies such as ActionAid which is committed to transparency. Further there seems to be no clear strategy to deal with warlords or warlordism, this makes the process of reconciliation unclear.

18. *Police incompetence*

Police reform has been one of the major failures of the post 2001 period. Paid only about £35 a month, many police are illiterate, poorly trained and with few skills. Many individual police officers have been implicated in drug trading, smuggling and human rights abuse.

19. *Attitudes towards women’s rights*

The work of many aid agencies such as ActionAid in promoting women’s rights is seen as threatening cultural values by many religious leaders.

20. *Criminality and continued militant activity*

Criminal activity intersects closely with political militancy as criminals exploit the vacuum of state control to pursue their activities of extortion, kidnapping and violence.

21. *Recommendations*

- DfID should review its current counter narcotics strategy along the lines of suggestions made by the NGOs.
- DfID should continue to work with other donors focusing on police reform, and should explore new and creative ways of working with police authorities throughout the UK to ensure increased applications of British police offering their services in countries such as Afghanistan to train counterparts.

4. THE CONTRIBUTION OF BUDGET SUPPORT, THROUGH THE AFGHANISTAN RECONSTRUCTION TRUST FUND TO STRENGTHENING INSTITUTIONAL CAPACITY AND ACCOUNTABILITY

22. The Afghanistan Reconstruction Trust Fund (ARTF) has two components, the Recurrent Window for funding on-going budget costs, eg wages and operations and maintenance; and the Investment Window which finances the development projects. In FY March 2004–05 (Solar Year 1383) the Recurrent Window disbursed US\$235.2 million and the Investment Window US\$50.6 million. The UK contributed US\$103.06 million in that year. As of January 2006 the investment window is made up of 12 investment projects totalling US\$267.6 million divided into three areas: (a) infrastructure; (b) public sector capacity development, including strengthening quality of education, and (c) rural development.

23. Preliminary findings of a review and analysis of the experience with Multi-donor trust funds in conflict affected reconstruction presented at the Oslo Inception Workshop in May 2006³ reported that the government of Afghanistan had strong ownership, and there was widespread support for the ARTF, especially in relation to its budget support. The report states: “For all parties, having the ARTF as a funding source has been extremely efficient. For the Government of Afghanistan there is only one source of funding for the recurrent budget and thus only one actor with which to interact. Since the World Bank as a policy provides on-budget financing and has long experience in managing funding in this manner, the government has had an experienced interlocutor back to the donors who in fact are providing a fiduciary management service that enables more donors than otherwise to provide funding to the budget.”

24. However the review also found that there was no effective strategy for capacity development, either for the budget support functions or for the project implementation. Many projects did have a capacity development function, but it was on an *ad hoc* rather than planned basis. The Inception Report found that there was no explicit strategy for maximising the impact of capacity development. At a project level the review found that the human skills base was aging, and that donors provided their own training with little co-ordination of human resource development. Technical assistance has also been characterised by poor institutional arrangements with little co-ordination to capture best practice or avoid gaps and reduce duplication. The Inception Report found that the ARTF achievements are fragile, and are dependent on external technical assistance and continued improvement in national stability and security.

25. The vast majority of the government’s funding comes from outside the country. In Solar Year 1383 (March 2004–05) 4.8 billion, a large percentage of the government’s annual budget, of this was provided by donors with only US\$1.7 as core budget. Of this 1.7 billion, 1.3 billion was directly supervised by donors. This means that only 8% of public funds were fully controlled by the government itself. At the same time because of the historical lack of capacity of the government, ngos and private contractors have played a large role in project implementation and service delivery.

26. ActionAid received funding from the ARTF for project implementation as part of the National Solidarity Programme. ActionAid has been facilitating implementation of the NSP since 2004, and last year its contract budget was US\$1.4 million. Currently ActionAid works in 298 communities establishing community development councils, facilitating the elaboration of Village Development Plans, supporting the communities in problem prioritisation and developing sub-project proposals. The communities then submit these proposals to the government for approval and ngos facilitate the implementation of these projects.

27. Involvement of non-government organisations and other civil society organisations in the ARTF has been almost purely at the level of project implementation. Ngos have had no input into decision-making, which is mainly the domain of the donors, nor have Ngos and csos had any involvement in monitoring and evaluation. It is a major challenge for ngos and csos to find ways to engage with the ARTF in policy development. The emphasis of policy development in the ARTF is primarily in Washington DC at the World Bank headquarters.

28. The investment window of the ARTF has focused too much on infrastructural projects at the expense of public sector capacity development. The public sector development aspects of the ARTF take place as if in a vacuum devoid of a political analysis and conflict prevention tools. DfID has committed itself to making all its development work conflict sensitive⁴ and is committed to ensuring that development takes better account of its possible effect on conflict. To this extent, and as a major contributor to the ARTF, it is important DfID uses the findings from its Afghanistan Country Governance Assessment to ensure that conflict sensitivity is applied to all aspects of ARTF’s Investment Window projects.

29. DfID should ensure that public sector capacity development and rural development projects within the Investment Window of the ARTF include on-going conflict analysis, so that they can take account of views on the ground, and not just base their analysis on bi-lateral relations with the government. This is inevitably both time consuming and requires dedicated funding. DfID should encourage the use of assessment tools such as ActionAid’s Participatory Vulnerability Analysis, a methodology which brings together different actors within communities to look at their own vulnerabilities and propose solutions to either minimise or solve them.

30. ActionAid’s own experience with the ARTF is that there is a lack of mechanisms to involve implementing partners. Early on in the ARTF’s implementation, there was a one-off attempt to set up a forum for implementing partners, run by a foreign consultant attached to the Ministry of Rural Development. However, the forum did not continue, and ActionAid’s experience was that nothing changed in policy or practice terms as a result of the suggestions and ideas raised in forum, although participants felt it had provided a useful focus for the exchange of information between themselves.

31. The Inception report in its conclusions on the ARTF noted that “The ARTF has been an extremely useful harmonising instrument for budget support and contributed to co-ordination of the national rural development programmes”. It went on to note that “It is unclear to what extent ARTF is contributing to any further harmonisation, since is so small compared to other resources”.

³ Inception Report: A Review and Analysis of Multi-Donor Trust Funds in Conflict Affected Reconstruction: Oslo May 2006.

⁴ Conflict Policy Statement, DfID 2007.

32. In relation to gender, the 2006 review of the ARTF found that in the absence of a clear gender policy, although some projects had clear gender targets, this was on an ad hoc basis and dependent on individual task managers, rather than a result of a systematic policy. However, the three large development projects of the ARTF do have gender mandates:—for example the National Solidarity Programme requires the establishment Community Development Committees with equal participation of women, it also requires that female CDC members plan, implement and manage at least 1 sub-project proposed under NSP. Further, gender has been identified as a cross cutting theme for Afghanistan National Development Strategy (ANDS) to ensure that all sectoral strategies incorporate gender components in the proposed programmes and projects.

33. ActionAid’s experience of the ARTF is that there is an over-emphasis on employing international contractors for implementing its investment window projects, without sufficient emphasis on capacity development of national staff, or identifying potentially capable national contractors. In its own implementation of ARTF funded projects, ActionAid changed the practice in its own development districts to ensure local recruitment of poor workers. ActionAid used a participatory rural appraisal methodology to identify the participating workers and carried out a pilot study in one areas, which the government agreed initially to roll-out nationwide, although in the end this did not happen.

34. *Recommendations*

- DfID should work to influence World Bank policies at the headquarters level as well as with the management of the ARTF to ensure that gender mainstreaming guidelines are applied across the board in the ARTF. This should include both the Investment Window and the Recurrent Window.
- DFID should use its influence to ensure that CSOs are invited as observers on ARTF.
- FID should encourage establishment of an independent aid ombudsman to monitor and evaluate the work done by donors.
- DfID should work in close collaboration with the Afghanistan Ministry of Women’s Affairs to ensure that it elaborates a gender policy which is articulated across government.
- DfID should use its seat on the World Bank Board of Governors to ensure that all multi-donor trust funds have clearly articulated gender policies and include gender targets throughout its funding, from the very inception of the MDTF.
- DfID should ensure that the ARTF establishes adequate instruments to ensure that the experiences and recommendations for policy and practice change made by implementing partners of the Investment Window are taken into account, and acted on as appropriate.
- Multi Donor Trust Funds should give more emphasis to developing national capacity and employing national contractors. DfID should work with other international donors, as well as use its position within the World Bank Board of Governors to improve MDTF practices in this regard.

5. HARMONISATION AND COORDINATION OF THE DONOR RESPONSE; THE RELATIONSHIP BETWEEN DIFFERENT AID MODALITIES, THE ROLE AND EFFECTIVENESS OF THE INTEGRATED MISSION

35. In line with the Paris Aid Effectiveness meeting the Ministry of Finance has established an aid co-ordination and effectiveness group involving all donors. This group has been established keeping in view that a lot of donors are channelling their funds outside the state treasury ie funding projects in Afghanistan directly and not through ARTF/GOA.

36. There is no CSO representation on this group as similar to ARTF it is only the donors who are invited for the meeting.

37. A database has been created by the ministry of finance where donors are encouraged to report money they are channelling through the “external budget”. This is to ensure proper records of the money coming to the country. The External Budget records the expenditures which are directly executed by the donors, ie which do not go through the Government’s treasury system. The external budget shows an interesting pattern of spending during the past few years. The size of the external budget increased from US\$824 million to US\$1,344 million (by 63%) between SY1381 and SY1384. The main drivers of this increase were security and economic governance expenditures. In SY1385, however, actual external budget expenditures declined dramatically as compared with previous years. Actual external budget expenditure in SY1385 was US\$743 million, only 44% of the budget (US\$1,720 million).

38. This decline in external budget can be attributed to two reasons. One is the shift from external budget to core budget including the national army’s salaries and subsidy of the diesel fuel for power generation in Kabul city. The other, more importantly, is deterioration in reporting which appears to be the main reason. The sharp decline in reported external budget security expenditures (from US\$937 million in SY1383 to US\$303 million in SY1384 and only US\$20 million in SY1385), during a period of time when major security sector expenditure programs were being ramped up, confirms the importance of this latter reason.

39. *Recommendations*

- A lot of NGOs are putting in their own resources, independent of GOA and official donors, in the country. DFID should use its influence to ensure that CSOs are invited to aid co-ordination meetings.
- DFID should encourage other donors, who are channelling money outside ARTF, to report the same on timely basis to ministry of finance. This will ensure a clear picture about the aid money coming into the country and will also provide information about the sectors/areas it is being spent on.

September 2007

Memorandum submitted by Afghanaid

SUMMARY

1. As one of the few British NGOs and certainly the oldest British NGO devoted completely to assisting the people of Afghanistan, Afghanaid is pleased to contribute to the International Development Select Committee's (IDSC) inquiry into the effectiveness of British aid programmes in that country. Afghanaid has been a major implementing partner for aid programmes of both the British government and the European Community for most of its history in Afghanistan. Starting in 2003 however, there has been a significant shift in the way donors have chosen to deliver aid in Afghanistan. Afghanaid is submitting this paper as a case study of one NGO's experience of that shift in order to accompany and complement the evidence submitted by BAAG. Afghanaid's own experience is presented in this paper, as well as the community level impact stemming from (1) declining support for needs-based livelihood assistance, (2) sporadic and unpredictable aid flows, and (3) poor public sector co-ordination. Afghanaid's conclusions closely mirror those of BAAG, as the organisation remains deeply concerned about the erosion of assistance to the remote and inaccessible communities which we have a mandate to serve.

2. Donor funding has shifted in most cases towards almost exclusively investing in budget support and government sub-contracting programmes. In practice, this shift has meant a decline in support to help communities find sustainable ways to ensure food security and to meet basic needs. It has also diminished the role of formerly key NGO development partners. This donor shift was predicated on the assumption that the emerging Afghan government would be able to develop capacity quickly enough to deliver much needed programmes across Afghanistan in a timely fashion, an assumption that has proved to be false. While some ministries have indeed made rapid progress, there is still a huge gap between what is needed and government capacity to deliver—particularly at provincial and district levels. Many NGOs have skills and the interest to assist in sub-national capacity building efforts, yet they are not being supported to do so, in spite of requests from poorly trained and resourced local government representatives in remote areas.

3. There has also been a shift in the focus of rural development programmes. New donor programmes in this sector are increasingly focused on developing market potential rather than ensuring a safety net to ensure basic needs, yet both are essential for balanced and equitable development. New value chain strengthening initiatives are so far very localised and targeted at regions near well developed market towns, leaving the more remote and vulnerable areas without livelihoods support.

4. In addition to shifts in sector focus and partnership mechanisms, problems with aid delivery mechanisms for those programmes delivered through the Government of Afghanistan have been severe, further preventing aid from reaching people who need it most. The result of inconsistent, interrupted, and non needs-based aid programmes has been increased frustration and mistrust by rural communities of both the international community and the Afghan government. Although Afghanaid like many NGOs is committed to locating alternative sources of funding to continue vital front line programmes, sources of such funding are extremely limited. There is currently no national programmes to support livelihoods needs in rural communities (particularly related to agriculture, food security and income generation).

AFGHANAID BACKGROUND

5. Afghanaid was registered as a charity in the UK in 1983 in order to provide emergency assistance to Afghans displaced by fighting. By 1985, it was running a fleet of ambulances across the border between Afghanistan and Pakistan. As fighting became more localised during the early 1990s, Afghanaid began assisting in the rehabilitation of major infrastructures and the re-vitalisation of food production. Afghanaid is now a largely Afghan-managed NGO with a staff of 450 Afghans. It is governed by a Board of Trustees in the UK, where there is also a small Afghanaid fundraising office. Afghanaid's Head Office in Kabul provides support and oversight to programmes in four provinces.

6. Afghanaid's mission is to work in the most vulnerable and remote areas of Afghanistan. For that reason, based on criteria including poverty indicators and poor access to essential services, Afghanaid has been implementing community development projects in the provinces of Badakhshan, Samangan, Ghor and

Nuristan for an average of seven years. Sadly, because of the severely deteriorated security situation, our recent activities in Nuristan have been limited, but Afghanaid has wide coverage in the other three provinces—currently reaching over 900 villages across 14 districts.

7. Afghanaid's own history reflects the changing aid priorities in this country that has suffered so much strife and conflict over the past 25 years. From 1983 to 1995, we focused on emergency relief assistance needs, but then shifted to integrated rural development activities, combining agricultural extension, animal health care, vocational training and kitchen gardening for women, micro-finance, and infrastructure which would help communities improve production and access to markets. In 2003, Afghanaid entered into a robust partnership with the Government of Afghanistan by facilitating the National Solidarity Programme (NSP). NSP is an excellent initiative for encouraging wide participation in local governance decisions and in implementing primarily small scale infrastructure projects. It is one of the Government of Afghanistan's National Priority Programmes and is scheduled to reach every rural community throughout Afghanistan if security conditions and donor support allow.

8. Until 2006, with funding from the EC and DFID, Afghanaid was able to complement local governance gains by expanding livelihoods support available to Community Development Councils (CDCs) and various interest groups they represented (for example women's and farmers' associations). In 2006, both donors discontinued their direct support for NGOs facilitating integrated livelihoods activities.

DECLINE OF NEEDS-BASED AID

9. Until 2005, Afghanaid was able to offer much needed livelihoods skills training so necessary in the remote areas where Afghanaid works. Funding for this integrated livelihood skills training came from DFID and the EC. Both agencies discontinued this type of support to rural communities in 2006 following their policy shift towards direct budgetary support or the routing of aid primarily through the Government of Afghanistan. It is noteworthy that at that time DFID discontinued funding a successful consortium of four major NGOs (of which two, including Afghanaid, were British) implementing an alternative livelihoods programme in the poppy growing province of Badakhshan.

10. Afghanaid entered into a very constructive partnership with the Swiss Government's development agency (SDC) in 2006 which enabled the charity to continue and improve its delivery of livelihood support in the province of Samangan. In the much more remote provinces of Badakhshan and Ghor, however, discontinuation of DFID and EC support for livelihoods threatens development in 700 communities in nine districts. These districts are located in provinces with extreme poverty indicators and continued risk of food insecurity. These provinces also suffer from isolation due to long periods of winter inaccessibility.

11. Afghanaid has obtained a few small grants from disparate sources in order to continue some of the livelihoods activities previously covered by the EC and DFID, but coverage will be much reduced, and transaction costs to Afghanaid much higher. Reduced coverage will inevitably threaten the gains many rural villages were able to make in reducing the number of months when families experienced real hunger, which came through Afghanaid's training in improved agricultural techniques, animal husbandry, kitchen gardens and food preservation, not to mention wheat banks which served as a safety net for vulnerable groups. Communities in these districts are well aware that there are no government facilities yet in place that could take the place of the extremely useful livelihoods support that Afghanaid has offered.

SPORADIC AND UNPREDICTABLE AID FLOWS

12. Afghanaid is a long standing and committed partner of one of the most successful Government of Afghanistan programmes—the National Solidarity Programme (NSP). A series of evaluations have indicated that NSP is bringing significant positive impact in local governance capacities (including women's participation) as well as ownership and pride in the construction of small scale infrastructure projects that were prioritised and overseen by village level councils in over 15,000 rural locations. Yet even this highly successful programme continues to be threatened by failures to ensure consistent and adequate funding flows through the pooled funding mechanisms established by donors for national priority programmes. Less highly visible programmes have undoubtedly suffered more.

13. Failure to achieve consistent funding flows to NSP resulted in over 500 days in the past several years when NSP had no funds to disburse for community block grant allocations—an essential design component of the NSP. Delays in receiving block grants were compounded in many cases by seasonal inaccessibility constraints which meant thousands of communities waiting close to a year to be able to implement projects that community members had prioritised. Community members were understandably disillusioned and angry. Credibility of the elected Community Development Council members as well as the Government of Afghanistan and the NGOs acting as facilitating partners suffered accordingly. In addition, over the three years of NSP implementation, many of the NGOs delivering the programme in the rural areas have had to advance their own unrestricted funds (when possible) to keep NSP running. Because an increasing percentage of project portfolios of those same NGOs are resourced through sub-contracts with the Government of Afghanistan, they are overly vulnerable to such payment delays. Afghanaid for example was

required to spend £600,000 in reserves between April and September 2007 alone to keep NSP running. One more month of payment delays of an already six month overdue invoice would have required Afghanaid to shut down NSP activities.

14. Analysis of the source of the cash flow interruptions reveals two primary causes which are: (1) inadequate and late donor pledges, and (2) bottlenecks in funding request and approval mechanisms. NSP continues to suffer a £125 million funding deficit for its current phase, although the implementing ministry and a group of donors are now working very hard and co-operatively to prevent further cash flow interruptions. The lesson from this experience seems to be that donors have a responsibility to ensure that processing mechanisms are in place and functioning well and staff adequately trained to access them. This lesson also highlights the danger of dangers of routing all aid through a pooled funding mechanism dependent on high capacity and co-ordination levels until those attributes are fully in place.

POOR PUBLIC SECTOR CO-ORDINATION

15. Afghanaid's experiences with the donor-created "Counter-Narcotics Trust Fund" (CNTF), for which the British government took the lead bi-lateral role, may serve as a useful example of the impact of poorly designed and executed donor initiatives meant to be delivered through public sector structures. Although the CNTF was originally presented to NGOs as a funding source that could replace some of the discontinued support for livelihoods development, the guidelines for the CNTF approval processes were unclear and changed many times. A number of NGOs submitted proposals to the CNTF in good faith, yet after many months of waiting, and in spite of the fact that the proposals were developed in consultation with line ministries that endorsed them, they have not yet been approved. Unfortunately, there are few other programmes that could cover rural (alternative) livelihoods activities to turn to outside of the US-funded alternative livelihoods programmes in the provinces of Nangarhar, Kandahar, and Badakhshan.

16. Afghanaid's application⁵ to the CNTF was submitted in April 2006, and over the past nearly 18 months, Afghanaid has been asked to submit revised proposal texts/budgets five times, yet has received neither an approval nor a rejection, because it has failed to reach the end of the review labyrinth. This limbo continues in spite of endorsement and advice from a number of donor representatives that have contributed to the CNTF. This experience has been shared by other NGOs, and the CNTF has tied up at least \$40 million of aid that could have gone to support rural livelihoods. There is now a widespread perception that the few projects ever funded through CNTF were awarded on the basis of personal connections with key ministry figures, rather than more objective criteria.

17. Problems with CNTF proposal review procedures have revolved around two key issues:

- Ministry involvement: There was widespread confusion over the degree to which proposals submitted had to actually be from Ministries. Early guidance indicated that it would be sufficient to indicate a component of partnership with a ministry or at a minimum endorsement from a ministry, yet this later proved not to be the case.
- Procurement regulations: Six months after the initiation of the CNTF, NGOs with pending proposals were informed that their project designs and proposals would have to be publicly tendered. Many of the requests for proposal revisions after that date were for the purpose of ensuring proposals were completely generic in nature so that any agency could bid for them. Such an approach completely disregards the fact that NGOs have built up unique histories and relationships with communities and local leaders throughout rural Afghanistan, and the designs arising from that unique background cannot be simply be transferred to another implementer. Such tendering would also violate principles of intellectual property rights that the creators of project designs have a right to assume will be respected when submitting proposals (unless they are specifically contracted to design a project for public tendering).

18. Experienced ministries were also under the impression that NGOs could submit proposals to CNTF and then be awarded funds to implement them. This impression persisted as late as September 2006 when the Ministry of Rural Rehabilitation and Development (MRRD) requested a number of NGOs to design and submit cash for work infrastructure projects to the CNTF as part of MRRD's co-ordination of drought relief, since CNTF was known to have much needed un-programmed funding. MRRD later had to inform the NGOs that complied with their request (including Afghanaid) that their designs and proposals would have to be tendered to other implementers.

19. Many hundreds of hours of skilled professionals' time have been wasted in an extremely un-transparent CNTF review and approval process. This could have been prevented if the CNTF mechanisms had been designed to match realities on the ground, and if they had been shared in a transparent fashion with all stakeholders. Other ministries have managed to comply with procurement regulations while still awarding contracts to NGOs that were based on a competitive process that highlighted each applicant's strengths and suitability and not necessarily because of lowest price. But these Ministries have drawn on capacities to design a programme framework under which proposals can be reviewed—a capacity that CNTF does not seem to possess. Again, the lesson seems to be that if donors create development funding

⁵ A chronology of Afghanaid's CNTF applications is attached as an annex.

structures, they should accept responsibility to ensure that the institutions charged with administering them have sufficient capacity, and to intervene early on when it is clear they do not. If donors insist on routing all aid via public sector structures, at least these structures must be made to work to the point where implementing agencies with capacity to deliver can access the necessary resources.

CONCLUSION

20. International donors clearly have immense influence over the path to be taken in re-building Afghanistan after 25 years of war. A balanced, needs-based approach that does not neglect meeting basic needs is recommended. Unfortunately, the principle that aid should reach the people who need it most has become lost in the competing agendas for state building, market development, poppy eradication, and counter-insurgency efforts. Literature reviews of development in Afghanistan indicate that attention to sustainable livelihoods development (particularly for enterprise and job creation and training) for remote and vulnerable populations would have an important stabilising effect and reduce dependency on poppy cultivation, yet very few donors offer funding for such activities anymore. NGOs continue to be the most experienced and skilled organisations for working in the field of sustainable livelihoods, yet there are very few resources allowing them to contribute to this field.

21. Current funding mechanisms of most donors reduce the potential of a valuable aid delivery resource—the NGOs. In spite of decades of experience in Afghanistan and their ability to pilot innovative ideas, NGOs find themselves increasingly side-lined from aid programme design and meaningful partnership implementation decisions, in spite of the fact that the cost of their operations are a fraction of UN agencies or of consulting firms. This is occurring even though NGOs can and do work in dangerous parts of Afghanistan which government representatives and PRTs consider too volatile to approach. Most NGOs work with minimal security apparatus due to their reliance on community acceptance as protection, yet many donors balk at even the modest costs of enhanced security related equipment requested by NGOs. In extreme cases, current donor policies will hasten the financial ruin of long-established and dependable NGOs of integrity unless those NGOs are either willing to accept an almost entirely sub-contractor role which erodes their independence and neutrality, or can quickly develop non-statutory funding sources. Scandinavian, German, Irish, Japanese, Canadian and American NGOs are able to count on their governments reserving some component of their Afghanistan aid portfolios for their national NGOs, but British NGOs are not able to count on such support.

In an environment as volatile as Afghanistan, the diminution of long standing non-governmental partners able to address emergency relief needs as well as to develop rural communities and fledgling civil society groups should be viewed as risky in the long run. Putting all development resources through not yet fully developed governmental structures is a dangerously undiversified approach that has resulted in a regrettable neglect of basic needs in rural areas. It risks resulting in overly controlling central government structures with weak civil society counterparts that will undermine democratic processes. It may also encourage an undesirable expectation that government should provide all development, thereby discouraging self-help initiatives and fuelling frustration when those expectations are not met.

Annex A

CHRONOLOGY CHART OF AFGHANAID'S SUBMISSIONS TO CNTF

<i>Date</i>	<i>Event</i>
April 2006	Afghanaid submitted CNTF proposal via Ministry of Agriculture for livelihoods activities in Ghor and Badakhshan provinces.
May 2006	Based on request from the Ministry of Agriculture (Yaquab Roshan of USAID-funded RAMP project) to reduce mention of CDCs from proposal, text was revised and re-submitted.
September 2006	Afghanaid re-submitted proposal in response to a request from Ministry of Agriculture to excise Afghanaid's name as the implementing partner in the proposal because otherwise it would fall foul of procurement laws interpreted to mean that agency submitting design could not also be awarded that project. Afghanaid was informed their proposal would have to be tendered if/when also approved by the Ministry of Counter Narcotics (MCN).
October 2006	Afghanaid received notification that the Ministry of Agriculture had approved Afghanaid's proposal.
October 2006	Afghanaid and other NGOs were requested to survey, design and submit cash for work infrastructure projects as a drought relief response in CNTF format by the MRRD with the understanding that if approved, these projects would be implemented by the NGOs who submitted the proposal.* Later NGOs were informed that their designs would have to be tendered to contracting companies.

<i>Date</i>	<i>Event</i>
January 2007	Afghanaid submits expanded text to Dr Abdul Rahman of the MCN in response to comments from an external reviewer.
February 2007	Afghanaid participates in meeting where MCN throws doubt on Ministry of Agriculture "ownership" (endorsement) of the project and requests further reviews/assurances in spite of the fact that the Ministry of Agriculture approved/submitted the proposal in October 2006.
March 2007	Afghanaid submits revised expanded text in response to other comments from Dr Fazel of the Ministry of Agriculture Extension Department.
April 2007	Afghanaid submits revised budget to Mr Nader of the MCN.

* NOTE: Submissions requested by MRRD were separate from the proposal for rural livelihoods that is the subject of the rest of this chart.

1 October 2007

Supplementary memorandum submitted by Afghanaid

I thought you might be interested to see a note which I asked Afghanaid's Director of Human Resources to prepare in response to some of the detailed questions you raised with me and others when we appeared before the International Development Committee on 15 November.

I have also passed this note on to the British and Irish Afghanistan Agencies Group which is sending some further information to the IDC on a range of questions discussed that day.

The Afghanaid information shows the extent to which we as an NGO are suffering from a loss of staff to other employers, particularly the UN agencies and in some cases to government itself. According to our statistics, we have had a 33% turnover of staff over the past two years. In some fields, like engineering and accountancy, recruitment and retention problems are particularly acute.

As to whether we employ teachers in particular, and in so doing take them away from vocational employment in government schools, the answer is that we do not in general employ teachers, though government regulations on this matter vary from province to province.

Though this information is only about Afghanaid, our Kabul staff find that other NGOs complain of similar difficulties, and I hope you will find this snapshot from our experience helpful in answering the kind of concerns which you raised.

David Page
Chair of Trustees

AFGHANAID NOTE ON RECRUITMENT AND RETENTION OF STAFF—A RESPONSE TO THE QUESTIONS OF ANN MCKECHIN MP ON THESE ISSUES

BY MUHAMMAD HYDER WAHIDI—AFGHANAID DIRECTOR OF ADMINISTRATION AND HUMAN RESOURCES

1. *Do you run any projects that help to improve capacity of Government personnel?*

Afghanaid invites employees from the provincial and district agriculture departments to attend normal training sessions and field days to enhance their expertise and experiences. Afghanaid has established a regular consultation process with the local agriculture departments. In addition, the local agriculture departments have agreed to give us counterparts in Baharak, Keshem and Faizabad in Badakhshan (BDK) Province. As a result of this approach the local agriculture department employees will work from two to three years directly with Afghanaid.

In addition, Afghanaid aims to liaise with the government veterinary department in our Brooke projects in BDK.

Likewise, Afghanaid trains for one-year government employees in NSP. For example, two persons (mostly a couple) work in each NSP district on Cycle 2+ projects.

Training of the government employee will significantly enhance their confidence, self-interest in the job, loyalty, commitment, expertise, skills and experience. Afghanaid aims to train the government employees to excel at their performance to enable them to meet the upcoming challenges successfully. The training will also encourage career progression.

The training will also promote genuine coordination, communication and information sharing between NGOs and the government departments.

2. *Is there any movement of staff from NGOs to Government or State sector?*

Since 2003 when we moved our headquarters from Peshawar to Kabul some of our staff have moved from Afghanistan to state sector in the provinces and in the capital. These staff have joined ministry of agriculture and MRRD/NSP.

Please note that most of our colleagues especially our engineers have joined UNOPS. Others have been hired by World Bank and USAID funded projects due to higher salaries.

3. *Are you facing any difficulty in the recruitment of staff?*

We have faced great recruitment difficulties:

Firstly, it is hard to find experienced and qualified staff in the provinces where we work. Therefore, we have to hire staff from other provinces and from Kabul. For instance, we cannot managers, engineers, accountants and IT staff in the provinces where we work. We have to hire them from Kabul and send them to our work areas.

Secondly, retention is a major issue. For instance, the out of province staff do not stay longer in the provinces due to family, security and travelling reasons. Moreover, our working areas are very remote and difficult, with very limited facilities. However, we are trying our best to provide the basic living and working conditions for our colleagues in the provinces where we work.

Recruitment of “out of province” female staff to work in provinces is a difficult matter. This problem is very high in Ghor and Nuristan.

4. *Other comments that you wish to make in light of Ann McKechin’s questions*

Afghanaid has greatly suffered from staff turnover over the past five years. We have lost a considerable number of committed, competent, experienced and qualified personnel due to higher salaries paid mostly by UN, international organizations and USAID funded projects. The situation got worse when our headquarters was moved from Peshawar to Kabul in 2003 because quality development staff are scarce in Afghanistan and the competition for them is intense.

In order to tackle the staff turnover issue in a reasonable manner, Afghanaid is investing in training and development of the existing and newly recruited staff in order to create adaptable and qualified staff to meet the upcoming challenges. Moreover, we hire and train volunteers on a regular basis. These volunteers can easily find jobs in the NGOs, UN and government offices.

Despite being a long established NGO, Afghanaid can’t compete in terms of salaries with those paid by USAID funded projects, UN and other international organizations. We attempt, however, to provide other attractions to retain staff, such as high-quality training, a good working environment and other non-material benefits, as a means of reducing staff turnover.

Our analysis of the overall staff turnover since June 2005 indicates that we lost approximately 33% of our establishment during this period and illustrates very well the recruitment and retention issues we face.

5. *Recruitment of Teachers*

The table below shows the different positions on hiring teachers of local govt authorities in the provinces where we work. Our provincial managers do not generally support the hiring of teachers.

<i>S/n</i>	<i>Province</i>	<i>Government position on hiring teachers</i>	<i>AAD practice on hiring teachers</i>	<i>Position of AAD Provincial Program Managers</i>
01.	Badakhshan	So far provincial office has not received any letter “not” to hire teachers.	AAD has hired some teachers.	Not to hire teachers.
02.	Samangan	Government has issued a ban on hiring teachers.	A few teachers were hired after obtaining written agreement from the education department.	Not to hire teachers, especially any female teachers.
03.	Ghor	Government has issued a ban on hiring teachers.	A few teachers were hired after obtaining written agreement from the education department.	Not to hire teachers.

6. *General comments*

1. I think the NGOs are not to be blamed for “poaching” qualified personnel from government. The NGOs are themselves suffering from losing qualified staff to high salary paid organizations.

2. We try to keep Afghan salary and benefits more or less compatible with the average salary rates within the NGO community—as we have been doing for the past 20 years.

3. I personally believe payment of extremely large salaries by certain organizations does spoil the local recruitment market.

January 2008

Memorandum submitted by the British Council

SUMMARY

The British Council re-commenced operations in Afghanistan in June 2004. We now have one centre in Kabul and a contact point in Balkh (Mazar al Sharif).

We play an important role in the UK’s contribution to the international efforts to build stability and enhance democratic institutions in the country. Our work focuses on extending educational opportunities and strengthening the post-Taliban renaissance of culture, particularly re-establishing links and contacts with the outside world, after more than two decades of international isolation.

In order to provide access to international sources of knowledge and training, there is an over-riding need for capacity-building in the English language. This work includes building the capacity of English within the Afghan Parliament—both for elected members and for staff—to enable it to co-operate more effectively with its external counterparts and benefit more fully from training provided by its international partners. We also undertake similar work with the Ministry of the Interior, in collaboration with the British Embassy drugs team, to assist with implementation of the counter-narcotics programme.

We are building strong partnerships with the Ministries of Education and Higher Education, which are assisting in curriculum modernisation for the madrassah system (broadening access to vocational education), providing access to UK experience in education reform, capacity-building for English teachers, and building research and other links for Kabul University and Kabul Medical University. There are 16 country-appointed staff and four UK-appointed staff, working to meet the high level of demand for our services and for access to UK resources and partners.

Security concerns limit our ability to capitalise on these opportunities and place constraints on attracting UK staff, consultants and visitors and on their ability to travel beyond Kabul and the North. As a result, we carefully target our efforts and resources, with greatest emphasis on reaching enablers and multipliers as well as partners who can help provide impact in the provinces.

The points below demonstrate how we achieve national impact despite the constraints of the challenging security situation:

1. We work closely with the Afghan government at senior levels in Ministries in order to assist with policy development in such areas as curriculum.

1.1 We do this both through employing in-country advisers and bringing in external consultants. Through extensive talks with Afghan officials we identify policy areas of interest then sponsor study tours to the UK for Afghan officials to identify specific areas for follow up.

1.2 Study groups contain representatives from all levels of engagement—policy (ministers, MPs), administrators and practitioners—and help garner a wide base of support so that the projects have continued support even if the government changes.

2. The focus of our training activities is to build the capacity of Afghan trainers in universities and ministries so that techniques can be passed onto to lecturers, teachers and students in the provinces whom we would not otherwise be able to reach.

2.1 We currently work with central institutions in Kabul which prepare students for work elsewhere in the country. We will shortly be expanding our outreach by bringing in lecturers and teachers for the provinces into Kabul to attend workshops.

3. Ensuring that our work has a sustainable impact necessitates working closely with Afghan institutional and governmental partners.

3.1 Our work with the Ministry of Education Control (Inspection) Department enables the Afghan Government to assess how far the techniques and methodology learned by trained teachers is being applied in the country’s schools.

3.2 We are a strong supporter of ELTAA, the Afghan English Language Teachers Association, which is slowly expanding to have a nationwide presence; the association and its training programme offer an ideal way of providing access to provinces we cannot reach directly.

3.3 We also provide ministries with useful information on educational websites they can use, and are making our own English Language Teaching website, Go4English, more accessible. Originally in English-Arabic it has already been translated into Farsi and we planning to translate it into Pashto so that the southern provinces can benefit.

3.4 Among other new methods of extending outreach we are also considering filming training sessions and burning them to CD for national distribution.

4. Our Direct Teaching provides vital language skills to key officials who will be able to use their improved knowledge of English to contribute to the development of their country. Past students have included Parliamentarians, ministry officials and the Vice President.

5. Local partners/NGOs are vital in helping us to carry out work in areas in which it would just be too dangerous/culturally impossible for us to do so. Next week, for example, we will begin conducting music classes for girls in Kandahar utilising the services of a local cultural organisation.

6. We have countered the restrictions on our limited physical presence by building up a communications network across Afghanistan.

6.1 In 2006–07 we supplied computers and a one-year Internet subscription to Faculties of Education across the country. This has enabled us to interact more directly with those institutions, discussing issues and exchanging ideas and information.

6.2 We have also supplied similar facilities to schools in Kabul, Herat, Kandahar and Mazar which will take part in our school links programme (with the UK) as well as a number of government madrassas in other provinces.

7. We have a greater programme of material assistance to institutions in Afghanistan than we would normally have in any other country.

7.1 We provide computers and small generators (in institutions where they would otherwise have been unable to power the donated computers), books and CD-ROMS. The latter, materials from British Council training websites, are a particularly valuable tool as many institutions/schools have access to computers but no internet connection.

7.2 We have also set up self-access facilities in the Islamic Education, Sports and Curriculum Departments of the central Ministry of Education which visitors can access from across the country.

8. In order to support all these outreach activities we will also deploy Afghan Study Skills Officers. They will initially be responsible for training targeted institutions in the use of computers and the internet and will then take on responsibility for a wider portfolio of training. This vital training will ensure that maximum benefit is gained from the computers donated.

Memorandum submitted by the British and Irish Agencies Afghanistan Group (BAAG)

EXECUTIVE SUMMARY

BAAG welcomes the International Development Committee's Inquiry at this critical stage to examine the UK government's development assistance in Afghanistan. We support and commend the UK government's commitment to Afghanistan and recognise that DFID is one of the largest donors of aid and that Afghanistan is DFID's fifth largest programme. This report presents an overview of perspectives from the ground and challenges faced by international NGOs and their local partners.

Since the last Inquiry by the International Development Committee, increasing insecurity has been the greatest concern for ordinary Afghans in many parts of the country. Over the past year levels of violence have been at their highest since 2001. There have been increased civilian casualties in the insecure areas in the South, and concerns have been raised by the Afghan and international human rights groups and the UN. As Afghan communities become increasingly disillusioned with the pace of change and the level of services they receive, the threat to the state building exercise currently undertaken by the Afghan government with the support of the international community is all too evident.

Decisions by key donors to channel the majority of funding through the UN and to the Afghan government through the Afghanistan Reconstruction Trust Fund (ARTF) have significantly reduced funding and restricted opportunities for innovation for non-governmental organisations (NGOs). DFID, in particular, has drastically reduced UK funding available for frontline services and livelihoods programmes delivered by NGOs.

While many development NGOs support the objectives of promoting effective and accountable authorities, they are concerned that current aid policies are imbalanced. Donor policy emphasises central "state-building" at the expense of providing basic services to populations in regions outside of the capacity

of the government to deliver and of its political or geographic reach. This has led to what the Overseas Development Institute terms a “service gap”: when relief assistance is phased out but state capacity is insufficient to ensure the provision of services.⁶

Aid agencies under the umbrella of BAAG and ACBAR have highlighted serious concern at the growing vulnerability of the development and humanitarian effort in Afghanistan as a result of deteriorating security, unmet aid pledges, lack of government capacity and a marked erosion of donor funding for front-line work (refer to section—Erosion of donor support for services delivered by NGOs). Specific concerns include the inadequate support for key sectors such as the development of Afghan civil society (refer to section Support to Civil Society), including support to women’s rights’ NGOs to enable women and girls to take an active role in the development and reconstruction of the country; unbalanced regional development plans (and concern that the geographic distribution of humanitarian and development assistance could be partly influenced by military imperatives).

The opium economy in Afghanistan is a deeply rooted and complex phenomenon, which requires a long-term and multi-faceted response. Short term and military led approaches to counter-narcotics are ineffective and non-sustainable. Emphasis should be placed on tackling the root causes of the opium trade and using local government structures and civil society in these efforts.

Support for returning refugees and internally displaced people (IDPs) needs to be maintained, including continued financial support for housing and shelter together with livelihoods programmes to enable their sustainable return (refer to section Refugees and IDPs).

British NGOs have raised their concerns with the British government, seeking a review of current aid policy, and outlined specific recommendations to DFID at the end of this report. NGOs offer decades of project delivery experience at grass roots level, and a history of relationships of trust with rural communities. In light of this we urge the Committee to urgently consider the recommendations contained in the last Section.

INTRODUCTION

1. BAAG welcomes the International Development Committee’s inquiry into Afghanistan to examine the UK government’s development assistance in Afghanistan at this critical juncture. The aim of this paper is to reflect BAAG members’ views on the current situation with regard to aid policy and development in Afghanistan and present the Committee with specific recommendations from British NGOs and their partner organisations based in Afghanistan.

2. BAAG has been privileged to give written and verbal submissions to the International Development Committee on several occasions, (2001, 2002, 2003, 2005, 2006) and earlier this year. Although there is still a very long way to go there has undoubtedly been progress in Afghanistan since 2001 as a result of international assistance, especially in the sectors of health and education. Nonetheless it is striking how little some of our concerns, conclusions and recommendations have changed over the years. These include the need to address a deteriorating security situation, the need for long-term commitment from the international community, for funding to go through the Afghan Government but to be complemented by effective capacity development, and continuing support to NGOs during the transition to the time, when the Afghan Government can be entirely responsible for managing and implementing all reconstruction and development.

3. Increasing insecurity is the greatest concern for ordinary Afghans in many parts of the country. Over the past year levels of violence have been at their highest since 2001. There have been increased civilian casualties in the insecure areas in the South, and concerns have been raised by the Afghan and international human rights groups and the UN.

4. The Taliban and other illegal armed groups have exploited government weaknesses, challenging its legitimacy through intimidation and violence. The security risks for government civil servants outside the area of law enforcement, such as teachers and health workers, as well as aid agencies, appear to have

⁶ “From crisis response to state-building: services and stability in conflict-affected contexts”, ODI Humanitarian Policy Group Discussion Paper (October 2006).

⁷ This is under debate as, although the absolute number of attacks has increased, there has been no significant increase in attacks against aid workers relative to the overall population of aid workers, which has increased dramatically over the past few years. What is clear, however, is that attacks against national staff of international agencies and staff of national NGOs have increased dramatically (Karim, 2006).

increased significantly in 2006.⁷ Suicide bomber attacks are on the rise in Kabul and in some areas of the north and east. From January to July 2006 over 100 violent attacks against schools, teachers or pupils were reported. These tactics are used both directly and indirectly against civilians, including children, rendering many areas in the southern and eastern parts of the country largely inaccessible to international NGO staff.

5. According to a BAAG member agency in Kandahar unofficial estimates indicate that more than 105,000 children may be denied access to education in the south alone as a result of school closures due to insecurity.⁸ The data from a referral hospital in Kandahar province confirms the increasing trend in the number of children under the age of 15 years admitted to hospital due to “weapons-related wounds”; a total of 42 children were admitted between January and June 2006, with 19 children admitted in June alone.⁹ Attacks against civilians and aid workers are on the increase, limiting agency operations and access to those most in need.

6. Aid agencies under the umbrella of BAAG and ACBAR have highlighted serious concern at the growing vulnerability of the development and humanitarian effort in Afghanistan as a result of deteriorating security, unmet aid pledges, lack of government capacity and a marked erosion of donor funding for front-line work. These disturbing trends have become more marked over the last year and NGOs working in Afghanistan have been raising the matter urgently with the international community. ACBAR,¹⁰ submitted a briefing paper on these issues to the UN Security Council mission that visited Afghanistan in November 2006.¹¹ The British Overseas Agencies Group (BOAG), which brings together five leading British aid agencies, wrote in September to the British government making similar points and seeking a review of current aid policy.

7. In December 2006 and March 2007 BAAG undertook surveys to determine the extent to which front-line service delivery programmes are under threat. The findings show a marked decrease in funding support for a range of vital programmes, such as alternative and rural livelihoods, water and sanitation, employment generating schemes, TB control and child protection, traditionally delivered by NGOs. It also shows that in many provinces front line services for rural communities are being closed for want of donor support, affecting thousands of households.

8. A key concern of BAAG members is the reduction of funding available for NGOs to continue doing front line work in community development providing services essential for food security and sustainable livelihoods. These might include health education, vaccinations and preventive health care for livestock, promotion of kitchen gardens, food storage and preservation, as well as literacy and skills training for rural enterprises. While some of these services may be scheduled to be re-initiated through Government of Afghanistan programmes, there will be a considerable time gap before capacity to deliver these programmes is in place and in the meantime, numerous communities are left without any kind of rural skills training and extension services. These services are essential to food security and well-being in rural communities. Although current national priority programmes such as NSP reach a number of poor rural communities, none of them focus on livelihoods skills. Long-promised livelihoods assistance through the Counter Narcotics Trust Fund (CNTF) is completely stalled for NGOs, and some have already withdrawn their proposals from the CNTF after losing hope.

9. In the absence of viable alternatives some of the poorest communities will bear the brunt of the curtailment of programmes with serious consequences for security and stability. As Afghan communities become increasingly disillusioned with the pace of change and the level of services they receive, the danger to the state building exercise currently undertaken by the Afghan government with the support of the international community is evident. State building is a complicated and lengthy process and HMG are therefore to be commended for attempting to tackle some of the difficulties and to commit the UK to a long-term effort. The London Compact was a significant milestone. However it contains no benchmarks for donors and while the architecture of aid continues to grow there is too little to show for it in terms of improving the lives of the people and governance it aims to support. This is also now true at the sub-national level.¹²

AID VOLUME

10. *Inadequate levels of aid:* Afghanistan is receiving a considerably lower per capita ratio of aid than other post-conflict situation in recent times.¹³ (ACBAR, 2006). Increasing donor fatigue has resulted in reduced resources for frontline livelihoods programmes and essential sectors, such as education and health, as this paper will demonstrate.

⁷ This is under debate as, although the absolute number of attacks has increased, there has been no significant increase in attacks against aid workers relative to the overall population of aid workers, which has increased dramatically over the past few years. What is clear, however, is that attacks against national staff of international agencies and staff of national NGOs have increased dramatically (Karim, 2006).

⁸ In Takhar Province recently the poisoning of a water source at a girls school resulted in 30 girls being hospitalised (Email communication, NGO Country Director, Afghanistan, 7 June 2007).

⁹ *Afghanistan Draft Annual Plan 2007–08* (INGO internal document).

¹⁰ leading Kabul-based association of national and international NGOs operating in Afghanistan.

¹¹ *Aid Effectiveness in Afghanistan: At a Crossroads*, ACBAR Briefing Paper, November 2006, lead author Holly Ritchie.

¹² World Bank report, *2007 Service Delivery and Governance at the Sub-National level in Afghanistan* 2.96 p 28.

¹³ German, Randel, Tasneem, and Baker 2005: p 3.

AID EFFECTIVENESS

11. Current donor aid policy for Afghanistan places significant emphasis on state-building; linked to wider political and military objectives of stabilisation and political transition. While many development NGOs support the objectives of promoting effective and accountable authorities, they are concerned that current aid policies are imbalanced. Donor policy emphasises central “state-building” at the expense of providing basic services to populations in regions outside of the capacity of government to deliver and of its political or geographic reach. This has led to what the Overseas Development Institute terms a “service gap”: when relief assistance is phased out but state capacity is insufficient to ensure the provision of services.¹⁴

12. DFID, in particular, has drastically reduced UK funding available for frontline services or livelihoods programmes delivered by NGOs. This follows DFID’s decision to place an overwhelming emphasis on channelling aid through state-centred mechanisms. This is also partly shaped by the broad trend in DFID aid policy in non-conflict contexts towards larger-scale disbursements channelled through direct budgetary support to recipient governments. Whilst the rationale for this allocation strategy is partly legitimate, we believe it is also driven by other imperatives, including the pressure to reduce DFID staff numbers and transaction costs.

Unbalanced state building

13. Most bilateral and multilateral donor funding is now channelled predominantly through the Government of Afghanistan for national priority programmes (NPP). These programmes were designed to “accelerate Afghanistan from a position of recovery and rehabilitation to that of sustainable development” (GOA 2004). While in general there have been some great achievements from these programmes,¹⁵ they are not the complete solution.¹⁶ And programmes to support agriculture and irrigation—core to livelihoods in Afghanistan—are often absent.¹⁷ A “uni sectoral” approach cannot be expected to meet the multi development needs of a community; instead a broad based and multi sectoral effort is required over a number of years (ACBAR, 2006).

Government capacity to absorb the aid and process it efficiently

14. Midway through this financial year, the Government of Afghanistan has spent less than fifty percent of what it has been granted for the development budget. This is primarily due to (i) limited capacity in some ministries to turn plans into resourced programmes, (ii) delays in approval processes within and between ministries, and (iii) in some cases, delays amongst donors in giving money to the Afghan Government on time (ACBAR 2006). There are numerous examples of NGOs seriously affected by late payments, and for example, the role of the Community Development Councils (CDCs) is undermined by late delivery of block grants.

15. BAAG has consistently recommended that funding should be put through the Afghan Government (though allowing for some direct funding to NGOs to continue) and it was the expectation of the International Development Committee that if the UN and NGOs would be “each required to bid for allocations, the funding will then flow to whichever organisation has the capacity to deliver”. Unfortunately some parts of the Government have lacked the capacity to manage this process. In the Ministries that have had the capacity, such as Health and Education, NGOs have willingly ceded implementation to them.

CONTRIBUTION OF BUDGET SUPPORT TO STRENGTHENING INSTITUTIONAL CAPACITY

Budget support through Trust Funds

16. Since 2002, increasing amounts of donor funding have been channelled through the Afghanistan Reconstruction and Trust Fund (ARTF). The purpose of the ARTF is to co-ordinate funding for reconstruction in line with agreed national priorities. To date, 85% of ARTF funds have been spent on the Afghan government’s recurrent costs. Although Canada and the UK are the largest of the more than 25 donors to the fund, the US government, EU and Netherlands are also major contributors. A multi-donor review of the ARTF conducted in mid-2005 indicated that the ARTF “. . . responded well to the government of Afghanistan’s top priority—a single, predictable, accountable source of untied funding for the recurrent

¹⁴ “From crisis response to state-building: services and stability in conflict-affected contexts”. ODI Humanitarian Policy Group Discussion Paper (October 2006).

¹⁵ NSP, for example has seen the completion of more than 4,500 rural infrastructure projects (with a further 10,000 projects in process). Briefing Note “Implications of deficits and delays to NSP roll-out”, MRRD and NSP Facilitating Partners June 2006.

¹⁶ Mansfield and Pain 2005: p 8, 9.

¹⁷ A lack of adequate funding to rebuild the “vital” agricultural sector is seen by some to have assisted in farmers turning to poppy where “the best functioning extension programs for farmers are operated by opium traffickers” including access to improved seeds, fertiliser, cultivation and agricultural credit. (Rashid 2006).

budget.”¹⁸ Despite the success of the ARTF, almost 75% of funding is still provided “off-budget”—85% of that through the UN and private sector. Only 15% goes through NGOs and other channels.¹⁹ Although all major donors still provide short-term emergency funding through NGOs, very few are willing to channel significant amounts of development funding directly to them. USAID and the EU are exceptions to this, with both supporting the contracting-out of health service delivery through NGOs.

17. Decisions by key donors to channel the majority of funding through the UN and to government through the Afghanistan Reconstruction Trust Fund (ARTF) have dramatically reduced and/or restricted funding opportunities for non-governmental organisations (NGOs). For BAAG members, managing the implications of a major change in strategic direction has also been particularly challenging for their programmes in Afghanistan.

18. **National Priority Programmes** are supported through the ARTF, but they have suffered from debilitating cash flow interruptions that negate the positive impact that programmes may be achieving. The National Solidarity Programme (NSP), for example, is an excellent vehicle for community driven investments in infrastructure to over 15,000 communities throughout rural Afghanistan, yet many of those communities had to wait many months²⁰ over several years to receive assistance which only served to confirm community level mistrust of the government and the international community. Some of that delay was related to inadequate donor pledges, but much of it was related to low capacity for financial forecasting and in the co-ordination of processing funding requests. (*NGOs are taking the blame for this delay*). In other words, there is not yet adequate institutional capacity within the Government of Afghanistan to ensure sufficient liquidity or consistent absorption of funds. Capacity building efforts through budget support in this way would therefore appear to be less than successful. While it is important to continue these capacity building efforts, service delivery in the meantime should not suffer and donors have a responsibility to find ways to prevent that happening.

19. There has been a general problem in getting funding through from the ministries, particularly for those programmes which are funded by the World Bank through the Afghan government. There are examples of member agencies having to borrow significant funds from their headquarters in order to prevent the suspension of NSP programmes. Specific examples include an invoice for USD 1.6 million submitted to the MRRD in mid December 2006 was released only in late August 2007. According to the ministry’s procedure, the funding should have been released at the end of January 2007, six weeks after submission. The problem is partially due, according to the ministries, to delays in funding coming through from the World Bank. In this instance the member organisation was able to rely on internal financial resources. It should be noted that smaller organisations may not have this safety net.

20. **Basic Package of Health Services** The Ministry of Public Health (MOPH) has contracted out provision of basic health services, through a Basic Package of Health Services (BPHS) in all but three provinces to NGOs, with funding and technical assistance from donors. As a result, the number of functioning health facilities has increased by more than 60%. A health facility assessment, commissioned by the Ministry of Public Health, indicates a 25% improvement in overall quality of health services since 2004.

21. Nevertheless, outside this basic package, there are serious gaps and weaknesses that have yet to be addressed. On a recent assessment visit, a BAAG member agency identified a number of priority areas that need to be addressed. They are largely complementary to and expand upon the BPHS, yet funding for this is not available.

22. Some of the gaps highlighted include: inadequate funding for training and capacity building of health staff at community and district level; resultant lack of continuing education programme for health staff; inadequate funds for community level activities, community mobilisation and rights awareness raising (eg reproductive and sexual health rights, health rights and child rights); no funding for technical support and training in the management of malnutrition and in community based nutrition at district level; inadequate funding for adolescent friendly health services including HIV/AIDS awareness and addressing drug abuse. Overall, the lack of female service providers remains a key constraint for women and children to access care at all levels in the health system. While DFID’s recent announcement to contribute to salaries of health staff is welcomed, the current level of support for the health system is considered inadequate and does not address the wide and far-reaching needs (see section on inadequate support for key sectors: health).

23. **Unrealistic development transition plans:** *Support for the national programmes aimed at integrating community organisations into district, provincial and national development programming is short-term and lack adequate exit strategies.* A lack of cohesion between donor programmes at the provincial and district level is limiting joint planning and co-ordination. Planning and consultations with CSOs/NGOs also remain minimal both at a sectoral and national “home country” level. Civil society service providers are often prematurely expected to deliver essential services, despite having both little capacity and few resources. Hastened exit strategies are the norm in Afghanistan with little consolidation of programme activities. This is a missed opportunity for Afghanistan to benefit from both technical and in-country expertise.

¹⁸ DFID Decision Report, 29 July 2005, Allocation of Additional Funding to the ARTF.

¹⁹ Hamish Nixon, *Aiding the State*, AREU, 2007.

²⁰ 515 days of no block grant distribution due to lack of liquidity.

24. Current support by donors through NPPs thus does not meet wider “livelihoods” needs; it also does little to promote the growth of a strong civil society. As many front line projects close down for want of donor funding, the country is witnessing a loss of development potential and initiative in a number of provinces.

25. **The Counter Narcotics Trust Fund (CNTF)** has been extremely disappointing not only because its funding mechanism requires an unfeasible degree of co-ordination between ministries, but also because the funding mechanism was first unclear, then frequently changed over the course of the first year of operation. Although presented to NGOs as an important new source of funding for alternative livelihoods programmes following DFID’s policy decision not to fund NGOs directly, it soon became clear that NGOs were effectively barred from accessing funding through the CNTF. That is because NGO proposals, after months of delay, were eventually judged to fall foul of a procurement requirement. NGOs were told their proposals would have to be publicly tendered and awarded to another agency (since the applicant NGO would not be allowed to bid on their own proposal). This requirement completely contradicts the way NGOs work since their proposals (unless responding to a specific tender) are built on a unique history of relationships with communities, and their project designs remain the NGOs’ intellectual property and should not be tendered out. The poor design and governance of CNTF resulted in a near complete paralysis of project funding for alternative livelihoods through that vehicle,²¹ tying up many millions of donor pledges in an extremely unproductive way.

26. With the failure of CNTF, no other national mechanism for processing unsolicited proposals for rural livelihoods from NGOs exists, thus depriving people in the rural areas of programmes that would improve their lives. Failure to provide any mechanism by which NGOs can propose good funding ideas will also result in a reduction of the innovative approaches for which NGOs are famous. This in turn means a dearth of pilot experiences on which the government can draw for scaling up.

Erosion of donor support for services delivered by NGOs

27. *As funding expires for many essential services there is little support in the pipeline to continue to support rural livelihoods front line work.* NGOs, as key development partners, with valuable sources of knowledge, have been and are a critical cost-effective resource for the international community and the Government of Afghanistan to meet both the gaps in service provision as well as to build up civil society. It would be a missed opportunity for Afghanistan to lose these key development partners, and a withdrawal of NGOs from the provinces warrants serious attention. A key indirect benefit of their work is the creation of an enabling environment for other actors. British NGOs remain particularly challenged due to little direct support from their national government.

28. Limited funds are now being disbursed directly to NGOs. With an increase in national programming and contracting in recent years (and decrease in direct grants), over 80% of NGO activities are currently tied to government programmes. *This funding shift to predominantly government contracts has jeopardised the continuation of some key basic services not covered under the remit of the current government programmes. The lack of flexibility arising from this change has also reduced the ability of NGOs to develop innovative programmes together with Afghan communities.* It is also worth mentioning that, since some NGOs have become so closely associated with predominantly government programmes (and have little independence), they are now considered to be representatives of the Afghan government and therefore are targeted by the insurgency.²²

29. With such a large percentage of donor money distributed through the NPPs through competitive tenders more suited for large for-profit firms, NGOs that participate as implementing partners end up having their roles reduced to being government sub-contractors, which endangers their independence, neutrality and opportunity for innovation, particularly in community and civil society development. It is recognised that while the involvement of NGOs in the provision of national services is politically sensitive, “NGOs are and will remain a key feature of the service delivery framework in Afghanistan and the (Afghan) government has publicly stated its continued commitment to working with NGOs”.²³

30. The UK emphasis on channelling aid through the Afghan Government is placing the programmes and, in some cases, the ongoing survival of NGOs at risk. UK NGOs, including smaller, Afghanistan-focused NGOs such as Afghanaid, can offer distinct comparative advantages, in terms of their institutional memory and long-term good relations with local communities. These comparative advantages, if lost due to cuts in UK funding to NGOs, will be hard to recover in future.

31. Many international NGOs operate directly and through local partners. In order to do this effectively, there needs to be a certain level of funding assurance that is needs based. In order to ensure that the impact of NGO’s programmes are fully realised, long term funding is needed, as are predictability and funding assurances.

²¹ “So far only 2.5% of the CNTF’s \$70M has been distributed” US Counternarcotics strategy for Afghanistan, August 2007, p 4.

²² BOAG Afghanistan Briefing September 2006.

²³ World Bank report *Service Delivery and Governance at the Sub-national level*, July 2007.

The geographical balance in the distribution of funding, especially between the north and the south

32. NGOs are concerned that the geographic distribution of humanitarian and development assistance is, in part, influenced by military imperatives. While increased donor attention on the PRT provinces is partly inevitable, this should not be at the expense of resources for other provinces. Indeed, while it proves difficult to spend assistance in the southern provinces because of the prevailing insecurity, programmes in other parts of the country are currently under-funded. One provincial governor in central Afghanistan recently remarked that local populations in that province might need to initiate violence and increase poppy cultivation in order to attract the necessary funds for reconstruction.

33. DFID should consolidate gains already made in areas that are stable (eg. Balkh, Jowsjan etc). The British focus on Helmand may lead to a situation where gains made in stable provinces cannot be consolidated. BAAG members have been encouraged to suggest projects in Helmand and Kabul areas but find it difficult to identify and maintain funding for projects in equally poverty-stricken areas.

34. An analysis into the transition period between crisis response and state-building,²⁴ of contexts where state capacity is weak and stability is not achieved, warns, “the quality of transition strategies and how the withdrawal of the assistance provided during the crisis response is managed may prove significant factors in determining how the state functions subsequently. **The ineffective management of transition risks jeopardising the achievements of the initial crisis response, to the detriment of longer-term stability, security and livelihoods.**”

INADEQUATE SUPPORT FOR KEY SECTORS

Alternative livelihoods

35. DFID has three main program areas (1) building state institutions, (2) improving economic management and aid effectiveness, and (3) improving the livelihoods of local people. Yet most of DFID’s investment in rural livelihoods is actually targeted towards “enabling” environments such as improved local governance, finance, and infrastructure implemented under national priority programmes. Meanwhile, support for the backbone of the rural economy (agriculture) is covered in a very piecemeal and inadequate fashion because the Ministry of Agriculture, Irrigation and Livestock (MAIL) currently has very little capacity to provide the outreach and extension needed. As a percentage of DFID’s portfolio, support to agriculture features hardly at all. That is regrettable, since support in that sector (and related off-farm enterprise development) is essential for helping rural communities meet basic needs, and thus become more stable and less prone to succumb to illicit activities. Sufficient support for a range of social protection and safety net measures is also necessary to alleviate wide-spread food insecurity that is still very prevalent, particularly in more remote and inaccessible areas.

36. Yet even if DFID were to significantly increase funding in these vital areas that target the most needy and vulnerable tomorrow, there would be no way to effectively channel it on the scale needed under current DFID policies of routing most aid through government programmes. Current government programmes do not yet have capacity for outreach and effective rural livelihoods targeting required in rural areas, and this capacity will take years to build. In the meantime, unmet reconstruction and development expectations on the part of Afghan rural populations are further destabilising the country.

37. DFID should concentrate more on sustainable livelihoods programmes as an alternative to a counter-narcotics focus. The aim of addressing poverty and welfare is often overlooked in fragile states as donors focus on “state-building” and NGOs on service delivery. All partners need to take an overview on what poverty looks like, how the economy does/not function and how to create pro-poor growth.

Education

38. Although it is claimed that 6 million children are now in school²⁵ and under 14s making up 44.6%²⁶ of a total population of approximately 32 million people, it is clear that there is still a lot of work to do. This was acknowledged in April by Afghanistan’s Education Minister Haneef Atmar²⁷ who highlighted that whilst, “. . . the return of five million Afghan children to school is one of the major success stories of post-conflict reconstruction in the country However, at best it represents 50-55% of our school-age children.” The number of teachers has increased from 21,000 to 143,000, 28% of those are women. The number of schools has increased to 8,400. Of these, 5,000 schools lack adequate buildings. An estimate 73,000 classrooms need to be constructed; in addition, 80% of teachers were untrained.²⁸

²⁴ ODI discussion paper: From crisis response to state-building: services and stability in conflict-affected contexts.

²⁵ <http://www.dfid.gov.uk/news/files/pressreleases/education-beyond-borders.asp>

²⁶ <https://www.cia.gov/library/publications/the-world-factbook/geos/af.html>

²⁷ http://news.bbc.co.uk/1/hi/world/south_asia/6533379.stm

²⁸ BAAG Monthly Review, June 2007.

39. DFID's recent announcement²⁹ of £55 million to help pay the salaries of teachers, doctors and nurses is welcomed. Enormous challenges remain: almost 75% of Afghans over the age of 15 are illiterate and for women and girls in rural areas the figure rises to 92%.³⁰ Girls are unable to access quality education because of cultural beliefs that prevent them once they reach puberty from attending school together with boys, or in some cases from moving outside of the home at all.³¹ In addition, there are not enough schools or trained teachers. Children, therefore, have to attend school in shifts: girls in the morning and boys in the afternoon. In some schools almost twice as many teachers are needed as girls can only be taught by women or mature and trustworthy men. This system reduces the amount of quality attention students can receive from their teachers.

40. Despite evidence of need, a BAAG member agency that would like to expand their work in this area, has had to close projects over the past year due to funding gaps.

Health

41. According to the 2004 UNDP Human Development Index, Afghanistan is ranked 173 out of 178 countries listed. Life expectancy is only 47 years with 600 children under five dying every day and 25% of all children dying before their fifth birthday. The maternal mortality rate is the second highest in the world, only Sierra Leone's is higher. For every 100,000 women who go into labour in Afghanistan, about 1,900 die.³² According to UNICEF, one in nine women in Afghanistan will die during or shortly after pregnancy.³³ Fewer than 10% of women in rural areas give birth in a health facility. Of those children who do survive, 54% are stunted and 40% are underweight.

42. There has been some progress. Infant mortality rates (the number of children who die before one year) in Afghanistan declined from an estimated 165 per 1,000 live births in 2001 to about 135 per 1,000 in 2006, according to preliminary findings of Johns Hopkins University (JHU) household survey. This means that 40,000 fewer infants are dying each year compared to during Taliban rule.

Refugees and IDPs

43. The Afghanistan Compact benchmark 7.5 highlights the need for the right conditions for returning Afghans.³⁴ Specific needs that are crucial for a sustainable return strategy include housing, access to safe drinking water, education, health facilities and employment opportunities.

44. The recent forced deportations of Afghans from Iran and announcements to close camps in Pakistan highlights the precarious situation facing refugees and IDPs.³⁵ Over a three week period in April–May 2007 some 96,000 Afghans were expelled from Iran. Afghanistan remains a fragile environment, and lacks the infrastructure and local governance structures to support the needs of its own population, it is therefore unable to cope with a sudden arrival of a large number of people over a short space of time. In addition there is concern that this type of situation will create further displacements internally, mainly in the insecure areas of Afghanistan. Returnees will face additional suffering from the ongoing conflict in the southern and south western parts of the country.

45. Shelter assistance is one of the most significant needs for returning refugees. Currently UNHCR with the Ministry of Refugees and Repatriation administers land allocation sites (LAS) to returnees. This initiative is at the pilot stage so far; it takes around six months to allocate land, therefore some kind of interim solution is often needed but none provided.

46. Many returnee Afghans in the rural areas are not being supported to rebuild their lives and hence see no benefit from the new Afghanistan. This does nothing to win the "hearts and minds" of the people which is critical if the war against the Taliban is to be won. Continued financial support for housing is highlighted, as is support for livelihoods programmes for returnees in terms of their sustainable return.

Support to Civil Society

47. Civil society development is severely under-funded. At a time when human rights abuses and corruption are widespread and the democratic process still young, donors need to deliberately support NGOs/CSOs in the development of civil society to allow space for voices from civil society and the growth of independent associations / organisations. The OECD *Principles for good international engagement in fragile states and situations* refer to the key role of civil society in demanding good governance and in service delivery in the wider context of state-building and peace-building.

²⁹ <http://www.dfid.gov.uk/news/files/pressreleases/afghanistan-55.asp>

³⁰ Only 13% of women and girls in Afghanistan are literate.
http://www.unicef.org/infobycountry/files/updated_2007_QandA_Afghanistan.pdf

³¹ Or 10 years of age in Kandahar city.

³² http://www.who.int/reproductive-health/publications/maternal_mortality_2000/executive_summary.html

³³ http://www.unicef.org/infobycountry/afghanistan_39281.html

³⁴ Table III Executive Summary of Afghanistan Compact Benchmarks, JCMB annual report May 2007.

³⁵ Norwegian Refugee Council Briefing—Refugee and population movements along the Iranian and Pakistani borders.

48. Donor delegation of responsibility and authority for programme management to the UN and Afghan government, and the resultant lack of direct contact with NGOs and communities they work with, makes it more difficult for donors to get feedback on civil society issues and perspectives. This can result in donors becoming out of touch with realities on the ground and pockets of exclusion developing as a result. In fragile states such as Afghanistan, where lack of infrastructure and continuing conflict have exacerbated social fragmentation, it is crucially important that donors support civil society development. There are very few credible secular grassroots organisations in Afghanistan and those that do exist need to be supported and nurtured if a more pluralistic civil society is to develop in the country. In the absence of predictable funding and capacity-building support, these institutions are likely to wither and die. Donors should heed the OECD *Principles for engagement in fragile states*, which require them to “...mix and sequence their aid instruments according to context, and avoid blue-print approaches”.³⁶

49. From the recent BAAG survey on NGO funding (March 2007), a significant finding includes the lack of donor support for Afghan local organisations for the development of civil society. This in turn curtails some of the innovative work done by NGOs and the potential for successful projects to be replicated in other provinces. A quote from one of the respondents reflects this view: “We think that donors are doing very little to support an independent civil society in Afghanistan by channelling all their money in to private and public sectors and missing the third important piece, civil society.”

50. There is specific concern about the lack of government support to national women’s rights’ NGOs. Local women’s rights’ NGOs play a crucial role in reforming laws relating to women’s rights and violence against women; in providing support services and building the skills of Afghan women and girls; and in enabling women and girls to find the civil space and skills to take a real active role in the development and reconstruction of the country.

51. The provisions to mainstream gender equity within the various sectors of the Government of Afghanistan’s national policy frameworks, including the ANDS (Afghanistan National Development Strategy), the Afghanistan Compact and the NAPWA (National Action Plan for Women) are to be welcomed. However, it is crucial that the political will and resources are both provided to ensure such policies are implemented across each and every government department. For example, there is still no gender unit within the Afghan Ministry of Finance and no budget allocated specifically for women or women’s projects.

52. DFID’s Gender Equality Action Plan outlines ways to improve gender mainstreaming across its programmes. Section C4³⁷ “DFID should support civil society to support voice and accountability for gender equality and women’s empowerment”. However, there is little evidence that DFID have acted on these commitments either through policy or provision of resources through NGOs or the Afghan Government.

53. Despite much progress in the area of human rights, such as the establishment of the Afghan Independent Human Rights Committee (AIHRC), evidence shows that the situation for women and girls in Afghanistan, in terms of their access to justice, continues to remain extremely limited. In July 2007 for the Rome Conference on the Rule of Law the BAAG/ENNA statement outlines recommendations for the international community to ensure women and girls’ human rights are protected and prioritised under the Rule of Law in Afghanistan.

Unbalanced Regional Development Plans

54. Inconsistent regional development: *Uneven distribution of aid across predominantly opium poppy intensive or highly insecure areas in Afghanistan has intensified the impression that the existing donor aid policy is tightly linked to strategic objectives of the major donor countries.* International focus on the South and East is creating the impression that the international community is ignoring the needs of other provinces which are often teetering on the edge, frustrating both the local government and communities alike (ACBAR, 2006). CSOs have been harnessed to donor objectives and progressively assumed the role of government sub-contractors. This has restricted the capacity of civil society to capture emerging aspirations in the context of local struggles for peace, development and wellbeing.

Civilian “space”, NGO aid programmes and civil-military relations

55. BAAG submitted written evidence to the Defence Committee in March 2007 and raised issues concerning civil military relations and aid policy. A key recommendation from the BAAG submission to the Defence Committee is for the UK government to commission independent research on the contribution of integrated civil-military operations, such as PRTs, to improved governance in Afghanistan. This recommendation has been given added weight by the finding in the World Bank report *Service Delivery and Governance at the Sub-National level*, July 2007 that “PRTs confront—in fact they constitute—a critical

³⁶ OECD/DAC, *Principles of Good International Engagement in Fragile States & Situations*, April 2007.

³⁷ <http://www.difi.gov.uk/pubs/files/gender-scheme07-10.pdf>

dilemma: in trying to create the space for the Afghan state to develop and cohere they run the risk of undermining it . . . PRTs should really only exist where security conditions make them absolutely necessary and the ESC³⁸ should begin to phase them out.”

56. 89 aid workers have been killed since 2003, as compared to a very small number who were targeted during the preceding 14 years. The few agencies continuing to operate in the south and east either benefit from long-established programmes in specific locations, which enable them to negotiate a degree of protection from local communities, or they opt to take considerable risks. The Afghan NGO, Afghan Health and Development Services, has had a significant number of its staff killed in its efforts to provide health services to the camps for internally displaced people to the west of Kandahar.

Military Implemented reconstruction and development projects

57. Problematic development projects implemented by the military: *There are reports of poor quality outcomes of development projects implemented by the military. This is due to the lack of experienced oversight and questions raised over cost effectiveness/sustainability. Military actors are not trained in development and their approaches are often undertaken with little community ownership or capacity to support community maintenance over time.* These interventions can also significantly damage the reputation of genuine aid agencies operating on the basis of community trust and acceptance; it can also threaten their neutrality.

58. Private military companies (PMC), often in consortia with other private sector actors, are looking to increase their involvement in aid programmes in Afghanistan. In the words of one industry representative, the PMC sector wants “to raid the humanitarian space in Afghanistan”. This is of concern to NGOs in terms of the principles and practice of aid. PMC involvement in the delivery of aid programmes, indeed any armed provision of assistance, is based on security provided through armed deterrence, rather than acceptance. As such, it undermines the basis for humanitarian access negotiated through the humanitarian principles of independence, impartiality and neutrality. In view of this, NGOs would dispute that PMCs present an effective strategy for reconstruction in Afghanistan. PMCs’ activities in training of the police and auxiliary forces are also of concern and it is unclear if they meet the most basic UN standards for police training, particularly in firearms handling. Moreover, their mandates are unclear and their accountability is questionable.

Tensions between the development and security agendas

59. NGOs can only operate in insecure provinces on the basis of neutrality, independence and good relations with local communities. Across much of Afghanistan, associations, whether real or perceived, with a contested military operation and central government compromise our legitimacy and acceptance among local populations.

60. The operational experience of BAAG member agencies in Afghanistan suggests that the military approach to CIMIC has often proved ineffective, or even counter-productive, in terms of both military and civilian objectives. Instead of facilitating military-implemented or funded QIPs, civil-military relations capacities should rather focus on promoting effective co-ordination between the military and the full spectrum of civilian actors, emphasising their different roles and mandates.

UK civil-military relations strategies in Helmand

61. The UK Government should consider undertaking an independent evaluation of the contribution of integrated civil-military operations, such as PRTs, to improved governance in Afghanistan. International forces, including PRTs, have an inevitably political character and so must relate to local powerholders as well as operate in accordance with their mandate, which emphasises strengthening central government authority across the country. Several PRTs have sought to facilitate linkages between central and provincial-level governance in Afghanistan. Different NATO PRTs contain a varied mix of civilian expertise to provide support on these political and diplomatic aspects, while PRT Commanders assume a political representative role at the provincial and local levels. NATO has also played a role in establishing the Afghan-led “Policy Action Group” (PAG) initiative to support co-ordination on reconstruction and security at central and provincial levels. The constraints, challenges and efficacy of different approaches to this aspect of civil-military relations have only just begun to be evaluated, for instance by the Norwegian Government in Faryab province.

62. Although the ISAF southern Afghanistan strategy since 2006 resembles—in intent—a more joined-up and civilian-led approach than exercised in past years, concerns have been raised regarding continued military dominance of decision-making processes. This can be compounded by variables in military culture—so that paratroopers are more likely to emphasise military preeminence than line infantry, for example. Reconstruction requires civilian leadership and capacity to provide the necessary context understanding; political analysis and engagement with local power-holders and communities. Notwithstanding the political acumen of certain individuals within the military, the military intrinsically

³⁸ Reference to the PRT Executive Steering Committee which expresses the government’s recommendations for priority PRT sites and provides a forum for NATO, IOs and NGOs.

lacks these capacities and qualities. Indeed both their capabilities and their strategic, operational and tactical imperatives militate against effectively navigating and affecting change in local politics. For example, a significant component of the military CIMIC support capability consists of technical experts, for example engineers, who analyse local needs and promote QIP strategies reflecting that technical worldview. Yet, as experience in both Afghanistan and Iraq demonstrates, building wells or pumps in particular locations because local power-holders identify that as the priority does not equate to an effective political or reconstruction strategy.

63. While to date there has been no thorough evaluation of the developmental value of UK PRT aid projects, a joint-donor evaluation report of assistance given by five European countries to Afghanistan since 2001, which included the UK, stated that these projects “could have been delivered more cheaply and efficiently by other aid providers” and that “time pressure for delivery during short assignments promotes a “just do it” approach with limited concern for long-term impacts and sustainability.”³⁹ BAAG is conducting research into these issues and hopes to be able to report preliminary findings to the International Development Committee during the course of the Inquiry.

COUNTER-NARCOTICS

Sustainability and effectiveness of counter-narcotics and alternative livelihoods policies:

64. Reviews of counter-narcotics literature and analysis of economic factors driving poppy production indicate that success will be primarily linked to overall improvements in governance, security and reconstruction/development progress rather than through a separate counter-narcotics initiative working in isolation. An alternative livelihoods objective should be mainstreamed into general rural development efforts which in turn should receive adequate and consistent financial support over a multi-year period. The literature also indicates that it is “land poor” rural inhabitants and those living in remote areas with little access to markets that are the most dependent on cultivating poppy. Although DFID counts rural livelihoods as a component of its counter narcotics effort, actual investment in that area other than through the dysfunctional CNTF is low and not targeted towards the neediest groups.

65. Short-term and military-led approaches to counter-narcotics are ineffective. Emphasis should be placed on tackling root causes of the opium trade, and local and civilian leadership of these efforts.

66. The international community is increasingly concerned by Afghanistan’s opium economy, which has evident implications for security and stability. Some parliamentarians, the media and other commentators in donor countries push for a “quick fix” to poppy cultivation. However, a short-term approach to counter-narcotics would be ineffective and counter-productive. Our operational experience, that of local partners and the communities we work with, suggest that an effective strategy must involve holistic and properly sequenced assistance to tackle problems of security, governance and development: “*One cannot speak of creating legal livelihoods until there is a legal and legitimate context within they can function.*”⁴⁰

67. The premise that farmers can be strong-armed into abandoning opium cultivation is flawed. Eradication and cultivation-bans alienate the very communities we need to work with. For example, in Thailand, after early failed experiments in eradication, the Thai Government waited until more than a decade of development efforts had produced sufficient economic alternatives before resuming eradication.⁴¹ Recent experience in Afghanistan suggests that eradication merely displaces production to new regions. Furthermore, in some regions, such eradication programmes have been used to target political opponents or economic competitors; thereby contributing to weak and corrupt governance.⁴² This contributes to local-level conflict and further erodes support for counter-narcotics efforts and the Government of Afghanistan. Eradication should only be implemented when the state is capable, trust in communities has been built, and poor people have access to economically-attractive, legal livelihoods.

68. The opium economy in Afghanistan is a deeply rooted and complex phenomenon, which requires a long-term and multi-faceted response. Critical factors include inequitable and exploitative patterns of land tenure, share-cropping arrangements, and credit/debt systems. Many small farmers simply have no viable alternatives; their access to land, credit and livelihoods depends on participating in poppy cultivation. The first measure of success for programmes dedicated to fostering alternatives to opium poppy cultivation must be the quality of life of poor farmers and their families.

The role of NGOs in the new environment

69. Latest figures from ANSO⁴³ (August 2007) demonstrate a clear escalation of the use of kidnap tactics. Country-wide, between January-July 2007 an estimated 195-210 persons have been abducted in 45 incidents, including Afghan and international civilians, ANP or Government of Afghanistan workers. There is a heightened threat of suicide attacks within Kabul, heightened abduction threat for ransom and prisoner

³⁹ *A Joint Evaluation: Humanitarian and Reconstruction Assistance to Afghanistan from Denmark, Ireland, Netherlands, Sweden and UK*, Danish International Development Agency (Danida), 2005.

⁴⁰ Mansfield, D, Pain, A, *Opium Poppy Eradication: How to raise risk when there’s nothing to lose?* AREU Briefing Paper, August 2006, p 2.

⁴¹ CARE International, *No Quick Fix: Curbing Poppy Cultivation in Afghanistan*, December 2006, p 1.

⁴² Pain, A, *Opium Trading Systems in Helmand and Ghor*, AREU, Kabul, January 2006, p 21.

⁴³ Afghanistan NGO Safety Office Weekly Security Report 23–29 August.

exchange purposes. The resultant restrictions on NGO staff movement is hindering the implementation of programmes. NGOs have had to improve their security arrangements, including additional investment in security measures, provision of security advisors for their staff, thereby increasing their operational costs. International staff are restricted in movement and access to project beneficiaries; similarly national staff, particularly women, are affected by safety concerns and therefore travel to remote areas is severely restricted. The ongoing ambient insecurity, together with changes in donor policy and issues of funding insecurity, means that it is difficult for NGOs to attract and retain staff. Member agencies report that the turnover rate for both expatriate and national staff is very high.

70. In insecure areas across Afghanistan, NGOs can only operate on the basis of neutrality, independence, low visibility and the acceptance of local communities. The notion of “humanitarian space” captures the moral, political and operational dimensions of our capacity to operate safely and effectively in such a chronically insecure situation. Ironically, the concept of “humanitarian space” provides a kind of correlate to the military concept of “campaign authority”. It is every bit as apparently abstract and ideological, and yet every bit as real and important to the sustainability and legitimacy of operations on the ground.⁴⁴

71. NGOs offer decades of project delivery experience at a grass roots level, including several British NGOs, and a history of relationships of trust with rural communities. A poll conducted by the Asia Foundation in 2006 confirmed that the Afghan people continue to trust NGOs more than government initiatives. This is in spite of a few Afghan politician blaming NGOs⁴⁵ for all reconstruction failures and the confusion around the true definition of NGO that arose during Taliban time when construction businesses were also registered as NGOs. But NGOs do not wish to work in isolation and most are fully engaged in partnerships with the government of Afghanistan since they are, after all, implementing most of the national priority programmes.

72. Many NGOs are excited by the facilitating role they are playing and can continue to play in building capacity of local governance, preparing community groups to represent their constituencies in district and eventually provincial level planning. Many NGOs are also designing innovative rural livelihoods initiatives that build on the governance foundation provided by Community Development Councils (CDCs) and other community-based groups.

73. The “added value” of NGOs should be emphasised, particularly with regard to DFID’s stated commitment to gender mainstreaming, strengthening civil society and processes to support the development of local governance. NGOs play an important role in Afghanistan. Not only do they contribute with innovation and creativity in solving the challenges Afghanistan faces, they are also historically an important “backup” service provider when the government fails to provide basic services. Considering the unstable state that the country is still in, it is important that this capacity, which has been created over many years, is not lost.

74. For example, the National Solidarity Programme has established Community Development Councils (CDCs) in 34 provinces of the country, the local level participatory mechanism for NSP. The future of the CDCs is intertwined with the question of Afghanistan’s future governance, and mechanisms for development at the local level. NGOs as Facilitating Partners (FPs) called for an informal review of the CDC Bylaw. The subsequent consultations highlighted some important failings in the current version of the Bylaw and looks at questions around the legal status of CDCs and institutional mechanisms of local government; and articulates the concerns of FPs and civil society actors. Concerns include the lack of a mechanism to ensure the participation of women in the decision-making process by requiring that the CDC is composed of an equal number of men and women. The role of NGOs in this context provides a vital link between ministries and consultation at the local level, in designing local governing structures, and the participation of donors in this process needs to be ensured. (The FPs are developing a position on the CDC Bylaw with practical recommendations and further information can be provided).

75. It should be recognised that NGO “coverage” includes some of the most remote areas in the country, including Farah, Badghis, and Faryab. Much of the community based work requires NGOs to have a flexible and pragmatic approach in the context of Afghanistan. BAAG members aim to develop and implement the work as much as possible in line with national plans and strategies. However, where the government has little presence or capacity, NGOs are able to identify gaps where communities can be supported in a way to promote links and synergies with government structures and authorities once the opportunity arises. The findings of the surveys carried out by BAAG on NGO funding gaps highlighted the need for flexibility and innovation in the Afghanistan context.

⁴⁴ The British military doctrine (Joint Doctrine Publication (JDP) 3-90, April 2006 Edition) defines campaign authority as follows. “Campaign Authority comprises four inter-dependent factors: 1. The perceived legitimacy of the international mandate that establishes the PSO. 2. The perceived legitimacy of the freedoms and constraints, explicit or implicit in the mandate, placed on those executing the PSO. 3. The degree to which factions, the local population and other actors subordinate themselves to the authority of those executing the PSO; from active resistance, through unwilling compliance to freely given consent. 4. The degree to which the activities of those executing the PSO meet the terms of the mandate and the expectations of factions, local populations and others.

⁴⁵ As a proxy for all international aid agencies and/or mislabelled construction companies.

76. An international NGO with many years' experience in Afghanistan, has demonstrated that NGOs can play a key role in building government systems and capacity to deliver comprehensive, good-quality, public health services with the active involvement of service users in Afghanistan. A number of innovative approaches were used to improve quality and the participation of children and their communities, enabling them to better hold government to account. The approach taken and success achieved contradicts a common perception among donors that NGOs' service delivery programmes in fragile states operate parallel to, rather than in alignment with government systems. Another INGO reports on the positive experience working with the Government of Afghanistan particularly in relation to water and wells—a jointly managed national database is one of the key outputs in this regard.

77. The following example demonstrates how global institutional experience offered by INGOs can be adapted for the Afghanistan context. Although not conceived as a tool for fragility analysis, the Child Rights Situation Analysis (CRSA) and child rights programming tools have been useful in helping the BAAG member's programme to analyse and address violations of children's rights and the root causes of violations, while also emphasising the need to build the capacity of duty-bearers, such as the Afghan state, and civil society to respect, protect and fulfil these rights, including the development of legal and institutional frameworks. This rights-based approach has also enabled the INGO to identify more clearly the most vulnerable and marginalised groups for its programme work. The child rights programming approach has also enabled the programme to maintain a longer-term vision even in the absence of predictable longer-term funding. The global institutional knowledge of INGOs is a valuable resource from which Afghanistan can benefit.

78. Distance or "remote" management can be an effective strategy to ensure continuity of operations in a large country as Afghanistan where infrastructure is poor and insecurity prevails. However, care needs to be taken to guard against passing on security risks to national staff and partners in the process. Empowering and working through strong national teams and partners has enabled one NGO to reach more children in Kandahar and Uruzgan. The agency works closely with several national partners and local government departments, providing training in child rights, child protection and listening to and working with children. The national team understands local attitudes and sensitivities and is able to find appropriate ways to present difficult and potentially contentious concepts around child rights and protection to partners. National partners are able to negotiate access to locations that the INGO staff—both national and international—cannot reach.

CONCLUSIONS AND RECOMMENDATIONS

Recommendations to DFID regarding aid policy

79. The UK Government, and specifically DFID, should review and change course in its current aid policy for Afghanistan. An emphasis on state-centred aid modalities to deliver "state-building" has led to the emergence of a "service gap". Particular attention should be paid to the NGO capacity to provide basic services and livelihoods support for populations outside of the capacity and political or geographic reach of government to deliver. DFID should identify creative mechanisms to provide funding to NGOs for frontline services, such as support to consortia funding, use of "local funds" arrangements, joint programming and increased DFID staff capacity to manage NGO funding.

80. Decisions on aid allocations should be made according to levels of humanitarian need and the potential for sustainable reconstruction; and not driven by the geographic focus of military operations.

81. NGOs should be supported in their efforts to innovate through less rigid funding mechanisms. These mechanisms can still be co-ordinated by the government of Afghanistan, but a continued insistence that aid be channelled only through the government of Afghanistan does not seem responsible in the face of the overwhelming and immediate need for development throughout the country for which the government does not yet have capacity to respond. Failure to do so will result in under-utilisation of an important reconstruction resource which Afghanistan can ill afford.

82. There should be an Afghanistan-specific approach by donors which does not approach the country as a part of a group of "conflict" or "fragile" states.

83. NGOs welcome DFID's consultation with NGOs/CSOs on its funding policies. DFID should develop stronger partnerships with NGOs within new funding modalities to capitalise on NGO experience and knowledge, support scaling-up and replication of NGO successes and improve accountability to communities. UK-based charities need to be intimately involved in this approach and strategy formulation. NGOs are willing to continue this engagement and find ways to develop a constructive exchange on policy development. In line with the OECD Principles, "wherever possible, international actors should work jointly with national reformers in government and civil society to develop a shared analysis of challenges and priorities."

84. DFID needs to evaluate its strategy of redirecting funds via the Afghan government. In undertaking this, DFID should draw upon an advisory group of in-country representatives from various UK based NGOs.

85. We ask DFID to review their current policy of reducing funding for smaller scale development projects to lower the transaction costs and seek alternative methods for disbursing funds for these projects

86. Monitoring and evaluation of pooled mechanisms—DFID should continue to monitor the effectiveness of the ARTF and other pooled funding mechanisms focusing on impact on the ground as well as on building government capacity and ownership and meeting UN reform and donor harmonisation and cost-efficiency objectives. Feedback from civil society should be proactively sought and NGOs engaged as partners to support this. Lessons learned should be fed back through OECD work streams and the Inter Agency Standing Committee (IASC) as well as disseminated to other fragile states.

87. Pooled fund accountability—DFID should hold the UN accountable for UN overhead costs charged against the pooled “pass-through” funds they manage, and work with the UN and NGOs to streamline and expedite approval, disbursement and procurement processes for UN-managed funds.

88. Funding characteristics—Core characteristics should be as follows:

- (a) Predictable and long-term, to enable successful interventions to be piloted and scaled-up.
- (b) In-country decision-making using input of NGOs and civil society
- (c) A defined timeline and rolling application opportunities (which can provide the flexibility for a rapidly shifting environment)

89. DFID should acknowledge the additional costs associated with supporting staff and operations in a high-risk security environment when reviewing NGO requests for overhead costs.

90. DFID should review its gender equality plan in the context of Afghanistan.

91. We call on HMG to redouble its efforts to build Afghan government capacity and to improve the resourcing of National Priority Programmes and to remove bottlenecks in the delivery of funds

92. We also seek an urgent review of HMG’s existing development strategy in order to ensure more geographically balanced, inclusive and broad-based development. Such a review also needs to look at how development can practically be delivered in the present transitional phase.

93. We ask HMG to support British NGOs and their Afghan partners, to continue to commit time and resources necessary and to persuade other donors to honour their pledges, including to the NSP.

Recommendations to donors

94. Donors should ensure that NGOs are able to maintain their independence and continue critical areas of work that may not be considered the highest priority by the Afghan government but which may benefit it in the long term through improving people’s lives. The suggestion from the BAAG survey to set up an “innovation fund” for NGOs to implement their own projects that can be used as models for the Afghan government would require more flexibility from donors. The need remains for an interim phase to allow time for relevant Ministries to gain sufficient capacity to provide services themselves. It should be recognised that local and national NGOs can play a role in both holding the government to account, especially in the area of human rights, and in building government capacity. In a specific request to the UK government one BAAG member states “Even with the political will, it would enable a significant amount of capacity building within government to enable them to take on this role in the near future. As such, ... it is crucial that the British government ensures funding reaches these local women’s rights NGOs to enable them to continue their work at this pivotal time.”

95. The Afghan government needs to be careful that government accountability, essential to building trust with both civil society and the international community, is not undermined as a result of its capacity problems and governance challenges.

96. We believe that until the Afghan government has the capacity to deliver a full range of development services, NGOs remain essential to the development effort and need to be utilised to deliver progress on the ground for ordinary Afghans.

97. We ask for improved donor co-ordination, as articulated in the NSP evaluation report⁴⁶ “An integrated approach should be adopted by the donor community, both to ensure that international funding helps to support national development priorities and to provide for better coverage.”

98. We request that donors are more innovative in developing mechanisms to spend more aid in fragile states. Whilst aid is already reaching conflict affected countries for example through budget support (eg. Rwanda, Sierra Leone), through donor co-ordination and insurance mechanisms (the GEMAP in Liberia), through projects (as is most common currently) or through social/community funds, innovative mechanisms need to be further developed in order to scale it up. In the case of Afghanistan, we feel that aid delivery is too heavily invested in budget support, and that there needs to be a better balance with other forms of delivery.

99. Existing commitments made by the UK government on gender equality and women’s rights (in particular the Convention for the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Platform for Action and UN Security Council Resolution 1325 need to be reinforced.

⁴⁶ Evaluation of NSP Programme, York University.

100. We urge the Government of Afghanistan and international partners to prioritise their support to the gender mainstreaming process to secure commitment to gender equality by all stakeholders in the justice sector.

Regarding counter-narcotics

101. Political pressure for NATO military forces to become involved in counter-narcotics operations, in particular eradication programmes, should be opposed.⁴⁷ Sustainable and consent-based strategies should be led by local and civilian authorities, with a particular emphasis on effective action by the police and judiciary.

102. Counter-narcotics strategies should rely on an appropriately sequenced combination of economic development within the communities on the one hand and eradication and law enforcement efforts on the other. The first measure of success for programmes dedicated to fostering alternatives to opium poppy cultivation should be the quality of life of poor farmers and their families.

Regarding civil-military relations

103. The UK Government should support initiatives to develop country-specific civil-military relations guidelines that are explicit about good and bad practice in civil-military relations. Such initiatives should draw on the lessons learned from UN-facilitated country-specific civil-military guidelines in Iraq and Afghanistan.

104. The UK Government should support an initiative to establish an additional, higher-level forum for dialogue on civil-military relations issues; possibly on a quarterly basis. Its purpose would be to ensure greater follow-up and political engagement on issues raised in the operational-level discussions of the NGO civil-military relations working-group, co-hosted by UNAMA and ACBAR.

105. The UK Government should commission independent research on the contribution of integrated civil-military operations, such as PRTs, to improved governance in Afghanistan.

106. The UK Government must ensure that UK forces abide by international humanitarian law and its human rights obligations. Specific concerns regarding the conduct of US Coalition and NATO ISAF operations should be addressed, with particular attention to issues of detention and use of “rendition” practices and interrogation at US facilities; and the detention and the transfer of prisoners to Afghan national authorities.

Regarding health

107. There needs to be a much greater focus on technically feasible and affordable community-based interventions that address the most important causes of illness and death, and on those age groups that are most vulnerable (women, infants, and young children).

108. Much more needs to be done to develop effective health services and health staff in more remote areas. Delivery of programmes to these areas is more expensive (staffing, logistics, security) and logistically difficult. This is not sufficiently considered in current funding mechanisms.

109. Whilst nutrition, disability, mental health and testing, counselling and treatment of HIV have been added to the BPHS, the funding to deliver this package did not increase correspondingly. Therefore BPHS providers are forced to prioritise and these activities are not being done to the quality or coverage that the needs indicated.

110. The lack of female service providers remains a key constraint to access to care at all levels in the health system. Women must play a critical role in designing and implementing programs that address the needs of women and children. The international community still needs to make greater efforts to address this.

Regarding human rights

111. Donors should be reminded of the existing international instruments regarding the protection and promotion of human rights in Afghanistan. In line with UN Security Council Resolution 1325 we recommend that the Afghan Government reaffirms its commitment to putting an end to impunity and to prosecute those responsible for crimes against humanity; war crimes, including those relating to sexual violence against women and girls; and to exclude such crimes from amnesty provisions.

The British and Irish Agencies Afghanistan Group (BAAG) is an information and advocacy network of British and Irish Non Governmental Organisations that support relief and development programmes in Afghanistan. BAAG also provides a secretariat function for European NGOs through the European Network of NGOs in Afghanistan (ENNA). It is the only network of NGOs within the UK, Ireland and

⁴⁷ *Losing Ground Drug control and war in Afghanistan*, Transnational Institute, TNI Briefing Series, December 2006.

Europe with a primary focus on Afghanistan. For a list of current members, please see BAAG's website: http://www.baag.org.uk/about_baag/current_members.htm, which also provides links to individual agencies websites.

BAAG was originally set up in 1987, as an umbrella group to draw public attention to the humanitarian needs of the population of Afghanistan and of Afghan refugees in Iran and Pakistan. BAAG's role and structure has changed over the years reflecting the evolving situation in Afghanistan. BAAG's primary aim is to help create "an environment where Afghans can take control of their own development and bring about a just and peaceful society". It works towards this goal by means of advocacy work, research and analysis, and information sharing informed by staff from member agencies that are based in Afghanistan and transnational networks.

The content of this submission may not represent the views of all BAAG member agencies.

October 2007

Supplementary memorandum submitted by the British and Irish Agencies Afghanistan Group (BAAG)

The British and Irish Agencies Afghanistan Group (BAAG) very much welcomed the opportunity to give evidence to the Committee on 15 November 2007 and to discuss with you issues of development and reconstruction in Afghanistan.

During the course of the oral evidence session, a number of issues arose in relation to capacity development and human resources within Afghanistan, agriculture and the security of NGOs (see oral evidence, para. Q95, 080 and Q74 respectively), on which we hope that you might allow us the opportunity to comment further. We apologise that we are only able to offer our response at this late stage, but it was necessary for us to speak with BAAG members in Afghanistan and unfortunately, Eid, and the Christmas and New Year holiday periods all served to interrupt lines of communication.

CAPACITY DEVELOPMENT WITHIN THE STATE SECTOR IN AFGHANISTAN

During the IDSC oral evidence session, the inference was made that NGOs are undermining the capacity of Afghan government by recruiting qualified staff away from the state sector at a time when the state sector is seriously lacking in capacity.

With reference to this specific point, we wish to make the following comments:

1. There has been, since 2002, outspoken criticism of aid manpower costs, in terms of both the inflation of costs and the "poaching" of manpower in Afghanistan. During the course of this debate, both in Afghanistan and internationally, the term "NGOs" in written and spoken comment⁴⁸ has been used to encompass a broad range of organisations, from international and donor organizations to private contractors and local and international NGOs. This in turn has fostered a perception in the general public of a group—called NGOs—who earn high salaries, and undermine state-building efforts. While this discourse highlights genuine problems, it also serves to conflate in the public's mind NGOs with multinational organizations that have very high salary scales, such as UN Agencies and "for profit" contractors, subcontracted to carry out reconstruction projects. This conflation in terminology, in turn, runs risk of turning NGOs into scapegoats for the very real issue of a human resources crisis in Afghanistan.

2. Civil service reforms in Afghanistan have resulted in some career paths within the Government of Afghanistan which are fully competitive with that which many NGOs are able offer. As a result, movement of qualified Afghan personnel from NGOs to the state sector has been considerable in the past few years.

3. Many national personnel working for local and international NGOs gain valuable experience and training within the NGO sector before moving to the state sector. A considerable number of NGOs have experienced high staff turnover over the past five years, losing committed, experienced and qualified staff not only to the UN and other international organizations, but also to government departments. For example, within one organization over the last 12 months, seven senior and highly valued staff members have moved to the Ministry of Rural Rehabilitation and Development, Ministry of Agriculture, Irrigation and Livestock, the Ministry of Public Health and the Ministry of Education respectively. A recent independent report into civil military relations carried out for BAAG found that "There is a relatively small pool of qualified and experienced Afghans with English or European language skills in Afghanistan. These are being pulled between donors, the diplomatic community, aid agencies, the military and the private sector. This has had a profound impact on International and Afghan NGO staffing and capacity".

⁴⁸ Examples can be provided on request.

4. The contribution of NGOs to developing local human resource capacity in Afghanistan is significant, sustained and for the most part, in accordance with national government planning. The philosophy that underpins the work of many NGOs is based on a commitment to strengthening and supporting local systems now and laying foundations for the future. (Please see attached Appendix: Examples of human resource capacity development in the state sector.)

5. In its report looking into state-building processes in Afghanistan, the Afghanistan Research and Evaluation Unit found that “The role of non-state actors, such as NGOs in developing capacity is currently largely ignored as a public resource. For example, NSP facilitating partners have trained thousands of young, motivated and gender balanced community organisers that could represent a future pool of state employees; The Independent Afghanistan Reform and Civil Service Commission implementation plans for pay and grading reform should consider long-term capacity transfer from the non-state sector” Aiding the State, AREU (April 2007).

6. As indicated in the AREU’s report, NGOs, through the NSP and other programmes, have contributed significantly to community development, and improving the ability of the poor to participate in decision making, access information and take control of resources. Yet, there has been an absence of a consistent and strategic approach to capacity development across the state sector (and within civil society) that would allow for long term and sustained capacity development at both national and provincial level (For further reading see World Bank (2007), *Service Delivery and Governance at the Sub-National Level*). We would encourage a review and evaluation of the capacity development work that has been undertaken within the state sector.

7. We believe that it is the introduction of strategic, long-term, clearly defined capacity development programmes with the necessary resources and support from the government ministries and international donors, rather than an audit of qualified personnel within NGOs that will reinforce the development of the public sector in Afghanistan in the longer term.

CIVIL SOCIETY CAPACITY DEVELOPMENT

In contexts of weak governance, civil society can and should play a critical role in strengthening the responsiveness of state and local government to improve the ability of national government institutions to secure peace and social justice and human security. Civil society in Afghanistan has a critical role to play in capturing emerging aspirations in the context of local social struggles for peace, development and well-being. To this end, we would like to make the following points:

8. BAAG supports the points made by the Chairman of the International Development Committee in his letter to the Secretary of State for International Development, which state that:

“the balance between military and civil and development activities needs to be reassessed. It is important that the pace of military engagement does not exceed the capacity of local governance structures and civil society in relation to stabilisation and development activities” (Point 4.)

“insufficient progress is being made on the status and rights of women who are too often the victims of domestic violence and who are not yet properly protected by the justice system”. (Point 6.)

9. BAAG continues to have concerns regarding the involvement of the British army in aid projects in Afghanistan. These relate to five aspects of existing Provincial Reconstruction Team projects; the impact on “humanitarian space”⁴⁹ the risk of security objectives dominating their conception; the lack of scrutiny by Parliament of this type of aid spending; the fact that the long-term development value of such projects has not been publicly evaluated; and the fact that they divert troops away from their core mission of stabilisation and training Afghan security forces. The World Bank has also recently questioned the value of PRT involvement in community led initiatives⁵⁰ and expressed concerns about their long-term effect on government institutions and processes.⁵¹

10. Often opportunities to extend civil society development work to help develop local capacity is curtailed by a lack of available funding, particularly core funding that would allow Afghan civil society organisations to achieve sustainability and growth. There is also a lack of long-term funding for Afghan civil society capacity development that allows for sustained and predictable programming.

11. It is of concern that there is very little support for civil society initiatives in Afghanistan, and even those national priority projects meant to stimulate participation of civil society groups in local governance, such as youth groups, parents groups, women’s groups and other interest groups, that appear in the NSP methodology are also dangerously under-funded. The multi million dollar NSP funding deficits are well publicised, but if more funding is not committed on top of that which is needed to overcome the deficit to ensure continued capacity building of Community Development Councils (CDCs) and their interaction with

⁴⁹ BAAG has recently commissioned independent research into Civil-Military Relations in Afghanistan, and the research report is currently in draft format. Once the report is in final draft (In February), we would welcome the opportunity to discuss the research findings in detail with the Committee.

⁵⁰ World Bank (2007), *Afghanistan: Service Delivery and Governance at the Subnational Level*, p xiv.

⁵¹ World Bank (2007), *Afghanistan: Service Delivery and Governance at the Subnational Level*, p v Security-driven investment approaches (often, but not exclusively, emanating from the PRTs), which focus mainly on the rapid creation of physical assets using non-government systems, have sometimes conflicted with government institutions and processes.

civil society interest groups, much of the initial investment into NSP will have been wasted. There is a need for real clarity and an agreed strategy and plan across government for the future role of CDCs, in general, and civil society, in particular, in local governance; one that will capture not lose or undermine the experience that has been built at local level through programmes such as the NSP.

12. Two years of support to CDCs is not sufficient, and cost effective ways to continue engaging them, linking them to district governance and monitoring and promoting human rights in a meaningful way, and enhancing their capacity to strengthen rural livelihoods options should be investigated. Ear-marked funding to build female CDC members' and women's groups' leadership skills and ability to liaise with Government would contribute to the gender mainstreaming commitment promoted by DFID. Establishing district level small grant funds for female CDC sub-committees would enable them to implement projects that are responsive to strategic gender needs, such as literacy and business skills training, and training in the monitoring and responding to violence against women.

INCREASING SECURITY COSTS FOR NGOs IN INSECURE OPERATING ENVIRONMENTS

13. Due to a deterioration in security in Afghanistan, NGOs' security management costs are rising and NGOs are finding it increasingly difficult to fund security needs from project or central budgets. Such costs relate to increased costs on communication equipment, to security training to ensure the safety of staff, to costs relating to robberies and attacks on offices as well as to the costs associated with delays in project implementation resulting from specific security incidents.

14. The sources of insecurity are complex and variable differing between and within provinces and districts across Afghanistan. The level of threat comes not only from armed opposition groups, but also from the high levels of crime, lawlessness and impunity. Incidents of looting, intimidation and abductions are growing. Funders should be urged to allow for security costs to be built into projects. There is also a very real need for regular in depth conflict analysis work on the part of donors.

SPECIFIC EXAMPLES OF HOW INSECURITY HAS AFFECTED NGOs INCLUDE

15. *Example 1:* In the north-eastern Province of Kunduz, Merlin is working to support a local Afghan NGO, Care of Afghan Families, to implement the Basic Package of Health Services. Although Kunduz is considered to have a relatively good security profile, the financial impact of increased levels of insecurity can be considerable. Merlin recently submitted a funding request for an additional 1.5% of the total project funding, over a period of 22 months to address rising security costs to the organisation in Kunduz. Prior to the funding request, the area in which the programme was located experienced attacks on clinics, suicide bombings and attacks on police posts.

In spite of these challenges however, Merlin was unable to secure additional funding for security costs from the donor in question. Despite the difficult nature of the operating environment, at present no additional funding has been allocated for rising security costs. The impact of increased insecurity may well impact on NGOs ability to deliver services and this remains a critical concern within the current operating environment.

16. *Example 2:* Tearfund is working in Kandahar and the cost related to security are:

All staff, both national and international, are now required to fly to Kabul. Whereas up until recently, they could still use the road for national staff, this is no longer possible. A return ticket Kabul—Kandahar on UNHAS is 540 US dollars. This costs the organisation on an annual basis around 18,000 USD extra.

Due to insecurity, Tearfund has decided to move its office inside the security area as declared by ANSO and UNDSS. Obviously, the house prices in this area are higher than in the previous location, and it will have to pay an additional 1,700 USD per month on housing rent

Tearfund have also had to adopt security identity management measures to protect staff as they travel which have in turn resulted in an increase in costs associated with travel.

The total extra security costs are 56,400 US dollars, on a total budget of around 500,000 US dollars. 10% of the total budget.

17. *Example 3:* WOMANKIND Worldwide has recently decided to revise its' Women's Empowerment Programme in Afghanistan. The programmes have had a positive impact on Afghan women's lives to date in Mazar, Jalalabad, Peshawar and Kabul through the hard work of our three partner organisations—AWN, AWEC and AWRC.

However, recently a mid-term evaluation of the programme made it clear that for the programme to meet its planned outputs until 2010, significant additional resources are now required due to the deteriorating operating environment in which the programme is being implemented; resources to which WOMANKIND do not currently have access at present.

WOMANKIND has been increasingly concerned about the deteriorating security situation in Afghanistan and has been mapping and monitoring the risks to the Women's Empowerment Programmes on an ongoing basis throughout the year. Poor security has had a negative impact on our local coordinators, partners, partner staff, beneficiaries and programmes. As a small development agency WOMANKIND does

not have the capacity to work in very insecure environments—it has inadequate access to security support and advice. This has been impacting on WOMANKIND's ability to visit the programme sites as well as its ability to engage directly with partners and build their capacity.

In light of these growing security risks to the programme activities, beneficiaries and staff, the need for additional financial and organisational resources, and after careful consideration it has reached the conclusion that reducing the scope of activities and partners is the most sensible option for continuation of the programme in a way that delivers tangible benefits until March 2010. It has therefore reduced funding to two of its partners—AWN and AWEC—that work in Peshawar, Mazar and Jalalabad—and will withdraw all funding to these partners by October 2008.

THE IMPORTANCE OF FUNDING FOR AGRICULTURE AND SUPPORTING RURAL ECONOMIES

18. Evidence from Afghanistan suggests that agriculture, the key economic sector in Afghanistan, remains largely underfunded. Meaningful investment in agricultural development, both in terms of medium to large scale irrigation infrastructure and high value horticulture, is important for economic recovery and counter-narcotics efforts. DFID and other donors should use the expertise NGOs have developed over the years to maximise farm related income opportunities employing a country wide approach to reduce vulnerabilities to poverty and offering alternatives to narcotics production. An integrated 'value chain' approach to agriculture that addresses issues of land, water, credit management and labour is needed. Please see attached chart on recommended rural development/agriculture interventions (Mansfield, David, 'Treating the Opium Problem in World Bank Operations in Afghanistan: Guideline Note' <http://www.davidmansfield.org/data/Mainstreaming/WORLD—BANK/OpiumGuideline.doc>)

19. BAAG welcomes recent discussions in the Ministry of Rural Rehabilitation and Development on how best to support rural enterprise and we hope that this will lead to the development of a long-term programme that will be responsive to the needs of local communities.

We are happy to provide further information in relation to the issues raised in this letter, if the Committee feels it would be of use. We continue to believe that it is important for HMG to review its aid programme to Afghanistan, and we are grateful to you for providing this opportunity for dialogue on this issue.

January 2008

Appendix to letter to Chairman of the International Development Committee from the British and Irish Agencies Afghanistan Group

SOME EXAMPLES OF NGO INVOLVEMENT IN DEVELOPING HUMAN RESOURCE CAPACITY IN THE STATE SECTOR

Example 1: NGO investment in developing human resource capacity in Health Sector

An example of Merlin's investment in developing human resource capacity can be found in the Community Midwife Education programme: A collaborative approach involving local and international NGOs, the Ministry of Public Health (MOPH) and donors has been adopted to develop a model for the development and retention of health workforce. Women's access to health services in Afghanistan is poor and a contributing factor to the high burden of maternal mortality, owing to the lack of female health workers. To meet the demand for qualified female health staff, the MoPH introduced the idea of Community Midwife Education (CME) program. Merlin works in partnership with a local Afghan NGO, Care of Afghan Families, to implement CME and in doing so strengthens the human resource capacity of the health sector. The success of the program is based on a number of factors:

- Communities are involved in selection and guarantee that the candidate will serve their community while working in the district for at least five years after completing the training;
- The training course is accredited and monitored by the MoPH and is linked to vacancies;
- Donors commit funds in support of the initiative;
- The program does not finish after completion of training. Instead, each graduate is supported through the initial period of their placement in a health facility. In fact, candidates visit prospective facilities where they will work after graduation. They are introduced to facility and community members and efforts to make their workplace equipped and ready start before they join in;
- All the graduate students are guaranteed a reasonably well paid job.

The involvement of communities, the contract with the student and the coordination from beginning are mechanisms to ensure that once trained, the health workers don't leave the area. Working with experienced Afghan personnel, employed either by Merlin or the local NGO, is critical to the success of programmes such as CME. Without their input it would not be possible to engage with the community to such a high degree and to ensure continued training of essential health personnel. Through working on this programme, the qualified personnel are not lost to the health sector, but contribute significantly to its development and long term sustainability.

Example 2: NGO investment in developing government human resource capacity in Agriculture and NSP management

Afghanaid has established a regular consultation process with the local agriculture departments, inviting employees from the district level agriculture departments to attend training sessions and field days to enhance their expertise and experience. In addition, the local agriculture departments directly co-ordinate with Afghanaid in Baharak, Keshem and Faizabad in Badakhshan Provinces, so that the local agriculture department employees will work directly with Afghanaid for a period of two to three years, to gain experience and project management skills.

As a facilitating partner for NSP, Afghanaid is training provincial government employees of the Ministry who will take over management of the programme once the NGO's cycle of work is complete. This training programme aims to enhance significantly government employees confidence, commitment, expertise, skills and experience. The training also encourages career progression.

The training also helps to promote genuine coordination, communication and information sharing between NGOs and the government departments.

Example 3: NGO investment in developing human resource capacity in the Education Sector

The Swedish Committee for Afghanistan (SCA) has been running six in-service teacher training centres for both men and women in Afghanistan for several years. Originally when there was no functioning state in Afghanistan, these centres were used to train the teachers in the hundreds of schools managed by SCA.

After the fall of Taliban, and the election of the Government of Afghanistan, the Ministry of Education took over all SCA schools with the exception of 44 model schools, plus approximately 700 small village community based schools.

The teacher training centres are now used for teachers from both government schools and the SCA model and village schools. During the last five to six years thousands of government teachers have received training through SCA.

The SCA model schools are designed to serve as schools "of excellence" with innovative pedagogic methods. They are being increasingly used for training of government teachers. With regard to the Ministry of Education itself, SCA has senior personnel seconded to ministry assisting with curriculum development, development of text books, and other related activities.

Example 4: NGO investment in developing human resource capacity in the Justice Sector

War Child UK has been working with children in prison in Herat, western Afghanistan, since 2003. The area has high levels of children in conflict with the law for a variety of reasons. High levels of poverty mean that children are being pushed onto the streets, where they often engage in illegal, hazardous forms of labour to support themselves and their families financially. It is on the streets where they are exposed to physical, mental and sexual abuse and are vulnerable to involvement in criminal activities, such as drug-smuggling, petty theft and substance abuse. Indeed, geographically, Herat is a strategic point in the trafficking of drugs from Afghanistan to Iran—and War Child's research suggests that children are being co-opted into the drug trade in increasing numbers.

War Child UK is the only organisation to provide children imprisoned at Herat's detention centres with rehabilitation and vocational training; psychosocial support; and a family liaison service. This is part of a DFID-funded project that aims to promote the rights of children in conflict with the law. No similar projects for acutely marginalised children in conflict with the law exist elsewhere in the country.

RIGHTS VIOLATIONS AGAINST CHILDREN IN CONFLICT WITH THE LAW

In November 2006, War Child conducted research with child prisoners and juvenile justice stakeholders. All stakeholders described how international juvenile justice standards and the national juvenile justice code were routinely disregarded, with the result that children were being detained for prolonged periods without charge, trial, or adequate legal representation. The National Security Department, the Prosecution Department, the court and the police were found to routinely violate the rights of children in conflict with the law. Compounding the problem is the fact that the area of defence law is highly undeveloped in the Afghan context, meaning children have no formal mechanism they can utilise to secure their rights.

LEGAL TRAINING PILOT PROJECT

To respond to this, War Child has signed an MOU with Herat University Faculty of Law, Islamic Law and Theology, and has established a pilot project to train law students and social work students in juvenile justice best practice. Currently, 25 students are receiving juvenile justice training, which involves orientation to international juvenile justice standards, the national juvenile justice code and includes a focus upon preventative and diversionary justice.

They are being trained by War Child staff; Afghan Human Rights Commission human rights trainers; and defence lawyers from the International Legal Foundation. War Child will then establish a liaison service between graduates of the juvenile justice course and child prisoners in Herat. This will ensure that children have regular access to defence lawyers. We hope that this curriculum can be rolled out and replicated in other provinces.

Memorandum submitted by Christian Aid

EXECUTIVE SUMMARY

- Christian Aid has been working in Afghanistan since 1986 and has built up considerable expertise on rural development and civil society mobilisation through its work with Afghan partner NGOs in western Afghanistan.
- There have been many achievements of the engagement by the international community in Afghanistan since 2001. However, this progress is now threatened by the growing Taliban-led insurgency, weak government capacity, a lack of protection of human rights, and relatively poor co-ordination of aid spending by international donors.
- Afghanistan remains the poorest state in Asia. Efforts to tackle poverty in the coming years will be complicated by the ongoing conflict between insurgency groups on one side and the Government of Afghanistan (GoA) and NATO/US forces on the other. This is affecting the overall climate for reconstruction; the ideological dimension to the conflict will also endanger the ability of Western aid agencies to work across “the frontline” and deliver assistance to the poorest communities.
- DFID needs to work with other UK government departments to mitigate any divergences between military and development objectives, for instance by ensuring that international humanitarian law is upheld during UK military operations and that all avenues for a peaceful solution to the conflict are explored.
- The significant injection of international aid into Afghanistan since 2001 has brought many benefits to the population, including new infrastructure and expanded public services. However, donors and GoA also need to pay attention to the large, current gap between domestic revenues and public expenditure. A concerted effort is required to increase independent GoA capacity and revenues so that when aid flows eventually decline, these gains can be safeguarded.
- While Christian Aid supports DFID’s existing policy of budgetary support, we believe that more flexibility is required in the way it is operated. This would enable the Department to respond to humanitarian emergencies or other pressing challenges, such as the under-development of Afghan civil society.
- We would caution against a “knee-jerk” response by DFID to the current problem of opium poppy cultivation. Its focus should remain on tackling the root causes of production, notably the lack of alternative livelihood options for farmers. This said, there is considerable scope for improvement in DFID’s existing alternative livelihoods “package” in Afghanistan: it should concentrate above all on strengthening the legal agricultural sector in opium-producing provinces—since agriculture is the main source of employment for Afghans—as well as raising overall living standards.
- We would call on the UK Government to undertake a full review of the mandate for its Provincial Reconstruction Teams (PRTs) in Afghanistan. We remain concerned by the ongoing involvement of the military in aid delivery—the development value of these projects is unproven and the use of the military in this way continues to have an impact on the perceived neutrality of humanitarian and development aid agencies. We believe a new approach is needed by the UK which re-affirms the importance of distinct roles for military and civilian actors for achieving long-term stabilisation in conflict environments.

1. CHRISTIAN AID IN AFGHANISTAN

1.1 Christian Aid started working with Afghan partner NGOs in 1986 and established a representation office in the country in 1997 during the period of Taliban rule. We currently work with 16 organisations in Ghor, Farah, Herat, Badghis and Faryab provinces (in the west and north-west of the country) on rural development and civil society mobilisation. In recent years Christian Aid has also actively contributed to emergency responses, including the 2001–02 humanitarian crisis and the 2006 drought.

1.2 Christian Aid's work is focused on the following thematic areas: (i) rights education and civil society strengthening; (ii) rural livelihoods and livelihoods-related skills development; (iii) disaster risk reduction; and (iv) the legal and social protection of women. Our programme has three cross-cutting issues, which are integrated into each of the four themes. These are: gender equality, HIV/AIDS and environmental sustainability and climate change. The country budget for 2007–08 is \$1.6 million.

1.3 Our strength lies in the long-term relationships which we have built with Afghan communities through our partners and our support for community and civil society participation in development strategies at a variety of levels. For example, in 2005–06 we facilitated the setting up of a mechanism through which civil society groups could input to the discussions on the National Development Strategy. One of our partners in western Afghanistan has been working to establish democratically-elected “shuras” (village committees) which involve participation by all members of the community.

2. OVERALL ASSESSMENT OF SITUATION

2.1 There have been many achievements resulting from the engagement of the international community in Afghanistan since 2001. These include the new Constitution, the 2004 and 2005 elections, the revival of education, progress in rebuilding war-damaged infrastructure and the return of approximately four million refugees to the country. However, this progress is now being undermined by a range of new threats to the Afghan state, some of which have their roots in policy mistakes of the 2001–05 years. These threats include the growing insurgency, which has now spread to provinces in the west, north and centre of Afghanistan, the high levels of corruption within the government and police, the burgeoning drugs trade and the problem of weak capacity in public institutions.

2.2 Afghanistan is still the poorest state in Asia, with over half of the population living below the poverty line. One in nine women is likely to die during their lifetime from pregnancy-related causes and some 40% of the rural population suffer recurring food shortages each year, or are at risk of them. Limited access to a clean water supply, healthcare, electricity, housing and employment remain pressing problems.

2.3 The current insecurity—caused by a mix of the Taliban-led insurgency, the ongoing activities of illegal militias tied to provincial warlords or factional commanders, and general criminality—is having a debilitating effect on the environment for development. The direct attacks on aid workers and other development actors is one manifestation of the problem and has curtailed the mobility of aid staff. For example, since 2003 over 70 NGO staff have been murdered in attacks by armed groups. Another is the general deterioration in the business and investment climate caused by the actual or perceived insecurity. This is now affecting provinces, such as Herat, which were previously considered more stable.⁵²

2.4 Since 2001 there has been progress in improving the human rights situation in Afghanistan. Prominent examples would be the lifting of the Taliban regime's restrictions on girls' education and the steady growth of an independent media. On the other hand, the intimidatory power of warlords and their proxies remains strong in most provinces and the notion that the Government of Afghanistan (GoA) is interested in protecting ordinary citizens from abuses of power was damaged by the recent election of former warlords to Parliament, as well as by the passing this year of the Amnesty Law. (The latter will make it difficult for those responsible for gross abuses of human rights during the war years (1978–2001) to be held to account for their crimes.) In the South the closure of many schools after attacks or the threat of attack by the Taliban, together with the assassination of teachers and many women holding public office, have hampered progress on education and women's rights.

3. CONFLICT BETWEEN SECURITY AND DEVELOPMENT AGENDAS

[See also section 6]

3.1 There is a significant conflict between these agendas for donors in Afghanistan, including DFID. The original peace-keeping and stabilisation role for NATO/ISAF⁵³ was altered last year by the movement of troops to the south and the subsequent offensive against insurgency groups. The more NATO becomes involved as a direct party to the conflict, the more difficult it will be for implementing agencies viewed as pro-Western or pro-GoA—including those funded by DFID—to deliver aid to communities lying beyond “the frontline”. Some international NGOs may be able to negotiate humanitarian access with different political factions, as happened during the Taliban period, but the ideological opposition to Western involvement in some quarters is likely to place limits on this.

3.2 In Afghanistan, DFID's development objectives may clash with short-term military objectives and it needs to work in partnership with other government departments to mitigate any divergences. Firstly, it should work to ensure that UK and international military forces in the country fully respect international humanitarian law.⁵⁴ While we abhor the deliberate targeting of civilians by insurgency groups, we are also

⁵² One Herati partner reports that the recent bomb blasts in the city, combined with the murder of local politicians and the spate of kidnappings of businessmen, have reduced people's willingness to invest in the city.

⁵³ For convenience, we refer to “NATO” from this point on.

⁵⁴ Cf Articles 51, 52 and 57 of the 1977 Additional Protocol to the Geneva Conventions regarding the protection of civilians in wartime.

concerned by the rising number of civilians killed as a result of NATO and US air-strikes and other military operations. (Civilian casualties resulting from NATO/US operations have risen this year despite assurances at the end of 2006 that greater efforts would be made to minimise them.)⁵⁵

3.3 Secondly, the Government as a whole should explore new avenues for tackling the insurgency beyond the purely military option.⁵⁶ It should encourage GoA to begin peace talks with insurgency groups, as was recently proposed in a motion by the Upper House of the Afghan Parliament. This could build on the progress made at the Peace Jirga held in Kabul in August between Afghan and Pakistani tribal leaders and government officials and offer a way out of the current impasse.

3.4 Spending on the security sector in Afghanistan easily outstrips spending on health, education or rural livelihoods (taken individually). According to the World Bank, the security sector accounted for 39% of total public expenditures or \$1.33 billion in 2004–05. Proposals are currently on the table for a rise in police numbers to 82,000, even though the Afghanistan Compact envisaged a maximum size of 62,000.⁵⁷ Building up the strength and effectiveness of the Afghan army and police is an important objective in view of the present chronic insecurity. However, donors also need to avoid creating structures that could become unaffordable in future (see also section 5).

3.5 We believe that donor spending on the Afghan National Army and Police should not be increased further until there is more evidence of improved ANA and ANP quality—measured in terms of their responsiveness to citizens, non-corrupt practices and an ability to manage effectively a greater proportion of policing and security tasks. A proper balance also needs to be found between spending in these sectors and other, currently under-funded areas, such as the justice sector and agriculture. An example of the existing problems in the criminal justice system was illustrated by a recent survey undertaken by a Christian Aid partner on the issue of domestic violence in western Afghanistan.⁵⁸ In only 10% of cases of chronic domestic violence had women sought help from the police and courts.

3.6 One way of ensuring a more consistent approach to donor funding within the security sector would be to end the current policy of having “lead donors” for each “pillar” or sub-sector. This has led to a wide divergence in available funds for the different pillars. Instead we believe that funding for the criminal justice elements of the security sector (ie police, counter-narcotics and justice) should be brought under a single roof and underpinned by a single, GoA-led strategy.

4. BUDGETARY SUPPORT

4.1 In general, we support DFID’s decision to allocate the largest share of UK aid to the Afghan Government, including through the Afghanistan Reconstruction Trust Fund.⁵⁹ Too much aid is currently spent by other donors outside the direct control of the Government through the External Budget—as much as three-quarters of the total. When decisions on aid spending are taken out of the hands of the Government, this reduces the extent of downward accountability to citizens and Parliament. In the past it has also undermined the Afghan Government’s development strategies because spending has often been poorly co-ordinated.

4.2 However, there are a number of challenges that DFID faces if it is to make its current policy of budgetary support successful in the long term. These relate to the following issues: (i) flexibility, (ii) sustainability, (iii) government capacity and (iv) visibility.

4.3 (i) UK aid would be more effective if spending decisions were made more flexible. For example, a joint UN-GoA appeal was launched in July 2006 to raise funds from the international community to combat the severe drought affecting the country. In November, DFID announced it would allocate £1 million to the Ministry of Rural Rehabilitation and Development for drought-relief activities. However, the capacity of this Ministry to respond to humanitarian emergencies such as this is still low. A better approach would have been to allocate half of the funds to the relevant UN agency, the World Food Programme, and half to the Government—immediately after the launch of the appeal.

4.4 At present DFID funding for women’s rights organisations, the media and other civil society organisations is very limited, with the FCO generally offering more assistance in this field.⁶⁰ By supporting small projects of this type DFID could make an important contribution to strengthening Afghan civil society and enable it to deal with some of the serious human rights challenges mentioned in 2.4.

⁵⁵ Although exact figures on civilian casualties do not exist, the Afghanistan NGO Safety Office (ANSO) recently attempted a calculation for the January to (end of) June period, based on the incident reports it receives from civilian and military sources. It found that in this period there had been 678 conflict-related civilian deaths; 331 had been caused by the activities of international military forces. *ANSO Quarterly Data Report*, Second Quarter, 2007.

⁵⁶ DFID’s particular contribution could relate to civic aspects of peace-building.

⁵⁷ p xii, *Cops or Robbers? The Struggle to Reform the Afghan National Police*, Afghanistan Research & Evaluation Unit, July 2007.

⁵⁸ The survey was conducted in five districts of Herat province.

⁵⁹ The exact proportion should be determined by the particular circumstances of each budgeting year and also an assessment of the importance of needs lying elsewhere—however the current split of two-thirds to one-third seems sensible.

⁶⁰ For instance, DFID missed an opportunity in 2006 to fund an initiative by Afghan and international NGOs to monitor the new National Development Strategy.

4.5 (ii) The injection of aid into the Afghan economy post-2001 has brought significant benefits to the country. However, at some point in the future aid flows to Afghanistan will decline. To safeguard the development gains of the last six years it is vitally important that donors focus now on measures to improve the fiscal sustainability of the Afghan State in anticipation of this.⁶¹ The high costs of security sector expenditures have already been highlighted above. The donor-funded elements of health services and the National Solidarity Programme are further examples of programmes that would struggle to survive without external support. Last year the World Bank reported that domestic revenues only accounted for 4.5% of Afghan GDP, which was only one quarter of the average for low-income states.⁶² To close the large gap between recurrent expenditures and domestic revenues will require a concerted effort to expand the latter, so that a large fiscal deficit is avoided when aid flows eventually decline.⁶³

4.6 We believe DFID should play a lead role in developing and co-ordinating a donor and GoA strategy to tackle this problem of low domestic revenues. Some of the specific policy issues it should look at are:

- Promoting the expansion of Afghan services and industries in the formal sector in order to increase tax revenues.
- Reviewing the impact of existing external tariff policies on customs revenues (eg tariffs on imports are low by regional standards).
- Expanding the remit for government tax authorities and improving tax law enforcement in the business sector.
- Reassessing the current policy which restricts the ability of the Afghan Central Bank to lend to the Government.

4.7 (iii) A further problem is the ongoing lack of capacity within Afghan institutions, particularly for service delivery—a key tool for poverty reduction. Surprisingly, the Afghanistan Compact paid very little attention to this issue. It is clear however that provincial and district governments continue to face a range of problems, such as low staffing levels and a chronic shortage of funds for “non-salary” expenditures, including textbooks and furniture for schools, hospital maintenance, and water and sanitation facilities.⁶⁴ Primary healthcare services are by and large still being delivered by international NGOs, although there have been improvements in the level of care. DFID ought to press for new targets to be included in future strategies which focus directly on measures to improve government capacity in frontline public services.

4.8 (iv) When we questioned our partners regarding UK assistance, a common response was that they had had no direct experience of DFID’s work in Afghanistan, for example in the form of a funding relationship or a strong presence in their province. Obviously, UK aid may sometimes be difficult to identify since it has passed through implementing agencies or GoA. But their observation does suggest DFID could benefit from having a more active presence in provinces where its aid is spent, whether it be in terms of more community outreach work or improved monitoring of aid spending.

5. COUNTER-NARCOTICS

5.1 The counter-narcotics policies being pursued by GoA and international donors is suffering from a crisis of credibility. This is due to the year-on-year increases in the cultivation of opium poppy being reported by the UN Office on Drugs and Crime and the continuing high level of opium and heroin exports from Afghanistan.

5.2 We would caution the Government against “knee-jerk” reactions to this admittedly worrying development. The focus on alternative livelihoods (AL) for farmers and interdiction measures higher up the supply chain must be maintained, although some revisions to the AL strategy should also be considered (see 5.5 and 5.6). The appeal of more widespread eradication as a policy response is not based on any accurate understanding of the causes of the drugs trade in Afghanistan (see next section). Furthermore, experience from Latin America—and increasingly in Afghanistan—shows that if eradication happens in isolation from other policies, such as the building up of the rule of law and economic development, it will not succeed and can engender social unrest and increased support for opposition groups.

5.3 The causes of the drugs trade in Afghanistan are various and include rural poverty, a harsh climate (which makes it difficult to grow other crops), government and police corruption, lax border controls and a strong international market for heroin. In a recent survey conducted by UNODC of more than 300 village headmen in poppy-growing areas the main reasons given for the growing of poppy were economic in nature: in order of their frequency of mention, they were (i) poverty reduction, (ii) the financial attractiveness of opium and (iii) the possibility of obtaining immediate credit (“salaam”) by selling the future opium harvest to traders.⁶⁵

⁶¹ During the period of transition to fiscal sustainability, we believe donors should maintain existing aid commitments—with the possible exception of the security sector.

⁶² p 32, *Afghanistan: Managing Public Finances for Development*, World Bank, 2006.

⁶³ In the three years after 2001 the gap between recurrent expenditures and domestic revenues more than tripled as the influx of aid money made possible new spending commitments in the public sector. *Ibid*, p 16.

⁶⁴ The World Bank reports that in 2004–05 only 30% of non-salary expenditures were made in the provinces, as opposed to Kabul. p 15, *Managing Public Finances*.

⁶⁵ Afghanistan Farmers’ Intentions Survey 2003–04, p 16.

5.4 Farmers grow opium poppy because it is a profitable and predictable crop and because there are currently few alternative sources of income in rural communities. The most effective method of dealing with the trade at this level would be to expand rural development programmes in provinces and districts where poppy production is highest or where there is a risk of production. Such interventions should be broad-based and aimed at developing the economic potential of the whole province, including measures to improve the employment, health and education levels of the population.⁶⁶ This will be more effective than efforts to compensate individual farmers.

5.5 Despite the high levels of investment by the UK in AL⁶⁷—at least from 2005—the bulk of money earmarked for AL is being spent on programmes which either provide employment for public works-type construction projects (eg National Rural Access Programme) or offer micro-credit facilities (eg MISFA). These programmes are useful but do not in themselves address the key cause of the problem, namely the weakness of the agricultural sector. Agriculture employs an estimated 80% of the population in Afghanistan and developing a strong (legal) agricultural sector is crucial if poppy production is to be reduced.

5.6 DFID should re-engage with GoA and donors on this issue and consider supporting new policies on agriculture in Afghanistan, including:⁶⁸

- Improving irrigation and water resource management.
- Achieving food security through expanded cereal production.
- Introducing a formalised credit system and extension services for farmers.
- Building the export capacity of perennial horticulture (eg fruits, nuts and vines).
- Improving marketing by “off-farm” rural enterprises, for example by promoting co-operatives.
- Increasing agricultural research capacity and encouraging technology transfer.

5.7 DFID should also undertake a review of its policy of allocating aid to the Counter-Narcotics Trust Fund (CNTF), which has proved an ineffective tool for disbursing funds for AL, especially via NGOs. It should withdraw unspent funds from the CNTF and reallocate these funds as well as future ones for AL, in the line with the type of broad-based intervention mentioned above.

6. MILITARY INVOLVEMENT IN AID DELIVERY

6.1 Christian Aid continues to have concerns regarding the involvement of the British Army in aid projects in Afghanistan. These relate to four aspects of existing Provincial Reconstruction Team (PRT) projects:⁶⁹ the impact on “humanitarian space”, their unproven development value, the risk of security objectives dominating their conception, and the lack of scrutiny by Parliament of this type of aid spending. (An additional problem is that they distract UK and NATO troops from their core mission of stabilisation and expanding the capacity of Afghan security forces.) For these reasons we would call for a review by DFID of its policy of funding Quick Impact Projects (QIPs).

6.2 Although the current focus of this debate is Helmand, the importance of protecting “humanitarian space” has relevance for all provinces of Afghanistan, where there is a continuing threat to the safety of Afghan and international aid agency staff. This threat is, in part, caused by the association of these agencies with the military and the Afghan Government, which can be exacerbated if the military is involved in aid delivery.

6.3 Concerns about the development benefits of QIPs were raised in a joint donor evaluation report in 2005, to which the UK was a party. It stated that military aid projects “could have been delivered more cheaply and efficiently by other aid providers” and that “time pressure for delivery during short assignments promotes a ‘just do it’ approach with limited concern for long-term impacts and sustainability”.⁷⁰

6.4 In the initial stages of the Helmand deployment (Spring 2006) it appears that there was insufficient oversight by DFID of aid spent by the military in the province. According to some DFID sources, it was not until six months after the deployment that the inter-departmental committee⁷¹ in charge of monitoring QIPs in Helmand was functioning effectively—and in the first two months there was apparently no

⁶⁶ An example of the benefits of a broad-based approach is illustrated by a recent comment from one of our partners. They said that if more health clinics were established in rural districts, people would save money because they would not have to pay the cost of travel to the nearest city for medical treatment. With treatment available locally, they would have more funds to pay for the transportation of their fruit and vegetable crops to nearby markets, therefore offering an alternative source of income to poppy.

⁶⁷ An average of £45 million is being allocated annually for AL programmes.

⁶⁸ Taken from *Rebuilding Afghanistan's Agricultural Sector: Common Recommendations Across NGOs and Governments*, July 2007, Canadian Agri-Food and Trade Service.

⁶⁹ These projects vary in nature. Some relate purely to force protection or improving the security and governance environment (eg establishing police posts or conducting political assessments); some relate to reconstruction (eg building roads, health clinics, schools and wells); and some to development (eg medical and veterinary services, materials for schools and small-scale community development projects). There are also hybrid QIPs that do not fit into a single category, such as “goodwill” aid handouts by the military, which may serve both force protection and humanitarian objectives.

⁷⁰ *A Joint Evaluation: Humanitarian and Reconstruction Assistance to Afghanistan from Denmark, Ireland, Netherlands, Sweden and UK*, Danish International Development Agency (Danida), 2005.

⁷¹ Based in Helmand and composed of officials from MoD, DFID and FCO.

monitoring at all. During this period a significant amount of aid was used for QIPs with security objectives, such as establishing police posts and making political assessments. This spending should surely have been made from the Ministry of Defence's budget, not by DFID.

6.5 DFID should be more transparent about the way aid is spent in Helmand; if there are trade-offs between poverty reduction and military objectives, these must be reported openly to Parliament and the public. A public debate is probably required on the admissibility of these types of projects under current rules for ODA spending.⁷²

6.6 In view of the problems highlighted here, our recommendation is that DFID should suspend its funding of QIPs in Afghanistan until a full review has been conducted of their development value. The Government should also undertake a review of the existing PRT mandate in Afghanistan. It should progress towards a situation where the development tasks of PRTs are separated from the military tasks. In areas where greater stability exists, NATO PRTs should hand over all responsibility for reconstruction and development to civilian bodies. This would be in line with the UN's guidelines on the use of military assets in complex emergencies as well as DFID's Humanitarian Policy.⁷³ Both emphasise that military involvement in humanitarian situations should be a "last resort" (ie only when no civilian alternative exists) and time-bound.

SUMMARY OF RECOMMENDATIONS:

1. In light of the growing number of civilian casualties in Afghanistan, and in order to safeguard previous development gains, DFID should work jointly with MoD and FCO to ensure stronger measures are taken to minimise civilian deaths from NATO/US airstrikes and other military operations.

2. HMG should explore with GoA new avenues for bringing about a peaceful resolution to the existing conflict, including through talks with insurgency groups.

3. Donor spending should not increase further for the Afghan National Army and Police until there is more evidence of quality improvements. A better balance must be sought between ANA and ANP funding and that for under-funded sectors, such as agriculture and justice.

4. The practice of nominating "lead donors" for different pillars within the security sector should be ended; instead a single fund should be established for spending on all elements relating to criminal justice issues, which is underpinned by a single, GoA-led strategy—this would encourage better co-ordination on these issues and reduce existing spending disparities.

5. DFID should retain a greater degree of flexibility in its annual budget to allow it to respond to humanitarian emergencies and other pressing issues, such as civil society development.

6. Donors should address the worrying issue of GoA's fiscal deficit. DFID should take a lead in developing and co-ordinating a new strategy to tackle the problem of low domestic revenues.

7. In view of the continuing weak capacity of GoA, particularly on service delivery at the provincial level, DFID should press for new targets to be included in future GoA/donor strategies that focus on enhancing this capacity.

8. DFID should consider taking steps to increase its visibility in those provinces of Afghanistan where UK aid is spent.

9. DFID should maintain its focus on alternative livelihoods as a solution to the opium trade. However, it should give enhanced support to broad-based economic development strategies in provinces where production is highest. The primary focus should be on agriculture, in view of the country's dependence on this sector, but improving health, education and general living standards are also important.

10. DFID should withdraw its funds from the Counter-narcotics Trust Fund and reallocate them to support broader rural development programmes.

11. DFID should suspend its funding of QIPs until a full review has been conducted of their development value. HMG (ie DFID, MoD and FCO) should also undertake a review of the existing PRT mandate in Afghanistan. For the Helmand PRT, it should consider introducing a clearer separation between the development and military tasks of PRTs. And in areas where security has improved, it should argue for NATO PRTs to steadily withdraw from engaging in reconstruction or development work, in line with existing UN and DFID guidelines.

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⁷² There may be a need to strengthen certain international guidelines—such as the OECD DAC's criteria on ODA for the security sector—to make the rules for this type of spending in Afghanistan clearer.

⁷³ Cf 2003 MCDA Guidelines and DFID's 2006 Humanitarian Policy.

Memorandum Submitted by David Elliot

INTRODUCTION

1. David Elliot is an independent Development Consultant with experience working on private sector development and poverty reduction for the World Bank, UNDP, USAID and the Asian Development Bank, (ADB). In 2005 while working for ADB in Afghanistan he reported fraud and corruption related to four Technical Assistance projects managed by the ADB and funded by DFID, the UN Global Environmental Facility (GEF), and the Danish Government, (Danida). The only action taken by the ADB in response was to terminate the Consultant's contract and blacklist the consultant from obtaining further work with the ADB. Evidence of fraud and abuse of DFID resources was first reported to DFID's Department of Internal Audit in January 2007, however no corrective actions were taken. The Projects were subsequently the subject of a critical report by the *Financial Times* in July 2007. An audit conducted by Price Waterhouse on behalf of ADB, in October 2007 showed grave shortcomings in program management. Even though the auditors confirmed that ADB had falsified progress reports and improperly used DFID financed resources, neither DFID or ADB interviewed the witness or examined the evidence of more serious corruption and retaliation.

SUMMARY

2. Given the political and strategic importance of DFID's Afghanistan program and the credible evidence submitted to DFID regarding abuse of UK Government resources, DFID's organizational response was inadequate. The following recommendations, based on the Consultant's subsequent experience with DFID should be considered both in the Afghan context as well as in any review of DFID contributions to ADB and other multilateral banks.

RECOMMENDATIONS

1. DFID's stated policy regarding fraud is one of "zero tolerance", and "anyone" is encouraged to report fraud to DFID's Department of Internal Audit. However, the rights of a whistleblower submitting evidence of fraud are not clear. For example, it is ambiguous if the Fraud Policy applies to non-employees of DFID that report corruption, or what obligations DFID has to report back to a non-employee whistleblower or Civil Society Organization about any corrective actions taken.

2. In a case where a whistleblower alleges retaliation for having taken the appropriate steps to report corruption to DFID, it is inadequate to simply write back and thank the informant for the evidence submitted.

3. In a case where loss of life in affected communities is a direct consequence of DFID funded project failure, a financial audit 9 months after such evidence of failure and its consequences is reported, also constitutes an inadequate response.

4. There is no effective process for requiring ADB to investigate and respond to allegations of fraud and waste of DFID funds. In this particular case no effective action was taken until the matter was reported by the *Financial Times*. A process for initiating an independent investigation of allegations of fraud and waste should be included in future agreements with ADB and other multilateral organizations. If evidence of wrong doing is credible and specific then DFID should have the right to audit multilateral spending of DFID funds.

5. There is apparently no process governing how DFID would require ADB to return or replenish DFID funds that have been wasted or used for corrupt purposes. Such a process should be defined and included in future funding agreements.

6. There is no mechanism for DFID to offer protection or legal support to a non-employee whistleblower that suffers retaliation as a result of reporting fraud against DFID by a multilateral partner. As a result, DFID might recover its funds, but the whistleblower remains exposed to retaliation.

7. DFID funding granted to a multilateral and then allocated to specific country projects should be reported to the relevant DFID country program management. In this particular case, DFID Afghanistan staff had no knowledge or awareness of the ways ADB was using (or misusing) DFID resources in the country.

8. A clear framework should also govern decisions regarding ADB's or other multilaterals' allocation of DFID funds to particular projects. For example, in the case of Afghanistan, there was no coordination or integration of the ADB projects with the larger DFID country program, and DFID would have been more effective had it implemented and overseen these TA projects directly.

9. To prevent scandal, Internal Audit should have a clear standard regarding what actions can and should be taken in response to credible allegations of fraud and waste of DFID resources, and such information should be reported and made public. This Consultant's experience highlights the need for improved measures to strengthen Accountability and Transparency, such as those proposed to the Select Committee by the UK Aid Network (UKAN).

10. While ADB has reasonably clear guidelines regarding investigating fraud and corruption by employees or subcontractors against ADB, it has NO guidelines regarding fraud and corruption by ADB itself or ADB staff with respect to donors, and it is incapable of investigating such wrong-doing. Indeed ADB failed to even recognize that repeatedly submitting fraudulent progress reports in order to obtain additional funding from DFID, constitutes a corrupt practice. Equally, DFID's Internal Audit Department was incapable of recognizing and addressing a case of fraud by a multilateral partner.

Memorandum submitted by the Gender Action for Peace and Security (GAPS UK)

Gender Action for Peace and Security UK (GAPS) was established in May 2006 to promote, support and monitor the inclusion of a gender perspective in security and peace building policies and the fulfilment of commitments made in UN Security Council resolution 1325, European Parliament resolution 2000/2025 and related instruments on women, peace and security. **GAPS co-ordinates the Associate Parliamentary Group on Women, Peace and Security**, which works specifically on Afghanistan.⁷⁴ GAPS would especially like to thank their members: **WOMANKIND Worldwide**,⁷⁵ Women for Women International,⁷⁶ Widows for Peace through Democracy⁷⁷ and **International Rescue Committee**⁷⁸ for their input into this response.

UNITED NATIONS SECURITY COUNCIL RESOLUTION 1325 ON WOMEN, PEACE AND SECURITY (UNSCR 1325)

GAPS will use **UNSCR 1325** as a framework for this enquiry. We will outline why the inclusion of women in reconstruction and the development process is essential and make recommendations as to how to do this. Resolution 1325 on women, peace and security is the first formal and legal document from the United Nations, **mandating women's "equal participation and full involvement in all efforts for the maintenance and promotion of peace and security"**. It also calls for the specific needs of women and girls to be integrated into post-conflict reconstruction; the protection of women and girls from gender-based violence and an end to impunity, as well as measures to ensure the human rights of women and girls, particularly as they relate to the police and the judiciary.

GAPS RECOMMENDS THE FOLLOWING TO DFID

- (i) prioritise the implementation of UNSCR 1325 in Afghanistan;
- (ii) include a gender perspective within security sector reform in Afghanistan;
- (iii) urgently protect Afghan women and girls from gender based violence;
- (iv) incorporate a gender perspective in the work of Provincial Reconstruction Teams;
- (v) increase resources to local women's civil society organisations; and
- (vi) support and promote the rights of the most marginalised of women, particularly Afghan widows.

"There have not been effective challenges to many of the structural and systemic factors that conspired to create a framework of collective gender apartheid. The reality of life for Afghan women remains one of segregation and struggle within a climate of fear".⁷⁹

⁷⁴ **Associate Parliamentary Group** on women, peace and security is a tripartite forum with input from parliamentarians, civil servants and civil society. The APG subgroups work on Iraq, Afghanistan, widowhood in context of conflict and gender training of peacekeeping troops.

⁷⁵ **WOMANKIND** has been supporting women in Afghanistan since 2003. Their programme covers Kabul, Jalalabad, Mazar and Peshawar where they work in partnership with three Afghan women's organisations to promote women's civil, social, economic and political participation and to address issues regarding violence against women.

⁷⁶ **Women for Women International-Afghanistan** is a chapter of Women for Women International, registered in 2002 with the Islamic Republic of Afghanistan. Past and present locations served include the provinces of Afshar, Balkh, Dashti Barchi, Herat, Kabul, Kamari, Kapisa, Khairkhana, Mazar-e-Sharif, Parwan, Shari-naw, Shina, and Wardak. The main office is in Kabul. Currently, 3,310 women participate in WWI—Afghanistan's yearlong program, and 10,727 women have been served since program inception, benefiting almost an additional 54,000 family and community members. Program participants include widows, single heads of household, returnees, IDPs, and the physically challenged.

⁷⁷ **Widows for Peace through Democracy (WPD)** is an umbrella organisation for widows associations and organisations across South Asia, Africa, the Balkans and the Middle East. WPD establishes networks to exchange information and good practice and highlights the roles/needs of widows to governments, donors and the international community.

⁷⁸ The **International Rescue Committee (IRC)** is one of the largest and longest-standing NGOs working in Afghanistan and has been working there since 1988. They run programmes on governance, education and child protection, vocational education and training and HIV.

⁷⁹ Mark A Drumbl, (2004) p 1 "Rights, Culture, and Crime: The Role of Rule of Law for the Women of Afghanistan", *Columbia Journal of Transnational Law*, Vol 42, No 2.

(i) *Prioritise the implementation of UNSCR 1325 in Afghanistan*

1. Research suggests that **where there is acute gender discrimination and abuses of human rights, specifically women's rights, societies are likely to be more unstable.**⁸⁰ Gender equality leads to peace through the promotion of development and good governance. Higher participation of women in the formal economy and political arena increases competition and as a result, corruption and rent-seeking will be inhibited thus improving the quality of governance.⁸¹ According to several studies, good governance is an essential component for the creation of a peaceful environment. Indeed, **improving the situation for women with regards to more political and economic participation and better access to health and education improves state capacity** and good governance.

2. GAPS welcome's the UK Governments efforts so far in the implementation of UNSCR 1325, particularly the jointly produced UK National Action Plan⁸² by FCO, DFID and MOD. GAPS also recognises the importance of HMG's financial support for implementation of Resolution 1325.⁸³ However, GAPS agrees with DFID when it notes that **"UNSCR 1325 implementation by both the UN and Member States needs to go much further,"**⁸⁴ particularly in the context of Afghanistan.

3. Afghanistan, with the assistance of DFID, is striving to achieve a secure and lasting peace whilst also addressing its political and economic development. However, a key aspect that must be tackled is the pursuit of a **gender sensitive reconstruction and development process**, without which Afghanistan will remain politically and socially unstable. What remains absent from many interventions is a focus on enabling women to participate safely and meaningful in the post-conflict to development transition.

4. Despite major progress on paper for women's rights since the fall of the Taliban, the reality for women on the ground remains basically unchanged, particularly with regards to gender based violence and economic and political marginalisation. For example, quota systems for women MPs have enabled women to sit in the Afghan parliament, yet women MPs continue to experience verbal abuse and intimidation from male parliamentary colleagues. **It is essential that UK development assistance and strategy take into account the lack of real progress that has been made with women's rights.** Although the promotion of gender equality and awareness is complex in the context of Afghanistan, it is necessary for the achievement of sustainable peace and development. The DFID must take action to ensure women's rights in the areas of politics, education, judicial reform, security services and livelihoods become a reality.⁸⁵

GAPS SPECIFICALLY RECOMMENDS THAT DFID

- Supports women's organisations to work with Afghan government on National Action Plan for the Implementation of UNSCR 1325 for Afghanistan.

(ii) *Include a gender perspective in security sector reform in Afghanistan*

*Women are not only victims of war, but are central to creating the conditions for lasting and inclusive peace.*⁸⁶

UK POLICY PROMISES

5. GAPS welcomes DFID's recognition of the importance of analysing women's role in post conflict reconstruction.⁸⁷ They explicitly note that *where it is well placed to assist, the UK . . . will offer financial, technical and political support for strong peace processes, making efforts to ensure women are included.*⁸⁸ However, as the UK recognises, women's roles remain obscured and under valued.⁸⁹ Furthermore, there is little access to justice for women in Afghanistan, they are poorly represented within the police and formal justice sector institutions, they have little representation in the informal or traditional dispute resolution mechanisms and the Ministry of Women's Affairs operates at a low capacity and with minimal influence on government policy.

⁸⁰ Caprioli, Mary (2003) Gender Equality and Civil Wars, CPR Working Paper No 8, World Bank <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482367/WP8trxtsep3.pdf>

⁸¹ Bussmann, M (2007) *Gender equality, good governance, and peace*, University of Konstanz http://www.sgir.org/archive/turin/uploads/Bussmann-Bussmann_Turin.pdf

⁸² The 2006 UK National Action Plan sets out specifically how the UK aims to ensure the implementation of SCR 1325.

⁸³ DFID helps gender advisers make a difference in UN peacekeeping missions and also funds the NGO working group on SCR 1325 in New York, to guarantee continued monitoring of implementation of UNSCR1325.

⁸⁴ Department for International Development Policy Paper (2006) *Preventing Violent Conflict*, p 13 DFID, London.

⁸⁵ Womankind Worldwide (2006) *Taking Stock: Afghan women and Girls Five Years On*. p 8, Womankind, London.

⁸⁶ Response to Post Conflict Stabilisation: Improving the UK's Contribution—a consultation on United Kingdom strategy and practice and establishment of a post conflict reconstruction unit. (2005) www.thewnc.org.uk/pubs/pcrucconsultationresponse.pdf

⁸⁷ DFID refers to research on Central Africa that recognises peace agreements, post-conflict reconstruction and governance do better when women are involved: Department for International Development Policy Paper (2006) *Preventing Violent Conflict*, p 20 DFID, London.

⁸⁸ Department for International Development Policy Paper (2006) *Preventing Violent Conflict*, DFID, London.

⁸⁹ *ibid*, p 20.

6. As part of DFIDs role in building state institutions and promoting good governance in Afghanistan, GAPS strongly urges that women are consulted and included in security sector reform. In line with Article 1 of UNSCR 1325, which states the international community must *ensure increased representation of women at all decision-making levels in national, regional and international institutions and mechanisms for the prevention, management and resolution of conflict*, **GAPS recommends that DFID:**

- Supports more women judges to sit on all types of courts, including the Supreme Court, which interprets the Constitution and currently has no female judges on the Supreme Court High Council.
- Security sector reform that prioritises human security for women in relation to their access to formal, participatory and representative judicial mechanisms.
- Builds the capacity of the Afghan National Police (ANP) to provide security for women members of parliament when they travel to and from their electoral districts throughout the country as part of the parliamentary activities.
- Supports, in line with the Draft Interim National Action Plan for the Women of Afghanistan, the reform of Afghan Government's legal and judicial systems to guarantee equality and non-discrimination as enshrined in the Constitution. This can include the development of a gender sensitive and regulatory framework including inheritance, property and labour laws.

(iii) *Urgently protect Afghan women and girls from gender based violence*

a 7. In the 2006 *Preventing Violent Conflict* paper, DFID recognises that violent conflict takes its toll on the poor and most heavily on women and children, with women and girls experiencing rape and other forms of sexual violence.⁹⁰ Indeed **where abuses of human rights go unchecked and where there is a weak civil society, grievances and disillusionment and disputes are more likely to become violent. As such gender inequality must be tackled to reduce the risk of recurrent violent conflict.**⁹¹

8. **Violence against women is pervasive in Afghanistan** and an unmistakable and clear barrier to the empowerment of Afghan women and girls by impeding their health, well being, productivity and safety. Women in Afghanistan can not be empowered to participate safely and freely unless, firstly, there is a general awareness and promotion of women's human rights awarded under the constitution; and secondly, women have the capacity to challenge those long standing socio-cultural norms safely, without an increased threat of violence being perpetuated against them.

9. **NGOs have noted increases in some forms of violence against women** (honour killings and attacks on women election workers, women NGO workers, women educational workers, human rights defenders and journalists) and a continuation of other forms of violence (trafficking of women and girls and domestic abuse). Most notably there has been a worrying rise in self-immolation.⁹²

10. Women's NGOs have highlighted how the **alternative livelihood programs have increased the likelihood of violence against women**. Too often when farmers are unable to pay their creditors, they resort to selling their daughters to pay off the debt. Evidence suggests this practice has increased for farmers who have participated in alternative livelihood programs.⁹³ The continued perpetration of and impunity around violence against women and girls is a gross human rights violation. It must be examined as a consequence of highly iniquitous power relations between men and women, which are exacerbated by the lack of rule of law in Afghanistan and the continued use of the entrenched Customary Law. These issues must be tackled immediately.

11. In line with UK NAP Action Point 9 to *“promote justice for women and tackle gender-based violence in post-conflict situations”* and Articles 10 and 11 of UNSCR 1325, which call for *“. . . all parties to armed conflict to take special measures to protect women and girls from gender-based violence, particularly rape and other forms of sexual abuse”*; and *“. . . an end to impunity and to prosecute those responsible for genocide, crimes against humanity, war crimes, including those relating to sexual violence against women and girls, and in this regard, . . . the need to exclude these crimes, where feasible, from amnesty provisions”*, **GAPS recommends DFID:**

- Gives full institutional support should be given to pass the new law on violence against women (VAW) in Afghanistan.
- Develops the capacity of the Afghan National Police to be better able to tackle the issue and receive cases of VAW—including supporting the recruitment of more female police officers and developing new processes to document cases of VAW.
- Provides financial support for local women's NGOs to collect data on VAW and to provide support services, including psycho-social support, safe houses for survivors of VAW throughout the country.

⁹⁰ *ibid*, p 7.

⁹¹ *ibid*, p 6–7.

⁹² Womankind Worldwide (2006) *Taking Stock: Afghan women and Girls Five Years On*. p 7, Womankind, London.

⁹³ Research carried out by Women for Women—Afghanistan (2007).

- Support the reinvigoration of the National Action Plan on Peace, Reconciliation and Justice, putting an end to impunity and prosecuting those responsible for crimes against humanity; war crimes, including those relating to sexual violence against women and girls, and to exclude such crimes from amnesty provisions.
- Works with the Afghan National Police and Afghan National Army to ensure personnel in the police, army and judiciary have not previously committed human rights abuses.
- Supports the development of the Marriage Contract being debated in the supreme court.
- Studies the impact of the Alternative Livelihoods Programmes on gender relations and VAW.

(iv) *Incorporate a gender perspective into the work Provisional Reconstruction Teams*

Provincial Reconstruction Teams

12. British Provincial Reconstruction Teams⁹⁴ (PRT) consist of military, political and development components, with DFID involved through the cross departmental Post-Conflict Reconstruction Group to provide personnel for the promotion of economic development and reconstruction. DFID notes that effective peace processes and post-conflict reconstruction can enable the development of new rules and institutions for managing disputes and can lead to significant social and political change.

13. GAPS observes that **the use of PRTs remains controversial, as the lines between military security work and civilian humanitarian or development activities have been blurred**. This is problematical for both ethical and operational (security) reasons, except with the proviso of last resort emergency operations, as per IASC guidelines. However, if PRTs continue to be used, it must be recognised that the nature of the process, including who is consulted and participates, will determine future success. ISAF PRT Handbook mentions the importance of PRTs “to endeavour to have a gender component” because PRT development activities are to support local priorities within the national development framework, such as ANDS.⁹⁵ However, too often opportunities to involve women are not taken. Indeed, **it is clear that PRTs lack gender strategies and women have not been effectively consulted with respect their work**.

14. Civil society must be involved in implementing and monitoring PRT operations and **PRTs should consult Afghan women in local government, communities and NGOs**⁹⁶ Afghan women demand a voice in security, development and reconstruction⁹⁷ and PRTs must be more transparent and accountable to the people of Afghanistan.⁹⁸ Incorporating gender policies into PRT strategies and operations would help to ensure that women are targeted beneficiaries of PRT’s programmes.⁹⁹ PRT commanders should understand that **incorporating gender policy in their strategies and operations will lead to operational effectiveness and influence operation success**.

15. *In line with Articles 4, 5 and 17 of UNSCR 1325, which demand “. . . the expansion of the role and contribution of women in United Nations field-based operations, and especially among military observers, civilian police, human rights and humanitarian personnel”; “. . . to incorporate a gender perspective into peacekeeping operations,” and “. . . the reporting . . . [on] progress on gender mainstreaming through peacekeeping missions and all other aspects relating to women and girls”, GAPS recommends DFID:*

- Increases the number of women represented in PRTs to enable them to interact with local women.
- Ensures PRTs recognise the role of local civil society and consult with them on best practice in relation to gender mainstreaming within development projects.
- Ensures women are included in development of PRT projects, through consultation with women’s *shuras* at a local level, and women’s NGOs at a national level.
- Makes the realisation of women’s human rights a benchmark of success in PRT missions in Afghanistan through monitoring factors such as women’s participation in political bodies, property rights, employment rights and incidents of violence against women.
- Provide all PRT personnel receive at least three days pre-deployment gender training before they leave for Afghanistan.

⁹⁴ There are 13 different nations running the 25 PRTs in Afghanistan in 34 provinces, most of which execute short-term development projects in addition to main task of supporting provincial authorities in improving security. As of 26 May 2007, there were over 7,500 PRT development projects worth over \$630 million. The purpose of Provincial Reconstruction Teams (PRT) has been to extend the authority of the Afghan Transitional Administration across the whole country, in order to help facilitate local stability and security, and to facilitate reconstruction and development in the areas to which they are deployed. Operationalising Gender in Provincial Reconstruction Teams in Afghanistan through Engagement with Afghan Civil Society—Recommendations Submitted by the Afghan Women’s Network, Audrey Roberts, AWN.

⁹⁵ *ibid.*

⁹⁶ Afghan Women’s Perception of NATO, Audrey Roberts, July to August 2007.

⁹⁷ *ibid.*

⁹⁸ Advocacy Project Blogs, Audrey Fellow (18 July 2007).

⁹⁹ PRTs and Gender Policy Working Group, 18 June 2007 (Attended by representatives of Ministry of Women’s Affairs, Afghan Women’s Network, GTZ, the Asia Foundation and NATO).

(v) *Increase direct resources to local women's civil society organisations*

Direct Budgetary Support and the impact of the decline in direct core funding on NGO activity

16. GAPS welcomes DFID's promise to help build the capacity of civil society to manage violence conflicts and post-conflict reconstruction.¹⁰⁰ GAPS also welcomes DFID's support of a five-year women's empowerment programme from 2005–10¹⁰¹, implemented by WOMANKIND Worldwide and their support of UNIFEM in Afghanistan for training and advocacy for increased participation of women in electoral processes.¹⁰² However, overall, the UK provides 80% of its current assistance, estimated to be £107 million in 2007–08, directly to the Government of Afghanistan, with only 20% of assistance going to the provincial level and through NGOs. **Most worryingly none of the UK's direct government funding is reaching the grassroots women's movement in Afghanistan which is suffering from a serious lack of financial resources.**

17. **The decline in core funding for NGO work exacerbates the security risks NGOs face** as the cost of security for staff and program participants is not adequately covered by donors. The importance of security precautions cannot be over-stated. Donors must understand this and adapt their expectations accordingly. For example, security guards are a necessity and their presence should not be limited by budgetary restrictions on overhead expenses.

18. **It is vital that smaller and less powerful and visible civil society groups are supported, especially local women's NGOs.** Women's civil society organisations are essential for the promotion of good governance and the social, political and economic reconstruction of Afghanistan. Women's groups are vital for holding the Afghan government to account; for providing essential service provision in areas of health and education and for pushing for needed legal reform. GAPS recognises the crucial work of women peacebuilders in Afghanistan, whose efforts include the prevention of the restoration of Department of Vice and Virtue; the development of a new Violence against Women Law; monitoring human rights abuses and pressurising the Afghan government to ensure freedom of speech.

GAPS RECOMMENDS THAT DFID

- Supports the creation of an enabling environment of security and rule of law to allow civil society, particularly local NGOs and local journalists working on women's human rights issues, to work safely and effectively towards the promotion of human rights issues.
- Financially supports grassroots women's organisations to help enact the new VAW law and to advocate for the full implementation of the new marriage contract.
- Ensure financial support to cover security for NGO programme staff.

(vi) *Support and promote the rights of the most marginalised of women, particularly widows, in Afghanistan*

19. Widows are neglected in Afghanistan. **It is estimated that in Kabul alone there are at least 60,000 widows**¹⁰³ and CARE Afghanistan estimates there are over one million widows in Afghanistan. These women—young, middle aged and old—have become widows from the time of the Soviet Invasion, under the Taliban, as a result of the invasion of 2003, and now under the occupation and insurgency. Many widows returned from the refugee camps in Pakistan and Iran unable to find housing and raise their children. It is thought that 70% of Afghan street children are children of widows.

20. It is the **essential that work is done to promote the status of widows**, protecting them from abuse and supporting their crucial roles in their families and communities. This should be a vital priority for DFID for reconstruction and development in Afghanistan. Gathering statistics on widowhood across the country is very difficult due to the security situation. Despite this, the Ministry for Women's Affairs is intending, resources being available, to conduct a survey on women's status, situation, income, health in 2008.

21. In line with UNSCR 1325 that highlights "*the need to consolidate data on the impact of armed conflict on women and girls*", GAPS recommends:

- Institutional support for NGOs and the Ministry of Women's Affairs to gather statistics and conduct a survey of women's status and situation.
- Recognition of widows human rights and widows' role in social and economic reconstruction in Afghanistan.
- Support of widows organisations, particularly in the creation of a National Federation of Afghan Widows Organisations.

¹⁰⁰ Department for International Development Policy Paper (2006) *Preventing Violent Conflict*, p 26 DFID, London.

¹⁰¹ This is a £500,000 initiative is focused on promotion women's equal participation in governance; building awareness of women's rights among civil society and policy makers; and on providing educational, health, community and psycho-social support to those women affected by violence and conflict.

¹⁰² Lord Hansard Text, 16 May 2007 (Column WA37).

¹⁰³ Research carried out by Widows for Peace through Democracy.

Memorandum submitted by the Institute for State Effectiveness

INSTITUTE FOR STATE EFFECTIVENESS

1. The Institute for State Effectiveness is an independent organisation, founded in 2005, to give neutral policy advice and support to countries emerging from instability and conflict. To date, it has supported leaders and managers in Afghanistan, Kosovo, Nepal, Southern Sudan and Lebanon in formulating analysis and crafting policies; and has advised a number of international organisations and national governments in developing their approaches to state-building. The organisation is led by Dr Ashraf Ghani and Clare Lockhart, based on a program at the World Bank in the late 1990s preparing toolkits and approaches to state-building; their work in designing the Bonn Agreement, and the National Development Framework and strategy in Afghanistan from 2001–05, and preparation of frameworks for state-building since that time. ISE's work includes designing frameworks for reconstruction and state-building; manuals, guidelines and toolkits on state-building, and providing independent support and advice to policy-makers. More information and conceptual frameworks are available at www.effectivestates.org.

2. Dr Ashraf Ghani was UN adviser, Chief Adviser to President Karzai, and Minister of Finance in the 2001–04 period in Afghanistan. He is currently Chairman of the Institute for State Effectiveness and serves on the boards and commissions of a number of global networks. He has recently been considered for the posts of UN Secretary General and World Bank President. He has taught at Johns Hopkins and Berkeley Universities, and worked at the World Bank over a number of years. He is currently advising a number of governments on their approaches to state-building and institution-building.

3. Clare Lockhart is Director of the Institute for State Effectiveness. Between 2001 and 2004 she served as policy adviser to the UN and Afghan Government, responsible for the design of national strategies and national programs, including National Solidarity Program. In 2006, she returned to Kabul as Adviser to General Richards at ISAF. Previously, she managed a program designing approaches to institution-building at the World Bank.

4. Ghani and Lockhart's book, *The Framework: Fixing Failed States* is to be published with Oxford University Press in early 2008. They have also written for several journals and newspapers and appeared frequently in the media.

TESTIMONY ON AFGHANISTAN

5. This testimony is prepared by Clare Lockhart based on a series of longer analytical pieces on Afghanistan prepared by the ISE team. Some of these documents are already in the public domain and others are available on request. Dr Ghani also met with the IDC during their visit to Kabul in October 2007 and had the opportunity to share an overview with the IDC. Clare Lockhart would be willing to provide further details to the Committee on the different dimensions—security, political process and economic—of recent and current challenges in Afghanistan.

A CHANGED CONTEXT

6. A review of the current situation in Afghanistan must recognise the changed context. Policies designed for one set of conditions cannot be applied to another, and the conditions in 2007 are very different from those in 2001, or 2004. In 2001, the Afghan population were internationalist, welcoming the foreign presence as liberators. While materially poor, the population's confidence grew in the Bonn settlement, through carefully designed measures to gain and enhance their trust. In 2004 trust was high, and a manifesto designed for the President's re-election promised a series of ambitious reforms focused on the economy.

7. In 2007, by contrast, different characteristics prevail. First, the population's confidence in both their international partners and leaders from across their political class is waning. Second, while the population is materially better off, they are psychologically more uncertain. Third, the dominant perception and mood is one of insecurity and anxiety rather than confidence and hope. The challenge at this point in time lies in arresting further decline and restoring the confidence of the population in a true partnership. Regaining the initiative will require a modified approach that takes into account the implementation approaches that can work in context. While use of force will be required, use of rules and mechanisms for implementation that harness the considerable resources available internationally will be critical factors in putting Afghanistan back on course.

BUILDING SYSTEMS 2001–04: AN INTERNATIONAL PARTNERSHIP

8. Although context has changed, examining the approach that underlay the state-building agenda 2001–04 may have important lessons for a revived state-building effort. During the period 2001–04, a carefully laid sequence of instruments was crafted to increase both the confidence of the Afghan population and the capability of the government, over time. The first of these building blocks was the Bonn Agreement. The second was then Chairman Karzai's speech to the Tokyo conference in January 2002, which laid out a vision and programs. The third was the National Development Framework, released by the Afghan

Government in April 2002, which became the primary strategy document for all actors (the UK Government, EC, Norwegian and Dutch Governments being the first to pledge to support it, and subsume their own planning processes to this strategy document). Fourth was the Afghan Budget, prepared at the same time as the Framework. Lastly, and most critical, were a series of National Programs, described by the President in his speech. These were designed by a core team established in Afghan Assistance Coordination Authority (AACA) in early 2002 (which was supported by Clare Short as Secretary of State for DFID). They included a National Security Plan, National Emergency Employment Program, the National Solidarity Program, National Transportation Program, National Financial Management Program, National Communications Program and Afghan Stabilisation Program (these can be viewed at www.effectivestates.org). The National Solidarity Program gives block grants to communities, against three simple rules; an elected village council, a quorum of the village deciding on projects, and posting of accounts in public places. The NSP is now present in 23,000 villages, and on 10 November 2007, representatives from the program convened in Kabul for the National Convention of Communities to discuss governance issues that concern them.

9. Each of these programs contained a series of plans and programs, containing catalytic mechanisms designed to produce further effects and create domestic and regional stakeholders in stability, for example the currency exchange, telecoms tender process, the creation of the ANA. To create Afghan leadership, a team of Afghans were carefully recruited and trained to operate these programs, rules, methods, mechanisms and procedures to make them a reality, carefully built over a three year period. A set of instruments, including but not limited to the ARTF (Afghan Reconstruction Trust Fund) was put in place to create interlocking support mechanisms. A second phase of national programs was designed to take effect from January 2005, but due to failure to agree between the reform team and others, the reform team left the government in early 2005.

PROBLEMS WITH EXISTING APPROACHES TO AID AND DEVELOPMENT

10. One of the challenges regarding aid and development in Afghanistan is proliferation of projects, funding channels, and mal-coordinated bilateral initiatives. This itself generates a coordination problem. In 2002, the UN agencies and NGOs prepared a large appeal based on hundreds of atomised projects, which failed to deliver a real dividend to the population. Rather, the Afghan population resent enormously the perceived lack of effectiveness, appropriateness and accountability in these projects, with a general perception of waste. ISE interviews in Afghanistan in 2006 attest to such disappointment and resentment, which has become grist for the mobilisation of opposition parties and movements in Afghanistan. While the individuals working in such projects are usually selfless, hard-working and dedicated, the combined effect of such projects are not the intended ones. Indeed, there are so many that they literally cause system-gridlock—the streets of Kabul jammed with the white cars of projects. More damaging, the limited stock of civil servants and professionals in Afghanistan were quickly leached from government positions where they were doctors, teachers and managers at \$50 per month to become drivers, translators and assistants at salaries sometimes approaching \$1,000 per month. Further analysis and documentation of this problem is available.

11. DFID itself is not to be blamed for the proliferation in such initiatives. Rather, DFID, together with Norway, Canada, Netherlands, the EC and the World Bank, was at the forefront of supporting the Government's initiatives set out above. Indeed, as suggested above, DFID support allowed for the creation of the AACA which designed all the national programs and oversaw the design of the National Development Framework, and the telecoms tender process. The UN agencies, funded primarily by a range of other donors, pushed an alternative approach and since 2005, particularly with the expansion of the PRT model around the country, projects as opposed to national programs have proliferated.

REALIGNING CURRENT EFFORTS

12. The Afghan situation is very different from Iraq, and certainly trends can be reversed. Currently, as in late 2001, there is a proliferation of "strategy" in capitals across the world. While any one of these approaches might be sensible and coherent in abstract terms, the whole is much less than the sum of its parts, as it firstly leads to fragmentation, and secondly is by definition not owned by the Afghan government and is therefore not actionable. The first challenge in this respect will be to design an approach to realigning efforts that is based on "Afghanisation" not only of the implementation process but of strategy formulation. If initiatives are announced from capitals away from Kabul, then they often produce opposition and resentment rather than ownership. The second challenge is to ensure that such an approach is tailored to existing conditions. Any policy initiatives that are designed for the ambitious vision set out in Karzai's 2004 election manifesto will not take into account the challenges evident in 2007.

RECOMMENDATIONS

13. While ISE has, and is further refining, a full set of analyses and recommendations on an integrated security and economic approach for Afghanistan, some key elements are set out below:

A modified approach to security

14. A security plan should be based on the principle of “Afghanisation” which requires acceleration of the balancing and strengthening of the army, police, intelligence and community policing arrangements. There are a series of other mechanisms which could protect NATO, diminish civilian deaths, and see a reversal in security problems.

A new approach to the economy

15. The second key is an economic approach, as opposed to a reconstruction or aid approach, that mobilises the market behind the imperative of mass job creation. Employment will create genuine stakeholders in stability, give individuals dignity and the means to support themselves, provide a true alternative to the poppy, and create the basis for the future fiscal sustainability of the country. Creating these things cannot be achieved through alternative livelihoods programs alone, nor through the current modalities of the aid system. First, building a sustainable economy requires putting in place a series of building blocks, including a systematic approach to creating procurement systems (including tendering and licensing processes and capabilities) that create domestic stakeholders in the economy. At present there is a perception in the population that licences are narrowly awarded to a cluster of individuals and interests that do not allow entry to other legitimate stakeholders. Second, there is a vast amount of money within Afghanistan—running into several billions of dollars—but currently there are no mechanisms to turn it into capital. A key component of building the market in Afghanistan is to create the mechanisms through which this money could be mobilised. Another important block in a strategy to build the Afghan economy is to systematically design, put in place and nurture linkages across several key industries including marble, jewels and agriculture as well as a number of other initiatives. Nurturing will mean giving attention to the value chain from market to producer, and ISE have produced a full plan of what a long-term, integrated economic approach would entail in practice.

A regional approach

16. Between 2001–04 the Government built a coherent, carefully designed approach to regional cooperation. This began with the Bonn Agreement, but followed up with an evaluation of each of Afghanistan’s neighbours that examined the specific opportunities and options available. For example, Finance Ministers Ashraf Ghani of Afghanistan and Shaukat Aziz of Pakistan worked to build up a trading relationship that would create stakeholders in Afghanistan’s stability in both countries. The strategy envisaged growth in Pakistani exports to Afghanistan from US \$2.8 million in 2001 to US \$1.5 billion by 2004. In 2007 the changed context will again need to be recognised in order for the regional opportunities for Afghan growth to be realised. In particular, for example, the rise of the economic powers of the Gulf presents an opportunity to rethink the regional prospects for the stability and prosperity of Afghanistan. Imagination and innovation will be needed to spot and exploit the opportunities of the current time in the service of securing Afghanistan’s future.

17. To put in place the above blocks will require a modified approach from international actors. Key elements of this will include:

- (i) Enhanced support for the ARTF: The ARTF is designed to be a dual key mechanism between Afghan Government and the people of Afghanistan in service of its people, providing a happy medium between budget support and project support. Currently, it is not adequately funded. While DFID is a major contributor, it will be necessary to persuade the US and Japanese governments to channel significant funding through this mechanism if it is to function as a unified financing channel.
- (ii) Bolstering the World Bank financing and presence: Search for a “coordinator” is something of a red herring. The budget is the mechanism of policy coordination in any functioning system, and the ARTF gives the international community a mechanism to guide that coordination. Accordingly, the best form of policy coordination will come if the World Bank is formally assigned the role of economic coordinator, which should accompany a shift from a military to a civilian emphasis. A UN coordination role on the economic side can be highly problematic, as UN agencies are not able to deliver on the whole value to the Afghan population, and even more importantly are not seen to deliver value by the Afghan population. (Here there is a key distinction between UN qua secretariat and facilitator of peace, and UN qua agencies: there is yet to be an audit of the several billions of dollars disbursed by UN agencies 2001–05).
- (iii) Examining UN agency, contractor and NGO effectiveness in terms of the criteria of value for money, transparency and accountability in light of the analysis in (ii) above. Examination of the value for money and controls upon the security firms that are hired to protect the contractors is another crucial measure. The UK has a particular role to play in this regard as a major financier

of both UN agency and NGO operations. Both UK law and donor contracts could be major levers for increasing NGO accountability, transparency and effectiveness and reducing the negative impacts of NGO operations. The IDC in particular would be advised to pay particular attention to the fact that NGOs invest considerable funds in lobbying parliament to ensure their budgets are maintained and increased. Finding mechanisms of independent evaluation, particularly from Afghan stakeholders, of NGO performance could be an important component of such a process. In our submission, building a domestic service and contracting sector is far more important for both stability and prosperity as well as sustainability than maintaining an NGO contracting service. In the light of the conditions in Afghanistan, this calls for a major think in the role of NGOs.

- (iv) Examining the effectiveness of the alternative delivery system of National Programs, Trust Fund, and political process, with particular focus on the National Solidarity Program as an example of an integrated implementation mechanism. The design principles behind this approach are fully set out in the book, *Fixing Failed States*, forthcoming with OUP. It is ISE's recommendation that existing programs should be strengthened and new programs designed: further advice can be provided on these ideas.

Comments on UKG and DFID's approach in the light of the above analysis

18. The IDC inquiry asks specific questions. This summary briefing endeavours to provide short answers to these. Again, further analysis is available if there is interest.

- The Strategy embedded within the ARTF/National Program approach allows both for short term and long term balances to be made, and prioritisation of multiple goals and objectives. It also allows for geographical balance in the distribution of funding, as funds are allocated according to transparent and fair criteria. Targeted programs are balanced with criteria-based programs, allowing for even-handedness even where specific targets are provided. The contribution of budget support, through the Afghanistan Reconstruction Trust Fund, to strengthen institutional capacity and accountability, remains a core plank of a recommended approach. However, GoUK's role in persuading other donors to switch their funding to this mechanism will be critical, and also in working with the World Bank to alter some of the mechanisms behind the ARTF: the ARTF was designed for a particular moment in time and conditions mean that some design alterations would be optimal.
- DFID's role to date has been truly exemplary and the teams should be congratulated. Remarkable leadership and managerial soundness has been shown from 2001 onwards.
- Co-ordination of the military and development effort could be improved, particularly if each culture made more effort to understand the mental models, goals and constraints of the others. "Whole of government" approaches can be misleading, especially if they tend to produce Whitehall ossification of approach, rather than alignment to an ever-changing reality on the ground in Afghanistan, according to the leadership's priorities. To the extent that the military presence will continue, far more strategic use of military personnel and know-how could be used. Use of military engineers for infrastructure planning and design is a significant area where military involvement could make a critical difference. The Royal Engineers, for example, have considerable capabilities in this area which could be used to a far greater extent.
- The alternative livelihoods and counter-narcotics approaches are admirable in intent but do not have realistic implementation mechanisms reflecting the on-the-ground situation built into them. An integrated economic approach is required, and there is little evidence to date of a realistic plan in this direction.
- The impact of NGO financing on state capability shows damaging tendencies. While, as described above, individuals are often dedicated and hard-working, as a combined effect, NGOs can undermine state capability. Further, they expose themselves to risks that take up security capability diverting it from protecting Afghan civilians. NGO delivery mechanisms are not—with some notable exceptions—a sustainable means of service provision in Afghanistan in the short, medium or long-term.

Memorandum submitted by Medecins du Monde

MEDECINS DU MONDE

1. *Médecins du Monde UK*—(MDM UK) is part of *Medecins du Monde France (MDM)*, an international medical humanitarian organisation whose volunteers provide healthcare to vulnerable populations in both developed and developing countries. Our aim is to provide healthcare for people in situations of crisis or social exclusion around the world. In order to be effective in the long term, *Médecins du Monde's* work goes

beyond providing healthcare. Based on the information and testimonies collected through our medical practice, we identify and highlight violations of human rights, particularly with regard to accessing healthcare.

2. *MDM* has been present in Afghanistan since 1992 and currently operates medical clinics in Kabul and Herat. Based upon our experience, we provide the following response to the questions posed by the Committee in its call for evidence.

THE OBJECTIVES OF DFID'S PROGRAMME IN AFGHANISTAN

3. *MDM* shares *DFID*'s view that it is vital to support the Afghan people in a way that enables them to help themselves. But where monitoring and evaluation shows particularly poor performance on the part of the government, itself the recipient of funds, more must be done to understand and address the reasons for the same.

4. Where the failure is on the part of those who were meant to provide technical assistance to the government, this must be addressed as well.

5. Where there were budgetary disbursements without any activities to justify them, this must be addressed.

6. The obstacles and barriers to achievement in Afghanistan are well known, but progress is possible. Where progress is not being made, there must be a measure of accountability. The absence of accountability can unwittingly send a message that progress is neither possible nor expected.

7. In order to ensure that local NGOs are adequately supported, *DFID* may wish to consider providing running costs in advance. This would help ensure stability by introducing a measure of predictability.

THE TRADE-OFF BETWEEN SHORT-TERM GAINS AND LONG-TERM TRANSFORMATION

8. Establishing small scale experimental programs can provide a kick-start for short-term gains by: a) meeting immediate needs; b) demonstrating results with data collected—in order to build credibility with the government and other stakeholders and; c) laying the groundwork for scaling up and replicating the project elsewhere in the country by maintaining a particular focus on the training of trainers and the adaptability of project design. The programs thus provide a foundation for longer term transformation.

THE ROLE OF NGOS

9. In addition to providing direct services and building the capacity of local actors, NGOs are uniquely positioned to advocate for beneficiaries by gathering evidence of the situation on the ground in order to support the government in understanding the problem as well as pressuring it to make progress toward its resolution. NGOs have the combined expertise and autonomy necessary to do this effectively.

HARMONISATION AND CO-ORDINATION OF THE DONOR RESPONSE

10. Although a mechanism exists to improve donor co-ordination, there is still waste which results from duplicative programming. There is likewise room to improve the efficiency of programs by improving the exchange of best practices, as well as lessons learned. Although this is emphasised by the international community in its interactions with the government and civil society, the international community does not itself provide a healthy model for the same. Given the inadequate funding, as measured against the urgency of need in Afghanistan, this is especially poignant.

Memorandum submitted by Merlin

ABOUT MERLIN

Merlin is the only UK specialist agency, which responds worldwide with vital healthcare and medical relief for vulnerable people caught up in natural disasters, conflict, disease and health system collapse. Merlin's vision is of a world that provides basic health care for all; which responds immediately to save lives in times of crisis and which safeguards long-term health. Merlin's contribution is to act in times of acute need whilst working to ensure access to health care in the longer term. The aim is to ensure that vulnerable people in particular, who are excluded from exercising their right to health, have equitable access to appropriate and effective healthcare.

This aim is inspired and underpinned by the World Health Organisation (WHO) declaration¹⁰⁴ that the enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without discrimination of race, religion, political belief, economic or social condition. In support of this aim, Merlin works in partnership with global, national and local health agencies and communities to strengthen health systems and build community resilience to better prevent, mitigate and respond to health outcomes.

¹⁰⁴ As reflected in the WHO constitution (1946), Alma Ata Declaration (1976) and World Health Assembly (1998).

ABOUT MERLIN IN AFGHANISTAN

Merlin was one of the first NGOs to enter Kandahar in 1993-1994 following the fall of this city to the Taliban. Since then, Merlin's health activities have included implementation in southern, western, northern and northeastern provinces.

Currently Merlin is working in the three northeastern provinces of Kunduz, Takhar and Badakshan implementing a range of health-related projects including health service delivery and community midwifery education projects. Currently Merlin Afghanistan has a budget of close to \$5 million/year (receiving funds from USAID, EC, UNFPA) and employs 600 staff across three provinces. Merlin works in direct partnership with a large local Afghan Non-Governmental Organization (Care of Afghan Families—CAF) and is a member of various NGO coordination bodies and technical fora within Afghanistan.

This abbreviated response focuses on a few key areas highlighted by the Inquiry's Terms of Reference and in addition Merlin is happy to provide a verbal submission to the Committee if needed. The contribution is based on the experience and opinions of an organisation working within the health sector and is also limited in its relevance to the south of Afghanistan, due to the sizeable consolidation of Merlin's activities over the past 4–5 years in the northeastern provinces.

DFID'S OBJECTIVES IN AFGHANISTAN

DFID has committed to provide predictable funding to Afghanistan over a 10 year period—through its development partnership agreement with the Government of Afghanistan (GoA) signed in January 2006. The priority focus of the partnership has been identified as building an effective state. Fifty per cent of DFID funding is going through the budget of the Government of Afghanistan with the intention of moving towards Poverty Reduction budget support or other forms of direct support. Whilst the relevance and importance of direct funding for state building, strengthening of governance and state capacity initiatives is not in doubt, the available data suggests that DFID does not have any major targeted focus upon the health MDGs. It is our understanding that recent funding provided by DFID for health sector support is not for direct service implementation but rather for areas such as administrative reform/payment of Ministry of Health salaries. In addition DFID support to other line Ministries including the Ministry of Finance may yield funds for the health sector in the longer term (ie through improvements in revenue collection).

Funding for the health sector is currently allocated through donor commitments from USAID, EC and WB and while a reduction in infant mortality within Afghanistan has been seen in recent years, this is against a very low baseline in terms of infant and child health. It is widely accepted that Afghanistan is off-track on all the MDGs but given the importance that health plays in the MDGs and the targets that have been set in the recent draft National Health and Nutrition Strategy document to reduce maternal, infant and child mortality, it would seem imperative that even if DFID does not position itself to provide additional specific funding to the health sector at this time, that it continues to maintain a close eye on the adequacy of donor coordination, funding and strategy to the sector and utilises its influence where appropriate to ensure that health remains a priority issue overall.

COORDINATION OF THE MILITARY AND DEVELOPMENT EFFORT

Merlin has extensive direct experience of working in the north of the country—which is relatively stable compared to the south—and where neither Merlin nor its staff are seen as primary targets for insurgent activity. However the area has seen a stepwise increase in criminal behaviour over recent months and a worsening of the rule of law. A significant number of attacks have taken place against military, police, civilian and NGO persons.

While Merlin recognises that the north is less polarised (between government and insurgency groups) than the south and therefore provides an environment in which it is easier to maintain impartiality of action vis-à-vis its humanitarian/development objectives, it also believes that aligning reconstruction efforts with the military (as has happened in the south) is counter-productive for the achievement of longer term development goals.

Our experience is that at a provincial level, Afghans expect the military to guarantee security whilst other bodies—especially the Government of Afghanistan and to a lesser extent NGOs—should provide service delivery/assistance. The Provisional Reconstruction Teams (PRTs) in particular may confuse the separation of roles between NGOs and the military. It is our judgement that short-term development projects implemented by the military are unlikely to yield any form of security guarantees for the military and that greater emphasis on informing the population area about the wider objectives of the military mission of foreign troops in Afghanistan would be more productive. It goes without saying that reducing civilian casualties of military engagements is also likely to have a positive benefit in terms of the populations' perceptions of the military presence.

POSSIBLE TENSIONS BETWEEN THE DEVELOPMENT AND THE SECURITY AGENDAS

Merlin's experience shows that direct military initiatives focused on development can in fact undermine longer term recovery efforts due to the short term approach adopted which often emphasises construction or one-off activities (eg vaccination; one-off supplies or short term projects) and the lack of coordination with wider government or donor plans.

Merlin has developed its own model of effective health delivery based on its experience of working in an insecure environment—which involves both greater community buy-in as well as maintenance of a distance from the military. This is not because the population majority in the north of Afghanistan are in any way unreceptive to foreign troops, but rather because a small minority of the population who are intent on destabilising the northern region are more likely to target NGOs with links to international military forces.

By way of example, for Merlin to become involved in the reconstruction effort in the south would require a significant shift in means of action and in particular developing a much sharper distinction between humanitarian goals and its current posture as implementer (on behalf of the Government of Afghanistan) of health services. Intervention by Merlin in the south would entail a much greater risk to expatriate and local Afghan staff who might be employed by Merlin and would necessitate adoption of a position of extreme neutrality—much as that adopted by the International Committee of the Red Cross—and the firm backing of non-Afghan bodies eg UK government as well as the GoA in order to allow Merlin to directly negotiate humanitarian space with the Taliban and other insurgent groups. It remains to be seen whether some of these changes in modus operandi might yet be required within the north, in the future, if security deteriorates to a significant extent within the northeastern provinces.

THE ROLE OF NGOS

The role of NGOs has proved pivotal in the re-development of social services in Afghanistan. Sectors within which NGOs form the delivery vehicle are amongst the most cost-efficient, output effective of all projects currently funded through donors (Basic Package of Health Services, National Solidarity Programme). However the role of NGOs is and should be broader than service delivery—NGOs, both international and local are a critical part of civil society. Merlin's work in Afghanistan has been in conjunction with a local NGO, Care of Afghan Families. Merlin feels that this international/local NGO partnership provides the strongest "model" for building local capacity amongst Afghans, ensures a more sustainable outcome and should be supported in the longer term.

Currently Merlin is working with CAF in support of the Basic Package of Health Services (BPHS) covering both primary and secondary health care facilities. Merlin is directly responsible for all aspects of management (financial, administrative) and technical modelling across over 60 health facilities and soon over 350 health posts. This support is providing direct health provision to an estimated 1.1 million people in two provinces.

Despite the immense scope of actions of NGOs within the country, the role of NGOs is circumscribed by current donor-driven funding arrangements. Opportunities to extend service delivery programming to encompass fields such as governance in the health sector is limited due to the rigidity of current funding mechanisms.

It is our opinion that the important role of NGOs in support to the health service in Afghanistan needs to be fully recognised and supported, especially in the important transition to greater national ownership. This requires further funding to develop the scope and range of their activities, based on the observation of their success in implementation of the BPHS and NSP national programmes. This is not to argue against the importance of channelling funding through the GoA but instead to lobby for a nuanced balance of support to both Civil Society Organizations as well as central government.

The current security situation affects the ability of NGOs to deliver effective programming, limits the opportunities for staff recruitment and has transactional consequences upon security budgets (which are not currently allowable under the grants that Merlin receives) and thus has consequences for their work. While there are extensive rules governing expatriate staff security in country, these do not extend to local NGOs or local staff who are in similar if not more dangerous positions. In many cases the outcomes (of targeting or kidnapping) are worse for national NGOs and staff. Merlin currently employs five expatriate staff in Afghanistan but 650 paid local staff and therefore security initiatives must take into account the balance of the NGO workforce. Any security agenda must take into account the vulnerability of NGO staff and any risks that might arise from closer alignment of the development and security agendas. Protecting and maintaining the development initiative is of course vital in order to satisfy the needs of the population as regards humanitarian and development needs—and furthermore in order to reassure the population that the overall direction of the international effort within Afghanistan is to both address development goals as well as provide security assistance.

HARMONISATION AND CO-ORDINATION OF THE DONOR RESPONSE

The current funding via the Afghanistan Reconstruction and Development Fund is well received and provides a good model for donor coordination. Channelling of donor funds through the Afghan Government is to be welcomed but needs to be subject to the same tests of efficiency and effectiveness as other modes of expenditure of donor funds.

It is however apparent that there is increasing emphasis being placed upon links between Foreign Ministries and Development Ministries of many foreign governments which currently have forces within Afghanistan under a UN/NATO mandate. Those countries which do not have military forces within Afghanistan seem instead to have a greater capacity to engage in a wider response to humanitarian and development needs eg JICA. Countries which have greater troop presence are being placed under increased pressure to allocate development funding in line with political and military-protection strategies—using the civilian arms of PRTs as “development” agencies. An exaggeration of this funding strategy will have long-term consequences for both donor harmonisation as well as equity of funding across different provinces. Numerous examples already exist from northeastern provinces where claims are being made that insecure provinces in the south are benefiting through increasing aid, as compared to the relatively stable north where the perception is of reductions in aid funding.

October 2007

Memorandum submitted by Oxfam International, Afghanistan

SUMMARY

This paper outlines urgent action necessary to address immediate challenges in Afghanistan and to avert humanitarian disaster. It does not seek to address all issues of concern but focuses on essential policy change in development and humanitarian spheres.

While aid has contributed to progress in Afghanistan, especially in social and economic infrastructure—and whilst more aid is needed—the development process has to date been too centralised, top-heavy and insufficient. It has been prescriptive and supply-driven, rather than indigenous and responding to Afghan needs. As a result millions of Afghans, particularly in rural areas, still face severe hardship comparable with sub-Saharan Africa. Conditions of persistent poverty have been a significant factor in the spread of insecurity.

Donors must improve the impact, efficiency, relevance and sustainability of aid. There needs to be stronger coordination and more even distribution of aid, greater alignment with national and local priorities and increased use of Afghan resources. Indicators of aid effectiveness should be established, and a commission to monitor donor performance.

Despite progress in some ministries, government capacity is weak and corruption is widespread, which is hindering service delivery and undermining public confidence in state-building as a whole. Further major reforms are required in public administration, anti-corruption and the rule of law.

Urgent action is required to promote comprehensive rural development, where progress has been slow, through building local government to deliver essential services, reforming sub-national governance, and channelling more resources directly to communities.

Whilst Provincial Reconstruction Teams may be necessary in some areas, they have significantly exceeded their interim, security mandate. Through diverting resources, they have impeded the development of effective institutions of local government and PRT projects are no substitute for long-term, community-led development work. Military projects can also compromise the neutrality and scope of humanitarian work. PRTs should therefore adhere to their mandate: to facilitate the development of stable and secure environment, and should only undertake relief or development work where there is a critical need and no civilian alternative. In accordance with their interim status, each PRT should develop a phased, conditions-based exit strategy.

Agriculture, and connected trades, is the mainstay of the nation, supporting 80% of all Afghans, yet it is severely under-funded. A multi-stakeholder strategy should be developed to ensure the provision of agricultural support at local level, covering arable and livestock farming, rural trades, and improved land and water management. It must ensure relevant support for the economic and occupational activities of rural women.

Neither aggressive eradication nor licensing will reduce opium production. The Afghan government and donors should support a long-term, comprehensive approach which seeks to promote sustainable rural development and which prioritises support for licit agriculture—and not only in those areas which grow poppy. There needs to be rigorous and balanced implementation of the existing counter-narcotics strategy, with greater outreach to community elders and action against major traffickers.

Despite dramatic improvements in education, still half of Afghan children—predominantly girls—are out of school and drop out rates for girls are particularly high: large-scale investments are required in teachers, education infrastructure, combined with systemic reform.

Whilst significant progress has been made in the provision of health care, overall public health remains poor. Donors and the government should do more to expand the provision of health care in remote areas; strengthen institutional capacity, coordination and security at sub-national level; expand and improve hospital care; and increase the number of female health workers.

High numbers of civilian casualties are being caused by all parties to the conflict. There must be continued condemnation of the actions of armed opposition groups which cause civilian casualties, including summary executions, suicide bombs, roadside attacks and the use of civilian locations from which to launch attacks, all of which are wholly unacceptable. International forces must ensure that the use of force is proportionate both in air strikes and house searches, and even more determined efforts must be made to ensure the security of Afghan communities in insurgency-affected areas. Actions that undermine the good-will of the people ultimately undermine both stability and opportunities for development.

The separation of NATO and US-led coalition commands creates inconsistencies in operating standards and in civil-military coordination: there should be unified NATO command of all international forces, close coordination with Afghan forces and universally applicable standards of operation, rigorously enforced. A new multi-stakeholder entity should be established through the UN to investigate and monitor alleged abuses. International forces should establish a system to ensure compensation or other reparation for civilian casualties and the destruction of property.

According to the UN there are 130,000 long-term displaced people in Afghanistan, and recent fighting has displaced up to 80,000; this year there has also been a substantial influx of refugees and deportees from Pakistan and Iran, respectively. Donors should ensure sufficient resources are available to respond to these increasing population movements.

Local level disputes have a significant cumulative impact on peace, development and the wider conflict. There should be a national strategy for community peace-building, which strengthens social cohesion and enhances community capacities to resolve conflict; it should be led by community leaders and civil-society, and fully-supported by donors. It should include measures to ensure the participation of women in peace-building activities.

As a land-locked country, with vast, largely porous borders, Afghanistan is unavoidably affected by the policies of its neighbours. They should do more to help the country on refugees, security, narcotics, and trade, which is in their own long-term interests. To address underlying problems, the international community in Afghanistan must achieve a deeper level of engagement on regional issues. Military action by a foreign power against Iran, or against groups in the Afghan border areas of Pakistan, could be seriously destabilising for Afghanistan.

A clear majority of Afghans support the international presence in Afghanistan,¹⁰⁵ but the development process has made only a limited difference to their lives, and with spreading insecurity a change of course is now essential. The policy changes proposed in this paper would represent a step towards achieving that and they should therefore be incorporated into the revised Afghan National Development Strategy.¹⁰⁶

Peace in Afghanistan cannot be achieved without improving the lives of ordinary Afghans. This requires strong leadership by the Afghan government and sustained and concerted action by donors and neighbouring states. It requires more determined efforts by all donors, with greater direction from the United Nations, which is severely under-resourced, and the Joint Coordination and Monitoring Board (JCMB). A resolute, substantial and long-term commitment by the international community is essential not only to secure development progress but to halt the spread of insecurity.

As by far the largest donor and troop-contributor, the role of the United States in Afghanistan will be critical. However, all donors and troop-contributing states have a crucial role in pressing for urgent action to meet the challenges facing Afghanistan: millions of lives depend upon it.

Further information: for more details please contact Matt Waldman, Policy and Advocacy Adviser, Oxfam International, Afghanistan.¹⁰⁷

1. *Aid effectiveness*

Since 2001, Afghanistan has received more than \$15 billion in assistance, and the US House of Representatives recently approved \$6.4 billion more in economic and development assistance.¹⁰⁸ Aid will be crucial to Afghanistan's development for many years and, as this paper argues, many areas are under-resourced.

¹⁰⁵ See: Hearts and Minds: Afghan Opinion on the Taliban, the Government and the International Forces, United States Institute for Peace Briefing paper, 16 August 2007.

¹⁰⁶ The ANDS is Afghanistan's Poverty Reduction Strategy Paper; it will be finalised mid-way through 2008.

¹⁰⁷ The author of this paper, contactable at: MWaldman@oxfam.org.uk; +93 700278838.

¹⁰⁸ US Increase Support for Afghanistan, US State Department, January 2007.

However, too much aid to Afghanistan is provided in ways that are ineffective or inefficient. For example, Afghanistan's biggest donor, the US Agency for International Development (USAID) allocates close to half of its funds to the five largest US contractors in the country.¹⁰⁹ As in Iraq, too much aid is absorbed by profits of companies and sub-contractors, on non-Afghan resources and on high expatriate salaries and living costs. Each full-time expatriate consultant costs up to half a million dollars a year.¹¹⁰

The Afghan government has significant budget execution problems, due to insufficient or ineffective donor efforts to build the institutional and implementing capacities of line ministries. Some two-thirds of US foreign assistance bypasses the Afghan government that officials say they want to strengthen.

A number of donors, including the UK's Department for International Development (DFID), provide significant funds through the Afghan Reconstruction Trust Fund (ARTF), which provides a predictable and accountable source of funds for recurrent government expenditure. However, it is regrettable that DFID has very substantially reduced its funding for Afghan and international NGOs, who play an important role in grassroots capacity building, rural development and support for delivery of essential services.

There is insufficient direction and support provided by the UN and JCMB, both of which are substantially under-resourced, and too little coordination between donors and the government of Afghanistan. Of all technical assistance to Afghanistan, which accounts for a quarter of all aid to the country, only one-tenth is coordinated among donors or with the government.¹¹¹ Nor is there sufficient collaboration on project work, which inevitably leads to duplication or incoherence of activities by different donors.

Funding for development is a fraction of that spent on military operations: the US military is spending \$65,000 a minute in Afghanistan (\$35 billion for 2007).¹¹² Aid funds are following the fighting: USAID concentrates more than half of its budget on the four most insecure provinces; DFID allocates one-fifth of its budget to Helmand.¹¹³ Promoting development in the south is essential but, as we have seen over the last two years, if other provinces are neglected then insecurity could spread.

RECOMMENDATIONS

The British Government should ensure its aid programme is consistent with the following recommendations; as a major and well-regarded donor to Afghanistan, it should also use its influence to press other donors, especially the United States, to accept and support them.

Reconfigure and coordinate aid

Donors should ensure aid programmes are consistent with Afghanistan's national and local development priorities. The JCMB and UN should be significantly strengthened to coordinate donor activities and ensure a more even distribution of resources.¹¹⁴ They should also seek to ensure that the distribution of aid does not disproportionately benefit one or other of Afghanistan's ethnic groups.

Increase transparency

Donors should publicly provide comprehensive information on aid flows, including on tender procedures, use of Afghan resources, and contractor salaries and profit margins.

Establish indicators of aid effectiveness

Indicators of aid effectiveness, with correlative targets, should be established for each objective under Annex II of the Afghanistan Compact and those contained in the Paris Declaration on Aid Effectiveness.¹¹⁵

Establish a Commission for Aid Effectiveness

An independent Commission on Aid Effectiveness should be established, possibly through the UN, and supported by independent management consultants, to monitor compliance with the proposed aid indicators, and deficiencies in the delivery of aid. Each donor should report regularly to the proposed Commission on the extent to which it meets or falls short of aid effectiveness targets, in particular: impact, efficiency, relevance and sustainability of aid, and use of Afghan resources.

¹⁰⁹ Afghanistan Compact, Procurement Monitoring Project, Afghan Ministry of Finance and Peace Dividend Trust, April 2007, p 11.

¹¹⁰ Delays Hurting US Rebuilding in Afghanistan, *New York Times*, 7 November 2005 and Afghanistan, Inc., Corpwatch, Fariba Nawa, p 16.

¹¹¹ Prioritising Aid Effectiveness, Taking forward the Afghanistan Compact and Paris Declaration Commitments, Afghan Ministry of Finance, 18 April 2007, p 11.

¹¹² Report for Congress, The Costs of Iraq, Afghanistan and Other Global War on Terror Operations since 1911, Congressional Research Service, 16 July 2007.

¹¹³ Afghanistan aid must be spread, *Financial Times*, 19 March 2007.

¹¹⁴ The Good Performers Initiative, which rewards provinces that do not produce poppy, is an attempt to address geographical disparities in assistance. At just \$22.5 million for 2006–07 it is wholly insufficient to address major imbalances in the overall distribution of aid.

¹¹⁵ This was proposed by the JCMB: para 37; 2.2, bi-Annual JCMB Report from November 2006.

Increase the volume of aid

There is a powerful case for more aid to be directed to areas highlighted in this paper, such as education and agriculture, in conjunction with steps to enhance its effectiveness and build ministerial implementing capacity. The internationally-administered Trust Funds offer an effective means of minimising waste.¹¹⁶ At the same time, sufficient funds should also be allocated to effective Afghan and international NGOs. However, any overall increase in the volume of aid to Afghanistan should not be at the expense of aid to other developing countries.

2. National Governance

Weaknesses in governance are increasingly cited by Afghans as a reason for dissatisfaction with the government. They hinder service delivery and undermine the legitimacy and credibility of state-building as a whole, thereby contributing to greater insecurity.

Government systems and processes are opaque, bureaucratic and convoluted, giving rise to opportunities for graft. Corruption is widespread, endemic and, as the Joint Coordination and Monitoring Board puts it, “continues to flourish”.¹¹⁷ Despite some improvements, the institutional and technical capacity of line ministries is weak and there are profound deficiencies in human resources. Female participation in government institutions and in decision-making remains limited.

There is uncertainty about the roles and responsibilities of state entities, with poor coordination between them. They are subjected to only limited, ad hoc scrutiny, and parliament is yet to establish an effective system for scrutinising government policies.

These problems are compounded by the opium economy, where there are links to central government, and weaknesses in the justice sector, where, “rule of law remains precarious, governance is fragile, and the judicial system is ineffectual and inaccessible”.¹¹⁸ Despite improvements, the Afghan National Police (ANP) lacks both professionalism and independence.

The problems cannot all be attributed to the government: donor programmes have in many cases failed to build institutional capacities or establish proper systems of governance. Incoherent, wasteful and short-term programmes, with weak financial oversight, have to some degree accentuated problems of corruption, inefficiency and lack of coordination.

RECOMMENDATIONS

Strengthen public administration reform

Several mechanisms, such as the Advisory Panel on Senior Appointments and the Independent Administrative Reform and Civil Service Commission, have been established to ensure fair, transparent, and merit-based appointments, but have not yet delivered results. These bodies must themselves be transparent and subject to independent scrutiny; they should comprise only those members who are demonstrably independent. It is the duty of the international community—whose funds are at stake—to press for such changes.

Pay and grading reform, due to be implemented over a four-year period, should be expedited. Stronger leadership and greater efforts are required by ministers and donors to increase women’s participation in government and to build the capacity of line ministries to implement the National Action Plan for Women. Continued efforts must be made to strengthen the capacity of civil administration, clarify responsibilities, and improve coordination between ministries. Reform of sub-national governance is a priority, which is outlined in following section.

Enhance anti-corruption measures

Rigorous implementation of the national anti-corruption strategy is essential. The Anti-Corruption Commission should be overhauled to ensure its transparency and integrity. With international support there should be concerted measures to enhance transparency of government operations, especially in tax, procurement and expenditure; build stronger mechanisms for monitoring, oversight and audit; eliminate bureaucracy, and streamline processes and procedures. Measures to address corruption in politics, counter-narcotics institutions and the private sector are equally important. Major reform of the ANP is required to enhance professionalism, accountability and diversity, and to ensure autonomy from political interference.¹¹⁹

¹¹⁶ For example the Law and Order Trust Fund administered by UNDP, and the Afghanistan Reconstruction Trust Fund administered by the World Bank.

¹¹⁷ Annual Report, Joint Coordination and Monitoring Board, May 2007, p 4.

¹¹⁸ *Ibid.*

¹¹⁹ Reforming Afghanistan’s Police, Crisis Group Asia Report, No 138, 30 August 2007.

Reform the legal and institutional framework

As part of broader reform of the justice sector, the legal and institutional anti-corruption framework must be strengthened. This will require measures to enhance the capabilities, independence and integrity of the judiciary and anti-corruption institutions, and to implement and enforce the UN Convention Against Corruption.

3. Rural Development and Sub-National Governance

While aid has undoubtedly contributed to progress in Afghanistan, especially in social and economic infrastructure, the development process has not sufficiently benefited the majority of the population who live in rural areas, where essential services, such as water or electricity, remain scarce or insufficient.

Line ministries are over-centralised and dominate resource allocation, management and planning from Kabul. Provincial line departments have limited autonomy and are subject to interventions by Governors' Offices which creates operational problems and deters the de-concentration of resources. In villages and districts government is either non-existent or weak and ineffective having limited capabilities and profoundly inadequate human and financial resources.¹²⁰ There has been very little donor or government activity to build institutional capacity at district and provincial level, and no such efforts with national coverage.

At sub-national level there are a number of administrative, appointed and elected entities, which have unclear or overlapping responsibilities, with insufficient or uncertain resources (for example, at provincial level: the Governor's Office, Line Departments, Provincial Council, Administrative Assembly and Development Committee).

There is excessive bureaucracy, lack of transparency and significant disparities in the distribution of government resources throughout the country. (For example some provinces have more than twenty times the per capita funding for health than for others.)¹²¹ In a number of provincial centres corruption is endemic and tribal and ethnic factors, rather than competency, determine key appointments.¹²² Municipalities have unclear responsibilities and revenue-raising powers, weak financial management and limited accountability.

The National Solidarity Programme (NSP) has succeeded in channelling resources directly to elected Community Development Councils (CDCs) representing over 25,000 villages, over 70% of Afghanistan's communities. Through the Programme NGO assistance is provided for community-directed development projects, for example water supply or school construction, and there have been several positive assessments of the Programme in terms of project implementation, governance and stabilisation. Yet funding for the NSP programme has been irregular and its future is uncertain; the expanded role and legal status of CDCs set out in a new by-law and their relationship to other elements of local government is also uncertain.¹²³

RECOMMENDATIONS

Build local government to deliver essential services

Intensive efforts are required to build the capacity of the Afghan government to deliver or oversee the delivery of essential services at local level, especially education, water, sanitation and health (where most provision is indirect). Reform must seek to de-concentrate the centralised powers and resources of ministries, and build institutional systems and capacities at local level. Donors and key ministries, including the new Independent Directorate for Local Governance, should establish a group to intensify and coordinate efforts on this issue.

Reform sub-national governance

Legislative reform is required to clarify the roles, responsibilities and relationships of sub-national state entities at provincial, municipal, district and village level, including CDCs, and to rationalise and clarify coordination and planning. Reform should ensure that the primary role of the Governor's Offices is provincial coordination and planning, rather than involvement in the operation of line departments. Greater technical and financial support should be provided to elected bodies, principally Provincial Councils, to support monitoring, oversight and representation, particularly on development issues.¹²⁴ Measures are also required to enhance local government transparency, simplify procedures and strengthen ongoing public administration reforms. In conjunction with wider legislative, coordination and planning reform, such measures could substantially improve accountability and reduce corruption.

¹²⁰ Sub-national Training Needs Assessment Report, IARCSC and UNDP, 2005.

¹²¹ Service Delivery and Governance at the Sub-National Level in Afghanistan, World Bank, July 2007, p 34.

¹²² The situation in Afghanistan and its implications for peace and security, Report of the UN Secretary-General, 21st September 2007, paras 8 and 21.

¹²³ See Consolidated Position Paper on the CDC Bylaw, NSP Facilitating Partners, 2007 and CDC Bylaw and sustainability, ACBAR Public Statement, 11th November 2007.

¹²⁴ See: Service Delivery and Governance at the Sub-National Level in Afghanistan, World Bank, July 2007.

Increase support to communities

More resources should be channelled directly to communities by (1) ensuring a timely and sufficient flow of funds to CDCs, and providing guaranteed funding to secure the future of the Programme; (2) through CDCs, channelling funds for sector-specific and multi-community projects; and (3) where CDCs do not exist, using other means of providing support to communities, such as through local NGOs.

4. *Provincial Reconstruction Teams*

There are 25 Provincial Reconstruction Teams (PRTs) in Afghanistan led by 13 different nations. Their mission statement is to “assist the Islamic Republic of Afghanistan to extend its authority, in order to facilitate the development of a stable and secure environment in the identified area of operations, and enable Security Sector Reform and reconstruction efforts”.¹²⁵ The PRT Handbook also states that each PRT is an “interim structure”, which, on fulfilment of its mission, should be dismantled.

PRTs have gone well beyond this interim, security mandate, often engaging in extensive development work, implemented either by the military or government agencies. Afghan communities appreciate any support they can get, but whilst PRT resources and activities have expanded, local government institutions, with significantly smaller budgets, have been under-used and under-developed. It will not be possible to strengthen institutions of local government and to improve their accountability, if they are deprived of resources.¹²⁶ In some cases PRTs have used their influence to intervene in provincial political or administrative affairs which has generated considerable local resentment.

There are major variations in funding and activities between PRTs and a significant number of projects are not in alignment with provincial or national plans, or the interim Afghanistan National Development Strategy. Being nation-led, they are often driven more by available funding or the political interests of the nation involved rather than development considerations. Frequent use of local contractors, especially in the south, has meant many projects are badly implemented; systemic or political pressure and frequent rotations has tended to result in a large number of small-scale, short-term projects. The absence of community participation, or association with the military, has led to projects which are unsuitable, unused or targeted by militants.

Given the historic suspicion of foreign intervention, such efforts to win “hearts and minds” are naïve. It is unsurprising that the huge expansion of PRT activities has not prevented the deterioration of security. The development process needs to be owned and led by Afghan communities, which is essential for sustainability. PRTs are no substitute for long-term development work.

PRTs also blur the distinction between the military and aid workers, jeopardising the perceived neutrality of the latter, putting them in danger and reducing operating space for humanitarian organisations.

RECOMMENDATIONS

Re-focus PRTs

PRTs should adhere to their mandate: to facilitate the development of a stable and secure environment; and they should only exist where security conditions make them absolutely necessary.¹²⁷ In respect of humanitarian activities, as the international community first agreed in the “Oslo Guidelines” of 1994, the military should only undertake relief work in exceptional circumstances: where there is a critical humanitarian need and no civilian alternative, and their activities should focus on “indirect assistance and infrastructure support”.¹²⁸ As indicated above, the quality and impact of this work could in many cases be substantially improved.

Exit strategies

In accordance with their interim status, exit strategies should be developed for each PRT, with down-scaling and closure plans for those in comparatively secure areas. At a macro level donor funds should be re-routed from PRTs to national government, through the internationally-administered Afghanistan Trust Funds, and, as a priority, to local government and Afghan communities.

¹²⁵ PRT Executive Steering Committee, 27 Jan 2005. It should be noted that there are generally two types of PRT reconstruction and development activities: projects carried out by the military/CIMIC (Civil-Military Cooperation) team, and those delivered or overseen by the relevant national development agency. There is insufficient space available in this paper to address issues relating to each of these types of assistance.

¹²⁶ Service Delivery and Governance at the Sub-National Level in Afghanistan, World Bank, July 2007, p xiv.

¹²⁷ *Ibid.*

¹²⁸ Guidelines on the Use of Military and Civil Defence Assets in Disaster Relief, updated November 2006, pp 9–10; and Guidelines on the Use of Military and Civil Defence Assets to Support United Nations Humanitarian Activities in Complex Emergencies, March 2003, p 9 and p 12.

5. Agriculture

Agriculture, and connected occupations and trades, supports the subsistence or employment of at least 80% of Afghans and has traditionally accounted for at least half the economy. However, war, displacement, persistent droughts, flooding, the laying of mines, and the sustained absence of natural resource management has led to massive environment degradation and the depletion of resources. In recent years Afghanistan's overall agricultural produce has fallen by half.¹²⁹ Over the last decade in some regions Afghanistan's livestock population has fallen by up to 60%¹³⁰ and over the last two decades, the country has lost 70% of its forests.¹³¹ There continue to be major food shortages, and this year the World Food Programme aims to provide food to 5.4 million Afghans.¹³²

Yet, given the scale of reliance on agriculture, international support in the sector has been modest and government assistance extremely limited. Donors have spent only \$270 million directly on agricultural projects over the last six years—a fraction of overall assistance to Afghanistan.¹³³ For example in Daikundi province, there are close to half a million people who depend on the land, yet there is virtually no international support for agriculture. The provincial Department of Agriculture, Irrigation and Livestock which is responsible for providing all official support for farming in the province, has a threadbare staff of 16, only two of whom have relevant qualifications, with no funds for projects.

Rural unemployment is extremely high at over 50%, and is exacerbated by large scale deportations of economic migrants from Iran and the return of refugees. A convoluted system of land rights remains an impediment to greater investment in and use of agricultural land.

RECOMMENDATIONS

Develop a comprehensive strategy to ensure agricultural support at local level

Urgent efforts must be made to provide local-level support for agriculture and off-farm trades, which would improve livelihoods, strengthen food security and reduce unemployment. The Afghan government, with the support of the Food and Agriculture Organisation, donors and NGOs, should develop a strategy to enhance the institutional capacity of the Department of Agriculture at district level, and expand the scale and range of agricultural support.

The strategy should cover the recruitment and training of staff, technical support in designing and implementing projects, streamlining bureaucracy, coordination with other relevant line departments and the provision of substantial additional resources. Contracting-out to NGOs, as used for health care delivery, could help to overcome short-term capacity constraints.

In programme terms, the strategy should address: the distribution of improved seed varieties, fertilisers and pesticides; crop diversification, horticulture, and kitchen gardens; training in agricultural skills, techniques and improved animal husbandry methods; livestock development, especially improved use of fodder crops, fodder storage, management of grazing land, and herd or flock management; the provision of veterinary services, especially for vaccinations and disease control in remote areas; and the provision of agricultural tools and sustainable mechanisation. Wider establishment of community cooperatives could help farmers gain access to finance, and share best practices and resources. The strategy must ensure that rural women benefit from increased support, whether in farming or off-farm rural trades, and that their particular skills and resource needs are addressed.

Improve land and water management capabilities

The proposed strategy should incorporate capacity building and financial support for effective land management; water resources management, especially irrigation systems and water-shed programmes; and community-based disaster risk reduction. On-going land rights reform, to clarify and harmonise multiple systems of land tenure, should be expedited. Support is also required for processing and marketing methods, transport infrastructure and access to markets.

Support rural trades

Greater resources should be devoted to support for off-farm and non-farm income generation activities, such as carpet-making or handicrafts—ranging from skills training to access to markets.

6. Counter-Narcotics

The cultivation of poppy and production of opium is up on last year by 17% and 34% respectively. Production has doubled in two years and now accounts for 93% of global illicit supply.¹³⁴ Although cultivation has been reduced in the centre-north of Afghanistan, cultivation in the insecure south has vastly increased. State officials are known to be complicit in poppy cultivation, trafficking or non-intervention. The opium industry is valued at between one and three billion dollars a year, accounting for up to a third of the economy.

The opium economy is deep-rooted and complex, inextricably connected both to insecurity and to poverty, and compounded by inequitable systems of land tenure, share-cropping and credit. According to the UN Office of Drugs and Crime, over 90% of farmers grow opium for economic reasons, and only a fraction would continue to do so if there were viable alternatives.¹³⁵

RECOMMENDATIONS

Adopt a comprehensive, long-term approach

There are no simple solutions or quick fixes to the narcotics problem. In particular, only limited progress, if any, can be expected in Helmand province, which produces more than half of Afghan opium. The reality of a global heroin market should be taken into account: as long as demand persists, opium will be produced somewhere to meet illicit demand.

The Afghan government and donors should support a long term, multi-sectoral approach which above all seeks to achieve sustainable rural development. As success in tackling opium production in Thailand demonstrates, counter-narcotics requires broad-based economic development and state-building, particularly at local level.¹³⁶

There needs to be substantial additional support for licit agriculture, as well as off-farm and other rural trades, as outlined in the previous section, so that farmers are not forced to turn to poppy. Agricultural programmes must be comprehensive and not just focused on those areas that grow poppy: alternative livelihood programmes, where they are area- or target-limited, can create perverse incentives. To support a long-term approach, counter-narcotics should be removed from short-term political milestones for Afghanistan which have been established by the international community. In addition, there needs to be mainstreaming of the drugs issue into overall reconstruction and peace-building efforts, a better understanding of global market dynamics and greater Afghan ownership over the drugs policy debate.

Strengthen implementation of the National Drug Control Strategy

There needs to be a more rigorous and balanced implementation of the National Drugs Control Strategy, which rightly includes elements of interdiction, manual eradication, incentives, public information, demand reduction and law enforcement. In particular, donors and the government should:

- Expand outreach to mullahs and community elders who are the central authority, both in morality and governance, for rural Afghans (more than one in three farmers who have decided not to grow poppy attribute their decision to religion or the disapproval of elders).¹³⁷
- Ensure law enforcement starts at the top: prosecutions or action to undermine the activities of major drug barons or state officials who are complicit in trafficking, would have a powerful disruptive and deterrent effect—so far fewer than a dozen mid-level traffickers have been prosecuted.
- Institute treatment and harm reduction programmes for drug users in Afghanistan,¹³⁸ neighbouring countries and international consumption markets, to reduce demand for Afghan opiates and to reduce the risk of blood-borne diseases such as HIV/AIDS and hepatitis C.

¹²⁹ Sustainable Land Management, Afghanistan Ministry of Agriculture and Food, 2007.

¹³⁰ FAO, National Livestock Census, December 2003 and Afghanistan Country Profile, *The Economist*, 2006.

¹³¹ Environmental crisis looms as conflict goes on, IRIN, 30 July 2007.

¹³² WFP purchases local produce to feed hungry Afghans and boost farming, UNAMA, 18 September 2007.

¹³³ Figures provided by Afghan Ministry of Finance, corroborated by: Budget and Obligations, 2002–06, USAID, Afghanistan.

¹³⁴ Afghanistan Opium Survey, UNODC, August 2007.

¹³⁵ Executive Summary, Afghanistan Opium Survey, UNODC, August 2007, p 15.

¹³⁶ No Quick Fix, Curbing Opium Poppy Cultivation in Afghanistan, Care International, December 2006.

¹³⁷ Executive Summary, Afghanistan Opium Survey, UNODC, August 2007, p 13–14; Opium Winter Rapid Assessment Survey, UNODC, February 2007, p 13.

¹³⁸ There are an estimated 75,000 drug addicts in Helmand: Few Choices for Helmand's Troubled Youth, Institute for War and Peace Reporting, 9 November 2007.

Reject proposals for aggressive eradication

Evidence indicates that small farmers cannot easily shift to alternative crops, thus eradication should only be used where it is targeted, and where there are substantial and viable livelihood alternatives. Without such alternatives, eradication can severely exacerbate rural poverty, simply displace cultivation, and even create incentives for farmers to increase opium cultivation in response to actual or threatened eradication. The government should reject aggressive eradication, such as aerial spraying, which would hit poor Afghan farmers, not the traffickers. It would drive them to seek protection from anti-government groups, lead to greater backing for the Taliban and create wider insecurity.

Reject proposals for licensing cultivation for medical opiates

To fulfil domestic requirements, the Afghan government could legitimately use confiscated opiates for medicinal production. However, the Afghan government and donors should reject proposals for licensing, which would be ineffective and unworkable in Afghanistan, for the following reasons:

- This would not affect the production of illicit opium because (1) half the country is highly insecure and in many areas either the Taliban dominate or the government's authority is too weak to operate such a programme, and (2) the licit price could never match the illicit price, which could be as much as ten times greater, thus the black market would remain.¹³⁹
- The additional demand and greater perceived legitimacy would result in increased cultivation: currently only 4% of Afghanistan's agricultural land is used for poppy.¹⁴⁰
- There are insufficient resources or controls to prevent illicit diversion of the licit crop—which is up to 30% of total production in India.¹⁴¹ Thus, the International Narcotics Control Board (INCB) could not sanction such use, as it requires guaranteed security of the licit crop.
- It would confuse messages on drug control from the government, donors and not least, from the mullahs who have decreed that it is against Islam.¹⁴²
- It is unnecessary: according to the INDB there is a world over-supply of opiates: national shortages or under-usage, especially in developing countries, is caused by restrictive legal regulations and bureaucracy, low health care budget resources and low policy priority for palliative care.
- Production, transport, bureaucratic and control costs would render Afghan morphine uncompetitive as against other licit producers in the global market, such as Australia.

7. Education

Despite very significant increase in enrolment, approximately half of Afghan children—predominantly girls—are out of school. In 2006 overall enrolment in primary education was 50% for boys and just 20% for girls; for secondary education, it was 20% and 5% respectively.

Teachers are paid an average of just \$50 per month; only 20% are professionally qualified and less than a third is female. There is an immediate shortage of some 50,000 teachers. A high proportion of girls drop out of school to a lack of female teachers, especially in rural areas.¹⁴³

A significant number of government schools charge end-user fees despite a provision in the Afghan Constitution which guarantees free education. Over 5,000 schools have no buildings. There are major variations between the quality, cost and investment in education between provinces, and national budgeting and expenditure systems are complex and bureaucratic.

As an example, in Daikundi province, of roughly 1,000 official and unofficial teachers, only two have relevant professional qualifications; of 220 schools, only 28 have buildings; and 85% of schools charge user-fees.¹⁴⁴

Increasing insecurity in the south has had a major deleterious impact on education, where over 300 schools to close due to violence or threats,¹⁴⁵ and overall attendance levels for girls remain extremely low.

RECOMMENDATIONS

International donors should give substantial additional funding to support the implementation of the national education strategy. As set out in Oxfam's recent report on education in Afghanistan¹⁴⁶ amongst other things, the priorities should be to:

¹³⁹ Points of discussion on licit cultivation of opium poppy in Afghanistan, UNODC, 11 April 2005.

¹⁴⁰ Executive Summary, Afghanistan Opium Survey, UNODC, August 2007, p 1.

¹⁴¹ Could Afghan poppies be painkillers for the poor? *New York Times*, 14 October 2007.

¹⁴² Anger at Legal Afghan Opium Plan, *BBC News Online*, 5 November 2007.

¹⁴³ Voices of Parents and Children, Human Rights Research and Advocacy Consortium, October 2007.

¹⁴⁴ Oxfam research and Daikundi Provincial Profile, UNAMA, June 2007.

¹⁴⁵ Hundreds of schools remain closed in south, IRIN, 8 September 2007.

¹⁴⁶ Free, Quality Education for Every Afghan Child, Oxfam International, October 2006.

Recruit, train and support more teachers

- Recruit and train of over 50,000 additional primary school teachers, at least 50% female.
- Increase the teaching wage and the resettlement allowance for those moving to rural areas.
- Establish well-resourced teacher-training colleges in all provinces and institute comprehensive, in-service training to raise the quality of teaching.
- Institute training and other measures to eliminate corporal punishment in schools and to address violence between students.

Build education infrastructure

- Construct at least 7,000 school buildings over the next five years; expand support for outreach classes or community schools in remote areas.
- Eliminate formal and informal end-user fees.
- Provide a universal midday meal in all schools, which would cost \$200 million per annum, and has been proven to increase enrolment rates, improve student performance and address child malnutrition.¹⁴⁷
- Produce and distribute nation-wide high quality text-books to all schools.
- Give more support to communities to improve the security of schools, and to achieve greater security of access for girls.

Improve financial systems, planning and coordination

- Move towards a zero-based budgeting system, coordinate planning at district and national level, and establish a system of resource monitoring.
- Enhance coordination between donors, NGOs, and PRTs to ensure alignment with national and provincial plans, especially in respect of school construction, and to ensure a more even distribution of education funds throughout the country.

8. Health

Significant progress has been made in the provision of health care through the Basic Package of Health Care Services (BPHS), which is implemented on a contractual basis by NGOs and other providers, and overseen by the Ministry of Public Health. Donor-government coordination in health care is effective and there has been progress in capacity building of health care institutions and personnel, primarily at a central level.

Progress has been made from a very low base. Over the last five years there has been a 25% fall in infant mortality, but still, on average, one in five children die before the age of five.¹⁴⁸ The proportion of young children receiving vital immunisations has substantially increased, but still around a third of children do not receive vaccinations against tuberculosis or polio.¹⁴⁹

Over the last three years the number of rural women receiving antenatal care has increased dramatically; likewise, those receiving skilled assistance with child-birth has increased three-fold, yet assistance is currently available to fewer than one in five.¹⁵⁰ The maternal mortality ratio remains one of the highest in the world; overall life expectancy is just 46 years.

Health care standards and resources vary throughout the country, and insecurity, particularly in the south and south-east, is increasingly constraining the provision of health care in those areas; for example, 21 health clinics have been forced to close in Helmand province.¹⁵¹

RECOMMENDATIONS*Expand the provision of health care in remote areas*

Although BPHS coverage is impressive, access is limited for those who live in isolated rural areas as a result of physical, climactic, cost, insecurity and cultural constraints. Thus, more primary health care centres should be established in rural areas, with further measures to promote public health awareness, provide training to district and community health staff, and expand the system of Community Health Workers.

¹⁴⁷ The proposal may need to be flexible given that some Afghan schools have three sessions, with different students, in one day.

¹⁴⁸ Substantial Improvements Achieved in Afghanistan's Health Sector, John Hopkins Bloomberg School of Health, 5 July 2007.

¹⁴⁹ *Ibid.*

¹⁵⁰ *Ibid.*

¹⁵¹ Health services under increasing strain in Helmand province, IRIN, 9 August 2007.

Better planning by donors and the MoPH could address provincial disparities in the allocation of resources; donors should also ensure sufficient funding and coordination for the Expanded Programme on Immunization to maximise national coverage.

Strengthen institutional capacity, coordination and security at sub-national level

Donors should provide more support for institutional capacity-building of the MoPH at provincial and local level, particularly in human resources. The MoPH should establish an effective, integrated procurement system and improve provincial-level collaboration and coordination with NGOs and other agencies. Provincial strategies to ensure the security of clinics and safety of health workers should be developed, which includes enhancing engagement with local communities.

Expand and improve secondary and tertiary health care

Whilst the BPHS seeks to address primary health care needs, donors and the Afghan government should invest more in hospitals and health centres. The Essential Package of Hospital Services (EPHS) should be implemented in more hospitals to ensure better management and a higher quality of supplies, facilities and care in all core clinical functions: medicine, surgery, paediatrics, obstetrics and gynaecology. Hospital standards should be developed with effective monitoring and a comprehensive system of training for hospital staff.¹⁵²

Increase the number of female health workers

A key means of improving women's health, which has been proven to benefit the health of families as a whole, is by expanding access to female health staff. Better opportunities for training and employment packages, which include higher salaries, accommodation incentives and security provisions should be provided in order to attract and retain female health workers.

Increase core government spending on health

Core government spending on health is less than 1% of GDP—equating to around 10% of the overall health budget, with the remainder provided by external sources.¹⁵³ To secure a sustainable, comprehensive health service, the proportion of core government funding for health must be increased.

9. Protection

The security situation in Afghanistan has deteriorated significantly: the UN estimates that the frequency of attacks, bombings and other violent incidents is up 20–30% on 2006.¹⁵⁴ By October this year, the conflict had claimed between 4,000 and 5,000 lives, significantly more according to some sources,¹⁵⁵ compared to roughly 4,000 for 2006.¹⁵⁶ At least 1,200 civilians have been killed, approximately half of whom were killed in operations conducted by international and Afghan forces.¹⁵⁷ There are four times as many air-strikes by international forces in Afghanistan as in Iraq, to which a high number of casualties can be attributed.¹⁵⁸ Searches conducted by Afghan and international forces have on a number of occasions involved excessive use of force, destruction of property and/or mistreatment of suspects. Discrete ISAF and US-led commands creates operational incoherence, variable operating standards, inconsistent practices in civil-military co-ordination, and hinders cooperation with Afghan national security forces.

Insurgent and criminal attacks have intensified, killing over 500 Afghan police¹⁵⁹ and 150 international soldiers this year; more than 130 suicide attacks have killed well over 200 civilians.¹⁶⁰ In the south, south-east and east of the country insurgents are mounting an increasingly vigorous terror campaign of threats, abductions and executions aimed against members of the population suspected of being connected to the Afghan government and its military and civilian international supporters.

¹⁵² See Draft Public Health Strategy, Ministry of Public Health, March 2007.

¹⁵³ Ministry of Finance, Health Expenditure Review, 2005.

¹⁵⁴ David Rohde, Afghan police are set back as Taliban adapt, *New York Times*, 26 August 2007.

¹⁵⁵ *Associated Press* have estimated over 5,800 killed in 2007: three Afghan police killed in violence, AP, 11 November 2007.

¹⁵⁶ Afghanistan: Slow Progress on Security and Rights, Human Rights Watch, 30 January 2007 (this puts the figure for 2006 at 4,400); Principal Humanitarian Concerns Related to Protection of Civilians in Afghanistan, UN/AIHR, August 2007 (this puts the figure for 2006 at 3,600).

¹⁵⁷ *Ibid*: UN Envoy says no time to “wobble” in Afghanistan, Reuters, 17 October 2007; The situation in Afghanistan and its implications for peace and security, Report of the UN Secretary-General, 21 September 2007, para 54; Principal Humanitarian Concerns Related to Protection of Civilians in Afghanistan, UN/AIHR, August 2007; Civilians complain about impact of fighting on their lives, IRIN, 3 July 2007; Civilian casualties reportedly peak in August, IRIN, 5 September 2007; Afghan army kill scores of insurgents, AP, 1 September 2007; Taliban attacks moving closer to Kabul, *The Washington Post*, 26 September, 2007.

¹⁵⁸ Afghan Violence Numbers, AP, 2 August 2007.

¹⁵⁹ 500 Afghan police killed in five months, AFP, 3 September 2007.

¹⁶⁰ Suicide Attacks in Afghanistan (2001–07), UNAMA, September 2007.

According to the UN there are 130,000 long-term displaced people in Afghanistan, and recent fighting in the south has displaced up to 80,000.¹⁶¹ Insecurity has had a wider impact on livelihoods, forcing the closure of education and health facilities. Humanitarian access has been significantly curtailed; kidnappings are rife—17 aid workers were abducted in September alone—and close to half the country, the south and south-east, is now categorised as an extreme or high risk environment for NGOs (see Appendix 1).¹⁶² Security in parts of northern Afghanistan has also deteriorated.

Achieving greater security is a priority for Afghans. The inability of the government and international community to provide greater protection for communities—undoubtedly a challenging task—is a major reason for Afghans turning to the aegis of the Taliban or other anti-government groups.

RECOMMENDATIONS

Ensure proportionate use of force

Afghan and international forces should take all possible steps to minimise civilian casualties and the destruction of civilian property, including rigorous verification of intelligence, and should ensure that searches are conducted with proportionate force and respect for human rights and traditional values. Crucially, the approach must incorporate an empathetic appreciation of the perspective of Afghan people.

Unify command of international forces, ensure common operating standards and enhance coordination with Afghan forces

There should be unified NATO command for all international forces in Afghanistan, with a permanent mechanism to monitor operating standards of all units, ensure all detainees are treated in accordance with international humanitarian law, including those transferred to the custody of Afghan authorities, and strengthen coordination with Afghan forces. Wherever possible community elders should be engaged or forewarned in respect of military operations.

Establish new mechanisms to monitor, investigate and compensate for civilian casualties

A new cross-sector body should be established, comprising the Afghan government, ISAF, UN and Afghan Independent Human Rights Commission, to monitor and investigate civilian casualties, destruction of property and alleged abuses. A comprehensive system should be instituted to ensure timely and sufficient compensation is paid to civilians who have suffered from military operations.

Support increasing numbers of refugees and IDPs

A national action plan should be developed to respond to the needs of IDPs and refugees, covering protection, re-settlement support, resolution of land disputes, and longer-term assistance. It should take account of the potential for significant future movements in light of increasing insecurity.

10. *Community Peace-building*

Almost all of the peace-building work in Afghanistan has been at a political level, where there are links to warlordism, corruption or criminality, or it is target-limited, such as the disarmament programmes. Initiatives such as the Action Plan on Peace, Reconciliation and Justice are significant, but lack clarity and are primarily concerned with peace and reconciliation at a national level. Implementation of the Plan has been non-existent or extremely limited.¹⁶³ Moreover, most peace-building measures only marginally, indirectly or partially concern the people of Afghanistan. The capacity of Afghan communities to resolve their own disputes, and build and sustain peace, has largely been neglected.

The recent deterioration in security, particularly in the south and south-east of Afghanistan, is evidence that top-down approaches are by themselves inadequate, without parallel nationwide, peace-work at ground level.

War has fractured and strained the social fabric of the country and has deepened widespread poverty, which is itself a cause of insecurity. An Oxfam Security Survey of 500 people in six provinces shows that disputes at a local level often have root causes in poverty, and are largely related to resources, particularly land and water, family matters or inter-community and tribal differences.

¹⁶¹ Principal Humanitarian Concerns Related to Protection of Civilians in Afghanistan, UN/AIHR, August 2007; Key Protection Concerns in Afghanistan, UN/AIHR, August 2007; Afghanistan at a Glance, UNHCR, 12 August 2007.

¹⁶² 61 From January to 6 August this year, 41 aid workers were killed (34 national, seven international); 69 humanitarian workers were abducted (44 national, 25 international); and 41 aid convoys were attacked; see: ICRC warns of growing humanitarian crisis, IRIN, 23 October 2007.

¹⁶³ The situation in Afghanistan and its implications for peace and security, Report of the UN Secretary-General, 21 September 2007, para 47.

Local disputes frequently lead to violence and insecurity, which not only destroys quality of life and impedes development work, but is also exploited by commanders or warlords to strengthen their positions in the wider conflict. Security threats, are diverse—not only the Taliban as is sometimes portrayed—and in many cases they have local roots or connections. In rural areas, predominantly local mechanisms are used to resolve disputes, especially community or tribal councils of elders (known as jirgas or shuras), and district governors.

RECOMMENDATIONS

Promote community peace-building

There is a clear need for widespread community peace-building. This is a participatory, bottom-up approach, which strengthens community capacities to resolve disputes and conflict; to develop trust and social cohesion within and between communities; and to promote inter-ethnic and inter-group dialogue. It focuses on capacity building in mediation, negotiation and conflict resolution techniques and supports civil society and schools' involvement in local peace and development. Existing community peace-building programmes, implemented by Afghan and international NGOs, including Oxfam, have been highly effective. An independent analysis of the work of one peace-building NGO in western Afghanistan concluded that the programmes had a major positive impact on local security and that it was 'a creative initiative at the forefront of enabling and supporting what is truly wanted by Afghan partners and communities.'¹⁶⁴ Thus, donors should significantly expand support for NGOs and civil society actors carrying out such work.

Develop a national strategy for community peace-building

Given that existing work on community peace-building in Afghanistan has such a major impact on peace and development, yet remains fragmented and benefits only a tiny proportion of Afghans, there is powerful case for the development of a national strategy. In Kenya for example, where Oxfam has undertaken community peace-building for over a decade, there is now a national steering committee and peace-network to ensure high quality coordinated, national coverage. In Afghanistan, with dialogue, coordination and external assistance, a civil-society led strategy should be developed, with a series of local strategies relevant to provincial circumstances. It should include phased capacity building, peace-education, awareness-raising, mainstreaming, research and monitoring; it should also ensure that women are fully included in peace-building activities. The Afghan government and donors should give full support to the development and implementation of such a strategy.

11. Regional Action

As a landlocked state sharing largely porous borders with Pakistan (2,400km), Iran (930km), Turkmenistan, Uzbekistan, Tajikistan and China, Afghanistan is necessarily affected by the policies of its neighbours, particularly in respect of refugees movements, migration, security, narcotics and trade.

Over 2 million Afghan refugees are officially living in Pakistan, and 0.9 million in Iran.¹⁶⁵ This year some 350,000 Afghans have returned from Pakistan and 170,000, mainly economic migrants, have been forcibly deported from Iran. As acknowledged in the joint Afghanistan Pakistan peace jirga held in August this year, the Taliban and other illegal armed groups operate with the support of groups based in Afghanistan's neighbouring states. There is extensive trafficking of opium and heroin across Afghanistan's northern and southern borders, including several thousand tonnes of precursor chemicals, required for refining opium, across the southern border every year.¹⁶⁶

Afghanistan's neighbours will be critical to the country's economic development. A significant proportion of Afghanistan's trade is both with and through neighbouring states; Pakistan, for example, accounts for 25% of imports and 20% of exports and is an important transshipment route.¹⁶⁷ Afghanistan's trade with Iran has increased considerably.

¹⁶⁴ Suleman, Muhammad, and Copnall, Donna, *Evaluation of Peace-building Programmes in Farah and Badghis, Western Region of Afghanistan*, April 2006, pp 3 and 6.

¹⁶⁵ Afghanistan: Humanitarian Profile, UNOCHA, September 2007.

¹⁶⁶ Afghanistan Opium Survey, UNODC, August 2007.

¹⁶⁷ Afghanistan Trade, DG Trade, European Commission, 15 September 2006.

RECOMMENDATIONS

Refugees and migrants

Both Pakistan and Iran should act in accordance with principles enshrined in the Tripartite Agreements made with each country, Afghanistan and UNHCR; in particular, that repatriation is voluntary and gradual. Given the security situation in Afghanistan, Pakistan should be assisted by the international community to continue to host Afghan refugees, 80% of whom do not wish to return. Their legal status and long-term social and economic integration into Pakistani society must be fully considered. Iran should ensure the measured and proportionate treatment of economic migrants. Donors should ensure that shortfalls in UNHCR's budgets are met so that it can provide comprehensive reintegration assistance to returnees.

Security

Pakistan and Iran should take measures to ensure that no groups or members of its administrations or armed forces provide weapons, supplies or any other support to illegal armed groups in Afghanistan. Both Afghanistan and Pakistan should be scrutinised for their willingness to implement undertakings given in the joint peace jirga held in August. Military action by a foreign power against Iran, or against groups in the Afghan border areas of Pakistan, could be seriously destabilising for Afghanistan and lead to an intensification of attacks on international and Afghan forces.

Narcotics

Neighbour states should assist in counter-narcotics by taking measures to prevent the export of opium from Afghanistan, and the transit to Afghanistan of chemicals required for refining. In both cases Afghanistan and neighbouring states should reinforce efforts to share intelligence, strengthen interdiction and improve law enforcement. The trilateral agreement on counter-narcotics between Afghanistan, Iran and Pakistan, signed in June 2007, should be implemented in full and should be succeeded by more detailed agreements which enhance cross-border cooperation.

Trade

It is in the long-term interests of regional partners to support Afghanistan by accepting preferential trade agreements, which incorporate low tariffs for Afghan exports and unrestricted transit trade, but allow Afghanistan to protect its nascent productive sectors. As Oxfam argues in a recent briefing paper, Afghanistan should not be pressured to achieve rapid accession to the World Trade Organisation, which would have few benefits and could undermine efforts to reduce poverty.¹⁶⁸ Members of South Asian Association for Regional Cooperation, which Afghanistan joined in April this year, should develop a coordinated action plan with practical measures in development assistance, trade and investment, to promote Afghanistan's economy. This should be supplemented by expanding and strengthening regional initiatives on trade, transport and energy supply by members of the Economic Cooperation Organisation and the Central Asia Regional Economic Co-operation Program.¹⁶⁹

Memorandum submitted by The Senlis Council

INTRODUCTION

1. The Senlis Council is an international policy think tank established by The Network of European Foundations, with country offices in Kabul, London, Ottawa, Rio de Janeiro, Paris and Brussels. The Council's work encompasses security, development and counter-narcotics policies, and aims to provide innovative analysis and proposals within these areas.

2. The Senlis Council's extensive programme in Afghanistan focuses on global policy development. The Council has been conducting in-depth field research in the country for the past three years, investigating the relationships between counter-narcotics, military and development policies, and their impact on reconstruction efforts in Afghanistan. Senlis Afghanistan has field offices in the cities of Lashkar Gah and Kandahar.

¹⁶⁸ Getting the Fundamentals Rights—the early stages of Afghanistan's WTO accession process, Oxfam International, June 2007.

¹⁶⁹ Economic Cooperation Organisation was established in 1985, and now has 10 regional members, with a wide remit relating to cooperation in economic activities. The Central Asia Regional Economic Cooperation Program, established in 1997, is promoted by the Asian Development Bank, and focuses on regional initiatives in transport, trade, and energy.

THE URGENCY TO IMPLEMENT A COHERENT CAMPAIGN IN AFGHANISTAN

3. Notwithstanding six years of strong international presence and commitment, Afghanistan is presently faced with a multifaceted crisis: southern provinces are ravaged by extreme poverty and the rise of insurgency. At the centre of this nexus lies the opium crisis with illegal production reaching unprecedented levels, as indicated by the United Nations Office on Drugs Control (UNODC) in its latest report of August 2007. The link between opium production and increasing insecurity is of grave concern.

4. In southern Afghanistan's insecure environment, essential food and development aid fails to reach the population in need. In turn, this has exacerbated the humanitarian crisis and fuelled public disillusionment towards the UK's military and counter-narcotics operations. Critically, the ineffectiveness to address the population's basic needs has facilitated the rise of a grassroots insurgency. Afghans living in the numerous refugee camps under appalling conditions, often as a result of aerial bombing campaigns, are being recruited by the insurgents. The south of Afghanistan is becoming a recruitment camp for the Taliban, with a deep pool of young, unemployed men willing to fight primarily for economic rather than ideological reasons.

5. The reconstruction mission in Afghanistan is at a crossroads: unbalanced, incoherent and ineffective development, military and counter-narcotics policies severely jeopardise the mission. We are now entering a vicious cycle that can only be broken by a radical overhaul of policy. The ever-swelling number of rank-and-file Taliban is leading to fiercer resistance against Western forces in the south; there are not enough troops to face the level of hostility effectively, and as military fatalities rise, so aerial bombings increase. This in turn leads to more civilian deaths, which fuel anger and prompt membership of the Taliban, thereby perpetuating the cycle.

6. **Recommendation:** It is imperative that the UK Government takes on a coherent campaign reconciling development, counter-insurgency and counter-narcotics efforts. A complete package of clear objectives and diverse development-based interventions complemented by military efforts is urgently required. The provision of effective development and essential aid, and a positive counter-narcotics strategy must be an immediate response to Afghanistan's emergency.

ADDRESSING THE NEEDS OF THE REAL AFGHANISTAN: PAVING THE WAY FOR AN EFFECTIVE DEVELOPMENT STRATEGY

7. The Senlis Council commends the UK and Department for International Development (DFID) on its significant contribution to the reconstruction of Afghanistan. In particular, its commitment to spending £330 million on reconstruction and development in the country by March 2009. It is crucial that a significant portion of this money goes towards desperately required food aid and healthcare, particularly in the conflict-ravaged southern provinces.

8. The reality in southern Afghanistan is one of escalating violence and poverty. The Senlis Council has conducted extensive field research across the numerous and often overlooked refugee camps in Helmand and Kandahar provinces, revealing the true extent of hunger and despair in the region. Our field research has indicated that the current system of food aid is failing to address even the minimum needs of the hundreds of thousands of victims of violent conflict and drought.

9. Should the UK fail to deliver the desperately needed humanitarian and development assistance across Afghanistan, stabilisation efforts in the country are likely to fail. The Taliban are capitalising on this development vacuum in southern Afghanistan, gaining psychological control of the local population through coercive means, and increasing its attractiveness as a potential source of income for ordinary Afghans deprived of alternative ways in which to provide for their families.

10. In order to regain local confidence and support, the British effort in southern Afghanistan needs to be closely associated with development interventions, enabling immediate aid to reach the population and promoting initiatives to bring economic development and stability in the short and medium-term. British forces in Helmand province are doing a commendable job in an increasingly hostile environment and could potentially support DFID's activities in those areas, helping to identify the Afghan population most in need, securing the areas and assisting with aid delivery. Importantly, a strong presence and effective provision of essential aid would help support the military operations.

11. **Recommendation:** A coherent development policy that addresses the real and immediate needs of the Afghan people must be put in place. This calls for an immediate and widespread distribution of food aid and healthcare until medium-term development can be provided in a sustainable manner.

OPIUM: IMMEDIATE RESPONSE IN REBUILDING AFGHANISTAN'S ECONOMY

12. Despite the scale of poppy eradication operations in 2007, according to UNODC figures opium production has reached 193,000ha, representing a 17% increase compared to 2006. In the absence of sustainable alternative livelihoods, opium remains the only source of livelihood for 14.3% of the entire Afghan population.

13. Based on extensive field research, The Senlis Council has developed a village-based Poppy for Medicine model for Afghanistan as a means of bringing illegal poppy cultivation under control in an immediate yet sustainable manner. The Poppy for Medicine (P4M) project is an integrated counter-narcotics and counter-insurgency initiative that seeks to introduce village-based development projects in rural Afghan communities to boost employment and rural development, stimulate rural diversification and connect Afghan poppy cultivation with those in need of essential painkilling medicines. P4M projects link Afghanistan's two most valuable resources—poppy cultivation and strong local governance and control systems—through the controlled cultivation of poppy for the local production of pharmaceutical-grade morphine.

14. A Poll conducted in the UK on P4M reveals vast support for our proposals on both sides of the Atlantic. Although all four of the states polled—the UK, America, Canada and The Netherlands—were in favour of pilot P4M projects in Afghanistan, UK opinion was particularly firm in its support of such an initiative. An overwhelming 86% supported P4M projects, and moreover, 80% stated that they would use Afghan produced morphine. There was also a significant disapproval of chemical eradication of opium poppy, with 74% of those polled expressing their opposition to this policy.

15. **Recommendation:** The Senlis Council urges DFID to support its call for the immediate implementation of two pilot P4M projects in two pre-identified villages in southern Afghanistan.

Memorandum submitted by Stop The Traffik

1. INTRODUCTION

1.1 STOP THE TRAFFIK welcomes the International Development Committee's inquiry into DFID's development assistance in Afghanistan.

1.2 STOP THE TRAFFIK welcomes the UK Government's commitment to reconstruction and development in Afghanistan, in order to achieve the Millennium Development Goals (MDGs) and improve security.

1.3 STOP THE TRAFFIK believes that effectively delivering development assistance in insecure environments can only be achieved if the implications of human trafficking are taken into account.

2. INTERNATIONAL DEVELOPMENT AND HUMAN TRAFFICKING

2.1 STOP THE TRAFFIK urges recognition of the links between international development and human trafficking. This can be demonstrated through addressing the issues raised by the MDGs.

2.2 MDG 1: Eradicate extreme poverty and hunger

International Labour Organisation 2005: *The majority of trafficked victims arguably come from the poorest countries and poorest strata of the national population.*

2.3 MDG 2: Achieve universal primary education

US Department of State Trafficking in Persons Report 2005: *Approximately 50% of people trafficked across international borders each year are minors.*

2.4 MDG 3: Promote gender equality and empower women

US Department of State Trafficking In Persons Report 2005: *Approximately 80% of people trafficked across borders each year are female.*

2.5 MDG 4: Reduce child mortality

Child Exploitation and Online Protection (CEOP) Centre Report 2007: *Pregnancy is used as an instrument of oppression on trafficked girls, and babies are removed and killed whilst their trafficked mothers are forced to work.*

2.6 MDG 5: Improve maternal health

Child Exploitation and Online Protection (CEOP) Centre Report 2007: *Trafficked girls are abused and abandoned once they become pregnant, decreasing their life-chances.*

2.7 MDG 6: Combat HIV/AIDS, malaria, and other diseases

Journal of the American Medical Association (JAMA) Study 2007: *The trafficking of women increases the spread of HIV/AIDS, with girls being particularly at risk.*

2.8 MDG 7: Ensure environmental sustainability

The Statesman Newspaper Report 2007: *Environmental problems and rising townships contribute to the rise in human trafficking.*

2.9 MDG 8: Develop a global partnership for development

UK Department for International Development Report 2006: *Poverty, debt, and youth disenchantment lead to the trafficking of people for bonded labour, forced domestic service, and other forms of slavery.*

2.10 As such, the implications of the links between international development and human trafficking impact on DFID's work in Afghanistan.

3. AFGHANISTAN AND HUMAN TRAFFICKING

3.1 The US Department of State's 2007 Trafficking In Persons Report declares that:

*Afghanistan is a source, transit, and destination country for men, women, and children trafficked for the purposes of commercial sexual exploitation and involuntary servitude. Afghan children are trafficked internally and abroad for forced marriage to settle debts or disputes, forced begging, debt bondage, service as child soldiers, or other forms of involuntary servitude. Afghan women are trafficked for commercial sexual exploitation, and men are trafficked for forced labour . . . The Government of Afghanistan does not fully comply with the minimum standards for the elimination of trafficking . . . Afghanistan made limited progress in preventing trafficking in persons.*¹⁷⁰

3.2 STOP THE TRAFFIK believes that these issues hinder international development, and only when DFID addresses the implications of human trafficking can development assistance be effectively delivered in Afghanistan.

4. POINTS ADDRESSED

4.1 One of the objectives of DFID's programme in Afghanistan must be to tackle human trafficking, without which the MDGs cannot be achieved. This would balance multiple goals including poverty reduction, development assistance, and basic human rights, and by developing tailored programmes for identified people groups vulnerable to human trafficking, short-term gains can contribute to long-term transformation. This would improve the security of the beneficiaries of DFID's programme in insecure environments such as Afghanistan.

4.2 Comparable studies in other countries demonstrate how varying levels of poverty between the northern and southern regions of a country are directly related to varying degrees of vulnerability to human trafficking, and patterns of movement and exploitation. Funding should be distributed to areas where people are most likely to be trafficked, as this in turn would help tackle insecurity and poverty.

4.3. Strengthening institutional capacity and accountability is crucial to combat corruption, which both facilitates and is facilitated by inequality and human trafficking. Frontline training in identifying and supporting victims of human trafficking for personnel such as border and immigration officials and health and education practitioners would augment institutional capacity and accountability.

4.4 The military and development effort must be coordinated to help tackle human trafficking. Previous cases have demonstrated an increase in the trafficking of women for prostitution to service both foreign and domestic military personnel in insecure environments. Both UK and other military service personnel should be trained on the implications of human trafficking, and standards enforced.

4.5 The above point also marks out tensions between development and security agendas. All areas of assistance must be coordinated and adopt a holistic approach, with the achievement of the MDGs taking precedence.

4.6 The effectiveness of the Post Conflict Reconstruction Unit would be enhanced if they rescued, rehabilitated, and reintegrated identified victims of human trafficking, exploitation, and other worst forms of child labour. This would aid the reconstruction of communities following violence and upheaval.

4.7 Recent evidence from the Child Exploitation and Online Protection Centre Scoping Report 2007 indicates a hidden pattern of children being trafficked to farm narcotics. Policies must recognise and address this growing trend.

4.8 The US Department of State's 2007 Trafficking In Persons Report recommends that Afghanistan institute a formal mechanism to refer trafficking victims to NGO protection services. NGO shelters and other activities should be protected and actively supported.

4.9 STOP THE TRAFFIK therefore urges the International Development Committee to address these issues, integrate anti-trafficking into its Inquiry into Afghanistan, and mainstream tackling human trafficking in all its work.

¹⁷⁰<http://www.state.gov/g/tip/rls/tiprpt/2007/82805.htm>

Memorandum submitted by WOMANKIND Worldwide

WOMANKIND Worldwide is an international women's rights and development charity working partnership with organisations around the world.

Our aim is to enable women in developing countries to voice their concerns and claim their rights and to work globally for policies and practices which promote equality between women and men.

The main focus of our work is to:

- Advance women's status and wellbeing, though increasing their political and civil participation.
- Reduce violence against women.
- Inform and influence policy and practice at local, national, regional and international levels.

WOMANKIND Worldwide has been working in Afghanistan since 2003. We currently provide technical and financial support to three partner organisations including the Afghan Women's Network, Afghan Women's Educational Centre and Afghan Women's Resource Centre.

We focus on promoting women's equal participation in governance, building awareness among civil society and policy makers of women's human rights, as well as providing educational, health, community and psycho-social support to those women affected by violence and conflict.

WOMANKIND Worldwide welcomes the International Development Committee's new inquiry into Development Assistance in Insecure Environments: Afghanistan. Our response focuses in particular on DFID's work to promote gender equality and women's human rights in the region, as we believe this must be at the heart of any plans to reduce poverty and promote peace and justice.

KEY RECOMMENDATIONS

1. Make gender equality and women's rights an explicit goal in Afghanistan and set clear targets and indicators to measure progress on gender equality and women's rights in *all* areas.
2. Accelerate efforts to tackle violence against women.
3. Strengthen accountability of the Afghan National Government by supporting civil society and particularly women's organisations.
4. Ensure gender issues are mainstreamed within Provisional Reconstruction Team efforts.
5. Actively promote implementation of UN Security Council Resolution 1325 in Afghanistan.
6. Recognise the impact of deteriorating security on the NGO sector and provide increased resources to decrease NGO vulnerability.

1. MAKE GENDER EQUALITY AND WOMEN'S HUMAN RIGHTS AN EXPLICIT GOAL OF DFID'S POLICY IN AFGHANISTAN

Whilst there have been some legal, civil and constitutional gains for women in Afghanistan since 2001, **there remain a great number of serious challenges to women's safety and protection, realisation of civil and political rights, and social and economic status that need to be urgently addressed.**¹⁷¹ Denied education under the Taliban, women's literacy rate currently stands at only 15% and economic dependence on men interact with notions of patriarchy, seclusion and honour to further limit their ability to take part in the social, political and civil life of the country. Those women that do take a public role can end up paying a heavy price.¹⁷²

As DFID has itself acknowledged, most recently in its 2006 White Paper and the 2007 Gender Equality Action Plan, gender equality and women's empowerment are essential pre-conditions for eliminating world poverty. Yet, despite the dire needs of women in Afghanistan, DFID has failed to prioritise gender equality and women's rights as a strategic goal in the country.¹⁷³

DFID should make the promotion of gender equality and women's rights an explicit goal of its programmes in Afghanistan and set clear targets and indicators to measure progress on gender equality and women's rights in all areas.

¹⁷¹ See WOMANKIND Worldwide (2006), "Taking Stock: Afghan Women and Girls Five Years On", available from <http://www.womankind.org.uk/takingstockdownloads.html>

¹⁷² See endnote 114 below.

¹⁷³ DFID currently focuses its development assistance on: Building effective state institutions; Improving economic management and the effectiveness of aid to Afghanistan; Rural livelihoods; Counter-Narcotics; And work in Helmand Province via PRTs (see DFID, "Afghanistan: Development in Action", p 4-5 & DFID Factsheet: <http://www.dfid.gov.uk/pubs/files/afghanistan-factsheet.pdf>)

This would bring this policy framework in line with the Afghan government's commitments to gender equality as enshrined in the constitution and DFID's Gender Equality Action Plan 2007–09. It would be consistent with existing commitments made by the UK and Afghan government on gender equality and women's rights, in particular the Convention for the Elimination of All Forms of Discrimination against Women, the Beijing Platform for Action and UN Security Council Resolution 1325.

2. PROMOTE EFFORTS TO TACKLE VIOLENCE AGAINST WOMEN (VAW)

VAW, including physical, sexual and psychological violence, is pervasive in Afghanistan and affects an overwhelming majority of women and girls. Honour crimes are on the rise; an estimated 60–80% of all marriages are forced; 57% of girls are married before the age of 16; women and girls are exchanged in marriage as restitution for crime, debts or disputes between households; and women and girls are trafficked internally and abroad for forced labour and sexual exploitation.¹⁷⁴ Self-immolation cases have been rising dramatically in Western Afghanistan since 2003, mainly as a result of abusive and forced marriages imposed on women, from which they have little escape. Moves made by the Supreme Court to enact a new Marriage Contract¹⁷⁵ have yet to be implemented.

Women who are suffering violence in Afghanistan have almost no formal legal protection or support available to them. Formal courts are failing to protect women under Afghan and international law, and cases where the victim is a woman are unlikely to make it past resolution in a local *jirga* (tribal council) to one of the very few family courts.¹⁷⁶ There is a general lack of data collection on this issue or responsive programming for victims of VAW and very few shelters are available to meet the needs of survivors. Full support needs to be given to the initial moves to develop a new Violence against Women Law in Afghanistan to stop the systematic impunity for such crimes.

Violence denies women their most basic rights and undermines the social and economic development of communities and whole countries. It undermines good governance by preventing women's participation in decision-making at all levels and deprives women and girls of their education, healthcare, self-determination and social mobility.

DFID should actively promote efforts to make tackling VAW in all its forms an integral part of its economic and social development programmes in Afghanistan. It should promote a personal, household and community level analysis of such issues and acknowledge the role VAW and gender inequality plays in the perpetuating violence at each and every level of society.

3. STRENGTHEN ACCOUNTABILITY OF THE AFGHAN NATIONAL GOVERNMENT BY SUPPORTING CIVIL SOCIETY AND PARTICULARLY WOMEN'S NGOS

Whilst we appreciate that a functioning and accountable government is crucial for Afghanistan's long-term development and effective rule of law, there are serious issues relating to DFID's current policy of providing 80% of its current assistance directly to the Government of Afghanistan.¹⁷⁷ There are very real concerns that financial support to governments to the detriment of NGOs, particularly in transitional and post-conflict states such as Afghanistan, may lead to a loss in service provision where the state does not have the capacity to spend and/or distribute funds, a lack of representation for marginalised groups (such as women) and a decline in democratic accountability at every level. **Our partners in Afghanistan for example—designated women's human rights NGOs—receive none of their funding from the Afghan government and are entirely reliant on INGO support.**

Women's organisations on the ground have proven their ability to address women's needs and rights effectively and their contribution, voice and experience have been valuable resources to processes of governance and accountability. Women's participation in drawing up the constitution and in the 2005 elections, in advocating for and contributing towards needed legislative reform, as well as their role in preventing human rights abuses¹⁷⁸ have all contributed towards long term development in Afghanistan. Yet during the last 10 years, women's organisations across the globe have seen a reduction of their funding creating obstacles both to the delivery of long term programmes and their organisational sustainability. Furthermore, new aid modalities and in particular the move towards Direct Budgetary Support, have not yet been able to significantly address gender inequality and women's disempowerment and these issues are often sidelined in national development plans and poverty reduction strategies. In these cases it is **women's**

¹⁷⁴ See WOMANKIND Worldwide (2006).

¹⁷⁵ The *Nikah Nama* has the potential to end child marriages and empower women's legal status. The contract calls for the registration of marriages and fixes the legal age of marriage for girls at 16, yet this has not yet been finalised and there is little awareness about, or implementation of this new legal instrument.

¹⁷⁶ *Jirga* members and court officials generally accept harm to women as "punishment" for actions viewed as crimes under customary law, such as infidelity or "zina" (sex outside marriage), see WOMANKIND Worldwide (2006) for more details.

¹⁷⁷ <http://www.publications.parliament.uk/pa/ld200607/ldhansrd/text/70516w0001.htm> This contribution is estimated to be as large as £107 million in 2007–08.

¹⁷⁸ Women's NGOs have contributed to the prevention of human rights abuses through their ongoing work including data collection, protecting individual rights at a community and household level through local level awareness raising and advocacy, grassroots peace education work, and their successful work at national level in preventing the re-establishment of the Department for Vice and Virtue in Afghanistan.

rights NGOs that play a key role in holding governments to account on women's issues and in pushing for needed reforms. This is particularly the case in Afghanistan, for instance, where it is women's rights NGOs that are playing a pivotal role in promoting women's rights within an extremely conservative, traditional and male-dominated government.

DFID should also recognise NGOs as a crucial resource in providing advice, analysis and background studies within and ensure the local NGO sector, and in particular women's organisations, are consulted on policy and governance issues and allowed the time and space to input on such matters. DFID can also play a role in influencing and encouraging other development actors such as the G8 and EC, and other donors, such as the Asian Development Bank and World Bank, to make gender equality and women's rights a priority in Afghanistan and crucially **provide increased funding for work to promote gender equality and women's human rights.**

4. ENSURE GENDER ISSUES ARE MAINSTREAMED WITHIN PROVISIONAL RECONSTRUCTION TEAM (PRT) EFFORTS

The role of PRTs in Afghanistan remains problematic due to the role that "quick impact projects" have played in blurring the lines between military and development efforts¹⁷⁹ and in introducing projects for political purposes¹⁸⁰ that lack community input and capacity building.¹⁸¹ If PRTs are to be used in DFID's strategy, then moves should be made to ensure their good practice, including recognising the role of local civil society and consulting with them in relation to gender mainstreaming within development projects; increasing the number of women represented in PRTs to enable them to interact with local women; and prioritising assisting women at risk of abuse or injustice by working with and supporting local NGOs, maintaining lists of services to make referrals for women at risk and supporting such services where possible.

There needs to be a **clear and consistent gender focus throughout the work of PRTs** which adequately recognises that women are amongst the most vulnerable in times of insecurity, but also are key actors on prevention and mitigation efforts.

5. PROMOTE IMPLEMENTATION OF UN SECURITY COUNCIL RESOLUTION 1325 IN AFGHANISTAN

DFID should prioritise the implementation of UN Security Council Resolution 1325 and the UK Government's own National Action Plan on 1325 and match this with adequate resources in Afghanistan. Whilst DFID recognise that "*although women often play a major role in preventing conflict and building peace, their contributions are overlooked and underestimated*",¹⁸² more needs to be done urgently to ensure their representation within police and formal justice sector institutions; ensure the Afghan Governments complies with its CEDAW obligations;¹⁸³ reinvigorate the National Action Plan on Peace, Reconciliation and Justice and ensure crimes of sexual violence are excluded from amnesty provisions; take special measures to protect women and girls from gender-based violence (see VAW above); sensitise the Afghan National Army and Police to women's human rights and their equality under the Afghan constitution; ensure security sector reform prioritises human security for women in relation to their access to formal, participatory and representative judicial mechanisms; and ensure an appropriate budget is allocated and appropriate pre-deployment training is provided for gender mainstreaming and promotion of women's human rights within NATO and ISAF.

Development efforts in Afghanistan should therefore be implemented in accordance with UN SCR 1325 to ensure women are protected, their rights promoted and that they are fully participating in post-conflict peace settlements, reconstruction and development initiatives.

¹⁷⁹ PRTs are small joint civil-military teams set up to facilitate stability, security, reconstruction and development in the areas they are employed. DFID funds the establishment of PRTs in Helmand to work on governance, security and justice issues (www.publications.parliament.uk/pa/cm200506/cmselect/cmintdev/923/6032303.htm). The PCRU has also managed "quick impact projects" related to irrigation, more reliable power supply and extending reception of BBC World Service Pashto Service in Helmand (DFID, *Fragile states, Conflicts and Crises*). Initial research results from Professor Jude Howell and Jeremy Lind (LSE) explains that local Afghans do not understand the distinctions between the many different international actors in the country. The role that the military is playing in development through PRTs may have contributed to this dangerous confusion and placed aid workers at risk (see BAAG, Evidence for the Defence Select Committee, March 2007).

¹⁸⁰ As outlined in Save the Children, *Provisional Reconstruction Teams and Humanitarian-Military Relations in Afghanistan* (2004), "Non-governmental humanitarian agencies seek to deliver aid because people need it and aim to do so in a manner that meets immediate needs while also maximising long-term prospects. Militaries undertake such action as a means of winning 'hearts and mind', i.e. on the basis of whether the beneficiaries will be of political assistance".

¹⁸¹ See Lord Malloch-Brown, Lord Hansard Text, 11 July 207 (Column 458).

¹⁸² From DFID, "Preventing Violent Conflict", 2006.

¹⁸³ Article 9 of 1325 states that, "all parties to armed conflict respect fully international law applicable to the rights and protection of women and girls as civilians". The Convention for Elimination of Discrimination Against Women (CEDAW), ratified by the Afghan Government in 2003, obliges them to submit reports at least every four years on its compliance with its treaty obligations, which they have not done. They should also be encouraged to ratify the Optional Protocol to CEDAW, which provides both inquiry and complaints procedures to improve on existing enforcement mechanisms for women's human rights.

7. RECOGNISE THE IMPACT OF DETERIORATING SECURITY ON THE NGO SECTOR AND PROVIDE INCREASED RESOURCES TO DECREASE NGO VULNERABILITY

Threats against NGO staff from armed opposition groups (AOG) in Afghanistan have been growing steadily since 2003. Since the beginning of 2007, NGOs have been directly targeted or impacted in 70 separate crime and conflict-related incidents, with the number of incidents escalating each month¹⁸⁴. The pace and volume of attacks in June 2007 are almost double those of 2006 and the Afghanistan NGO Safety Office (ANSO) assesses that direct contact between NGOs and Taliban is likely to increase further in the coming year due to an improvement in the manpower capacity of AOG and an increase in the number of offences by International Military Forces. The use of suicide bombs and more powerful “projectile” devices is growing and although NGOs may not be a direct target of attacks, there is a clear need for enhanced preparation for emergency situations arising from being caught up in cross-fire. It is also worth noting that there are an increasing number of abductions and killings of national NGO staff across the country.

Women in Afghanistan remain particularly vulnerable, as can be seen by the attacks on and threats to female journalists, female MPs, girls’ schools and those working on women’s education and empowerment projects.¹⁸⁵ As our partners form the linchpin of the women’s movement in Afghanistan by providing services to women and girls, as well as being outspoken on women’s human rights issues, there is an urgent need to address their personal and organisational security.¹⁸⁶

Although little can be done by DFID specifically to reduce the current direct and indirect threats in Afghanistan to NGOs from AOG, vulnerability can be reduced with the right training and support. As such, **DFID should urgently make resources available for NGOs to enable them to build capacity to identify and assess security threats and vulnerability and to control these risks in Afghanistan.**

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¹⁸⁴ See Afghanistan NGO Safety Office (ANSO) “ANSO Quarterly Data Report (Q.2-07): 22 December 2006–30 June 2007”.

¹⁸⁵ Two prominent female journalists were murdered in Kabul in June 07, threats to female MPs such as Malalaya Joya are well documented, attacks on girls schools in Afghanistan are on the rise according Human Rights Watch (July 2006) and the murder of Safia Amajan in Kandahar in October 2006 is a chilling reminder of the threats to those women who defy Taliban orders not to educate girls and women.

¹⁸⁶ There have already been a number of security incidents that have directly affected our programmes including ordinances outside youth projects, theft of wages and rent payments from NGO staff, and a growing climate of impunity around attacks on prominent women leaders. These incidents contribute to growing levels of anxiety amongst our partners and local staff.