

AFTER PARIS: MOVING FORWARD OR MORE OF THE SAME?

Nipa Banerjee

The international community's aid marathon on Afghanistan reached another milestone with the June conference in Paris, where donor countries including Canada pledged a further \$20 billion in assistance for reconstruction. The question is, when you follow the money, how much of it actually gets there, and how much gets effectively disbursed for worthy projects in building a civil society out of the ruins of a failed state? Out of previous total pledges of \$24 billion, only \$15 billion was actually disbursed, notes Nipa Banerjee, a former head of Canada's aid program in Kabul. "The international community, with the best of intentions," she observes, "may lack the capacity to help in terms of program delivery and institution-building."

Le marathon d'aide financière dans lequel s'est engagée la communauté internationale en faveur de l'Afghanistan a franchi un nouveau cap à la conférence de Paris de juin dernier, où les pays donateurs — dont le Canada — ont annoncé le versement de 20 milliards de dollars supplémentaires en appui à la reconstruction du pays. Mais dans quelle mesure cette aide parviendra-t-elle réellement à destination et s'appliquera-t-elle à des projets valables permettant de bâtir une société civile sur les ruines d'un État défaillant ? La question vaut la peine d'être posée car seulement 15 des 24 milliards promis antérieurement ont été effectivement versés, note Nipa Banerjee, ancienne directrice du programme d'aide canadien à Kaboul. « Même animée de bonnes intentions, estime-t-elle, la communauté internationale manque peut-être des capacités nécessaires à l'exécution des programmes et au renforcement des institutions. »



Afghanistan and the international community's aid march continues from Bonn, Tokyo, Berlin, London and on to Paris. As the parade proceeds, the volume of aid requested and pledged increases concurrently. The June 2008 stop at Paris brought over \$20 billion of pledges from the international community in response to \$51 billion of requests from the Afghan government. First, a cautionary note for making a distinction between a "pledge" (a formal promise), "commitments" (once funds are approved for programs and agreements are signed) and "disbursement" (when funds are deployed for program implementation). Pre-Paris calculations confirmed that out of \$24 billion of pledges up to 2008, \$15 billion was actually disbursed. How much of the gap can be attributed to a lack of absorptive capacity of the Afghan government or donor bungling is yet to be determined. The future will determine how much of the Paris aid money will be translated in reality to commitments and, ultimately, disbursement and, in the longer term, actual "results" affecting common Afghans' lives and contributing to the reduction of insurgencies and promotion of security that effectively help sustain development gains.

Experts fear that Afghanistan has moved to the status of a failed state, infested with corruption, terrorist attacks and lack of good governance. The international community, with the best of intentions, may lack the capacity to help in program delivery and institution-building. Against this backdrop what do the outcomes of the June Paris Conference reveal?

The Afghan government rejoiced at the international community's overwhelming response reflected in the total pledge made in Paris. But the reaction of common Afghans, donor representatives, institutions and civil society organizations is indifferent. By and large, they see Paris bringing no new strategy. The political leadership of some donor countries is flaunting Paris to the public at their own capitals as ushering in a new era. However, the Canadian government's announcement in Paris on its priorities and signature projects related to Canada's future engagement in Afghanistan does not appear to be particularly visionary. It must be said that at the G8 summit, although Canada's political leadership insisted that a brief discussion showed a united will on the need to "turn the corner"

in Afghanistan, no timing was proposed for the “soon-to-come” event. Until very recently, Ottawa’s optimism about the Afghan mission was certainly “out of step with far grimmer readings” from America and the European Union countries. Germany, which has recently

Conference Agenda. The Paris announcement on strengthening democracy in Afghanistan is valueless as it is based on the false assumption that in the absence of institutions protecting people’s democratic rights, another election in 2009, will advance democracy. The *Review of the*

among donors remains elusive.

The Afghan government ministries bear some responsibility in some of these areas. In technical assistance (TA), for instance, while donor countries distribute TA as a free-for-all commodity without appraisal of the need or eliminating potentials of duplication, the receiving agencies do not necessarily take the responsibility for planning of the terms of reference and management of the TA

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deployed a rapid reaction force in Afghanistan, is tempering its expectations and has been commendably transparent about the challenges that the international community failed to address in the past, with acknowledgment of the Paris outputs containing little indication of change.

What does a review of the 11-point declaration of the International Conference in Paris on June 12, 2008, indicate? The Paris declaration, in the seventh year of the post-Taliban reconstruction period, reflects no new vision, nor any new program elements, except officially the corruption issue has been for the first time brought up in a joint donor-government announcement concluding an international forum.

But that too remains toothless, in the absence of a concrete action plan. The recent statement to the press of Ezzatullah Wasifi, heading the Independent Administration of Anti-Corruption office, reflects disappointment with the international community for lack of cooperation. If the international community is unresponsive because of their doubts about Wasifi’s leadership, instead of looking the other way, the subject must be directly raised with President Karzai, who made the appointment. Despite grim prospects of reducing poppy cultivation made public in May 2008 by the Minister of Counter Narcotics, *opium*, the biggest threat to Afghanistan’s transition to stability, found no place in the June 2008 Paris

Afghanistan Compact, presented and endorsed in Paris, failed to assess the utility of many of the original benchmarks set, the validity and reliability of the indicators established or the process followed for monitoring progress toward the benchmarks. Analyses of the issues contributing to attainment of benchmarks and those hampering progress toward benchmarks, so critical for guiding the future path and the monitoring process, were sadly lacking in the review. No appropriate mechanism or process for establishing concrete results frameworks for the sector strategies under Afghanistan National Development Strategy (ANDS) or for monitoring ANDS progress toward the end results were presented in Paris, allowing the international community to now replace the Afghanistan Compact with the ANDS as a shield to cover up failures.

In effect, the laudable commitments made in the latest Paris declaration will remain a rhetoric unless effective institutions and processes are built; the ability of the Afghan government to spend funds effectively and accountably and provide credible results reports positively affecting common Afghans’ lives are enhanced; and large external resource transfers do not sustain aid dependency or jeopardize domestic revenue collection incentives. At the expense of sounding like a broken record, the oft-repeated statement must be recorded again: parallel systems delivering state services have been detrimental to the creation of a functioning state in Afghanistan; technical assistance has been largely wasteful; and coordination

to build capacity in counterpart officers within the ministries. While the quality of the TA supplied by donor countries is questionable, quality remains a non-issue when the ministries lack the determination and effort to build sustainable capacity.

Yet the government’s capacity and accountability enhancement will be impossible to attain unless the donors change the mechanisms through which official development assistance (ODA) is disbursed. Using the excuse of rampant corruption and incapacity of the government, the donor practice of disbursement of aid outside the government’s budget and through donor country contracted profit or non-profit private-sector firms, especially in areas in which national programs are operational, will defeat any effort to make the government accountable or enforce reduction of corruption because one cannot make the government accountable for programs and budgets that are not under its control. And two-thirds of the total ODA disbursed to Afghanistan continues to be outside of the government’s control. The largest donors, the US, Germany, Japan and lately Canada — all of whom were present in Paris on June 12 — use parallel mechanisms of aid delivery. To US Aid’s credit, a strong trend is visible in the agency’s movements toward direct support to Afghan ministries such as Health, while CIDA moves backwards. The UN does not use the Afghan government’s budget channel.

Elimination of parallel delivery mechanisms and support to Afghan



Canadian Forces

Afghan children surround a Canadian soldier in southern Kandahar province. Nipa Banerjee writes that aid dollars don't always arrive as pledged and don't always get through to their intended recipients.

national program budgets would provide donors with opportunities for meaningful engagement in policy dialogue with the government in areas such as curbing corruption, improving public finance management, procurement, budgetary process, public administration reforms, increased efforts for domestic revenue collection, improvements in revenue policy and administration and broadening of the tax base, all necessary for increasing aid effectiveness and reducing aid dependency. Donors running parallel mechanisms lose any leverage, no matter how politely the Afghan government listens to donors' lectures, in curbing corruption or needed actions in any of these areas.

At the same time, is success guaranteed for those ministers who demonstrate commitment and leadership qualities, who try to manage aid, coordinate donors, insist on collection of concrete evidence of poverty reduction

outcome of the aided activities or implement measures to help capacity building in the civil service? Not a chance, because donors' vested interests, tied aid and politics guide the international community's actions, and the rational Afghan decision makers striving to create an enabling environment for sustainable development are often ignored and criticized. Who in Afghanistan will take the leadership under such circumstances and commit political suicide? From the Afghan side, power, politics and personal agendas often guide appointments, rational structures and functions of institutions making the state institutions dysfunctional in effect.

Multilateral organizations are failing to act accountably. Delivery of ODA through multilateral organizations would not only help aid coordination and joint donor dialogue on critical issues and actions required but bring the added benefit of "shared accountability." Multilateral organiza-

tions, however, often fail to appropriately account for their work and the funding they receive either to the donors or the government. Repeated pleas by the government fall on deaf ears. The June Paris announcement is conveniently silent on this issue.

Donors' accountability to their own public requires that large scale receipt of public funds by multilateral organizations are well accounted for. Not a small percentage of the core costs of the multilateral organizations are paid by Canadian tax payers. It is our government's responsibility to enforce accountability of these institutions. So far we have failed to do so. The Manley Panel's recommendation, endorsed by our government, to disengage with multilateral organizations and operate direct bilateral projects in Afghanistan, is counterproductive as we lose opportunities to engage with the multilateral organizations for enhancing accountability for Canadian public funds.

An example of how UN organizations get away without accounting follows. This example involves limited funds but significant from a substance point of view as the funding is linked to capacity building of a democratic institution, the Afghan Independent Electoral Commission. CIDA provided approximately \$300,000 for capacity building of this Commission two and a half years ago. It is unknown what capacity has been built. The UN had

the Counter Narcotics Trust Fund has produced no credible evidence which shows that countering narcotics cultivation through projects financed by CNTF has been successful. The micro-finance program (popularly known as MISFA) that is most cited as a successful poverty reduction program has yet to prove how and to what extent these loans have had any direct impact on income generation or on improving women's position because of the income they earn. Why? Because no

cially in the social and economic sectors, concrete evidence of progress toward the Millennium Development Goals in health, a comprehensive education strategy, expansion of national rural programs, public finance management and even initial revenue increases. But these successes are bound to remain fragile and will fail to sustain popular support for the state unless popular demands for institutions and leaders functioning fairly and transparently are met. As a poll concluded,

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spent over \$145 million, by conservative estimate, in the last election. A very large number of expatriate staff was hired to deliver the election. Donors were assured that the expenditure included building of Afghan capacity in the conduct of elections. As preparation for the 2009 election proceeds, there are few indications that the election ticket would cost any less. Since no data base for voter registration was created by the UN, the entire process needs to be repeated. Let us bear in mind the UNDP administration charge of 6 percent and UNOPS charge of 7 percent, totalling 13 percent, for implementing the election!

A non-exhaustive list of CIDA-funded projects, provided through multilateral organizations, for which evidence of results are non-existent, is interesting to review. The DDR program (Disarmament, Demobilization and Reintegration of militia) was not able to undertake Reintegration successfully, virtually turning the R part into Rearmament. Disarmament of the Illegal Armed Groups (DIAG) is in dead in the water. It is clear that the Law and Order Trust Fund (LOTFA), a support to police reform, has had little positive impact to date, police being one of the most corrupt institutions in the country. The alternative livelihood component of

information addressing these issues is collected and the micro finance institutions are busy spreading themselves too thinly on the ground. Despite addressing worthwhile development objectives, management of some of the large district and community level programs, such as National Area Based Development Program (NABDP) and National Solidarity Program (NSP), is chaotic, riddled with structural and, thus, functional deficiencies, which lead to poor execution and lack of results achievement. The government ministries are less to be blamed for these problems when the multilateral organizations have been virtually running the shows and are accountable to both the government and donors. On the other hand, donor governments have not forced accountability out of the multilateral organization. The solution is not to abandon multilateralism but strengthen it with demands for reforms and accountability.

Of most serious concern is the tendency in the donor organizations and multilateral agencies to turn a blind eye to issues clearly surfacing in many of the programs. Problems will never be resolved if issues negatively impacting on progress are evaded. Some positive developments have no doubt occurred, espe-

ed, people consider schools, clinics and roads to be useless when the district administration is corrupt and incompetent. IDLG — Independent Directorate of Local Governance — a mechanism created to develop a sub-national governance policy and tackle corruption and inefficiency

among government representatives, has not had much impact yet, while non-merit-based appointments in the provinces continue. Afghans have started suspecting that IDLG is being dictated by pre-election political motives of certain people in power in Kabul. Its value to the people is yet to be proved.

A striking conclusion derived out of a comparison of the assessments made in the fall of 2006 by the International Crisis Group with the current conditions is that virtually no progress has been made in a wide range of areas critical for the state of Afghanistan, with a possible exception of the Afghanistan National Army. The issues range from status of the Afghanistan Security Forces and the rule of law and justice to the desirable roles for the National Assembly and Provincial Councils; corruption and the opium mania; politics rather than merit guiding appointments in offices; plus the insurgency status. Lack of progress in all these areas continues to disrupt efforts, including countering insurgencies, for stabilization of Afghanistan while the Policy Action Group (PAG), created in 2006 to address issues pertaining to four southern provinces, where insurgency is dominant, turned into a panic action group, as some Afghans describe its functions.

Experts correlate three variables with success or failure of counterinsurgency efforts, according to Rand Corporation:

capacity of indigenous security forces (army and police); weak local governance and rule of law; and external support for insurgents, including sanctuary. In 2001, while military forces led by the US eans quickly overthrew the Taliban regime, inadequate planning to address any of these variables in the aftermath was a deficiency that has not been overcome. The US and the international community had responded to immediate emergencies without a coherent plan for building indigenous institutional capacities to stabilize post-Taliban Afghanistan, including capacity of indigenous security forces that have most potential for gaining popular support against insurgents. Attention to potentials of external support to renewed insurgency was all but neglected and US support to its ally, Pakistan, continued unabated.

In the initial years, after 2001, the US and the international community neglected to make strategic investments in development, governance, security and rule of law in the most precarious region in Afghanistan, the south. An opportune time was missed to sow the seeds for building indigenous capacity and longer-term development as the basis of peace building in the heartland of the Taliban. Visionary programming and massive investment in basic education, health and agriculture, training of the youth, employment generation and building of security forces, especially the police, could help to win the local population against the insurgents and minimize the potential of re-insurgency of the Taliban. Instead, mere civil-military reconstruction activities of well digging, road construction and cash handouts, which

the international forces-led PRTs (Provincial Reconstruction Teams) pursued, only gained short-term favour of the communities for the foreign soldiers cruising the streets. Such non-visionary short-term planning failed to address the priority need of building indigenous governance capacity. Efforts were minimal to strengthen those institutions of the state — the security forces in the form of the army and the police — that would act as overseers of longer-term peace building and protect basic service delivery.

Lack of attention to strengthening the base for longer-term development and capacity generated a vacuum, not only a development vacuum but also a security and governance vacuum. The Taliban took advantage of the security vacuum and the lack of presence of a governance system to slowly rebuild their own strength. Afghanistan and the international community lost out and moved haphazardly without a strategic or even a clear plan, with the US quickly shifting its attention to Iraq.

It is not evident that the so-called QIPs (quick impact projects), in which millions of dollars were invested by the PRTs, were strategically planned for sensitive areas showing signs of tension that were also the early signs of re-emergence of conflict. Nor did these projects help gain any visibility or pop-

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ular support for the new state of Afghanistan because delivery was not through state institutions but through parallel structures supported by individual donors and organizations.

Admittedly, troop protection was most likely secured. But little was done to ensure minimum security for the people or provide them protection against threats and intimidation by the

powerful. Development projects can never gain popular support when corrupt and incompetent officials are in position. It was no surprise that in the absence of active and trustworthy local administration machinery, governance went amiss. This did not deter the international community from chasing the terms and conditions of the Bonn Agreement — an election indicating emergence of democracy. Whether democracy could be firmly grounded without the support of appropriate governance structures was not analyzed at the time. Weak governance and a security vacuum left an opportunity for resurgence of the Taliban.

The conclusion remains that weak local governance and local security forces are the most critical factors weakening counterinsurgency. The missing link continues to be the rule of law aimed at gaining popular confidence and support — the best weapon to defeat the insurgency.

The Canadian government claims to make progress in counterinsurgency. Canada resolved to report on progress in its Afghanistan mission with pre-set benchmarks, which are yet to be made public. Given the experience of poor quality of the Afghanistan Compact benchmarks and indicators, care must be taken to set realistic outcome-oriented

benchmarks, especially in the security sector. During the Compact benchmark and indicator-setting exercise in 2006, the international community members responsible for the security components avoided, at any cost, pinning down security and counterinsurgency effectiveness measures, beyond inputs and outputs. Inputs consist of resources and forces deployed and outputs comprise number of Afghan soldiers and police trained or

insurgents killed and captured. But the outcome indicators should measure the increasing effectiveness of the security and the police force, as well as the impact of such institution building in improving security for Afghans and local governance. Indicators for these are not easy to build and monitor. Yet, for measuring progress, identifying pitfalls, modifying strategies and planning a phased exit of international troops from Afghanistan, outcome-oriented benchmarks must be established.

The most recent estimates of the US wars in Iraq and Afghanistan combined is close to \$3.5 trillion. The estimates of Canada's military costs in Afghanistan are rather elusive — variously quoted between \$3.5 billion and \$7 billion — the differences arising from inclusion or exclusion of various items. Added to the North American spending are other countries military costs in Afghanistan. To what effect, when the entire world spends \$50 billion a year on foreign aid? What will our investment in the 2009 election bring for Afghans? Will the June 2008 Paris Conference and future conferences of this nature help address the burning issues? Will fulfilment of the US promise (getting louder with the approaching US election) of drawing down forces from Iraq and commensurately increasing troop strength in Afghanistan lift the country to a higher plain? While clear answers are not on the horizon, a clear warning from experts is that counterinsurgency "efforts are on track for a strategic failure in a country with a remarkable history of sending foreigners home disappointed." Besides, this insurgency will not be won without putting together the Rubik's cube of the geo-political context and regional complexities involving not only Pakistan, India and Iran but Russia and China, which are uncomfortable with the notion of the US strengthening its base in the region through Afghanistan. The situation in Uzbekistan is volatile, and a political upheaval in this regional partner state will have serious spill-over effects in destabilizing Afghanistan further. The international community's lack of attempts to communicate region-

ally with all parties and only a half-baked attempt to cajole Pakistan would never result in any consensus for a strategy to stabilize Afghanistan.

Lastly, one of the most critical but non-military components of building a durable peace in any post-conflict country is the need for reconciliation with opposition groups and bringing them within the rubric of the post-conflict political order.

A reconciliation process could help remove incentives for violence. Politics of exclusion serves as an incentive for insurgencies as "victims of exclusion often seek influence or redress through violence and insurgency." Except for compromising with a number of warlords, which common Afghans do not support, no effective progress in a reconciliation process is apparent.

Obviously, there is no easy solution. The Taliban is not a homogenous entity — it is a multi-layered group. There are at least five sub-groups within the ideologically motivated Taliban leadership itself.

Compromise with this group is not desirable nor is the Taliban top leadership willing to compromise. Below the leadership are military commanders who are open to accommodation with the Afghan government. The foot soldiers are at the lowest level.

They are non-ideologically motivated with a "pre-disposition to commit violence" in response to fears, grievances and social and economic insecurities. The tactic used has been to attempt alienating the lower levels from the leadership. Results are mixed. The possibility of alliance with the tribes against the Islamist Taliban leadership is also raised by experts. The rise of the Taliban somewhat strengthened religious forces at the expense of the traditional tribal structures, making the tribes antagonistic to Islamist encroachments. These tribes could serve as the government's strategic ally. But the critics' verdict is that the government has failed to capitalize on this opportunity.

The critical path of reconciliation must be pursued by Kabul as a tool to

fight an "asymmetric" insurgency. However, the intensely complex nature of the tribal culture of southern Afghanistan, mixed with the unique inter-ethnic and social and political dynamics of the Afghan society, topped with Islamic extremism, require ultra-cautious and sensitive handling by Afghans themselves.

Thus, the reconciliation and negotiation process must be solely handled by Afghans, without interference from the international community although concurrence and support of the international community are essential. Of the foreign powers supporting the Afghan state, members of the European Union, UK and Canada are ready to support Afghan leadership in talking to the non-extremist Taliban groups. But without the US government's tacit approval, the Afghan government is unlikely to make progress. Will Barack Obama bring a change, or John McCain, after George W. Bush? Afghanistan is quickly becoming a pawn in the election-year politics of the US, with the democratic and republican presidential nominees focusing on actions in Afghanistan. The danger is that with a vague Afghan strategy, Canada might be pulled into the game, with unpleasant consequences.

To conclude, a Canadian journalist best expressed a development specialist's state of mind. Our interest is not to kill the Taliban and al-Qaeda insurgents, defend Western civilization from Islamic extremists, impose an undemocratic democracy on the people or harbour an unrealistic desire of *empowering* women in a society which is not adequately supportive with or without the Taliban hegemony. We search for a way for the country to go forward, addressing issues that are complex but not totally irresolvable.

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