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International Development Committee

Afghanistan: Development progress and prospects after 2014
Sixth Report of Session 2012–13

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Summary

The future of Afghanistan is uncertain. There will be changes in its leadership, the withdrawal of international forces and a reduction in total overseas aid. It is not known what attitude neighbouring countries, particularly Pakistan, will take. The Taliban is stronger in many parts of Afghanistan than it was when our predecessor Committee visited the country in 2007. Despite these uncertainties we believe the UK should have a major aid budget in the country. We have an obligation to the millions of Afghans who have resisted the Taliban and the British soldiers who have died in the country.

Nevertheless, because of the uncertainties in the country, DFID will need to be flexible. For example, there might come a point at which DFID would need to stop funding the Afghan Government through the ARTF; in which case, it should ensure it has other channels open to it such as NGOs to which funding can then flow to prevent Afghan communities from suddenly being cut off from aid.

The UK Government’s overarching strategy for its engagement in Afghanistan has given DFID the lead in creating a viable state. DFID has had some successes, for example in increasing tax revenue, but these gains will be difficult to sustain and further progress will not be made unless the Afghan Government is determined to achieve a similar outcome. We recommend the UK Government reconsider DFID’s focus on creating a ‘viable state’, giving greater emphasis to the provision of services and alleviating poverty.

While the situation for women in Afghanistan improved after the fall of the Taliban, it remains difficult and even appeared to us to have deteriorated in some respects since our last visit. Although DFID and the UK Government have spoken at length about women’s rights and women in Afghanistan, we are concerned that this has not been followed by adequate and specific action and funding. We recommend that girls’ education be made a greater priority and that DFID fund women’s shelters and legal advice for women.

It is estimated that over a third of Afghan children in the south are acutely malnourished and there are about half a million internally displaced people. If transition does not go smoothly the crisis will get worse. We recommend that DFID give a higher priority to its humanitarian work in Afghanistan. In the absence of any donor taking a lead then DFID may have to fulfil this role.

A serious problem for DFID in Afghanistan is the difficulty in monitoring its programme since security conditions prevent DFID staff visiting projects. We appreciate that working in Afghanistan is extremely difficult and commend DFID staff for the job they have done. Nevertheless, we are concerned about the high turnover, resultant loss of capacity and knowledge, weak institutional memory and, at times, a lack of staff with adequate training and skills. We recommend that DFID create a cadre of experts with knowledge of Afghan language and culture, who will work in London and in country; longer tours and routine rotations to Afghanistan would also aid this.
DFID also needs to reconsider how it can support work in insecure areas of the country, developing stronger partnerships with trusted NGOs and other organisations, which can absorb significant funding and work effectively, especially where NGOs have strong links with and support from local communities. It may also be necessary to switch funding to poorer, safer areas such as Bamiyan which have been relatively ignored by donors, who have concentrated their spending in insecure regions where they have had a military presence.
1 Introduction

1. Since the fall of the Taliban in 2001 there have been significant improvements in Afghanistan. 5.8 million children are now going to school compared to just one million under the Taliban, 2.2 million of them girls compared to just 5,000 under the Taliban.\footnote{Ashley Jackson, *High Stakes: Girls’ Education in Afghanistan*, Oxfam International, February 2011.} Approximately 57% of the population can now access a health facility within one hour’s walk compared to just 9% in 2002, and more than one in three pregnant women (36%) receive antenatal care compared to only 16% in 2003.\footnote{Ev 40} Over this period Afghanistan has received nearly $30 billion in aid and approximately $243 billion in support to the International Security Assistance Force (ISAF) and the Afghan National Security Forces (ANSF).\footnote{Lydia Poole, *Afghanistan: Tracking major resource flows 2002-2010*, Global Humanitarian Assistance January 2011, p 2}

2. Our predecessor Committee visited Afghanistan in 2007 and reported on DFID’s progress in 2008.\footnote{International Development Committee, Fourth Report of Session 2007-08, *Reconstructing Afghanistan*, HC 65-I} We decided to inquire into what the developments had been since then. We wanted to see the benefits UK aid spending had brought to Afghanistan as well as how DFID could operate in a potentially changing political and security context so therefore what DFID’s policy should be in the future.

3. There have been a number of developments in the international community’s and the UK’s interaction with Afghanistan since our predecessor Committee reported. It has been agreed that responsibility for security across Afghanistan will gradually transfer from the ISAF to the ANSF. The aim is for this to be completed by the end of 2014. UK and other foreign troops will only be present in Afghanistan after this date as advisers and mentors. The Foreign and Commonwealth Office notes, transition is not just about the transfer of security control:

> a resilient ANSF is only part of the solution. Development of a viable Afghan state and a durable political settlement are also vital, and we will continue working with the Afghan Government and our international partners towards this.\footnote{“Top ten facts about transition”, FCO Website}

4. Two important international conferences have taken place in the last year which have demonstrated to the Afghan people that the international community is committed to support Afghanistan for as long as is necessary. The Chicago Summit in May focused on the future funding of security forces in Afghanistan and the Tokyo Conference in July discussed the future of aid funding to Afghanistan. As the then Secretary of State, Rt Hon Andrew Mitchell MP, told us the outcomes from the conferences can “give confidence to people who are driving progress in Afghanistan that the international community will not desert them when the transition is complete.”\footnote{Q55}
5. Following the formation of the Coalition Government in the UK the National Security Council (NSC) was formed to oversee all aspects of Britain’s security. The NSC has approved an overarching strategy for the UK’s engagement in Afghanistan. The strategy has three mutually reinforcing pillars covering security, political settlement and creating a viable Afghan state. DFID leads on the ‘viable state’ pillar, which aims to improve governance and the rule of law, create a stable and growing economy, tackle corruption and increase access to basic services. DFID’s vision is for “a more peaceful, stable, viable and prosperous Afghanistan.” This is unique in DFID’s work and a departure from its traditional aim of ‘poverty alleviation’. Since 2012 there has been a refocusing of DFID strategy with a stronger commitment to conflict and fragile-affected states accompanied by an increase to 30% the proportion of UK Official Development Assistance (ODA) spent on them. In addition, the UK Government undertook a review of its bilateral programme and as a result has decided to increase aid to Afghanistan. It has announced that DFID’s programme in Afghanistan will be £178million per year until 2015.

6. In January of this year the Prime Minister, the Rt Hon David Cameron MP, signed an ‘Enduring Strategic Partnership’ with Afghan President Hamid Karzai in which the UK Government confirmed its long term development support to Afghanistan subject to the Government of Afghanistan progressing with key reforms. The Prime Minister made clear that:

After our combat troops have left in 2014, there will be a strong relationship between Britain and Afghanistan; a relationship based on diplomacy, based on trade, based on our continued aid programme to help the Afghans build a stronger country.

7. We were helped on this inquiry by the specialist advice of Ashley Jacks on, Research Fellow at the Overseas Development Institute in London who we would like to thank. We would also like to thank all the people and organisations which provided written evidence to the inquiry and the academics, subject specialists and organisations who appeared before us to give oral evidence. In addition we took oral evidence from the previous Secretary of State, Rt Hon Andrew Mitchell MP and had informal meetings with Rory Stewart MP, representatives from the Independent Commission on Aid Impact and Adam Smith International, all of whom we also thank.

8. As part of the inquiry, we were keen to hear from Afghans, about their knowledge and opinions of DFID’s work in Afghanistan. Following our call for evidence we did not receive a single submission from an Afghan citizen. We therefore worked with the Parliamentary Outreach Office and Mayvand Faqir, Chair of the Afghan Council, to organise two events for the Afghan diaspora in London to engage with the select committee process. At the events we held discussion groups focusing on: the benefits of DFID’s projects in Afghanistan; criticisms of DFID’s programme in Afghanistan; and the future of DFID in Afghanistan.

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7 “Establishment of a National Security Council” No 10 press release, Wednesday 12 May 2010
8 Ev 40
9 DFID Afghanistan, Operational plan 2011-15, June 2012
10 DFID, FCO, MoD, Building stability overseas strategy, March, July 2011
11 DFID Afghanistan, Operational plan 2011-15, June 2012
12 “Prime Minister and President Karzai Press Conference”, No 10 Website
Afghanistan. We would like to thank the Afghan Council and the members of the Afghan diaspora for their participation in the events and the evidence gathering.

9. We visited Afghanistan in June to help us understand what conditions were like on the ground for DFID staff, to hear how DFID projects were working first hand from the Afghan people and to meet senior Afghan Ministers. We visited Kabul before splitting into two groups. One group visited Bamiyan in Bamiyan Province whilst the second group went to Lashkar Gah in Helmand Province. We thank all the civil servants and members of the armed forces who helped to facilitate the visit as well as all the organisations who met us and welcomed us to their facilities and offices.

Box 1

We must note that our ability to get out and see DFID’s work in Afghanistan was severely limited due to security reasons. On other overseas visits we have been able to meet the beneficiaries of DFID aid and observe projects to see their effects; in Afghanistan this was not an option. As can be seen from our visit programme annexed to this report, while some of us saw a few DFID-supported institutions, notably the impressive International Red Cross Hospital in Kabul and a school just outside the city, most of our meetings were with Afghan Ministers in their Ministries; NGOs, line ministry staff, civil society groups and a few local Afghans who came to us at the embassy or PRTs as well as DFID staff. The visit to the city of Bamiyan, which is one of the safest locations in Afghanistan, was a particular disappointment. An excellent programme had been devised which involved meeting local farmers and others. The New Zealanders in charge of the PRT were happy to drive us to the locations, but the UK Government refused to permit us to travel with them. This report is accordingly based more on what we have been told and the evidence we have received than what we have seen firsthand.
2 Economic, social, political and security context

10. To understand DFID’s work in Afghanistan and its future strategy it is necessary to understand the economic, social, political and security context in which it currently works within country and what could potentially happen in the future.

Economic context

11. Afghanistan is one of the poorest countries in the world. A third of the population lives on less than 60p per day.\textsuperscript{13} Aid has supported much of its economic progress since 2001 and the Afghan Government remains heavily aid dependent. While the withdrawal of international combat forces will have its own economic impact, the World Bank also projects “an expected decline in civilian aid as international attention shifts elsewhere.”\textsuperscript{14} The average growth rate has been 9\% over the past nine years but it is expected to decrease to 5–6\% from 2011 to 2018.\textsuperscript{15} Given that 70\% of the population is under 25 years old and population growth is expected to continue at 2.8\% annually, this is likely to mean continued high unemployment among the youth and little progress in reducing poverty.\textsuperscript{16}

12. The Afghan economy is largely dependent on agriculture and rural trade; around 85\% of the population is entirely reliant on income from agriculture and livestock. This is despite the fact that only 12\% of the country’s land is arable and only half of that is currently under cultivation.\textsuperscript{17} Agricultural growth over the past decade has been volatile, in part due to Afghanistan’s vulnerability to disasters, and improvements remain limited. Agriculture and livestock based livelihoods remain largely dependent upon the success of rain-fed crops and pasture. Afghanistan experienced its eighth drought in eleven years in 2011, devastating rural families and threatening any potential progress in alleviating rural poverty.\textsuperscript{18}

13. Afghanistan’s agricultural economy is under developed. The British and Irish Agencies Afghanistan Group (BAAG) highlighted the lack of market knowledge and modern agricultural and business skills in Afghanistan.\textsuperscript{19} We heard while we were in Afghanistan that many agricultural products were sent to Pakistan to be processed or stored and then sold back to Afghanistan at much higher prices.

\textsuperscript{13} Ev 41  
\textsuperscript{14} World Bank, Afghanistan in Transition: Looking Beyond 2014, May 2012, p 5  
\textsuperscript{15} World Bank, Afghanistan in Transition: Looking Beyond 2014, May 2012, p1  
\textsuperscript{16} “Western withdrawal need not mean civil war in Afghanistan. But America must talk to the Taleban”, Spectator 18 August 2012.  
\textsuperscript{18} Ev 41  
\textsuperscript{19} Ev w42
14. The illicit economy, particularly around opium, remains significant. The income from opium production in 2011 was estimated to be roughly equivalent to 9% of the GDP. Afghanistan is believed to supply roughly 93% of the opium on the world market and 90% of the heroin trafficked into the UK originated in Afghanistan. While poppy eradication and alternative livelihood programmes have had mixed results, a UN Office on Drugs and Crime report finds a “strong association” between insecurity, lack of agricultural assistance and poppy cultivation.

15. The big hope for the future Afghan economy is its potential mineral wealth. Initial estimates from the US Geological Survey have suggested a possible $3 trillion in mineral assets, based on a partial survey of the country. However, mining profits are not likely to come online for another decade and it is an industry that generally does not result in widespread national employment. It also requires a skilled and mobile workforce and infrastructure to exploit resources that are largely located in remote or mountainous areas of the country—none of which are currently evident in Afghanistan.

Gender and women’s participation in society

16. Women in Afghanistan have made gains since the Taliban-led Government was ousted in 2001. The Constitution grants equal rights to men and women and Afghanistan is a signatory to the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). More girls are in school now than ever before in the country’s history and more than a quarter of Afghanistan’s parliamentarians are female. The legal and policy frameworks protecting and empowering women have been expanded in recent years including the establishment of a National Action Plan for the Women of Afghanistan (NAPWA) in 2007 and the Elimination of Violence Against Women (EVAW) law, which criminalised rape, in 2009.

17. However, such gains are limited, and women and girls in Afghanistan continue to face enormous disadvantages. Afghan women’s status remains amongst the worst in the world according to the UN’s 2011 Gender Inequality Index. NAPWA has not been implemented and the EVAW law remains largely unenforced; 87% of women report experiencing at least one form of domestic abuse which Human Rights Watch has specified as: physical, sexual, or psychological domestic violence or forced marriage and women who participate in public life do so at significant risk to their safety.

18. There are worrying signs that the advancements for women and girls made in the early years after the fall of the Taliban are receding. Human Rights Watch has repeatedly expressed concerns over the Afghan Government’s increasingly conservative stance on the role of women, including President Karzai’s recent public statement in support of the

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20 “Afghan drugs: opium price rise 133 %”, BBC News Online, 12 January 2012, news.bbc.co.uk
22 UNODC, Afghanistan Opium Survey 2012: Opium Risk Assessment for All Regions (Phases 1 and 2), April 2012.
23 DFID visit briefing to Committee
25 Ev w30
Ulema Council that instructed women not to travel unchaperoned or mix with men in education or work. There has been a sharp rise in violent attacks on women in Afghanistan over the past year with 17 cases of “honour killings” recorded across the country in March and April compared to 20 cases recorded for all of last year.26

**Political context**

19. Afghanistan has been plagued by war and instability for more than three decades. For the past ten years, international forces and the Afghan Government have been at war with the Taliban. There has been little progress in negotiating a political settlement to the conflict. The role of the US, and Afghanistan’s neighbouring countries, in establishing political talks and a realistic and successful process of security transition will be critical in averting regional interference and continued or new internal conflict.

20. Despite significant international support and the presence of ISAF, the control of the government is tenuous. Historically, Afghan Government has been highly centralised with significant regional devolution of power in practice. Informal power networks, such as ethnic or tribal structures and former mujahedeen commanders, are as significant, if not more so, in shaping Afghan political, social and economic dynamics. As Mervyn Lee of Mercy Corps told us “Afghanistan as a country has never really respected Kabul. The rest of Afghanistan looks a bit askance at Kabul.”27 Government institutions at the sub-national level remain, weak and disconnected from the central Government.

21. Afghanistan is comprised of numerous ethnic groups, including Pashtuns, Tajiks, Hazaras and Uzbeks. Post-Taliban political affiliation has broadly followed along ethnic, tribal and regional lines as demonstrated by the composition of voting blocks in recent elections. The development of political parties has been slow, with few that can be considered pan-ethnic. There have been very few incidents of ethnic-based violence since the fall of the Taliban, but lack of rule of law (particularly in rural areas) has led to local clashes over land or economic resources between various groups that have contributed to insecurity and provided openings for the insurgency.

22. Afghanistan has historically lacked democratically elected institutions. The Parliament, introduced after the fall of the Taliban, is a bi-cameral structure comprised of the *Meshrano Jirga* (the Upper House) and *Wolesi Jirga* (the Lower House). It has at times taken a hard stand against President Karzai (for example, blocking the confirmation of several of President Karzai’s post–2009 election ministers) and pressed for more accountable governance but has often been slow to pass legislation and enact key reforms.28

23. Civil society has been traditionally weak, but has experienced enormous growth since the fall of the Taliban. Many civil society groups are concerned about the ways in which insecurity, transition and other factors will impact upon them. The Afghanistan Independent Human Rights Commission (to which the UK provides funding) appears to

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27 Q30

be under increasing political pressure, with the recent dismissal of three of its Commissioners by President Karzai. There have been allegations that they were removed due to a still-unreleased report on war crimes that implicated members of the Government, including First Vice President Fahim and Second Vice President Khalili; the Afghan Government denies this. Their positions remain vacant with the Commission severely impaired and now functioning with only five of its nine Commissioners (a fourth was killed in 2011 and not replaced). The Commission plays a vital role in monitoring rights abuses and has in the past been a vocal and effective advocate for those whose rights have been violated. The media is also under increasing pressure. Following several high profile imprisonments of journalists and Government investigations of independent media outlets, a draft media law was recently introduced that would significantly expand Government control of media and curtail press freedom.

24. President Karzai, elected in 2004 and re-elected in 2009, is not eligible for re-election in 2014 due to constitutional term limits. There is currently no clear successor. Some analysts believe that President Karzai will ultimately select a candidate to endorse and attempt to continue to exert his influence through this individual. Others believe that he may attempt to stay on, for example by convening a loya jirga to alter the constitution. President Karzai has declared such speculation and issued a public statement confirming that he would leave office once his term expired.

25. The prospect of security transition has exacerbated Afghanistan’s already volatile political landscape. Key individuals within the Government are already positioning themselves for the withdrawal of international forces, fuelling uncertainty and unpredictability across Afghanistan’s political landscape. On 4 August 2012, the Parliament voted to dismiss both the Minister of Defence, Abdul Rahim Wardak, and the Minister of the Interior, Bismullah Khan Mohammedi. President Karzai has recently identified replacements and has also replaced the head of the National Directorate for Security. While not yet confirmed, these appointments have raised some concerns from human rights activists. There is also uncertainty about the Minister of Finance, Omar Zakhilwal, who is currently under investigation for corruption. Analysts have interpreted these developments, particularly with regard to the Ministries of Defence and Interior, as political manoeuvres orchestrated by President Karzai to strengthen his position among southern Pashtuns.

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29 “Top Afghans tied to 90s carnage, researchers say”, *New York Times*, 22 July 2012
32 “Karzai says he will not seek third term”, *The Telegraph*, 11 August 2012
34 “As Afghanistan Turns” *Los Angeles Times*, 16 August 2012
**Corruption**

26. Fraud and widespread corruption have undermined international confidence in the Afghan Government. The previous Secretary of State, Rt Hon Andrew Mitchell, described corruption as “endemic in Afghanistan.” There are indications that the problem is getting worse: Afghanistan ranks 180 out of 183 on Transparency International 2011 Corruption Perception Index, compared to 117 out of the 158 countries ranked in 2005. We heard evidence that corruption is a growing threat not only to the effectiveness of international assistance but also the legitimacy of the state in the eyes of the Afghan people and ultimately the long term viability of the Government. David Loyn, a BBC correspondent, told us:

> At the moment, it is effectively a rentier state. There is quite a lot of academic work now about rentier states. They do not succeed; they are mostly in Africa; and they tend to create elites who are funded by corrupt patronage, use patronage and fund corrupt practices. That is exactly what has been happening in Afghanistan.

27. Since our predecessor Committee’s report, several Government bodies have been created and initiatives have been launched to fight corruption. These include the High Office of Oversight and Anti-Corruption and the Major Crimes Task Force within the Attorney General’s Office. Most recently, on 21 June 2012, President Karzai launched an anti-corruption push in the Afghan Parliament by appealing to donors not to give construction and businesses contracts to Afghan Government officials or their relatives. Unfortunately, the effectiveness of these initiatives has been extremely limited, and often obstructed by interference from senior officials. An Asia Foundation study commented that:

> Efforts at curbing corruption to date appear too modest, often ill-suited, badly-informed, and narrow-minded. As a result, if there are some anti-corruption successes, they look like islands of integrity.

Similarly, the recent Independent Commission on Aid Impact (ICAI)’s audit of DFID’s programme in Afghanistan warned:

> Anti-corruption measures in Afghanistan are ineffective. There are multiple agencies with ill-defined roles and limited independence. Afghan agencies such as the Ministry of Justice and the police force have a history of reported corruption.

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35 HC Deb, 16 June 2011 [Commons written answer]
36 Q2
37 BBC News Asia, 21 June 2012
28. David Loyn argued that the massive influx of international aid in recent years had exacerbated corruption. The Asia Foundation study commented that:

Oversight mechanisms have been overwhelmed, while insecurity makes it impossible for many donors to go visit the projects that they fund. Some have even institutionalized the absence of oversight. Massive inflows of aid also mean pressure to spend quickly, which has often led to parallel systems lacking in accountability, and non-participatory or discretionary decision-making.

While David Loyn thought there would be a significant reduction in corruption when aid decreased, other witnesses felt that the deeply entrenched patronage networks that drive corruption were unlikely to simply go away. These networks may continue to play a significant political and economic role, and the ways in which they might adapt to the withdrawal of troops and a likely decrease in aid was of concern. Dr Gordon of the LSE commented:

I think the real concern in terms of many of the institutions is the way in which they adapt to the tap being turned off and the way in which they reconnect, or connect more firmly, to the narcotics industry.

Kabul Bank scandal

29. The Kabul Bank scandal has perhaps been the most visible and damaging case of corruption to date in Afghanistan. Prior to the scandal, Kabul Bank held accounts for several key ministries and paid the salaries for civil servants, teachers, police and other Government employees. It is reported that the bank’s management had ties to key powerholders including Vice President Marshall Fahim and the brother of the President, Mahmoud Karzai, who allegedly received a significant loan from the Kabul Bank to buy his share in the bank. In September 2010, when hundreds of millions of dollars in losses were reported, primarily from shareholder investments in Dubai, there was effectively a run on the bank. Public confidence in the banking system was severely eroded. The International Monetary Fund (IMF) suspended its credit programme to the Afghan Government, requesting an audit of Afghan banks, and several donors (including the UK) suspended, but have since resumed, funding to the Afghanistan Reconstruction Trust Fund (discussed in more detail later in the report).

30. DFID has been working with the Afghan Ministry of Finance to help recover some of the assets. The Minister of Finance, Omar Zakhilwal, assured us when we met him in Kabul that he was taking action not only to recover assets but to bring the perpetrators to justice. While some of the funds have been traced, there has been little concrete action to date to bring those believed to be responsible to justice. David Loyn told us:

40 Q 9
42 Q9
43 Q2
44 “The great Afghan bank heist”, New Yorker, 14 February 2011
$120 million of the Kabul Bank money that was stolen has been traced. There is more widespread acceptance that they will not get a huge amount more of it back. There has been a property market collapse in Dubai. No one knows quite how much money there really is. If it had been invested, it would now be $900 million, but the belief is that it is probably around $500 million that they would be looking for.\(^{45}\)

Since our visit it has been reported that the Finance Minister himself has also come under investigation for separate allegations of corruption.\(^{46}\) (see para 25)

31. The Kabul Bank crisis is but one of many examples that illustrate just how significantly corruption threatens to undermine the state. High profile scandals continue to emerge. In June 2012, the EU suspended funding to the Law and Order Trust Fund, which supplies funds for 120,000 Afghan police salaries, due to allegations of corruption.\(^{47}\) The fund has received $2.9 billion in aid from multiple nations, including the UK, since 2002.\(^{48}\) With less aid money flowing into Afghanistan, donors may gain greater leverage to hold the Afghan Government to account on these issues and impose stronger conditions on funding to the Government. Doing so requires strong coordination, vigilant monitoring and sustained political will within the international community to tackle the problem.

**Elections**

32. Presidential elections were last held in 2009 and Parliamentary elections in 2010.\(^{49}\) Both elections were marred by widespread violence and fraud. The next round of Presidential elections will be held in 2014, prior to the end of security transition, and Parliamentary elections are due to be held in 2015, following the end of the formal security transition process. 2014 will be the first post-Taliban Presidential election in which President Karzai will not stand.

33. It has been reported that urgently needed reforms to the electoral law and structure of the Independent Electoral Commission have been slow moving.\(^{50}\) There is also significant concern that it is already too late to correct voter lists in time for the Presidential election, given the challenges of widespread illiteracy, a high proportion of the population without formal identity documents and worsening security problems.\(^{51}\)

34. Witnesses questioned the Afghan Government’s capacity—and indeed willingness—to support transparent, inclusive, fair and credible electoral process. David Loyn commented that “There will be, over the next two years—we have already seen it—significant pressure from President Karzai to keep the international community out.”\(^{52}\)

\(^{45}\) Q9

\(^{46}\) “Afghan finance minister faces corruption investigation” *Reuters*, 2 August 2012

\(^{47}\) “UN probes suspected fraud at Afghan police fund”, *Agence France Presse*, 18 June 2012

\(^{48}\) “UN fund scrutinised for corruption”, *Wall Street Journal*, 10 May 2012

\(^{49}\) Jon Boone, *Afghanistan election: fraud could delay results for months, observers warn*, 19 September 2010

\(^{50}\) “Why Afghans are pushing for democratic elections soon”, *Christian Science Monitor*, 22 August 2012

\(^{51}\) “Leading Afghans Cast Doubt on Electoral Schedule”, *Guardian*, 3 April 2012

\(^{52}\) Q 6
Security

35. The Committee received a positive briefing from British and ISAF military commanders while in Afghanistan which indicated that they believed security had improved during the past year. Their position was that it was now much safer for Afghans to travel around and there was much more freedom of movement. In addition Dr Gordon of the London School of Economics told us of a recent trip to Helmand:

I went on a patrol with the American military in Sangin, and unlike on earlier trips there was no shooting and no IEDs. We managed to walk through the bazaar for the best part of two hours. You could never have done that 18 months or so before that. There has been a change. 53

The United Nations Assistance Mission in Afghanistan (UNAMA) Human Rights Unit also found that violence had dropped slightly in the first six months of 2012. In all, 1,145 civilians were killed and 1,954 wounded in the first half of 2012, down 15% on the same six-month period in 2011.

36. However, UN officials called the reduction a “hollow trend” and warned that civilians were still being killed at “alarmingly high levels”, with four-fifths of deaths attributed to attacks by the Taliban-led insurgency. Nicholas Haysom, the UN’s Deputy Special Representative to Afghanistan, said:

The reduction in civilian casualties is welcomed, but these gains are fragile. They do not reflect a move towards a peaceful society. [...] This report does not suggest that Afghans are necessarily safer or better protected in their communities. Nor does it suggest any real or concerted attempt by anti-government elements to minimise civilian casualties. 54

While the proportion killed by Afghan Government or ISAF forces has dropped to around 10%, a significant reduction from previous years, targeted killings by insurgents of civilians, such as Government employees, tribal elders and contractors, working with the Government or ISAF forces rose by 53%. 55 Moreover, the UN indicated that violence had increased in July 2012. 56

37. Regardless of the reduction of violence in the first half of 2012 other organisations argued that the security situation had significantly deteriorated overall since 2006. The International Committee of the Red Cross (ICRC) described the current situation:

Widespread conflict continues to devastate the live of Afghans in many districts and villages. The threat of civilian casualties, internal displacement, and insufficient access to medical care, are only some of the challenges. All of them occur against a backdrop of a splintering of armed groups, night raids, air strikes, suicide bombing,

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53 Q15
54 “Targeted killings in Afghanistan up 53 per cent”, The Telegraph, 8 August 2012
55 “Targeted killings in Afghanistan up 53 per cent”, The Telegraph, 8 August 2012
56 “Afghanistan civilian deaths fall, says UN”, Guardian, 8 August 2012
and the laying of improvised explosive devices. The expansion of the conflict to previously quiet areas has increased people’s difficulties and left whole communities trapped between warring parties. The south, east, north, north-west and central regions are the worst affected.57

38. Despite the surge in international troops since 2010 and increased civilian and military aid, 2011 was the most violent year since 2001.58 The Afghan NGO Safety Office (ANSO) reported that opposition attacks increased to 40 a day in the first six months of the year, up 119% since 2009 and 42% since 2010. Insurgent attacks reached previously secure areas including Parwan and Bamiyan as the war spread to many new parts of the country. In addition, 2011 saw the highest number of civilian casualties since 2001. UNAMA recorded 3,021 conflict-related civilian deaths in 2001, an 8% increase since 2010.59 Some 80% were attributed to anti-government forces, most commonly caused by IEDs.60

39. The International Rescue Committee noted that this deterioration was true both for “classic” security related to conflict and violence, but also for personal security. As evidence, they pointed to record low returns of Afghan refugees from other countries, record high numbers of Afghan asylum seekers in other countries, record high internal displacement and increasing migration from rural to urban areas in search of economic opportunities.61

40. BAAG reported that the deteriorating security situation was threatening the ability of NGOs to operate in many areas of the country, including major cities.62 ANSO also reported a 73% increase since 2010 in attacks against aid workers. David Page of Afghanaid said:

We are already experiencing a deterioration of the security conditions in the provinces where we work. One hears that in Helmand things are a great deal better, but in Ghor to the north of Helmand, or even in Badakhshan in the north-east, you have got a great deal more instability as people position themselves for this 2014 deadline.63

The Afghan diaspora in the UK told as that they increasingly feared kidnappings when returning to visit family in Afghanistan and therefore kept a very low profile.64 This was echoed by the businessmen we met at the Afghan Chambers of Commerce who spoke of their fear of kidnapping and of violence against themselves and their families.

57 International Committee of the Red Cross, The ICRC in Afghanistan, 1 June 2012
58 Ev w40
60 Ev w40
61 Ev w46
62 Ev w34
63 Q 44
64 Ev w65
Anti-government groups

41. The Afghan Taliban consists of a complex network of several linked groups. After the Taliban collapsed in 2001, many of its leaders fled to Pakistan and have reorganised under the leadership of the Quetta shura. In addition, the Haqqani network, Hezb-i-Islami Gulbuddin and several other insurgent groups function throughout the country with different levels of integration, coordination and cooperation with one another. The reliability of estimates of the size of the Taliban’s fighting force are questionable, but publicly reported ISAF estimates have remained consistent in recent years at approximately 25,000–35,000 fighters. The leadership of many of these groups, including the Islamic Emirate and Haqqani, are believed to reside in Pakistan and there are strong allegations that they receive support from individuals, including Pakistani intelligence officials, with links to the Pakistan Government. There is mounting evidence that Pakistan’s support may extend further. A leaked 2012 ISAF report asserted that “the Government of Pakistan remains intimately involved with the Taliban” and that “Pakistan remains fundamentally opposed to GIRoA [Government of the Islamic Republic of Afghanistan].”

42. Other criminals and warlords not allied with the Taliban continue to threaten security. Motivations are not ideological but primarily economic, and often linked to the resurgent poppy economy. The UN Office on Drugs and Crime estimates that the Taliban and criminal groups derive $150 million a year from the narcotics trade.

Afghan National Security Forces

43. At the London Conference in 2010 the troop-contributing countries agreed, together with the Afghan Government, that the international forces would gradually transfer responsibility for security across Afghanistan to the Afghan National Security Forces (ANSF). The NATO mission aimed to train a 157,000 strong police force and 195,000 soldiers by the end of 2012 to take over from international forces and this is believed to be on track, with 149,600 police and 194,500 army as of mid-May 2012.

65 Quetta Shura is the name for the Taliban leadership council in exile
66 Matt Waldman, The Sun in the Sky: The Relationship between Pakistan’s ISI and Afghan Insurgents, LSE Crisis States Research Centre Discussion Paper No. 18, June 2010
67 The State of the Taliban 2012, 6 January 2012, TF-3-10 Bagram, Afghanistan, p8 and p9
Figure 1: ISAF transition timeline

Transition began in July 2011 and is happening in phases with tranches of districts and provinces being handed over to the Afghan forces. Three tranches have already begun the handover process, with two remaining. All tranches will have completed transition by the end of 2014.

Figure 2: ISAF transition plans by province

Source: ISAF
Afghan National Army

44. There was a notable difference in the use of language we heard from the British military on our visit to Afghanistan compared to that of 2007—there was no longer talk of beating the insurgents and winning hearts and minds but instead creating a situation where the Afghan Government and the Afghan National Army (ANA) could control the situation. Brigadier Skeates, deputy commander of Regional Command (Southwest), told us that no one would win militarily and that peace had to come through a political settlement. We were told by Task Force Helmand that there would always be insurgents with over 25,000 over the border in Pakistan—their aim was therefore not to beat them but to tip the balance towards the Afghan Government and ANA so they would be in a better position to maintain security. ISAF is backing away from direct counter insurgency work and instead is training and advising the ANA as well as providing capabilities such as medical support and helicopters. We also heard many references to the work of DFID from the military and its importance in changing livelihoods to provide incentives to discourage people from growing poppies or joining the Taliban. There were also discussions about the slow pace of progress and being realistic about what ‘success’ looked like as opposed to discussions of fast gains.

45. David Loyn believed there had been improvements with the Afghan Army:

They are better than they were. The trainers I talked to say that they are better than they thought they were going to be by now. The mid ranking ANA officers whom I have spoken to are in a completely different league to where they were only four or five years ago. They seem to be an impressive and cohesive national force.69

Whether they will be able to guarantee security particularly in the absence of a political settlement to end the conflict remains unclear. David Loyn conceded “They are not anything like as good as the forces that the Russians had put together by the same period; they are nothing like as ruthless. [...] We are leaving Afghanistan in a much less secure state than it was left in 1989.”70

Afghan National Police

46. With regard to the Afghan police, our predecessor Committee concluded that “corruption and bribery are rife and this is hampering acceptance of the police as a force for good.”71 While we recognise that there have been some improvements in training and recruitment, we share the same concerns as our predecessor Committee with regard to the capacity and accountability of the Afghan police. On our visit to Afghanistan, we heard strong fears from Afghans about corruption and the ineffectiveness of the police force. A survey released by the UN earlier in 2012 found that more than half of Afghans see the police as corrupt. While the survey notes that public opinion has slightly improved in

69 Q16
70 Q16
71 International Development Committee, Fourth Report of Session 2007-08, Reconstructing Afghanistan, HC 65-I, para 91
recent years, only 20% believe that the police will be able to keep order once international forces leave.\textsuperscript{72}

47. There were also concerns that the Afghan police continue to play a paramilitary role rather than one focused on civilian policing and tackling criminality. Civil society groups believed that the police—particularly those outside of Kabul—were trained on counter insurgency rather than on civilian policing models, focused on protecting civilians and upholding the law. They also suggested that many police were loyal to their local commander rather than to the Government. These local commanders did not have a sense of responsibility to the community but saw their position as the reward of a larger patronage system. They were therefore reluctant to report crimes, as they did not want their area to be seen as dangerous and therefore that they were failing in their role.

48. The Afghan female civil society activists we met in Kabul were very critical of the police attitude towards women. That told us that women did not trust the police as they often shouted insults and were viewed as unaccountable for their actions. This echoes results from a 2011 survey of the views of women in Kabul on the Afghan police, which found that women rarely felt that they could turn to police for help. This survey also found that there was significant resistance to gender or human rights-focused training or policies within the Ministry of Interior and that much of the albeit modest progress in recruiting women police and gender-sensitising policing was a result of consistent international pressure.\textsuperscript{73}

49. Oxfam recommended reforms such as better training and awareness regarding human rights and women’s rights, accelerated recruitment of female security personnel, and much greater attention to women’s needs such as increased awareness and enforcement of laws addressing violence against women. Our predecessor Committee also recommended that “the recruitment, training and retention of female police officers” should be “given appropriate priority”.\textsuperscript{74} In addition Oxfam would like to see established a well-publicised, transparent and independent complaints review mechanisms for the ANP, accessible to both men and women.\textsuperscript{75}

\textbf{Afghan Local Police}

50. Human Rights Watch were concerned by the Afghan Government efforts to combat insurgency by arming and providing money, with little oversight, to militias that have been implicated in killings, rape, and forcible collection of illegal taxes.\textsuperscript{76} The Afghan Local Police (ALP), village-based defence forces trained and mentored primarily by US Special Forces but which report to the Ministry of Interior, have been created in parts of the country with limited police and military presence. There are believed to be approximately 13,000 ALP, with 30,000 planned to be recruited and trained by the end of 2014. In its first year ALP units were implicated—with few consequences for perpetrators—in killings,

\textsuperscript{72} “UN poll: Afghan police still corrupt but improving”, Associated Press, 31 January 2012
\textsuperscript{73} Heinrich Boll Stiftung/Samuel Hall Consulting, Women’s perceptions of the Afghan National Police, February 2012
\textsuperscript{74} International Development Committee, Fourth Report of Session 2007-08, Reconstructing Afghanistan, HC 65-I, para 94
\textsuperscript{75} Ev w54
\textsuperscript{76} Ev w30
abductions illegal raids, and beatings, raising serious questions about Government and international efforts to vet and train these forces. There is little to no oversight and accountability and the ANSF in general lacks sufficient, accessible complaints mechanisms. Our predecessor Committee raised concerns about such militias, stating:

We have reservations about the suggestion of arming local communities to defend themselves. While we accept that there are many people who already have weapons, we believe that it is important that donors do not encourage or exacerbate factionalism and tribalism.

**Afghan National Security Forces summary**

51. While there has been significant progress with the ANSF, the effort faces serious challenges, including attrition, insurgent infiltration, illiteracy and substance abuse among recruits. Incidents in which ANSF have attacked and killed their international mentors known as ‘green on blue’ attacks are of growing concern. There have been 34 such attacks so far this year resulting in the deaths of 45 international troops and accounting for a quarter of UK military deaths to date in 2012.

52. What is increasingly clear is that the current target for the ANSF will be financially unsustainable. As Robert Fox told the Defence Committee recently “nobody believes for a minute that that number could be sustained on the funding that is likely to be available after 2014.”

Prior to the NATO summit in Chicago, a conceptual model for the Afghan security forces after 2014 was endorsed that foresaw a target of 228,500 police and army personnel by the end of 2017—a reduction of 123,500—with an annual estimated budget of $4.1 billion. This figure is equivalent to a quarter of Afghanistan’s gross domestic product and is two and half times total annual Government revenue. It is currently unclear how much money goes to the ANSF due to lack of donor coordination and transparency, but retaining the current force size is estimated to cost $5 billion annually. Even if this reduction is gradual, it presents a number of challenges in terms of disarmament, creating viable alternative employment for those dismissed and sustaining international financial support for the annual budget requirements to support the ANSF. As Gerard Russell, an analyst on Afghanistan, highlighted:

Afghan forces will rise to a peak of 350,000 people, but will that be sustainable? […] Or is this going to end up being a system by which many people are recruited—

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77 Ev w30
78 International Development Committee, Fourth Report of Session 2007-08, Reconstructing Afghanistan, HC 65-I
79 “Why are we still there? Questions over UK role in Afghanistan as training role is axed after murders”, Daily Mail, 3 Sept 2012
80 Defence Committee, Securing the future of Afghanistan, HC 413-i, Q8
81 Chicago Summit Declaration on Afghanistan issued by the Heads of State and the Government of Afghanistan and Nations contributing to the NATO-led International Security Assistance Force (ISAF), 21 May 2012
perhaps hastily recruited—and trained in how to use a weapon and then made unemployed?  

53. There are also concerns about whether troops will remain loyal to the central Government after 2014, particularly if funding for security forces is reduced. Dr Gordon of the LSE said:

If you remove the funding, what you got is a well trained militia. There are already signs, in parts of Helmand and elsewhere, in particular, of some of those security forces, particularly the ANA and some of the militia, realigning with some of the local power brokers; the old strongmen. I think it is that fragmentation along tribal and patronage network lines that is the real concern.

54. The ANSF is mostly a defence matter and a subject that the House of Commons Defence Committee is currently inquiring into. However, its success is important to the delivery of development in Afghanistan. In addition, DFID has a role to play in this. DFID funds £7,230,000 on ‘Strategic Support’ advice to the Ministry of Interior, 2010–14, which aims to support the capability and accountability of the ministry. The Ministry of the Interior is responsible for both the Afghan National Police and the Afghan Local Police. The then Secretary of State also informed us that DFID provides funding to the Afghanistan Independent Human Rights Commission which investigates human rights abuses.

In its oversight advice role to the Ministry of Interior on accountability, we recommend that DFID insist on the creation of an external oversight body to provide a way to investigate and follow up allegations of violations by not only Afghan Local Police but the whole of the Afghan National Security Force. This body could potentially be managed by the Afghan Independent Human Rights Commission which is also supported by the UK Government. Such a body should be empowered to receive and investigate complaints, make public their findings and make recommendations about how to redress individual complaints.

Peace and reconciliation

55. Little progress has been made on working towards a political settlement that would end the conflict between the Afghan Government, international forces and the various factions of the insurgency. A High Peace Council was appointed by President Karzai in September 2010 to facilitate peace talks and to lead reconciliation. The Council was initially chaired by former President of Afghanistan, Burhanuddin Rabbani and membership included some former members of the Taliban, former mujahedeen leaders and nine women. Outreach efforts by the High Peace Council have been undermined by ongoing violence in many parts of the country. This culminated in the September 2011 assassination of Rabbani and the subsequent assassination in May 2012 of High Peace Council member Arsala Rahmani effectively halting its work.

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84 Q2
85 Q17
86 Q107
56. In January 2012 the Taliban announced it would open an office in Doha, Qatar, which led commentators to believe they were ready to negotiate. But by March 2012 the Taliban said it was suspending negotiations with the USA. It is thought that this was because the Taliban did not accept the presence of the Karzai Government at the talks which it sees as illegitimate, or due to the US failure to agree to a proposed prisoner swap.87

57. Another challenge has been the role of regional powers, particularly Pakistan but also Iran and India. The Afghan Government has accused the Pakistan Government of obstructing the peace process in the past and Pakistan continues to deny the existence of high level insurgent leaders in its territory.88 However, there have been recent signs of progress. In July 2012, the Afghan Government and Pakistan Government agreed to regular meetings for a bi-lateral Peace Commission. Pakistan has also agreed to help facilitate talks with Taliban leaders and Afghan Government officials recently confirmed a meeting with a member of the Taliban leadership in Pakistan.89

58. The Afghan Peace and Reintegration Programme (APRP) was created following the Kabul conference in June 2010 to try to reintegrate mid and low level fighters through financial incentives and training. APRP is supported directly through a trust fund administered by the United Nations Development Programme, which has received donations from 12 nations including the UK. The success of APRP has been limited. We were told by Brigadier Skeates in Helmand that only 62 out of a potential 5,000 insurgents in Helmand had joined the programme. The UN reported that as of May 2012, just 4,641 former insurgents had reintegrated through APRP nationally.90 BAAG and Christian Aid expressed concerns about APRP. They cited limited gains in recruiting genuine reintegrees, human rights concerns, failure to provide insurgents with jobs and assistance, little credibility among the Afghan people and documented cases of individuals then returning to the insurgency.91

Post 2014 scenario

59. The impact of the withdrawal of international troops remains to be seen and the opinions of analysts and other experts vary. Dr Gordon told us the most likely scenario was “somewhere towards status quo and partial meltdown in some areas, but with a central degree of authority and stability”.92 The UN has forecasted “a continued escalation of violent conflict fuelled by the departure of foreign security forces in country and subsequent increased humanitarian need, coupled with nominal humanitarian access or assistance.”93 Mercy Corps, an NGO working across Afghanistan and funded by DFID for its work in Helmand, was concerned by the potential spread of insecurity as tranches were

87 “Table Talk- Negotiating with the Taliban”, Jane’s Intelligence Review, 16 March 2012; “US sweetens Taliban prisoner proposal in bid to revive peace talks”, Reuters, 7 August 2012
88 “Afghanistan, Pakistan to resume talks on Afghan peace”, Reuters, 19 July 2012
89 “Meet with key Taliban chief in Pakistan to spur Afghan peace talks”, Reuters, 12 August 2012
90 UN Secretary General Report to the Security Council, The situation in Afghanistan and its implications for internal peace and security, June 2012, para 5
91 Ev w3
92 Q24
93 UN Consolidated Appeal Afghanistan 2012
handed over to ANSF, and the ISAF presence reduced. It told us that without a relatively secure environment, it was unlikely that economic and development progress would be achieved or maintained and that if fighting and conflict spread at the local level, the economy would almost certainly suffer.94

60. Security during and after transition depends on a number of variables, including the capacity of the ANSF in 2014, the support and the role of the ISAF contributing countries and the military advisers that remain on after 2014. Naysan Adlparvar, a researcher on Afghanistan, said peace hinged on:

- the amount, continuity and modalities of aid committed to Afghanistan; sources of growth; the emerging investment climate; the outcome and acceptability of the pending presidential elections; the role played by regional powers including Pakistan;
- and whether a political settlement with the Taliban, and other armed groups, is achieved and accepted by the Afghan people.95

61. While much of Afghanistan’s future economic stability depends on an improvement, or at minimum a halt, to the continued deterioration, of security, it also depends on continued financial support from the international community. The World Bank expects economic growth to slow up to 2025, and said that “sudden sharp drops in aid can be particularly destabilising by changing perceptions of the Government’s strength and encouraging political actors and armed groups to challenge the state’s authority.”96 Afghanistan has one of the highest aid dependencies in the world with 71% of its GDP funded by external assistance. Key donors have made significant, if reduced, pledges to support both the security forces as well as development and humanitarian assistance. As part of the $4.1 billion pledged annually for security forces at the NATO Summit held in Chicago in May 2012, the British Government has pledged to provide £70 million (approximately $110 million) annually. The Afghan Government aims to assume responsibility for these costs by 2024. The Tokyo Conference (discussed further in the next chapter) resulted in donors pledging $16 billion in civilian aid to Afghanistan up to 2015—a 35% decrease from current funding levels.

62. There is also a concern that as a result of the withdrawal of international combat forces there will be a reduction in spending by the military which currently bolsters the Afghan economy. There will no longer be the high level of demand for food and provisions from local Afghan businesses which supply the foreign military forces and there will also be the loss of wages for civilian staff, security guards and interpreters who work for ISAF. A dramatic fall in GDP at the point of transition would undermine security, fuel perceptions of the international community turning its back on the country and ultimately threaten stability. ISAF troop-contributing countries (including the UK) should therefore quantify the likely economic impact of military withdrawal and commit to spend part of the peace dividend they gain when they bring troops home on ODA to Afghanistan, particularly in the years immediately following withdrawal.

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94 Ev 36
95 Ev w56
63. It is currently unclear where any reduction in aid after 2014 will be focused or how quickly aid will decline. There is a risk of both security and development being underfunded, with a resultant deterioration in public services. Global Witness projected that “a reduction in foreign development assistance will correlate directly to a reduction in the Government’s ability to provide services, infrastructure projects, Government salaries, and security […]. There is a significant risk to development gains made in the past ten years if the transition is not carefully planned, and alternative and sustainable sources of funding are not secured.”

Dr Gordon said that one of his main concerns was if the amount of international oversight of Kabul’s expenditure was reduced there would be a further reduction of money flowing from Kabul down to the district level. He predicted that if that occurred it would have a dramatic impact on governance arrangements and make it more likely that other patronage systems would become more dominant and the informal sector of governance would end up dominating the formal. It is not just a potential decrease in aid money and the drawdown of troops that is likely to affect the economy. The World Bank noted:

Recent performance has been on a downward trend […] transition presents serious threats to growth and economic stability, but these do not directly stem from declining aid itself. Key economic vulnerabilities are risks of drought (which would adversely affect volatile agricultural production) and of falling business confidence as a result of worsening insecurity, corruption, governance and uncertainty over Afghanistan’s political future.

64. Impact at the local level is likely to vary, with provinces heavily dependent on aid tied to security objectives and on funding from the PRTs likely to be most severely affected. Mercy Corps highlighted that a large percentage of construction and related industries in Helmand were significantly bolstered by contracts awarded by the PRT. These range from the building of police checkpoints, road repair and school construction to repairs and maintenance of generators and electrical apparatus. It believed that without an international presence providing funding and overseeing these contracts the number and value would sharply decrease. Those which remained were likely to be awarded to a small number of companies, often based outside of Helmand and even Afghanistan, that have political support or links to Government officials. This meant that the construction boom that Helmand had experienced was likely to stall and previously working men of fighting age would be faced with fresh economic challenges.
65. A concern we heard whilst in Afghanistan was that the young and educated Afghans were already preparing to leave due to fear of what was going to happen post 2014. Ahmed Rashid believed that the exodus had already started and that this would have a detrimental effect on the civil service in which they were often working as well as the economy as it was losing its skilled labour.102

66. As this chapter demonstrates, the situation in Afghanistan is very complex. There are great uncertainties about the political, security and economic future of Afghanistan, notably: the outcome of the 2014 elections; whether there will be a political settlement; economic growth; and the role of Afghanistan’s neighbouring countries. In the light of these uncertainties DFID will need to be able to adapt. DFID will also need to continue to lead donors in pledging and disbursing aid so that there will not be any sudden drops in funding which could exacerbate an extremely fragile situation. Based on the assessment of the likely economic impact of military withdrawal, the UK Government should be prepared to do whatever it can to address this potential shortfall in spending including urging other governments to increase their aid commitments to Afghanistan to fill the economic gap.

102 Ahmed Rashid lecture to Chatham House, 'Afghanistan, Pakistan and the US withdrawal,' 20 April 2012
3 Aid in Afghanistan

History of aid in Afghanistan

67. Since 2001, donors are estimated to have devoted nearly $30 billion in development and humanitarian assistance to Afghanistan and the volume of aid has risen each year since 2001. Afghanistan is now the largest recipient of Official Development Assistance (ODA) in the world. However, aid for humanitarian and development programmes has been dwarfed by the amount spent on security—$243 billion.

Figure 3: International aid expenditure, 2002-2009 by sector

The United States is the largest donor by far, having provided 40.9% of the total aid between 2002 and 2009, followed by EU institutions at 7.8%, the UK at 6.9%, Germany at 4.8% and Canada at 4.4%.

68. There have been numerous donor conferences since 2001 and various development plans and agreements. Following the establishment of the interim Afghan Government at the Bonn Conference in 2001, the Tokyo (2002), Berlin (2004), London (2006) and Paris (2008) conferences saw donors pledge tens of billions of dollars in aid for reconstruction as well as the establishment of the Afghanistan Compact and Afghanistan National Development Strategy to guide donor investment in priority areas. More recently, the London (2010), Kabul (2010), Bonn (2011) and Tokyo (2012) conferences focused on examining donor commitments in relation to security transition, placing increasing

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103 Lydia Poole, Afghanistan: Tracking major resource flows 2002-2010, Global Humanitarian Assistance, January 2011
104 Lydia Poole, Afghanistan: Tracking major resource flows 2002-2010, Global Humanitarian Assistance, January 2011
105 Lydia Poole, Afghanistan: Tracking major resource flows 2002-2010, Global Humanitarian Assistance, January 2011
emphasis on capacity building of the Afghan Government and aid effectiveness. This includes the creation of 22 National Priority Programmes (NPPs), formulated by the Afghan Government to focus on key sectors including: peace/reconciliation, good governance, human resource development, infrastructure development, private sector development and agriculture/rural development. Since the Kabul Conference in 2010 only 16 of the 22 programmes have been finalised. We were told by DFID that “the Government of Afghanistan is yet to confirm how many are under implementation, although some NPPs contain existing programmes which have been under implementation for some time (e.g. the National Solidarity Programme).”

Achievements

69. International assistance has undoubtedly improved life for Afghans and built the capacity of Afghan institutions. In 2001, under the Taliban, less than one million children attended school. Today, over five million children attend school. The Basic Package of Health Services, a national programme managed by the Ministry of Health and implemented by NGOs, has expanded health coverage significantly. Mortality rates for children under age five have decreased by 40% on 2008 and infant mortality has decreased by 30%. Now more than one in three pregnant women receive antenatal care, compared to just 16% in 2003. Economic growth has been strong, if uneven and largely driven by aid, with significant improvement in Government revenue collection.

Criticisms

70. These gains are limited and fragile. Rory Stewart MP told us that much of the improvements in extending public services were achieved early on and in some areas have since eroded due to insecurity. An estimated 68% of the population have no sustainable access to improved water sources and almost 95% are without access to improved sanitation. Despite the success in expanding healthcare, for example, an estimated 5.4 million Afghans lack access to health services, 4.4 million of whom are female. An estimated nine million Afghans (nearly a third of the population) live in poverty. Child malnutrition is among the highest in the world: more than half of Afghan children (54%) are chronically malnourished (stunted), over a third (34%) are underweight and 72% of children under five suffer from key micronutrient deficiencies. One-third of the Afghan population cannot meet its daily caloric requirements and is considered chronically food insecure.

71. To date, only a minor proportion of aid has gone through the Government. This has limited the Afghan Government’s ability to build public services and strengthen governance systems. It has also meant that due to the lack of donor coordination and

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106 Ev 48
107 "Afghanistan Country Overview", World Bank website
108 "Afghanistan Country Overview", World Bank website
109 OCHA
110 "Afghanistan Country Overview", World Bank website
111 World Bank, Poverty and Food Insecurity in Afghanistan: Analysis Based on the National Risk and Vulnerability Assessment 2007/08, 2012
transparency the Afghan Government has been unable to track accurately aid expenditure. In addition there has been the problem of the creation of parallel systems and civil services by international donors to distribute their aid budgets. In 2010–11, the World Bank estimated that just 12% of aid was delivered ‘on budget’ and the Afghan Government estimated that 82% of external aid between 2002–10 bypassed the Government. Yet even when aid is delivered through the Government, the Afghan Government has a limited absorptive capacity. The Afghan Government is currently able to spend only an estimated 18 to 20% of the aid allocated to it by the US Government. Where the Afghan Government has succeeded in extending infrastructure, strengthening access to markets and improving access to basic services, it is largely reliant on services provided by the UN and NGOs.

72. We were told that where aid had gone through the Afghan Government it was not sufficiently reaching the provinces. BAAG felt that priorities were defined by the central Government, often with no engagement from rural populations about their concerns and needs. BAAG saw a further problem stemming from corruption and the lack of technical, financial and project management skills at the local government level which meant that funds coming through the line ministries were directed on ill-informed priorities or to corrupt individual and institutions. This resulted in a failure to deliver good quality services to the needs of local communities.

73. We heard significant criticisms of the effectiveness and allocation of aid from certain donors, particularly with regard to the increase of aid in recent years. David Loyn described the high volumes as leading to “an aid juggernaut in Afghanistan, which has corrupted the elite of the country, corrupted people in the countryside and made it far harder for any of the effective international actors, such as DFID, to operate well within the country.” Ahmed Rashid recently commented that the “enormous sums spent on development” have created “a corrupt, wasteful, inefficient aid-delivery system which only reinforces the Afghan dependency on foreign handouts.” It should be noted that these criticisms are not necessarily focused on DFID which is generally seen to be a successful donor by many commentators as discussed in the next chapter.

**Donor coordination**

74. Coordination among donors, all with differing priorities, has been a significant obstacle as it has led to poorly coordinated or ill-advised aid projects. Implementation of aid projects on the ground have often been fragmented among donors with complex structures. The UK is a member of the Joint Coordination and Monitoring Board (JCMB), which is jointly chaired by the Government of Afghanistan and the UN Assistance Mission to Afghanistan (UNAMA) with the aim of facilitating donor coordination. The JCMB

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114 Ev w38

115 Ev w38

116 Q5

117 “Aid will not sustain Afghanistan's economy”, Financial Times, 30 July 2012
meets regularly to monitor the Kabul Process, a plan agreed internationally in July 2010 at the Kabul Conference to support the transition to Afghan leadership and responsibility.

75. While we acknowledge that there have been some improvements in strengthening donor coordination, they have been too little and too late for a reconstruction effort of this scale. CARE, for example, described the JCMB as “toothless and tokenistic”.\textsuperscript{118} DFID is generally seen as better on donor coordination than others, particularly the US. David Loyn referred to the DFID as “one of the aid darlings over the years,” and said “the World Bank and DFID have worked together in Afghanistan in a very co-ordinated way.”\textsuperscript{119} CAI warned of the risks of poor coordination and duplication:

Any lack of co-ordination between donors at the programme level increases the risk that unscrupulous beneficiaries or suppliers or managing agents could obtain funds from multiple sources for the same purpose.\textsuperscript{120}

76. Part of the problem relates to a fundamental disagreement among some donors on strategy and objectives. Dr Gordon highlighted that:

within the aid community, there has been a renewal of good governance as a valid approach in conflict and post conflict environments. The only problem is, I think, that there are multiple definitions of good governance—of what the institutions, the policy, the strategy should look like.\textsuperscript{121}

Orzala Ashraf, Civil Society Activist, described how poor donor co-ordination had manifested at the district level, stating that, “every country, every government has their own priorities.”\textsuperscript{122} As an example, she pointed to the creation of three separate programmes, some of which received DFID support—National Solidarity Programme (NSP), Afghan Social Outreach Programme (ASOP) and the District Delivery Programme (DDP)—which in some places were being implemented in the same villages with duplicate objectives. She explained that NSP elected a Community Development Council (CDC) and ASOP appointed an ASOP shura (who unlike CDCs were paid but not elected) both at village level. The DDP created its own ‘shuras’ or councils at district level that were not linked up with either of the other structures. She added:

In some cases these are creating more conflicts and more confusion at a district level. I am not sure about DFID, but I can say that probably the same organisation or the same donor is funding both projects in a larger picture. There is a need to go back to it and avoid duplication of the services provided, or find some more practical means of co-ordination.\textsuperscript{123}

\textsuperscript{118} Q32
\textsuperscript{119} Q8
\textsuperscript{120} Independent Commission for Aid Impact, \textit{Programme Controls and Assurance in Afghanistan}, Report 6, March 2012, p8
\textsuperscript{121} Q22
\textsuperscript{122} Q32
\textsuperscript{123} Q32
77. Transition may provide new opportunities to address the weaknesses in donor coordination. Mervyn Lee of Mercy Corps felt, that with less overall aid money around, there would be a chance “to focus better and get better coordinated delivery of aid where it is needed most.”

Box 2

The National Solidarity Programme

- The National Solidarity Programme (NSP) was created in 2003 by the Ministry of Rural Rehabilitation and Development (MRRD), with assistance from the World Bank,
- The key objective of NSP is to build, strengthen and maintain Community Development Councils (CDCs) as effective institutions for local governance and social-economic development so that Afghan communities can identify, plan, manage and monitor their own development projects.
- NSP consists of four core elements:
  - Establishment of CDCs in a democratic manner;
  - Building the capacities of CDC and community members (both men and women) in a variety of areas, primarily in local-governance and in development.
  - Providing direct block grant transfers to fund approved sub-projects identified, prioritized and managed by the communities; and
  - Linking CDCs to Government agencies, NGOs, and donors to improve access to services and resources.
- 70% of rural communities have been mobilized, and more than 29,474 have elected local councils to represent them
- Grants have supplied more than USD 800 million to community-driven rural reconstruction and development programmes
- Grants are calculated at US$200 per family with an average grant of US$ 33,500 and maximum of US$ 60,000 per community
- NSP works with 29 implementing partner organizations, the majority of which are national or international NGOs.

Source: Afghan Government National Solidarity Programme website

The geographical spread of aid and Provisional Reconstruction Teams

78. Where aid has not gone through the Afghan Government, the Afghan Government has faced significant challenges in tracking the geographic distribution of aid, due in large part to lack of information from donors. The data they have been able to collect highlights the concentration of aid in Kabul as well as highly insecure provinces with a significant international troop presence. The table below, taken from the Afghan Ministry of Finance’s public reporting, shows the disparity of development spending:

124 Q34
125 Government of Afghanistan Ministry of Finance, Development Cooperation Report, 2010
32 Afghanistan: Development progress and prospects after 2014

79. Christian Aid was concerned that donors tended to focus on insecure areas, often where their national military forces were deployed, meaning some provinces received far higher aid levels than others not always on the basis of considerations of most urgent needs.\textsuperscript{126} Recent World Bank analysis showed that most aid since 2001 had been focused on security and governance rather than poverty reduction.\textsuperscript{127} This focus on insecure areas has meant that more peaceful provinces—where long-term gains in sustainable development are more feasible—have been neglected. Orzala Ashraf said that people in areas of relative stability in Afghanistan such as Bamiyan province joked that “Okay, we should also find some suicide bombers so that we get some more funding.”\textsuperscript{128}

80. The greater concentration of aid in insecure areas with international troop presence is based on the belief that aid will help facilitate or consolidate gains made by military forces in improving security, but evidence to support this contention is lacking. Governor Mangal highlighted how improved security has facilitated the expansion of infrastructure in Helmand, but it was unclear if these gains would be sustained if security deteriorated.

**Helmand Provisional Reconstruction Team and the Conflict Pool**

81. The Provincial Reconstruction Teams (PRTs) are a combination of international military and civilian personnel based in provincial areas of Afghanistan. Currently, there are 26 PRTs operating throughout Afghanistan. A lead nation retains responsibility for a PRT but some may also contain military and civilian personnel from other nations. Each PRT has three core tasks: to support the extension of the authority of the Afghan central Government; to support reform of the security sector; and to facilitate development and reconstruction.\textsuperscript{129}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure4_top10_provinces_aid_allocation.png}
\caption{Top 10 provinces by aid allocation (in USD millions)}
\end{figure}

\textit{Source: Afghan Ministry of Finance}

\textsuperscript{126} Evw2
\textsuperscript{127} Evw2
\textsuperscript{128} Q37
\textsuperscript{129} “Operations in Afghanistan: Reconstruction” Ministry of Defence website
\url{http://mod.uk/DefenceInternet/FactSheets/OperationsFactsheets/OperationsInAfghanistanReconstruction.htm}
82. The UK leads the PRT in Lashkar Gah, Helmand. As part of the PRT DFID works alongside the Foreign and Commonwealth Office and the Ministry of Defence. Approximately 60% of the UK Government's tri-departmental Conflict Pool programme is focused on Helmand supporting programmes aimed at conflict prevention, stabilisation and peacekeeping. Around 20% of the total Conflict Pool budget is allocated to governance and rule of law activities, including building Afghan capacity to deliver basic policing and justice services and supporting law enforcement programmes tackling high level narcotics and corruption offences. The Conflict Pool has also funded some infrastructure development in Helmand, including roads, power and irrigation repairs, and building provincial capacity to maintain them. Almost 80% of the UK’s Conflict Pool activities in Afghanistan are classed as ODA. 

83. Allocations to the Conflict Pool have significantly increased in recent years, from an allocation of £4 million in 2007–08 the allocation for 2012–13 will remain at the current level of £68.5 million. The following tables illustrate planned Conflict Pool spend and distribution by sector:

Table 1: Planned Conflict Pool spend by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>FY 11/12 spend (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban development</td>
<td>25</td>
</tr>
<tr>
<td>Justice</td>
<td>22.8</td>
</tr>
<tr>
<td>Non-ODA</td>
<td>7.9</td>
</tr>
<tr>
<td>Governance</td>
<td>6.3</td>
</tr>
<tr>
<td>Security</td>
<td>3</td>
</tr>
<tr>
<td>Culture</td>
<td>1.4</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1</td>
</tr>
<tr>
<td>ODA unclassified</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68.5</strong></td>
</tr>
</tbody>
</table>

Source: DFID supplementary submission

84. The PRT in Lashkar Gah will be closing in 2014 and DFID will no longer have a permanent representation in Helmand. The Helmand PRT is planning for a “gradual civilian drawdown”; DFID’s expects to revert to nationally managed programmes once the PRT has closed. Helmand will continue to benefit from UK aid through national programmes for example via the ARTF and support to the NPPs. Conflict Pool funding to Helmand will gradually decline in line with these plans. The following table shows current and future planned Conflict Pool funding:

Table 2: Current and future planned Conflict Pool funding

<table>
<thead>
<tr>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>£68.5m</td>
<td>£69.4m</td>
<td>£53.9m</td>
<td>£37.1m</td>
</tr>
</tbody>
</table>

Note: the Afghanistan programme recently returned £8m of its £69.4m allocation for FY 12/13 to the centre

Source: DFID supplementary submission

DFID said it is actively encouraging NGOs and donors, particularly multilateral donors, to increase their work in Helmand in its absence. In parallel the PRT is working with the
provincial government to ensure they are able to lead development efforts after 2014 and to be able to draw down resources from the central Government in Kabul. At the meeting with Governor Mangal in Helmand he told us that he would like to have a DFID presence in the province after the PRT closed. DFID staff however informed us that this would not be possible without the security of the PRT military base.

85. While PRTs have been an important interim structure through which security and infrastructure have been provided, we heard criticisms of PRTs. Mervyn Lee of Mercy Corps highlighted that each PRT ran a different national agenda and he hoped that donor co-ordination would improve once they all closed down in 2014. Orzala Ashraf said that the way in which some PRTs provided services had damaged the work of the NGOs and made it less secure from them to operate. While NGOs had tried to assume a neutral position and not associate with PRTs or other military actors, many had nonetheless been perceived to be aligned with the Government and international forces and threatened and attacked. She felt that even after the withdrawal of international forces, some NGOs might not be able to restore their reputation to work in areas where PRTs had operated and that would create gaps.

86. While we heard positive reports about cross-departmental coordination between DFID, FCO and MoD during our visit, others have offered a different point of view. The 2009 DFID evaluation noted initial problems they attributed to “approaches toward counter-insurgency, stabilisation, counter-narcotics, peace and development were not necessarily mutually reinforcing.” Past ambassador Sir Sherard Cowper Coles said that DFID had to fight for recognition and to get their policies implemented in country. Naysan Adlparvar told a similar tale:

Due to the highly political nature of the UK’s engagement in Afghanistan, and the potential implications of the UK’s relationship with the United States of America and NATO, British aid in Afghanistan has become highly politicised. This has resulted in a subordinate position for the developmental role of DFID in Afghanistan compared to the political role of FCO and the military role of the MOD. Increasingly, since British troops arrived in Helmand in 2006, DFID has continually been under pressure to increase total volumes of aid, and to target more aid toward Helmand (now over 31% of bilateral and Conflict Pool funding). The resulting increase in aid is channelled through both the bilateral programme and Conflict Pool, primarily in a bid to support FCO and MOD-led stabilisation operations in the province.

Such assertions are at least partially supported by DFID’s most recent (2009) Afghanistan Country Programme Evaluation, which stated that “to some extent this [pressure on DFID] constrained the choices available to DFID and undermined the coherence of its overall strategy.” However, the previous Secretary of State, Rt Hon Andrew Mitchell MP disputed this:

134 Q34
135 Q37
137 Sherard Cowper-Coles, Cables From Kabul: The Inside Story of the West’s Afghanistan Campaign 2011 p 112
I can categorically state that DFID is not a “poor relative” in Afghanistan. The UK Government recognises that military means, although essential, are not enough on their own to meet Afghanistan’s many complex challenges. Political progress, alongside governance and development, is also needed to address the underlying causes of the insurgency. But these cannot take place in the absence of security. An integrated approach is required to achieve a common goal; a safe and secure Afghanistan.138

The then Secretary of State confirmed that all DFID funding adhered to OECD Development Assistance Committee definitions of non-security aid and the DFID Afghanistan programme prioritised poverty alleviation.139 However, DFID has a dual mandate of poverty alleviation as well as providing “support[to] the UK’s National Security Council strategy helping Afghanistan resist extremism and achieve a lasting end to the insurgency.”140

87. Naysan Adlparvar questioned the effects of the Conflict Pool pointing to research carried out in Helmand, and published in 2011, which found that ‘aid’ used in the form of stabilisation operations “may have as many negative, unintended effects as positive ones and, at the very least, is not a panacea.”141 Dr Gordon agreed:

I think it was Petraeus—I might be wrong—who said, “Where the roads end, the Taliban starts,” but I think the reality is that where the road building starts, the Taliban benefit. The problem with much of the infrastructure work that has gone on through the international community outside of Government processes has been that it has created rent seeking opportunities and it has been a conflict driver as well, with diversion of money to the Taliban and to militia groups and also a real sense, in this sort of zero sum society where there are always winners and losers, that some people have benefited and others have not benefited from road building and all of the major infrastructure projects. That has been a source of conflict as well.142

88. While we agree with the then Secretary of State’s assessment that DFID staff should be relocated from Helmand to Kabul following the closure of the Provincial Reconstruction Team (PRT)—due to the lack of a secure base to work from following the departure of the military—the UK should not abandon Helmand. DFID and FCO staff should continue to monitor the situation closely and provide advice and support to the provisional government in Helmand, where it can help. While we support the shift towards a less Helmand-focused portfolio and presence, DFID should ensure this transition is gradual and continue to fund effective programmes to encourage rural development, education and good governance in the province managed by locally-engaged DFID staff. Security gains in Helmand have been achieved at a very high cost in terms of British lives, injured service personnel and support staff as well as military and development spending. The UK must not walk away from the province after 2014.

138 Ev 44
139 Ev 44
140 DFID Afghanistan, Operational plan 2011-15, June 2012
141 Ev w56
142 Q8
Tokyo Conference

89. There have been two key moments this year at which the international community and the Government of Afghanistan have firmed up commitments to Afghanistan—the NATO Summit in Chicago on security transition held on 21 May, and the Tokyo Development Conference on civilian aid through transition held on 8 July. A key outcome of the Tokyo Conference was to secure $16 billion in aid pledges up to 2015. It is hoped by DFID that these international commitments will align behind Afghan Government priorities including the 22 National Priority Programmes. Ahead of the Summit the then Secretary of State pledged:

that the UK would maintain its current funding levels of £178 million a year for the next five years and will continue to support Afghanistan through its ‘transformation decade’ to 2025 as long as the Afghan Government continues to deliver crucial reforms and results for its people.143

90. Additionally, at the Conference the international community and Afghan Government agreed a Mutual Accountability Framework for Afghanistan’s sustainable economic development for the Transformation Decade (2015-24). The Mutual Accountability Framework sets goals and objectives for a new commitment between the international community and Afghan Government, with indicators to be decided by the JCMB. A follow up conference is scheduled to be held in the UK in 2014. However, it remains unclear how these commitments will be met by both sides, and what—if any consequences—will result from a failure to do so. There have been persistent problems in the past in ensuring that donors have followed through their commitments; the last time the pledges were measured by the Afghan Ministry of Finance in 2008 donors had only dispersed 40% of the pledges they made to date.144

143 “International community must make long term and specific financial commitments at Tokyo Conference to secure Afghanistan’s future warns UK Development Secretary”, DFID Press Notice, 2 July 2012

144 Matt Waldman, Falling Short: Aid Effectiveness in Afghanistan, ACBAR, 2008
### Table 3: Aid pledged compared to aid disbursed to Afghanistan by international donors

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>38.0</td>
<td>28.4</td>
<td>10.9</td>
<td>28.8%</td>
</tr>
<tr>
<td>EU institutions</td>
<td>2.0</td>
<td>2.0</td>
<td>2.1</td>
<td>102.8%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.9</td>
<td>1.8</td>
<td>1.8</td>
<td>63.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>1.2</td>
<td>1.0</td>
<td>1.3</td>
<td>108.0%</td>
</tr>
<tr>
<td>Canada</td>
<td>1.7</td>
<td>1.2</td>
<td>1.2</td>
<td>70.3%</td>
</tr>
<tr>
<td>Japan</td>
<td>1.9</td>
<td>1.4</td>
<td>1.0</td>
<td>52.5%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
<td>102.4%</td>
</tr>
<tr>
<td>Norway</td>
<td>0.9</td>
<td>0.6</td>
<td>0.7</td>
<td>71%</td>
</tr>
<tr>
<td>India*</td>
<td>1.2</td>
<td>1.2</td>
<td>0.4</td>
<td>36.1%</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.3</td>
<td>0.5</td>
<td>0.4</td>
<td>79.6%</td>
</tr>
</tbody>
</table>

Notes: all disbursements are based on OECD DAC data, excluding India which is based on Afghanistan DAD data.


91. We questioned the then Secretary of State on how the Afghan Government would be judged to be abiding by the Mutual Accountability Framework and at what point aid money would be “turned off”—for example we asked at what level of corruption DFID would take the decision to suspend funding and whether it was clearly laid out for the Afghan Government. The then Secretary of State informed us that there was no such protocol as he needed to “maintain the flexibility to be accountable to Parliament.”

92. International development funding to the Afghan Government must be carefully monitored and conditions-based. If the transfer of aid ‘on budget’ increases without sufficient monitoring and quality control, corruption could get worse and access to basic services for Afghans could deteriorate. It needs to be made absolutely clear in an agreement between the international community and the Afghan Government at what level of not following through on commitments that aid funds would be reviewed and suspended. The Mutual Accountability Framework does not go far enough in this respect.

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145 Q68
4 DFID’s programme

93. Since the fall of the Taliban, DFID has contributed to a number of important advances in Afghanistan. It has contributed substantially to the expansion of access to education and helped increase tax collection from 3% to 11% through support to the Afghan Government. In Helmand, the UK has helped construct more than 100km roads, improved access to markets and in the past year has supported Mercy Corps in enabling over 3,500 Afghans to graduate from technical and vocational training programmes. It has supported the UN and Afghan Government to hold elections and provided sustained technical support to ministries in Kabul. DFID’s programme in recent years has also focused intensively on private sector and market development, including support to the mining sector and improving the investment climate in Afghanistan.

Overall strategy

94. The DFID Afghanistan programme budget is £178 million per year up to 2014–15 having been increased in 2010 by 40%. The programme operates nationwide supporting fifty projects. DFID’s 2011–15 Operational Plan for Afghanistan has three interrelated objectives: improving security and political stability; stimulating economic growth and job creation; and helping the Afghan Government deliver basic services. The UK also has a ten year Development Partnership Arrangement with the Government of Afghanistan (signed in 2005) which sets out shared commitments for deliverables around poverty reduction and aid effectiveness. The document is scheduled to be reviewed and updated by the end of 2012.

Box 3

<table>
<thead>
<tr>
<th>DFID goals for Afghanistan 2010-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2015, DFID aims to:</td>
</tr>
<tr>
<td>• Create 200,000 new jobs for men and women;</td>
</tr>
<tr>
<td>• Provide technical and vocational education and training for 45,000 young people;</td>
</tr>
<tr>
<td>• Enable over 200,000 more children to be in school – at least 40 % of them girls;</td>
</tr>
<tr>
<td>• Build or upgrade over 47 kilometres of roads in Helmand;</td>
</tr>
<tr>
<td>• Encourage at least 4.3 million Afghans (1.7m women) to vote in the 2013 local government and 2014 Presidential elections;</td>
</tr>
<tr>
<td>• Help the Afghan Government increase food grain production to six million metric tonnes;</td>
</tr>
<tr>
<td>• Help the Afghan Government improve public financial management, address corruption and strengthen delivery of basic services; and</td>
</tr>
<tr>
<td>• Reduce the impact of conflict and natural disasters through effective humanitarian aid.</td>
</tr>
</tbody>
</table>

Source: DFID submission Ev 40

146 Ev 40
147 Ev 40
148 DFID Afghanistan, Operational plan 2011-15, June 2012
95. Table 4 demonstrates which thematic DFID areas are being focused on in Afghanistan:

Table 4: DFID Afghanistan planned programme spend

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resource £’000</td>
<td>Capital £’000</td>
<td>Resource £’000</td>
<td>Capital £’000</td>
<td>Resource £’000</td>
</tr>
<tr>
<td>Wealth Creation</td>
<td>29,747</td>
<td>21,140</td>
<td>65,165</td>
<td>95,278</td>
<td>55,522</td>
</tr>
<tr>
<td>Climate Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and Security</td>
<td>34,168</td>
<td>75,835</td>
<td>17,746</td>
<td>59,778</td>
<td>59,5000</td>
</tr>
<tr>
<td>Education 150</td>
<td>140</td>
<td>27,000</td>
<td>40,621</td>
<td>34,200</td>
<td>28,500</td>
</tr>
<tr>
<td>Reproductive, Maternal and Newborn Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty, Hunger and Vulnerability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humanitarian 151</td>
<td>17,000</td>
<td>10,000</td>
<td>3,550</td>
<td>9,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Other MDGs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Partnerships</td>
<td>81,055</td>
<td>21,140</td>
<td>178,000</td>
<td>0</td>
<td>155,445</td>
</tr>
</tbody>
</table>

Source: DFID Afghanistan Operational Plan 2011-15

96. Dr Gordon of the LSE congratulated DFID for its “balanced portfolio of approaches”152 although he was concerned how DFID had originally assessed need in Afghanistan and to what extent it had sought to understand how the dynamics of the conflict could affect the prospects of success. Dr Gordon told us that DFID had not conducted a conflict assessment in Afghanistan until early 2008 and that there were questions over how effectively the assessment had been used to inform its programming—particularly as most of the strategies had already been set by then including the Interim Country Programme and the Helmand Roadmap. He said that there was a need to carry out conflict assessments

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149 Figures for 2010/11 to 2014/15 are planned budgets.
150 DFID Afghanistan support to the education sector is made indirectly through our annual contribution to the ARTF. It is therefore an estimate based on – i) Current levels of support required by the Afghan Government remaining constant – ii) The proportion allocated to each sector by the Government of Afghanistan remaining constant.
151 DFID Afghanistan will adjust its indicative resource allocation for 2012/13 to ensure at least £10m is allocated to the humanitarian pillar. This is in line with DFID Afghanistan’s humanitarian strategy.
152 Q10
early on and to integrate them into the planning stage. He recommended that DFID “recognise the conflict drivers, rather than simply superimpose template solutions”\textsuperscript{153}

97. There is great uncertainty about transition and upcoming elections in Afghanistan. DFID will need to be flexible enough in its work to be able to respond to developments on the ground. We recognise that there is an inherent tension between the pressure on DFID to be seen to be planning for a successful transition and elections—pursuing the line of the UK Government—and being able to plan for the unknown. We recommend that DFID carry out a portfolio review, that examines potential risks and impacts of transition on all of its programme. Such a review should contain actions which DFID and its partners could undertake to mitigate risks as well as contingency plans if transition and the election do not run as smoothly as hoped for. This review should be updated and re-examined on a routine basis as transition continues and we get closer to the elections.

**Afghanistan Reconstruction Trust Fund**

98. The Afghanistan Reconstruction Trust Fund (ARTF) is the main mechanism through which DFID distributes aid in Afghanistan. ARTF payments made by all donors, up to 2012, total $6.1 billion. The ARTF is seen as the main way by which donors can meet their Kabul Conference commitments to channel more aid through Afghan Government systems and to fund the National Priority Programmes (NPPs). To safeguard against corruption, the fund is managed by the World Bank, independently monitored and internationally audited.\textsuperscript{154} ARTF funds are only transferred to the Afghan Government when it has demonstrated that actual expenditure, conforming to strict eligibility criteria, has been made.

99. DFID said it was on track to channel up to 50% of development assistance through Government systems by July 2012 (as committed to by donors at the 2010 Kabul conference) and to align 80% of its programmes with the NPPs. Both commitments are expected to be met primarily via UK contributions to the ARTF.\textsuperscript{155} DFID has supported the ARTF since its inception and until 2010–11, was its largest cumulative donor; ARTF funding comprises more than half of DFID’s total spend in Afghanistan.\textsuperscript{156} The total UK contribution to the ARTF is £602.6 million (or US$1,128.22 million) up to 2012–13, averaging £54.78 million per year since inception. DFID is committed to contributing up to a maximum of £360 million from 2011 until 2014 to the ARTF.

\textsuperscript{153} Q8
\textsuperscript{154} Ev 41
\textsuperscript{155} Ev 41
\textsuperscript{156} DFID, *Business Case Support to the Afghanistan Reconstruction Trust Fund*, 2011-14, v 1.25, 11 November 2011
100. When we inquired about the distribution of DFID’s funding across the various programmes and sectors of ARTF, we received the following response from DFID:

It is notionally difficult and misleading to extrapolate sector spending on an annual basis because projects and programmes run in-between financial years. The best way to quantify spending by sector is to do it by cumulative spending and commitments from the inception of the ARTF up to now. As of June 2012, based on the total amount of money spent or committed for ARTF projects, $2.17 billion USD has gone into the Investment Window, which provides funding for development projects […]. Applying DFID’s approach of keeping ARTF funding unpreferred, the UK spend in the different sectors reflects the proportion of ARTF spend in the various sectors.

Based on that DFID gave the following estimated sectoral breakdown of its funding to the ARTF:

Figure 5: Distribution of DFID spending across ARTF sectors

![Distribution of DFID spending across ARTF sectors](image)

Note: Human development refers to health, education and vocational training

Source: DFID supplementary submission

In addition to this, DFID explained that:

A further $2.76 billion has been spent (or committed) through the Recurrent Window which provides funding to help the Afghan Government pay salaries and ‘operation & maintenance’ costs incurred in providing essential services. The breakdown of such expenditure in sectoral terms follows Afghan Government budget priorities.\textsuperscript{157}
101. A joint donor review of the ARTF carried out this year foresees that more money is likely to be pooled in the ARTF to help governments meet their commitments to put more money on budget through and following transition. While this review is an important step towards ensuring that the ARTF remains effective and accountable through transition, the review also predicts new risks and greater responsibility emerging with transition.\textsuperscript{158} DFID told us that specific recommendations and an action plan will be agreed by the end of 2012 by the ARTF Strategy Group which is comprised of key donors, including the UK and the Government of Afghanistan.\textsuperscript{159} The then Secretary of State told us that DFID watches the ARTF ‘like a hawk’ so we were therefore a little surprised when we questioned him on it that he seemed unaware the review had taken place.\textsuperscript{160}
Governance and security

102. In line with the aim of creating a viable state, DFID says it will help the Afghan Government to deliver key functions better and improve how it responds to the demands of citizens, including reducing corruption and providing basic services.\(^{161}\) Between now and 2015 DFID will be working towards the following governance and security results:

<table>
<thead>
<tr>
<th>Table 5: DFID expected results for governance and security 2011-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pillar/ Strategic Priority</strong></td>
</tr>
<tr>
<td>Governance and Security</td>
</tr>
<tr>
<td>Supporting Peace, Security and Political Stability</td>
</tr>
<tr>
<td>Governance and Security</td>
</tr>
<tr>
<td>Helping the State to Deliver</td>
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<td></td>
</tr>
<tr>
<td>ARTF Governance</td>
</tr>
</tbody>
</table>

**Source:** DFID Operational Plan 2011-15

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161 DFID Afghanistan Operational plan 2011-15, June 2012

162 This indicator can be found in the Asia Foundation’s Survey of the Afghan People 2010, an opinion poll carried out across Afghanistan. It provides an indication of the impact of Government of Afghanistan and donor efforts on Afghan people by asking for their opinion on the performance of the government. Support for the provincial government relates to security and political stability. The current baseline (78 %) provides an overly positive picture, real support is likely to be less than this as the interviewers were unable to go to some insecure areas and studies have shown that people refrain from criticising government and authority when questioned for opinion polls in Afghanistan. Despite this the survey is a useful indicator of the trend of progress.

163 The number of voters in Afghanistan has declined from 8.5m in 2004 to 6.8m in 2005 and 4.3m in 2010. DFID aims to help reverse this trend by providing support to maintain the current level, which will ensure 1.5 million additional voters take part, who will not vote if the decline continues.

164 The rate at which projected and actual budgets are spent is a good measure of public financial management in a country where government capacity is low. The proportion of projected budget actually spent is technically referred to as the “budget execution rate” and the proportion of funds made available actually spent is referred to as the “allotment execution rate”. 
**National governance**

103. The capacity of formal Government structures, most of which did not exist or were only marginally functional under the Taliban, have grown significantly since 2001. Much of this progress, however, remains limited to Kabul, where donors have concentrated the majority of their efforts.

**Box 4**

<table>
<thead>
<tr>
<th>Key DFID programmes for national governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Afghanistan Reconstruction Trust Fund, 2009-14, £364,200,000 ‘on-budget’ assistance to the Afghan Government to support the delivery of public service and governance reforms.</td>
</tr>
<tr>
<td>• Afghanistan Infrastructure Trust Fund, 2011-15, £35,091,200, which is managed by the Asian Development Bank and also receives funding from the Japanese Government, aims to improve transport networks and access to power and water supplies.</td>
</tr>
<tr>
<td>• Tax Administration, 2012-15, £19,000,000, to continue to strengthen Afghanistan’s domestic tax revenues.</td>
</tr>
<tr>
<td>• Strengthening the National Budget, 2007-12, £17,882,000, focused on enabling the Ministry of Finance to coordinate aid funding and implement Public Financial Management reforms in key line ministries.</td>
</tr>
<tr>
<td>• Strategic Support to the Ministry of Interior, 2010-14, £7,230,000, which aims to support the capability and accountability of the ministry.</td>
</tr>
<tr>
<td>• Public Administration Reform, 2010-12, £7,040,000, which aims to extend representation and accountability within national and provincial level government.</td>
</tr>
<tr>
<td>• Support for Forensic Audits, 2011-13, £7,000,000, to help implement the banking sector strategy so that banking services and customers are less at risk.</td>
</tr>
<tr>
<td>• Improved Macroeconomic Governance, 2010-12, £6,000,000, supporting the IMF across multiple countries to improve macroeconomic governance and policy.</td>
</tr>
<tr>
<td>• Advisory and Capacity Building Support for the Independent Directorate for Local Governance, 2011-12, £1,048,085, improving the performance of the IDLG in policy development, programme management and transition planning.</td>
</tr>
<tr>
<td>• Statistical adviser, 2009-13, £843,324, to support capacity building of Government of Afghanistan in the area of Official Statistics and Results-Based Management.</td>
</tr>
</tbody>
</table>

Source: DFID website, Afghanistan Projects

104. The table above shows where the DFID governance funds are spent. The majority of the money in the portfolio goes to the Afghan Reconstruction Trust Fund (ARTF) at £364,150,000 for the period from 2009 to 2014. As described earlier in the report the ARTF is used by the Afghan Government to provide basic services but it is also used explicitly to further governance objectives, such as pay and grading reform, through the public administration reform process and to strengthen Ministry of Finance budgeting and monitoring capacity.165

105. DFID has supported a number of other capacity building and administrative reform programmes. This includes often seconding expatriate consultants to key ministries in Kabul to provide technical assistance to improve systems and processes. Current programmes include initiatives to further strengthen revenue collection and support to the Independent Directorate of Local Governance. DFID has been criticised for its reliance on such forms of technical assistance, which have sometimes been seen as inappropriate, costly and ineffective.166 A recent study of Afghan perceptions of UK aid found that “senior

165 DFID website: Afghanistan Programmes, ARTF Logical Framework
Afghans within the Government express disillusionment with the ‘support’ they have been provided, claiming instead that they have been ‘substituted’ for a time, until a break comes and a different consultant arrives.\textsuperscript{167}

106. Taxation and revenue collection have been a key component of DFID’s governance capacity building efforts at national level. DFID’s operational plan 2011–15 says it will continue to help the Afghan Government raise and manage its own funds, including tax revenue, to help Afghanistan reduce dependence on aid over time.\textsuperscript{168} It has funded several past projects, including an approximately £23million programme to strengthen tax administration within the Ministry of Finance, and it is now funding a £19million project to continue to increase domestic tax revenues. Tax revenue was approximately £1.65 billion in 2010–11, up 26% from the previous year.\textsuperscript{169}

107. DFID’s most recent (2009) Country Programme Evaluation in Afghanistan assessed DFID’s ‘state-building’ portfolio. The evaluation concluded these contributions were overly focused at central levels of the state and delivered only limited improvements in service delivery and the perceived legitimacy of the state at local levels.\textsuperscript{170} According to Naysan Adlparvar, “recent discussions with DFID staff members and independent analysts indicate that circumstances have not greatly changed since 2009.”\textsuperscript{171} Additionally, DFID’s viable state pillar appears to be premised on several assumptions that, at present, have not been borne out, including the establishment of a political settlement. Naysan Adlparvar argued that this approach ignored several important factors:

First, as a stable political settlement has not yet been achieved in Afghanistan, and violence is escalating across the country, the importance of demonstrating developmental results and improving perceptions of the state at local levels is paramount. This is unlikely to be achieved with the UK’s present bilateral aid programme, as DFID’s work is mostly focused at developing the functions of the central institutions of the state in Kabul.\textsuperscript{172}

108. While we recognise the importance of building the capacity of central Government, the value for money of the policy-focused approaches that DFID has implemented in recent years is still unclear. Their sustainability is also highly questionable. Through transition, the ability of the Government to perform tasks—such as delivering basic services and maintaining the rule of law—will be critical, especially with reduced international support. We recommend that DFID be prepared, as Afghanistan, moves closer to 2014 to be able to shift the focus of its governance programme away from consultants in Kabul towards helping the Afghan Government deliver basic services at a local level.

\textsuperscript{167} Edwina Thompson, Losing the Ability to Dream: Afghan Perceptions of UK Aid, BAAG, p 30
\textsuperscript{168} DFID Afghanistan, Operational plan 2011-15, June 2012
\textsuperscript{169} Ev 40
\textsuperscript{171} Ev w55
\textsuperscript{172} Ev w55
109. It may be necessary for the National Security Council (NSC) to redefine DFID Afghanistan’s unique priority of “creating a viable state”. Although it is preferable to build a better state it is not in the hands of DFID to achieve this when there are so many other factors at play such as the situation in Afghanistan’s neighbour Pakistan. This priority set for DFID may become harder, if not impossible, to work towards in the absence of a political settlement and if the security situation deteriorates in Afghanistan. Instead the Government should consider setting DFID the objective of delivering measurable benefits for the people of Afghanistan and of working with partners who can operate under any Afghan Government.

**Sub-national governance**

110. DFID provides additional support to governance at the sub-national level. It has a particular focus on reforming the sub-national governance legal and policy frameworks and improving local service delivery. It had also committed £23.5 million over five years to the UNDP-implemented Afghanistan Sub-national Governance Programme (ASGP). However, DFID’s support to the ASGP was suspended in September 2011 two years prior to the planned end of the project following a poor joint evaluation.

111. While in Afghanistan, we were consistently told of a substantial disconnect between the central Government in Kabul and government structures at the sub-national level. David Page of AfghanAid was concerned that government at local level:

> is still not empowered and not well staffed. I think that is a very important area DFID should take an interest in, because we have been dealing with an extremely centralised Government, and people have been talking about the need to improve sub-national governance for a long time, but it actually has not happened.173

112. In light of the continuing gap between the centre and sub-national government, we welcome DFID’s recent review of its approach to sub-national governance. We were told that some of the headline findings and subsequent discussion had highlighted the need to strengthen the relationship between the centre and the provinces through longer term institution building, reforming the budgeting process and improving the participation and oversight of provincial government structures.174

113. A concern we heard whilst in Afghanistan was about the appointments made to sub-national government being made from Kabul instead of locally. There needs to be more middle ranking provincial and local government officials with an understanding and the support of their local communities without the interference of central Government in appointments. There particularly needs to be more women in such positions.

114. Strengthening sub-national governance, particularly at the district and village level, and improving funding flows between central Government and the provinces will be essential in the lead up to transition.

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173 Q31

174 DFID visit briefing
Provincial governance

Box 5

<table>
<thead>
<tr>
<th>Key DFID programmes for provincial governance</th>
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<tbody>
<tr>
<td>• The Governor’s Performance Improvement Programme (GPIP), 2009-13, £9,500,000, aims to improve sub-national governance through financial incentives to provincial governors.</td>
</tr>
</tbody>
</table>

Source: DFID supplementary submission Ev 49

115. In each of Afghanistan’s 34 provinces, governance structures include Governor’s office, Provincial Councils, Provincial Development Committees and Provincial Assemblies. While Provincial Councils are elected, the remainder of these are appointed by the President on the recommendation of the Independent Directorate of Local Governance (IDLG). Additionally, most line ministries responsible for basic services maintain offices in provincial centres.

116. The UK provides support to the Governors of a number of provinces including Helmand through the Governor’s Performance Improvement Programme (GPIP) (£9.5 million over three years). The GPIP, which began in 2010, provides a monthly stipend of $25,000 for Provincial Governors to use for operational activities, contingent upon satisfactory quarterly evaluations of their performance. The second strand of GPIP is the Helmand Transitional Budget Support Fund (HTBSF) which provides $37,000 on the same performance terms to the Governor of Helmand, taking account of the particular needs of that province.

117. ICAI points out that the Governors’ Performance Improvement Programme is unlikely to enjoy continued support from other donors through transition. Several of DFID’s core programmes in governance and other sectors rely on the continued support of other donors. It is important for DFID to assess thoroughly which multilateral partnerships remain viable through transition and the long term sustainability of incentive programmes such as the Governor’s Performance Improvement Programme. DFID should consider the risks of other donors pulling out of or substantially reducing funding to multi-donor programmes and plan appropriate responses and risk mitigation measures.

District governance

Box 6

<table>
<thead>
<tr>
<th>Key DFID programmes for district governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The District Delivery Programme (DDP), 2011-2014, £18,407,490, which aims to increase state legitimacy at district level through targeted delivery of basic services.</td>
</tr>
</tbody>
</table>

Source: DFID website, Afghanistan Projects

118. District governance remains weak and unclearly defined. Across Afghanistan’s 398 districts, there are district governors appointed by the President on the recommendation of IDLG along with a variety of ad hoc bodies, often created through aid programmes.
Planned district council elections have not been held and no date has been set for them. The Government has in principle agreed to a roadmap for the creation of a single district-level body by September 2012. What formal structures do exist at district level are often ill-equipped and lack funds: only slightly more than half of all district governors have any staff or vehicles.175

119. The main programme of donor support at district level is the District Delivery Programme (DDP), which aims to increase Government legitimacy by improving the Government’s capacity to deliver a tailored package of basic services according to local priorities. The UK supports the implementation of DDP in Helmand. To date, seven districts have developed plans following consultations with the local community and procurement has started for over 40 development projects worth £7.4 million. The UK has agreed to provide an additional £20 million to support the further roll out of DDP in Helmand and in up to five other provinces up to 2014.

120. The DDP was set up in response to the need to establish the presence of the state in recently secured districts following military operations, not necessarily as part of an Afghan Government-led governance strategy. As such, we have heard criticisms that donor money going to district level was poorly coordinated and too driven by political and military counterinsurgency objectives.176 We were told that DDP accompanied—and occasionally risked duplicating—other programmes such as the Afghan Social Outreach Programme, which was initially driven by US Special Forces (see section on donor co-ordination).177

### Village governance

**Box 7**

**Key DFID programmes for village governance**

- The National Solidarity Programme (NSP), £31,000,000, which aims to lay the foundation for community level governance through supporting community governance structures and supporting community-managed development and reconstruction projects. Funding was provided 2003-2010 directly, it is now funded by DFID through the ARTF.

Source: DFID website, Afghanistan Projects and DFID supplementary submission Ev 51

121. At village and community level, governance structures are largely informal, such as groups of elders or other esteemed community members, and their links to district, provincial and national government structures are often weak. For the purpose of implementing the National Solidarity Programme (NSP), the Ministry of Rural Rehabilitation and Development (MRRD) has formed nearly 30,000 Community Development Councils (CDCs) across 70% of Afghanistan.178 The CDCs are informally elected by community members. Our predecessor Committee saw the value of the CDCs and recommended that they should be formalised but it is unclear if this will happen. The 2009 evaluation of DFID’s programme in Afghanistan urged DFID to prioritise the

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176 Q32

177 Q33


Formal discussions on the status of CDCs are on-going, and part of wider discussions on sub-national governance including district representation. The World Bank, in collaboration with the Ministry of Rural Rehabilitation and Development, has commissioned three studies related to the sustainability of CDCs, including a study on how CDCs could be transitioned to village councils. The UK and other donors are working closely with the Afghan Government and the World Bank on this issue.\footnote{Ev 49}

122. The UK supports the NSP through its contributions to the ARTF. CDCs are supported to identify community priorities and given a block grant (on average, approximately $35,000) to design programmes to address these issues. The Asia Foundation found that local communities had more confidence in the CDCs’ ability to implement effective development projects in comparison with their local government departments, who are subject to budgets and priorities determined at the national level and often fail to effectively implement development projects that respond to community needs.\footnote{Ev w38}

123. The future of the NSP, which is now nearly a decade old, and of CDCs (through the transition period) remains unclear. Dr Gordon questioned whether CDCs would be able to survive without donor money.\footnote{Q2}

124. DFID should work with the World Bank, Afghan Government and National Solidarity Programme (NSP) stakeholders to develop a clear view on the future of Community Development Councils in formal governance frameworks. It should also push for greater links between these community-level structures with broader district and provincial government. While NSP has been regarded as a highly successful programme, we urge DFID to work with the World Bank to clarify its objectives, particularly with regard to governance, and improve monitoring of its impact on local governance.

\begin{footnotesize}
\footnote{Ev 49}
\footnote{Ev w38}
\footnote{Q2}
\end{footnotesize}
**Civil society**

**Box 8**

<table>
<thead>
<tr>
<th>Key DFID programmes for civil society</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strengthening Civil Society (Tawanmandi), 2011-16, £19,950,000, aims to support civil society through a trust fund that will distribute small grants to Afghan organisations. Hopes to improve the Government’s accountability, responsiveness and respect for human rights.</td>
</tr>
<tr>
<td>• Civil Society Partnership, 2011-13, £506,268, aims to strengthen civil society ability to influence policy, development and aid effectiveness, together with the British and Irish Agencies in Afghanistan Group (BAAG).</td>
</tr>
</tbody>
</table>

Source: DFID website, Afghanistan Projects

125. DFID says it recognises the need for a vibrant and effective civil society to ensure ordinary Afghans, including women and girls, can have a greater say in their lives and hold their government to account. It recently launched a major new Afghan civil society strengthening programme, co-funded with Denmark, Norway and Sweden called Tawanmandi.183 Tawanmandi aims to see “a durable political settlement and democratic environment is fostered through more inclusive, issue-based politics and increased public confidence in the state” and “to improve the Government’s accountability, responsiveness and respect for human rights.” 184 It established a foundation that provides grants to civil society in the broad areas of human rights, justice, anti-corruption, peace building and conflict resolution and media.

126. While civil society actors have grown significantly since the fall of the Taliban, ‘civil society’ remains a relatively new concept and is little understood by the wider population. Recent research on civil society actors found that they were still struggling with how to develop effective programmes and “have received little consistent, substantial or helpful international support.” 185 The Afghan Government also appears to have a limited understanding of, or resistance, to their role.186

127. The 2009 Evaluation found that DFID “has taken policy decisions that have seen the enhancement of some relationships at the expense of others, notably a diminishing link with civil society.” 187 However, this has changed very recently with the advent of the Tawanmandi programme. BAAG commended DFID for being the lead agency and one of the main funders of the Tawanmandi programme. It believed it could be a highly effective tool to improve governance but it would take time and technical support, not just funding, to develop the capacity of civil society organisations, particularly at the district level.188

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183 Ev 41
184 DFID Intervention Summary: Tawanmandi
185 Elizabeth Winter, Civil society development in Afghanistan, London School of Economics and Political Science/Centre for Civil Society/ Economic and Social Science Research Council Non-Governmental Action Programme, 2010
186 Ev w37
188 Ev w37
128. It is important that civil society is supported not only to oversee the Afghan Government but also to help preserve the freedoms and rights won by Afghans during the past decade. Despite being a fairly new programme, Tawanmandi shows enormous promise as a vehicle to support civil society capacity and partnerships. DFID must closely monitor this programme, seek to learn from any shortcomings and proactively take steps to identify further avenues for support to civil society.

2014 and 2015 elections

Box 9

<table>
<thead>
<tr>
<th>Key DFID programme for elections</th>
</tr>
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<tbody>
<tr>
<td>• ELECTII, 2012-13, £12,000,000, to support elections through a UNDP-managed multi-donor pooled fund aiming to strengthen the Independent Electoral Commission.</td>
</tr>
</tbody>
</table>

Source: DFID supplementary submission Ev 49

129. For the 2009 and 2010 elections, DFID provided £7 million to support the Independent Electoral Commission to manage the election process. It recently approved £12 million up to December 2013 for ELECT II, managed by UNDP and seeking to support the Independent Electoral Commission in their conduct of the 2014 and 2015 elections. Key areas of focus include: setting up a new voter registration system; building capacity of electoral officials at central and provincial levels; construction of provincial offices for the Independent Electoral Commission; and early voter outreach, particularly to women and other marginalised groups. DFID has also set aside an additional £3 million, which it will access if required. Underscoring the importance of the upcoming elections, the then Secretary of State commented:

I believe it is essential that the elections in 2014 are seen as freer and fairer than before, at the very least. [...] the emphasis that I got during my visit was that there was more concern about the elections being a driver of greater stability than there was about fear of instability resulting from the drawdown of the troops. This is an extremely important area, where the international community will need to work together in a creative and effective way to help the Afghan authorities deliver elections that are credible and carry both local and international support. This was a point that was touched upon in Tokyo, and we will be working to do just that.¹⁸⁹

130. News reports indicate that preparations for the next round of elections appear to be behind schedule and insufficient to prevent the kind of fraud and contestation seen during the 2009 and 2010 elections. Ahmed Nader Nadery, chairman of the Free and Fair Election foundation, recently commented:

¹⁸⁹ Q94
We don’t see the movement right now on preparations for the elections. These early stages are critical for ensuring the processes work later on and the Afghan people elect a president that will lead the country through a critical transition.190

David Loyn told us that voter registration was key, stating that “the elections in these countries are stolen not at the ballot box; they are stolen at the registration points.” He suggested:

Continuing oversight of election monitors and of the registration process, and financing it properly with proper international scrutiny.191

131. Orzala Ashraf testified about the demand for democracy but also the anger and lack of public confidence in elections due to fraud. She recounted what a female member of a Community District Council told her in reference to the national elections: “democracy was good, but the elections ruined it”.192 Orzala explained that the woman had been involved in the National Solidarity Programme where there had been a relatively safe, clean, accountable and transparent process of elections for a Community Development Council. The problems came with the larger Presidential and Parliamentary elections where corruption and the practice of buying votes became widespread. The woman told her that “This kind of election ruined what we were going through in a very smooth way.” Orzala believed that this demonstrated the need for a long term commitment to building democratic institutions from the bottom to the top, and not just through ad hoc programmes.193

132. We welcome DFID’s support for elections and we note our witnesses’ emphasis on the importance of preparation for elections and in the registration of voters. We recommend that DFID give due emphasis to this. We also recommend that during the elections there is a strong international presence of election monitors alongside continued support for Afghan institutions such as the Independent Electoral Commission to try to mitigate the problems which plagued past Afghan elections.

Justice system

133. DFID supports the Foreign Office’s lead on the Rule of Law. In the past, DFID has funded the position of an international Transitional Justice Advisor within the Ministry of Justice and an Aid Effectiveness Coordinator for Rule of Law. Both of these initiatives ended in 2011. DFID also provides support to the Justice Reform Project through the ARTF, which seeks to harmonise reform in the justice sector and aid the Afghan Government to operationalise its justice sector strategy. The project is being implemented by the three UK justice institutions: the Ministry of Justice, the Attorney General’s Office and the Supreme Court. Of the project, DFID commented:

191 Q6
192 Q31
193 Q31
While this has been a broadly positive development, the sector continues to face major challenges and the project has been slow to implement. There are plans for a second phase of the Justice Reform Project, which would extend the scope of the programme to include the informal sector, improving access to justice by ordinary Afghans.  

134. The 2009 DFID Evaluation found that “significantly greater attention to the justice system is warranted.” However, DFID currently appears to provide relatively little support to the justice sector aside from the ARTF-funded Justice Reform Project. DFID said that this is because the Foreign Office now leads on the justice sector.

135. Gerard Russell noted that there has been some progress is expanding the reach of the formal justice system, even though “the number of judges had never been adequate to cope with the cases” and “there is a perception that justice is a very corrupt process” because:

> You pay money to the judge if you want the case resolved your way. Many Afghans have told me that they themselves have—for example, in civil disputes over land—paid according to the acreage, essentially, and the judge then will decide in their favour if the other side has not paid more.

136. Human Rights Watch said that Afghanistan’s justice system remains weak and compromised, and a large proportion of the population relies instead on traditional justice mechanisms, and sometimes Taliban courts, for dispute resolution. Human rights abuses are endemic within the traditional justice system, with many practices persisting despite being outlawed. For example, the practice of ‘baad’, where a family gives a girl to another family as compensation for a wrong, continues even though it is banned by the 2009 Law on Elimination of Violence against Women. We are therefore concerned by the then Secretary of State’s apparent support for traditional justice shuras in Afghanistan. He told us that when he recently visited the country he was given:

> Very encouraging evidence of the fact that shura-based justice had taken route and was re-emerging.

On a more positive note the then Secretary of State informed us that there were now more than 400 female defence lawyers in Afghanistan—up from three nine years ago. Although this figure pales against the fact that over half of woman in Afghan prisons and virtually all teenage girls in juvenile detention facilities are there for ‘moral crimes’ such as ‘running away’ known as ‘zina’ which is nowhere to be found under the Afghan Penal Code and contrary to Afghanistan’s international legal obligations.

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194 Ev 49
196 Ev 49
197 Q19
198 Ev w31
199 Q99
200 Q54
201 Human Rights Watch, “I had to run away”: *The imprisonment of Women and Girls for “Moral Crimes”*, 2012
Education

**Adult education and vocational training**

137. Education and skill levels for the adult population have slightly improved, although 81% of adults are illiterate with 93% of women illiterate and a high variance between rural and urban areas. This significantly constrains the adult population’s access to information, skills advancement and personal development, and demonstrates the challenge facing Afghanistan in fully engaging its human capital to move the country away from aid dependency. DFID funds the INVEST programme implemented by Mercy Corps in Helmand, which has been highly successful in providing vocational skills. Since starting last year, 7,000 people have qualified, including 1,200 women, and 80% of their programme graduates have either started their own businesses or have got jobs. As Mercy Corps pointed out, adult education and training on technical and vocational skills are critical to alleviating Afghanistan’s high unemployment and creating sustainable economic growth.

**Primary and secondary education**

138. Twenty-six percent of DFID’s annual ARTF contribution of £85 million goes to education. To date, DFID has played a key role in supporting education progress, including by paying the salaries of 160,000 teachers, building national planning systems and reaching communities in insecure regions via NGOs. In addition, DFID’s financial contribution to the Global Partnership on Education will help support Afghanistan’s grant of $55.7 million to improve access for girls in 40 isolated and impoverished districts, as well as programmes to increase the number of female teachers.

<table>
<thead>
<tr>
<th>Pillar/ Strategic Priority</th>
<th>indicator</th>
<th>Baseline (including year)</th>
<th>Expected results (including year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARTF Education Getting the State to Deliver</td>
<td>Number of children attending primary school.</td>
<td>3,943,337 children attending primary school in 2009/10 (of which 1,534,725 were girls).</td>
<td>DFID will contribute to 5,422,671 children attending primary school in 2013/14 (of which 2,169,068 are girls).</td>
</tr>
</tbody>
</table>

Source: DFID Operational Plan 2011-15
Box 10

<table>
<thead>
<tr>
<th>Key DFID education programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Support to the ARTF for education, supporting salaries, training teachers and health workers, providing essential materials, and the repair and construction of schools.</td>
</tr>
<tr>
<td>• Technical and Vocational Education Training Programme, 2011-14, £500,000, to support delivery of the Afghan Government’s national priority programme on technical vocational education and training.</td>
</tr>
<tr>
<td>• INVEST programme through Mercy Corps in Helmand for vocational training.</td>
</tr>
</tbody>
</table>

Source: DFID website, Afghanistan Projects

139. There appears to have been fairly steady progress since 2005 in education indicators. Overall primary school enrolment rates have increased from 37% in 2005 to 52% in 2007–2008, with 42% enrolment of girls and 60% for boys. However, the UN still warns of a “silent crisis” for the 48% of children not in school, 60% of which are female. With major efforts focused on boosting enrolment levels, this is now positively reflected in illiteracy rates declining among youth in urban areas. The same, however, is not true in rural contexts, where literacy rates remain low—40% as compared to 70% in urban areas, and the gender gap is significantly wider. There is also some question over the reliability of enrolment figures, as a 2011 Oxfam report uncovered a significant number of “ghost” teachers on the payroll and a large gap between official enrolment and school attendance. Approximately 22% of female students and 11% of male students were classified as temporarily absent, absent for most or all of the year, or permanently absent, which suggests that many may have dropped out.206

140. While enrolment has shown significant progress, there are growing concerns over the quality of education. Orzala Ashraf told us:

Students who graduate the 12th grade are not comparable with 12th grade students from 15 or 20 years ago. They are not, in some cases, even able to write their names when they have graduated after 12 years of education. Why? It is because of the very poor quality of education that we have. Too much focus, over the last 10 years, has been on the infrastructure and enrolment. What we hear all of the time about the very glorious picture of education is that 7 million girls are going to school […]but nobody talks about how many are dropping out or what they are learning there. Quality of education is another thing that should be one of the priorities in this period.207

Research by Save the Children echoed this; in a sample school only 43% of children in grade 3 could read with comprehension.208 Save the Children recommended enhancing teachers’ literacy instruction skills and enhancing literacy habits at the community level by involving parents in their children’s learning.209

141. In line with donor pledges to channel more aid through the Government, donors have been channelling aid away from NGO-based programmes—the majority of which are

207 Q45
208 Ev w12
209 Ev w12
implemented in coordination with or on behalf of the Ministry of Education (MoE)—directly to the MoE. While supporting the aim to put more money on budget, NGOs have cautioned against doing so too quickly. A lack of ministerial infrastructure and/or human resources in many areas (particularly outside of cities and towns), or a lack of community acceptance of Government presence, means that not all classes established by NGOs can or will be continued by the MoE once the transfer of those classes to ministry management is complete, particularly if the transfer process is rushed.210 Of the 600 classes that CARE211 handed over to the MoE, one-third of these classes were discontinued because the MoE was not able to incorporate them into their annual plans and budgets. Students were informed to report to the nearest formal MoE school instead, resulting in a lot of boys and almost all of the girls dropping out. In some cases the MoE replaced teachers with what they considered as more qualified teachers—from outside the community. As a result, many of the girls were withdrawn by their parents who did not know or trust the teacher. Additionally, in conflict areas the Government may not be able effectively to provide education, with Government officials and schools targeted by the insurgency. Mercy Corps pointed out that the reason they were able to facilitate secondary education for women in Helmand is because they were not associated with the Government and had long standing ties to the communities they worked in.212

142. A further concern was the lack of secondary school education in Afghanistan. CARE highlighted that there was a large cohort of children approaching the end of their primary school education, with no options for further education ahead of them. It said that while the initial donor and Government focus on primary school enrolment had yielded significant results, there had been an insufficient focus on the quality and continuity of education at higher levels. There is enormous demand for high quality education: according to the 2011 Oxfam survey, 85% of girls attending school wanted to continue their education yet women comprise just under one-fifth of university students.213 Whilst in Afghanistan we were encouraged to hear that parents were increasingly appreciative and supportive of education for their daughters and were wanting to carry on with their schooling. We also heard concern that the provision and quality of secondary and higher education was insufficient to stimulate jobs and economic growth, and fill the professional sectors with capable, qualified individuals.214

143. We welcome DFID’s continued funding to the ARTF to support the Afghan Government’s efforts to expand and improve education services through support to teacher salaries and other means. However, there is greater scope for DFID to focus more on secondary and adult education, and to improve the quality of education. Important lessons on the added value of NGOs in some circumstances can be learned, particularly with regard to vocational and community-based educational programmes as DFID’s support to Mercy Corps programmes in Helmand demonstrates.

210 Ev 38
211 CARE International has been present in Afghanistan since 1961 providing assistance to vulnerable Afghans Ev 37
212 Ev 37
214 Ev 39
Wealth creation

144. Wealth creation encompasses a wide range of activities, with DFID’s operation plan for 2011–15 stating its priority areas as: large-scale infrastructure, agriculture, business development, community infrastructure, and improving the conditions for private investment (including in the key minerals sector) and creating jobs.215

Table 7: DFID expected results for wealth creation 2011-15

<table>
<thead>
<tr>
<th>Pillar/ Strategic Priority</th>
<th>Indicator</th>
<th>Baseline (including year)</th>
<th>Expected results (including year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wealth Creation</strong></td>
<td>Number of jobs created for Afghan men and women (Full-Time Equivalent jobs).</td>
<td>Zero jobs created for Afghan men and women at March 2011.</td>
<td>20,000 jobs created for Afghan men and women by 2015.</td>
</tr>
<tr>
<td><strong>ARTF Wealth Creation</strong></td>
<td>KMs of rural roads rehabilitated.</td>
<td>774 KMs of secondary rural roads and 887 kms of tertiary roads rehabilitated between 2008 and 2011.</td>
<td>DFID will contribute to the rehabilitation of i)1,100 km secondary rural roads and ii) 1,195 km of tertiary rural roads by 2013.</td>
</tr>
<tr>
<td></td>
<td>Agricultural production under irrigated land.</td>
<td>2.5 tonnes per hectare in 2011.</td>
<td>DFID will contribute to 2.75 tonnes per hectare yield of wheat produced under irrigated land by 2013/14.</td>
</tr>
</tbody>
</table>

Source: DFID Operational Plan 2011-15

Private investment and mining

145. DFID’s wealth creation programme has a strong focus on private sector development. It is supporting reforms to regulatory and policy frameworks in leading economic sectors including the extractive industries and agri-business to create an appropriate investment climate. It is also encouraging international private sector investment, including in Afghanistan’s mining sector, and access to finance for small and medium sized enterprises.216

Box 11

Key DFID wealth creation programmes

- Supporting Employment and Enterprise, 2009-13, £36,000,000, to strengthen the private sector’s ability to invest and compete, with a focus on small and medium enterprises.
- Afghanistan Investment Climate Facility, 2008-14, £3,744,703, to improve investment policy and trade regulations.
- Afghanistan Marketplace Expansion, 2008-12, £1,282,796, to increase procurement of local goods by national and international organisations in Helmand.
- Private Sector Development Advisor, 2008-2013, £480,261, to provide technical support on the private sector. (spend £530,964)
- Extractives Sector Support Programme, 2012-15, £300,000 to support and improve the capacity of the Afghan Government to develop Afghanistan’s natural resources for the benefit of the Afghan people.

Source: DFID website, Afghanistan Projects

215 DFID Afghanistan, Operational plan 2011-15, June 2012
216 Ev 41
146. Afghanistan’s mineral wealth has enormous potential over the long term to support economic growth. The Afghan Government, through the Ministry of Mines, is seeking international partners to exploit Afghanistan’s mineral wealth and has signed contracts for several mines with a number of international partners, including Chinese, Indian and US-based companies. When we met with the Minister of Mines in Kabul, he had high expectations of the Afghan mining potential. DFID has been far more cautious in their discussions with us. Mining is expected to contribute an additional 3.5% to economic growth and DFID projects revenue in 2025 to be around $0.9-1.6 billion, or 2–4% of GDP.\textsuperscript{217} Such profits would require investment of about $6–10 billion from 2015.

147. DFID also explained that:

> Mining and oil/gas revenues are in any context subject to enormous uncertainty because of the volatility of commodity prices. That uncertainty is compounded in Afghanistan by the fact that most of its mineral deposits have neither been explored in detail nor have they been awarded to investors.\textsuperscript{218}

In order for Afghanistan to profit from its mineral resources, the processes by which they are exploited must be transparent and carefully managed. The Afghan Government has taken some steps toward good governance of its resources, including candidacy for the Extractives Industry Transparency Initiative (EITI), a Presidential decree requiring all signed contracts to be publicly available and the establishment of an International Advisory Council, supported by the ARTF, to oversee the fairness of the allocation of resource rights and contracts.

148. While potential profits from the mining industry are promising, Global Witness expressed concern over the “fast pace” at which the Government was selling off mineral rights and believed “there is a credible threat that the natural resource sector could become a possible source of conflict and instability in Afghanistan if not carefully managed.”\textsuperscript{219} It urged DFID to do more to support the Afghan Government in establishing due process and developing good governance in the mining sector. As David Loyn reminded us “the history of countries, particularly in Africa, which already had corrupt systems and had minerals is pretty bad.”\textsuperscript{220}

149. High-level policy engagement and central Government support should be targeted on key issues where DFID has the comparative advantage. **DFID should stay engaged on the development of mining revenues to ensure, with other donors, that a robust regulatory regime is in place to record Government progress towards good governance commitments for the sector. DFID should also support independent oversight by local communities and civil society as well as encourage the reinvestment of mining revenues into related industries and other parts of the economy that will create jobs.**
Agriculture and rural livelihoods

150. A large portion of DFID’s wealth creation work on agriculture and rural livelihoods focuses on supporting the central Government in capacity building and policy development. This includes DFID support for a programme of institutional reform and capacity building in the Ministry of Agriculture, Irrigation and Livestock (MAIL) through Increasing Agricultural Potential in Afghanistan, a £20 million agricultural programme approved in April 2011. Other key programmes are listed in the table below:

**Box 12**

<table>
<thead>
<tr>
<th>Key agriculture and rural livelihoods programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Comprehensive Agriculture and Rural Development Facility, 2009-13, £30,000,000, encourages investment in agriculture and seeks to sustain the reductions in poppy cultivation.</td>
</tr>
<tr>
<td>• Support to demining, 2008-13, £11,215,981, to return 160.2 million m2 of high priority mined land and explosive remnants of war contaminated land to productive use.</td>
</tr>
<tr>
<td>• Support to Strategic Planning for Sustainable Livelihoods, 2009-12, £10,153,850, to strengthen Afghan Government institutions focused on agriculture.</td>
</tr>
<tr>
<td>• Strengthening the Agriculture Sector, 2012-14, £5,630,000, to increase the value and productivity of agriculture.</td>
</tr>
<tr>
<td>• Increasing Agriculture Potential in Afghanistan, 2009-12, £3,784,602, to ensure that the Afghan Government’s policies are pro-poor and evidence-based through technical support in ministries and capacity building.</td>
</tr>
</tbody>
</table>

*Source: DFID website, Afghanistan Projects and DFID visit briefing*

151. In addition DFID runs programmes implemented by partners at the community level. Two DFID programmes—the Horticulture & Livestock Programme and the Sustainable Agricultural Livelihoods in Eastern Hazarajat—have helped more than 75,000 rural families to organise themselves in farmer groups, improve livelihoods through the introduction of improved agricultural, horticultural and livestock technologies, and empower women through literacy and skill development training. 221 Through the ARTF, DFID supports the Afghanistan Rural Enterprise Development Programme, which has created over 2,300 savings groups of which 54% are female groups, involving over 12,000 women. 222 DFID has also just launched a project in Bamiyan which it hopes will transform the lives of 50,000 farmers. The Bamiyan Agricultural Support Programme works with 40 farmer cooperatives to give members access to modern farming equipment such as tractors, high quality wheat and potato seed, and support for small business development. DFID said the programme would ensure that farmers got greater financial returns from their activities and help reduce poverty in the region.223

152. In Helmand the PRT and the Specialist Team of Royal Engineers have been helping to improve Helmand’s canal irrigation system and equip farmers with the skills and tools needed for a viable agricultural economy. Helmand’s fertile river valley and irrigation network makes it potentially the most agriculturally productive province in Afghanistan.224
153. Land rights, important to increasing agricultural productivity remain a critical gap. David Loyn believed that this was one of the biggest lost opportunities of the past decade:

Getting land titles right is something that the international community has failed to do over the years. [...] You can imagine the issues that Afghans face, returning to their farm that has been fought over three times; refugees have come and refugees have gone. What you tend to do is to put the powerful land title into the hands of the man with the biggest gun—into the warlords rather than into any institutional structures. That has been a fantastic opportunity for the Taliban, who have succeeded in villages right across Afghanistan in providing what Afghans need, which is resolution with their neighbours.225

Dr Gordon agreed but told us that land tenure was recognised by DFID as a problem and it had invested in the land registry in Helmand. However there was not enough investment in it and there were significant difficulties due to insecurity in Helmand.226

**Wealth creation summary**

154. It has been questioned how well suited DFID’s wealth creation priorities and programmes are to the current climate of active conflict in Afghanistan and with the uncertainty of transition ahead. Naysan Adlparvar commented:

Afghanistan has extremely high levels of poverty. [...] The country also suffers from growing humanitarian challenges, including drought in eight of the last eleven years and major displacements due to conflict, drought and flash flooding. DFID’s current approach to building the state and economy—which aims to meet the long term needs of the Afghan people—will likely do little to alleviate their more pressing and immediate needs linked to poverty and humanitarian crisis.227

He felt the best way, in one of the poorest countries in the world, to improve the economic situation was to focus on poverty alleviation and questioned the impact of some of the more Kabul-centric, consultant-focused programmes on wealth creation.

155. Mercy Corps agreed to some extent, and saw the effective route to achieving poverty reduction as diversifying and developing the economy through the provision of skills and increasing the quantity and quality of goods and services. It felt that the establishment of revolving credit funds that could lend money and/or give grants to new businesses could foster economic growth at the local level.228 BAAG also thought DFID should be placing more of a focus on enabling wealth creation within Afghan households and villages by supporting small business enterprise.229 DFID told us when asked about its current position on microfinance:

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225 Q8
226 Q8
227 Ev w56
228 Ev 37
229 Ev w42
The Microfinance Investment Support Facility for Afghanistan (MISFA) was set up in 2003 as a vehicle for donor funding of microfinance. DFID provided an additional £17 million to MISFA in 2008/09 through the Afghanistan Reconstruction Trust Fund (ARTF), taking its contribution to a total of £40 million. A Project Completion Report (PCR) conducted by DFID staff from outside Afghanistan in February 2010 concluded that MISFA was sufficiently funded for the foreseeable future, and that the organisation should concentrate on consolidation and improvements to its lending portfolio, rather than expanding it.230

156. DFID appears to have had greatest and most sustainable impact in the past on small-scale rural development projects implemented primarily by NGOs, often working along side or seeking to support Government agencies.231 The 2009 evaluation of DFID programming was critical of DFID not having “fully used the accumulated expertise NGOs have in maximising farm-related income opportunities” and “employing a country-wide approach to reduce vulnerabilities to poverty.”232 It also found that “smaller projects performed better than the larger more complex Government-run” programmes.233

157. DFID’s wealth creation portfolio has yielded some success, although it may need to be reviewed and consolidated in light of transition. While DFID’s prioritisation of wealth creation and improving Government structures has been important in many respects, few programmes are explicitly focused on poverty reduction, aside from the notable allocation to the ARTF. In one of the poorest countries in the world with significant humanitarian needs that derive primarily from the lack of development and a weak Government with limited reach outside of Kabul, DFID’s approach to wealth creation seems out of balance with reality. It is overly centralised, with a disproportionate focus on Government ministries and policy in Kabul that is disconnected from the needs of ordinary Afghans. We recommend that DFID give priority to the needs of rural and poor populations, adopting a ‘back-to-basics’ aid approach focused on community-led development and sustainability. This should focus on poverty reduction and access to basic services.

158. In terms of DFID’s bilateral support, NGOs, both international and Afghan, will play an increasingly critical role through and after transition. The NGOs that DFID works with have shown significant results in extraordinarily difficult circumstances and a comparative advantage in improving rural livelihoods. Working in insecure areas is generally much easier for NGOs, especially those that have close links and long histories with communities. Such NGOs are perceived as impartial and independent, able to gain security guarantees from communities and thus are likely to have much greater access to remote and insecure areas than other actors after the international forces leave. It is highly unlikely that organisations with armed security or with little or no history in targeted locations will be able to demonstrate similar results, in terms of effectiveness or sustainability.

230 Ev 49
Humanitarian

159. DFID’s operational plan 2011–15 states that it aims to “strengthen our humanitarian work to help address the direct impacts of conflict, exclusion and natural disasters on the most vulnerable groups.”234 While DFID’s humanitarian assistance decreased after 2004 as its programme shifted focus toward development, DFID has recently increased humanitarian funding. It has two core humanitarian partners, the International Committee of the Red Cross (ICRC) and the World Food Programme (WFP). DFID supports the ICRC national emergency programme, helping to run seven hospitals and eleven health centres, train and equip staff in nine clinics in conflict-affected areas, and distribute food aid and essential household items to internally displaced people. Whilst in Kabul we visited the ICRC hospital which provides prosthetic limbs to the local Afghan population. One of the things which most impressed us was not only the provision of the prosthetic limbs but also the rehabilitation of the patients. Nearly all of the staff working at the hospital were disabled themselves. In 2011, DFID provided assistance to WFP to purchase nearly 5,000 metric tonnes of high-energy biscuits for distribution to schoolchildren nationwide, helping to improve school attendance and enrolment rates. DFID also currently channels emergency drought support through UNICEF and an NGO consortium.235

Table 8: DFID expected results for humanitarian programmes 2011-15

<table>
<thead>
<tr>
<th>Pillar/ Strategic Priority</th>
<th>Indicator</th>
<th>Baseline (including year)</th>
<th>Expected results (including year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanitarian</td>
<td>Number of people assisted by humanitarian agencies (for example through the provision of health services, food and water).</td>
<td>According to assessed need – variable by year.</td>
<td>Target to be determined annually.</td>
</tr>
</tbody>
</table>

Source: DFID Operational Plan 2011-15

Box 13

Key DFID Humanitarian programmes

- ICRC support to people in conflict-affected areas, 2010-13, £10,000,000, Humanitarian Support to conflict-affected civilians and non-combatants in Afghanistan 2011.
- Protection and Prevention Humanitarian Assistance, 2012-13, £10,000,000, to help mitigate the vulnerability of civilian populations affected by the long standing conflict.
- WFP humanitarian food security assistance, 2011-12, £7,020,000, targeting food insecure school-aged children.
- Emergency drought response implemented by an NGO consortium, 2012-13, £6.1 million supporting up to 253,230 Afghans.

Source: DFID website, Afghanistan Projects

160. BAAG emphasised that the humanitarian situation in Afghanistan was increasingly critical and Christian Aid said that the chronic nature of these crises were largely the result of unaddressed development needs, despite the billions in aid that have been invested in Afghanistan since 2001. In mid–2011 United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) estimated that 4.1 million people were food-insecure

234 DFID Afghanistan, Operational plan 2011-15, June 2012
235 Ev 42
and a further one million needed emergency agricultural assistance. There have been eight
droughts in the past 11 years and natural disasters, such as floods and landslides, are
c Chronic threats. The number of Afghans forced to flee their homes by the conflict and
remain internally displaced rose 45% in 2011 and in the first four months of 2012 showed
the sharpest increase in internal displacement since 2002.236 Despite the growing need, the
UN recently noted that there had been a “marked reduction in humanitarian assistance in
2012.”237 The 2012 UN Consolidated Appeal Process (CAP) has received less than a third
of requested funds from donors and the Emergency Response Fund, which funds rapid
response to crises, has a balance of less than $200,000 and has received no funding to date
this year.238 A recent UN survey found that a third of children in southern Afghanistan are
acutely malnourished with a level of malnutrition ‘similar to famine zones’. However the
problems is not necessarily availability of food but poverty.239 Michael Keating, deputy
head of the UN Mission in Afghanistan said of the humanitarian crisis in Afghanistan:

“This is the kind of malnutrition you associate with Africa and some of the most
deprived parts of the world, not with an area that has received so much international
attention and assistance.”240

161. Despite increased UK humanitarian funding in recent years, we have received
persistent criticism regarding DFID’s lack of humanitarian focus in Afghanistan. CARE
remarked that there was in general a “neglect of humanitarian needs in the country because
of this political focus on state building and counterinsurgency.”241 Amnesty International
was concerned that there had been little attempt by international donors to address the
scale of the displacement crisis in Afghanistan and urged the UK Government to do more
on this issue. Naysan Adlparvar was also critical of DFID’s lack of humanitarian aid and
encouraged DFID to channel more aid not only to “humanitarian programming, at sub-
national levels across Afghanistan” but also to poverty reduction, to reduce the underlying
drivers of crises such as drought and natural disasters.242 Afghanaid said that DFID was
well placed to “take a leadership role in the humanitarian coordination structure in
Afghanistan.”243 The then Secretary of State informed us that DFID had recruited two
additional specialist humanitarian staff and that he recognised there was a “need to do
more”.244

162. We recommend that DFID do much more to meet humanitarian needs and
address the underlying causes of the crises such as child malnutrition and levels of
internally displaced people. We recommend that more of DFID’s budget should be
spent on disaster mitigation in the rural and remote areas that are often most hard hit
by natural disasters such as drought and flood. In addition, DFID should play a
constructive role in leading and encouraging other donors to provide greater attention and resources to Afghanistan's growing humanitarian needs.

**Gender**

163. The UK Government has said it is committed to protecting and promoting the rights of women and girls in Afghanistan. The then Secretary of State also emphasised this saying “Britain has been a staunch supporter of women’s rights”. DFID said in its 2011–15 Operational Plan:

> Our work will support Afghan Women’s empowerment. Our work will help build a peaceful state and society that will tackle poverty and create wealth for both Afghan men and women. Increased political and economic participation of women will improve their lives and help reduce the risk of Afghanistan remaining in conflict. The UK National Action Plan on UN Security Council Resolution 1325—Women, Peace & Security was launched by the Foreign secretary in 2010 and is the guiding strategy for DFID and the UK work on gender.

**Box 14**

The UK National Action Plan on UNSCR 1325 Women, Peace & Security

<table>
<thead>
<tr>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREVENTION: Mainstreaming gender into conflict prevention activities and</td>
</tr>
<tr>
<td>strategies and strengthening efforts to prevent violence against women</td>
</tr>
<tr>
<td>PARTICIPATION: Promote and support women’s participation in peace processes</td>
</tr>
<tr>
<td>and representation in decision making</td>
</tr>
<tr>
<td>PROTECTION: Strengthening efforts to secure the well-being, economic</td>
</tr>
<tr>
<td>security and dignity of women and girls</td>
</tr>
<tr>
<td>RELIEF AND RECOVERY: Promoting women’s equal access to aid programmes and</td>
</tr>
<tr>
<td>services</td>
</tr>
</tbody>
</table>

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245 Q53

164. Between now and 2015, DFID has pledged to strengthen the gender impact of the ARTF and improve tracking of results for women and girls. It also aims to conduct a gender mapping exercise in 2012 of all DFID work and identify opportunities to do more to promote the rights and opportunities of women and girls. Internally, DFID aims to ensure all UK staff in Afghanistan are aware of the UK’s gender commitments and increase the use of gender-disaggregated data across all programmes. However, the only results monitoring it has on gender is:

Table 9: DFID expected results for gender 2011-15

<table>
<thead>
<tr>
<th>Pillar/ Strategic Priority</th>
<th>Indicator</th>
<th>Baseline (including year)</th>
<th>Expected results (including year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>% of sampled women representatives in Community Development Councils (CDCs) that take active part in decision-making related to community development.</td>
<td>To be determined for 2011.</td>
<td>DFID will contribute to 65% of sampled women representatives in CDCs taking active part in decision-making related to community development in 2013.</td>
</tr>
</tbody>
</table>

Source: DFID Operational Plan 2011-15

165. Despite women’s and girl’s empowerment and gender equity being a departmental priority for DFID globally, there is concern that this has not translated into women and girls being a strategic priority for DFID in Afghanistan. DFID funding for programmes explicitly focused on women and girls has been minimal. It previously provided £463,942 for a women’s rights civil society empowerment programme and £300,225 for educational radio programming that included a gender equity theme, but both programmes ended in 2010. Instead, DFID appears to have taken a ‘mainstreaming’ approach. As ActionAid commented, it is difficult to assess how effectively mainstreaming is being implemented and what change if any it is bringing about in women’s lives. It said that only 11 projects (of 92 listed) on the DFID projects database had published documents and out of these, only one contained an explicit commitment to gender or women’s issues. Women and girls have benefited from investment in the ARTF, which pays teachers’ salaries, and from rural development programs as well as Tawanmandi, the general civil society trust fund. However, DFID has done very little explicitly on gender issues nor directed funding clearly towards women and girls programmes as can be seen by the lack of gender specific projects.

166. Orzala Ashraf warned of the risk of women “dropping off the agenda” as international forces withdraw. She believed that:

Whether the Government or the future Government will be supportive towards women or not is very much a question for the international community, because if the international community supports the kind of Government that does not support or consider the needs of Afghan women, then we will return back to the same situation. But if there is a clear conditionality that the gains and achievements
that women have made and the activities that women are doing should not be sacrificed or compromised, the situation will be different.250

167. There is a clear case to be made for DFID building up a more substantive and effective focus on gender in its Afghanistan country strategy, particularly with regard to education and wealth creation. Only 47% of Afghan women are active in the labour market and less than one in ten women are employed outside of the agriculture sector. The need for economic survival has resulted in families being increasingly willing to allow women to work, but women and girls face significant discrimination in terms of lower wages, access to markets and employment due to security and traditional gender roles and overall are more susceptible to poverty. The Afghan Government estimated women’s annual per capita income to be $402, compared to $1,182 for men and concluded that “women are approximately three times economically worse off than men”.251 As BAAG highlighted efforts to reduce poverty through creating sustainable jobs must take into account the complexities faced by women.252

168. DFID recognised that “implementation of legislation promoting and protecting women’s rights has been weak.”253 ActionAid recommended that DFID prioritise women’s rights, particularly the full implementation the National Action Plan for Women of Afghanistan and the 2009 Elimination of Violence Against Women law. ActionAid would like DFID to make resources available to women’s rights organisations to raise awareness of the law, providing complementary services such as shelters and counselling for victims of violence against women, and engaging in advocacy for changes in policy and process to advance women’s rights.254 Human Rights Watch advocated the need for legal services for women including on family law issues.255

169. We asked the then Secretary of State about the situation for women in Afghanistan and about the work DFID was doing. He told us that he did not agree that the position of women was getting worse in Afghanistan and that progress was still being made.256 He also did not believe that there would be a return to the treatment of women as it was under the Taliban as through the international development effort there was now an “educated critical mass of women in Afghanistan” who were the “best bulwark against those policies being re-implemented.” However, we are also aware that before Taliban rule there was a cohort of women in Afghanistan educated under the Russian system who in the 1970s and 1980s held jobs as scientists, teachers, doctors, and civil servants and had a considerable amount of freedom with significant educational opportunities.257

170. We also asked DFID what progress there had been on recruiting women to the Afghan National Security Forces—following our predecessor Committee’s

250 Q48
251 Development Cooperation Report 2010, Ministry of Finance, Islamic Republic of Afghanistan
252 Ev w42
253 DFID Afghanistan, Operational plan 2011-15, June 2012
254 Ev w29
255 Ev w32
256 Q113
recommendation that there should be more women in the police and the Department’s response that EUPOL had an action plan on gender issues. As of July 2012 there were over 1400 female ANP representing almost 1% of the total force.\(^{258}\) This was up from 180 in 2006 which at the time was less 0.3% of the police force.\(^{259}\) The target is to reach 5000 female ANP members by 2015. DFID admitted that due “to the conservative nature of Afghan society the rate of progress is slow” and that women in the ANP had “ill-defined responsibilities” were given “menial tasks” and had “few dedicated facilities including sanitation, changing rooms and so on.”\(^{260}\)

171. Human Rights Watch has suggested the need for a multi-donor analysis of gender programmes in Afghanistan with analysis of lessons learned. This should result in the production of a plan for how the international community should support women’s rights in Afghanistan 2015–20. Human Rights Watch also recommended that it would require a lead donor, although the goal should be to get as many donors involved as possible, and that DFID should take this position because of its prominence and its commitment to research-based approaches.\(^{261}\)

172. Afghan women continue to suffer intense discrimination and abuse. While the UK Government says it is committed to protecting and promoting the rights of women and girls in Afghanistan there is little practical evidence of this in either programming or funding. We recommend that DFID seeks to combat violence against women through support for women’s shelters and legal services. DFID should also continue to ensure women and girls are a major focus for its education and wealth creation programmes.

173. We recommend the creation of a joint donor-government plan for women and girls during transition, which would encourage donors to commit to specific programmes and objectives based on evidence and consultation. This could help catalyse greater commitment and sustained political will to ensure that women and girls are not forgotten in transition. Such an approach would require a lead donor which DFID could take given its prominence and commitment to research-based approaches. In addition, we recommend that DFID exert pressure on other donors and the Afghan Government to back up their previous commitments to Afghan women.

**Oversight of DFID programmes**

**DFID staffing**

174. The DFID office in Afghanistan is its fourth largest in the world, reflecting its status as a priority country for DFID and the UK Government. In the years up to 2014–15, DFID Afghanistan is expected to become its sixth largest country office, behind those in Ethiopia, India, Bangladesh, Nigeria and Pakistan. There are currently 75 staff, including 39 international staff and 36 Afghan staff, working in both the Kabul and Helmand offices. DFID staff work a five day working week in Kabul, and a six day working week in

\(^{258}\) Ev 47

\(^{259}\) International Development Committee, Fourth Report of Session 2007-08, Reconstructing Afghanistan, HC 65-I

\(^{260}\) Ev 47

\(^{261}\) Ev w62
Helmand, although weekend working is a regular occurrence. Both locations work six weeks in country followed by a two week break (plus 1.5 travel days for Kabul and 3.5 for Helmand). Annual leave accrues while at post and is then taken at the end of the posting as “decompression leave” (usually 2-3 months depending on the length of service). DFID staffing in Afghanistan, both among Afghan nationals and British staff, has increased in recent years. DFID told us:

The longest period a current or past [...] member of staff has worked on the subject of Afghanistan is 5 years and 1 month –2 periods in Kabul divided by a posting in London. We also have other staff who have been working on Afghanistan issues between two and five years. The new Deputy Head of Office, starting in the autumn, is returning to work on Afghanistan following a number of previous Afghanistan postings between 2005 and 2009.

Figure 6: DFID Afghanistan staffing by location, 2007-12

Source: DFID supplementary submission Ev 45

175. We heard from witnesses that staff turnover and the frequency of breaks has created some difficulty in maintaining institutional memory and continuity. Human Rights Watch told us:

UK embassy and DFID staff in Kabul in general enjoy a reputation for being relatively informed and active, although the strengths of the UK staff are sometimes undermined by the short tours and the fact that such a large proportion of staff are junior and often on their first overseas posting.262

262 Ev w31
While recognising the strenuous environment in which DFID staff operate, our predecessor Committee highlighted the detrimental impact of short tours of duty and the six weeks on and then two weeks off schedule. ICAI highlighted how such policies impact programming and oversight:

DFID relationships with partners and managing agents are disrupted: in the long term, by staff being in post for a shorter time than most programmes; and in the short term, by the practice of a two-week break every eight weeks. As a result, DFID staff in Afghanistan have to spend time managing handovers with each other.263

176. Dr Gordon highlighted that length of tour was not just a problem for DFID but also for the military:

For every DFID person who spends six weeks on, two weeks off, and spends six months to a year there, you have got an army private who spends six months in theatre, for two of which he knows nothing, for two of which he is very competent and for two of which he is looking to go home.264

He believed that: “the UK would never have pursued a policy in Northern Ireland with that degree of personnel churn and I think that has been an enormous restriction on their capacity to make effective change.”265

177. Naysan Adlparvar was critical of the high levels of security enforced by DFID which meant that staff members were potentially unable to visit project sites and resulted in “staff with a limited awareness of Afghan realities, and an inability to monitor project implementation.”266

178. In its recent audit of DFID programming, ICAI concluded that while DFID had made improvement to staffing “it remains exposed to the risk of leakage as a result of insufficient staff with financial skills” and “found significant scope to improve the capacity of financial management support to these staff (few of whom hold a relevant accounting qualification) and to grasp fully each programme’s financial risks and to quantify the leakage in delivery.”267

179. While we appreciate that working in Afghanistan is extremely difficult and commend DFID staff for the job they have done under these circumstances, we are concerned about the short postings, resultant loss of capacity and knowledge and weak institutional memory. We recommend that DFID create a cadre of experts with knowledge of Afghan language and culture, who will work on Afghanistan, in London or in country; this could greatly improve the quality and consistency of DFID’s work. Longer tours and routine rotations to Afghanistan would also aid in this.

263 Independent Commission for Aid Impact, Programme Controls and Assurance in Afghanistan, Report 6, March 2012, p11
264 Q8
265 Q8
266 Ev W56
267 Independent Commission for Aid Impact, Programme Controls and Assurance in Afghanistan, Report 6, March 2012, p10
180. Whilst in Afghanistan we met locally employed Afghan DFID staff. We were impressed with their commitment to their work for DFID and the huge risks they took working for the UK Government—being unable to tell people other than close family where they worked for fear of violence or kidnap to not only themselves but also their friends and families. **We recommend that HMG does all that it can to protect the Afghan staff working for its embassy both now and particularly if the security situation in Kabul deteriorates.**

**Monitoring and evaluation of programmes**

181. DFID tracks the effectiveness of its programme in Afghanistan through a range of monitoring and evaluation systems. At National Security Committee (NSC) level Ministers and officials monitor progress against an agreed set of indicators. Regular, Afghanistan specific NSC meetings were recently instituted to provide more time for discussions. DFID’s work forms an integral part of the FCO led UK Country Business Plan, which supports the NSC strategy. Within the British Embassy in Kabul, thematic “strands” bring together all HMG programme activity – DFID, Conflict Pool and FCO funds, including in Helmand—and are monitored by the Afghan Delivery Group (ADG), chaired by the Ambassador. The ADG meets every two months and the DFID Head of Office is on the Board.

182. DFID monitors progress with the Operational Plan annually, with a ‘light’ review at the mid-year stage. An Afghanistan Programme Board, chaired by the Head of Office, meets quarterly to review progress across DFID’s portfolio to examine financial issues, risk assessment and lesson learning. At the project level, they annually review progress against logical frameworks.

183. As DFID acknowledged, data in Afghanistan is scarce due to decades of conflict and continuing lack of access to certain areas due to insecurity. For example, population estimates are based on a partial census last conducted in 1979. The quality of data is slowly improving, in part due to DFID Afghanistan’s support for improving national statistics.  

184. The recent audit conducted by ICAI raised significant concerns about DFID oversight and accountability, particularly with regard to how it operates with partners, and its lack of effective risk management. While it found no evidence of leakage, ICAI found that DFID did not complete a detailed risk assessment of leakage at the programme design stage and it identified several shortcomings in assessing and monitoring risk. ICAI also expressed concern about excessively long delivery chains (in the example of the Helmand Growth Programme, there were at least four layers of subcontracting, each exposing DFID to further waste and impeding the overall programme value for money). Given other shortcomings identified by ICAI in DFID’s risk assessment, such long delivery chains are problematic – especially in light of DFID’s inability to monitor directly partners operating in insecure environments. The subject of sub-contracting was a matter which was raised with us both by the Chambers of Commerce in Kabul and with members of the Afghan

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268 DFID Afghanistan, Operational plan 2011-15, June 2012
diaspora who we met in London. The concern was that money was being lost in each level of sub-contracting and that very little of it in the end got to where it was meant to.\textsuperscript{269}

185. With regard to whether sufficient systems were in place, ICAI found that:

DFID in Afghanistan has not yet established systematic, robust and detailed financial management systems to manage risks in the delivery of aid in the Afghan context. Our conclusion is that, while DFID has taken steps in the right direction, it remains exposed to the risk of leakage as a result of insufficient staff with financial skills, the lack of clear and detailed financial reporting and a deficiency in risk management procedures beyond the first managing agent in the delivery chain.\textsuperscript{270}

They also found that DFID lacked a comprehensive approach to counter fraud and corruption in its programmes. Additionally, neither DFID nor its managing agents had conducted a comprehensive assessment of leakage, so ICAI was unable to analyse this. The report found no evidence of leakage but whether this was because there was no leakage or because of the weaknesses of DFID’s systems in detecting it, is unclear.

186. DFID has since responded to the audit and continues to work to address ICAI’s concerns. A DFID Task Team visited Kabul in April to develop an Action Plan to reduce further the risk of leakage or fraud. A portfolio assessment tool has been developed to assess portfolio risk and will be regularly at the quarterly programme board. For each project, it assesses both fiduciary and delivery risk and assesses this against the performance of the project. DFID has also pledged to develop an anti-corruption strategy by the end of September 2012. A six-month update on progress about the commitments made to ICAI in the DFID management response is due for publication in mid-September.

187. We heard a wide range of views on whether DFID appropriately balanced risk and reward. Gerard Russell agreed that the balance of risk was something that needed further thought, asking:

\begin{quote}
Have we got the balance of risk right between the risk of money going astray, if there is insufficient supervision by internationals, and the risk that the international presence, being relatively expensive and limiting, holds us back from the effect that we could have if we put more money through Afghans at a local level and took just a slightly higher level of risk?\textsuperscript{271}
\end{quote}

He also warned:

\begin{quote}
If you say that avoiding corruption must be the number one rule, you risk choosing projects that are entirely safe but maybe do not deliver as much as slightly riskier projects.\textsuperscript{272}
\end{quote}

\begin{flushleft}
\textsuperscript{269} Ev w65
\textsuperscript{270} Independent Commission for Aid Impact, \textit{Programme Controls and Assurance in Afghanistan, Report 6, March 2012}, p10
\textsuperscript{271} Q8
\textsuperscript{272} Q12
\end{flushleft}
188. ICAI emphasised the importance of considering risks at programme inception, particularly with regard to transition:

It is important to take full account of risks at the design stage, not only because the current political, economic and security situation is unstable but also due to the planned military withdrawal by the end of 2014. […] DFID’s decisions about its post-2014 programmes will have implications for the UK’s reputation as a partner in Afghanistan. It will also have implications for the stabilisation of some areas—principally Helmand— and for Afghan organisations’ ability to run services and function with integrity.273

189. Working in insecure environments often entails a higher acceptance of financial and programme risk and a nuanced understanding of how effectively to design and monitor programmes without creating undue burden on DFID staff and its partners. Gerard Russell believed that those “most likely to be sustainable are the projects, I would guess, at a local level, which have community support. In provinces that are relatively insulated from fighting, like Bamiyan”,274 However he argued that high-risk did not necessarily mean they were the wrong ones.275 Nonetheless, capacity to manage risk effectively and invest in high impact programming will likely be impacted by the withdrawal of UK troops, particularly if security further deteriorates.

190. As security restrictions often prevent DFID from directly monitoring projects it often relies on others to report and monitor. We heard that there could be problems with this from people we met at the Afghan Chambers of Commerce, one member told us: “most of the time what implementing partners do is that they misrepresent these reports to show their achievements”. He suggested that “Reporting (facts, data, statistics, quotations from people etc) should be cross checked at field level and by different stake holders other than the ones carrying out the reports to make sure they are accurate.”276 Orzala Ashraf believed that there were more creative ways that DFID could monitor projects. She highlighted that many of the younger generation now used social media and that there was telephone coverage all over Afghanistan. She also believed the media had an important role and said that there had been some good programmes following cases of corruption. Orzala Ashraf argued that post 2014 such mechanisms should be supported and strengthened. She particularly saw the strength in Community Development Committees as a strong force in participatory monitoring and evaluation.277 Naysan Adlparvar agreed saying “where security regulations cannot be amended to improve staff mobility, innovative approaches to remotely monitoring project delivery should be devised and employed.”278 While in Afghanistan we heard about the use of satellites to monitor the building of schools and the

274 Q24
275 Q24
276 Ev w51
277 Q41
278 Ev w57
drilling of wells. In DFID’s management response to ICAI evaluation, they said they were currently “considering the use of third party verification and continuous audit.”

191. We are pleased to note that in its management response to ICAI’s audit, DFID states that it is considering the use of ‘third party verification and continuous audit’. We welcome the exploration of third party verification and other forms of new thinking about how DFID can most effectively monitor its programmes. Third party monitoring, especially when involving the local community, has been extremely effective in reducing corruption and enhancing community oversight. It can also contribute to the creation of a more accountable government and a culture of local and national accountability. However even with the introduction of new forms of monitoring, ensuring the previous Secretary of State’s desire that every penny of every pound is spent effectively is unlikely to be possible in countries such as Afghanistan.

192. Tight security restrictions that inhibit or prevent travel to project sites by DFID staff is likely to make appropriate levels of monitoring difficult—particularly if security deteriorates through transition. **DFID may need to re-evaluate the type of work that it is ultimately able to effectively and accountably support after international troops withdraw. Some sectors or geographic areas may be more difficult to monitor than others. DFID cannot avoid risk altogether, but it must carefully balance the risks it takes with the potential reward. This will require rethinking how DFID can support work in insecure areas of the country, assessing what kinds of programming may be particularly susceptible to fraud or disruption by insurgents and developing stronger partnerships with trusted non-governmental and other organisations that can absorb significant funding and work effectively.**

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279 DFID, Management Response to ICAI Recommendations on Programme Controls and Assurance in Afghanistan, 2012, p1
5 Conclusion

193. The future of Afghanistan is uncertain with changes expected to its leadership, the withdrawal of international forces and a reduction in overseas aid. It is not known what attitude neighbouring countries, particularly Pakistan will take. The Taliban is stronger in many parts of Afghanistan than it was when our predecessor Committee visited the country in 2007, but millions of Afghan are strongly opposed to the Taliban. The UK should have a major aid budget in the country. While we cannot guarantee success, many Afghan people want their country to succeed and we owe it to them and to the many British soldiers who have died there to support them in their fight against oppression.

194. In a changing political, security and economic climate DFID will need to be flexible in its planning and programming. For example, there might come a point at which DFID would need to stop funding the Afghan Government through the ARTF; in which case it should ensure it has other channels open to it such as NGOs to which funding can then flow so that Afghan communities are not suddenly cut off from aid.

195. The UK Government’s overarching strategy for its engagement in Afghanistan has given DFID the lead on creating a viable state. DFID has had some successes, for example in increasing tax revenue, but these gains will be difficult to sustain and further progress will not be made unless the Afghan Government is determined to achieve a similar outcome.

196. The UK Government may have to recognise that a viable state may not be achievable in Afghanistan, but that does not mean that DFID cannot deliver development projects to help the Afghan people. DFID’s own evaluation in 2009 found that its most successful work was on small-scale rural development projects and not on large scale government projects. We recommend the UK Government reconsider the ‘viable state’ ambition for DFID in Afghanistan, giving greater emphasis to the provision of services and alleviating poverty.

197. While the situation for women in Afghanistan improved after the fall of the Taliban, it remains difficult and even appeared to us to have deteriorated in some respects since our last visit in 2007. The women we met on our visit including female politicians were nervous about what would happen when international combat troops departed in 2014. We believe that the treatment of women in Afghanistan post–2014 will be the litmus test as to whether the military and development spending over the last ten years has succeeded in improving the lives of ordinary Afghans. Although DFID and the UK Government have spoken at length about women’s rights and women in Afghanistan, we are concerned that this has not been followed by adequate and specific action and funding. We support the funding DFID gives to Tawanmandi and the AIHRC, but this is not enough. We recommend that DFID give girls’ education greater priority and that it provide funding for women’s shelters and legal services for women.
198. It was estimated that over a third of Afghan children in the south were acutely malnourished and that there was about half a million internally displaced people in February 2012. If transition does not go smoothly the crisis will get worse. While we recognise that DFID is looking to give a higher priority to its humanitarian work in Afghanistan, there is much more to be done. In the absence of another donor taking a lead, DFID may have to fulfil this role.

199. A serious problem for DFID in Afghanistan is the difficulty in monitoring its programme since security conditions prevent DFID staff getting out and about to visit projects. This does not mean that work in Afghanistan should cease and we acknowledge that DFID is considering new and innovative monitoring methods for its projects. However, it needs to be recognised that the previous Secretary of State’s ambition of ensuring that every penny of every pound is spent effectively is almost impossible to achieve in this country.

200. While we appreciate the great difficulty in working in Afghanistan and commend DFID staff for the job they have done in these circumstances, we are concerned about the high turnover, resultant loss of capacity and knowledge, weak institutional memory and, at times, lack of staff with adequate training and skills. We recommend that DFID create a cadre of experts with knowledge of Afghan language and culture, who will work in London or in country; longer tours and routine rotations to Afghanistan would also improve the situation.

201. There will also need to be a reconsideration of how DFID can support work in insecure areas of the country, developing stronger partnerships with trusted NGOs and other organisations which can absorb significant funding and work effectively. This is an especially compelling case where NGOs have strong links with and support from local communities. It may also involve switching funding to poorer, safer areas such as Bamiyan, which have been relatively ignored by donors who have concentrated their spending in insecure regions where they have had a military presence.

281 Amnesty International, Fleeing war, finding misery, February 2012
Conclusions and recommendations

ANSF
1. In its oversight advice role to the Ministry of Interior on accountability, we recommend that DFID insist on the creation of an external oversight body to provide a way to investigate and follow up allegations of violations by not only Afghan Local Police but the whole of the Afghan National Security Force. This body could potentially be managed by the Afghan Independent Human Rights Commission which is also supported by the UK Government. Such a body should be empowered to receive and investigate complaints, make public their findings and make recommendations about how to redress individual complaints. (Paragraph 54)

Post 2014 scenario
2. As this chapter demonstrates, the situation in Afghanistan is very complex. There are great uncertainties about the political, security and economic future of Afghanistan, notably: the outcome of the 2014 elections, whether there will be a political settlement; economic growth; and the role of Afghanistan’s neighbouring countries. In the light of these uncertainties DFID will need to be able to adapt. DFID will also need to continue to lead donors in pledging and disbursing aid so that there will not be any sudden drops in funding which could exacerbate an extremely fragile situation. Based on the assessment of the likely economic impact of military withdrawal, the UK Government should be prepared to do whatever it can to address this potential shortfall in spending including urging other governments to increase their aid commitments to Afghanistan to fill the economic gap. (Paragraph 66)

Helmand and the PRT
3. While we agree with the then Secretary of State’s assessment that DFID staff should be relocated from Helmand to Kabul following the closure of the Provincial Reconstruction Team (PRT)—due to the lack of a secure base to work from following the departure of the military—the UK should not abandon Helmand. DFID and FCO staff should continue to monitor the situation closely and provide advice and support to the provisional government in Helmand, where it can help. While we support the shift towards a less Helmand-focused portfolio and presence, DFID should ensure this transition is gradual and continue to fund effective programmes to encourage rural development, education and good governance in the province managed by locally engaged DFID staff. Security gains in Helmand have been achieved at a very high cost in terms of British lives, injured service personnel and support staff as well as military and development spending. The UK must not walk away from the province after 2014. (Paragraph 88)
Tokyo Conference

4. International development funding to the Afghan Government must be carefully monitored and conditions-based. If the transfer of aid ‘on budget’ increases without sufficient monitoring and quality control corruption could get worse and access to basic services for Afghans could deteriorate. It needs to be made absolutely clear in an agreement between the international community and the Afghan Government at what level of not following through on commitments that aid funds would be reviewed and suspended. The Mutual Accountability Framework does not go far enough in this respect. (Paragraph 92)

5. There is great uncertainty about transition and upcoming elections in Afghanistan. DFID will need to be flexible enough in its work to be able to respond to developments on the ground. We recognise that there is an inherent tension between the pressure on DFID to be seen to be planning for a successful transition and elections—pursuing the line of the UK Government—and being able to plan for the unknown. We recommend that DFID carry out a portfolio review that examines potential risks and impacts of transition on all of its programme. Such a review should contain actions which DFID and its partners could undertake to mitigate risks as well as contingency plans if transition and the election do not run as smoothly as hoped for. This review should be updated and re-examined on a routine basis as transition continues and we get closer to the elections. (Paragraph 97)

National governance

6. While we recognise the importance of building the capacity of central Government, the value for money of the policy-focused approaches that DFID has implemented in recent years is still unclear. Their sustainability is also highly questionable. Through transition, the ability of the Government to perform tasks—such as delivering basic services and maintaining the rule of law—will be critical, especially with reduced international support. We recommend that DFID be prepared, as Afghanistan, moves closer to 2014 to be able to shift the focus of its governance programme away from consultants in Kabul towards helping the Afghan Government deliver basic services at a local level. (Paragraph 108)

7. It may be necessary for the National Security Council (NSC) to redefine DFID Afghanistan’s unique priority of “creating a viable state”. Although it is preferable to build a better state it is not in the hands of DFID to achieve this when there are so many other factors at play such as the situation in Afghanistan’s neighbour Pakistan. This priority set for DFID may become harder, if not impossible, to work towards in the absence of a political settlement and if the security situation deteriorates in Afghanistan. Instead the Government should consider setting DFID the objective of delivering measurable benefits for the people of Afghanistan and of working with partners who can operate under any Afghan Government. (Paragraph 109)
Sub-national governance

8. There needs to be more middle ranking provincial and local government officials with an understanding and the support of their local communities without the interference of central Government in appointments. There particularly needs to be more women in such positions. (Paragraph 113)

9. Strengthening sub-national governance, particularly at the district and village level, and improving funding flows between central Government and the provinces will be essential in the lead up to transition. (Paragraph 114)

10. ICAI points out that the Governors’ Performance Improvement Programme is unlikely to enjoy continued support from other donors through transition. Several of DFID’s core programmes in governance and other sectors rely on the continued support of other donors. It is important for DFID to assess thoroughly which multilateral partnerships remain viable through transition and the long term sustainability of incentive programmes such as the Governor’s Performance Improvement Programme. DFID should consider the risks of other donors pulling out of or substantially reducing funding to multi-donor programmes and plan appropriate responses and risk mitigation measures. (Paragraph 117)

11. DFID should work with the World Bank, Afghan Government and National Solidarity Programme (NSP) stakeholders to develop a clear view on the future of Community Development Councils in formal governance frameworks. It should also push for greater links between these community-level structures with broader district and provincial government. While NSP has been regarded as a highly successful programme, we urge DFID to work with the World Bank to clarify its objectives, particularly with regard to governance, and improve monitoring of its impact on local governance. (Paragraph 124)

Civil society

12. It is important that civil society is supported not only to oversee the Afghan Government but also to help preserve the freedoms and rights won by Afghans during the past decade. Despite being a fairly new programme, Tawanmandi shows enormous promise as a vehicle to support civil society capacity and partnerships. DFID must closely monitor this programme, seek to learn from any shortcomings and proactively take steps to identify further avenues for support to civil society. (Paragraph 128)

Elections

13. We welcome DFID’s support for elections and we note our witnesses’ emphasis on the importance of preparation for elections and in the registration of voters. We recommend that DFID give due emphasis to this. We also recommend that during the elections there is a strong international presence of election monitors alongside continued support for Afghan institutions such as the Independent Electoral Commission to try to mitigate the problems which plagued past Afghan elections. (Paragraph 132)
Education

14. We welcome DFID’s continued funding to the Afghanistan Reconstruction Trust Fund to support the Afghan Government’s efforts to expand and improve education services through support to teacher salaries and other means. However, there is greater scope for DFID to focus more on secondary and adult education, and to improve the quality of education. Important lessons on the added value of NGOs in some circumstances can be learned, particularly with regard to vocational and community-based educational programmes as DFID’s support to Mercy Corps programmes in Helmand demonstrates. (Paragraph 143)

Mining

15. DFID should stay engaged on the development of mining revenues to ensure, with other donors, that a robust regulatory regime is in place to record Government progress towards good governance commitments for the sector. DFID should also support independent oversight by local communities and civil society as well as encourage the reinvestment of mining revenues into related industries and other parts of the economy that will create jobs. (Paragraph 149)

Wealth creation

16. In one of the poorest countries in the world with significant humanitarian needs that derive primarily from the lack of development and a weak Government with limited reach outside of Kabul, DFID’s approach to wealth creation seems out of balance with reality. It is overly centralised, with a disproportionate focus on Government ministries and policy in Kabul that is disconnected from the needs of ordinary Afghans. We recommend that DFID give priority to the needs of rural and poor populations, adopting a ‘back-to-basics’ aid approach focused on community-led development and sustainability. This should focus on poverty reduction and access to basic services. (Paragraph 157)

Role of NGOs

17. In terms of DFID’s bilateral support, NGOs, both international and Afghan, will play an increasingly critical role through and after transition. The NGOs that DFID works with have shown significant results in extraordinarily difficult circumstances and a comparative advantage in improving rural livelihoods. Working in insecure areas is generally much easier for NGOs, especially those that have close links and long histories with communities. Such NGOs are perceived as impartial and independent, able to gain security guarantees from communities and thus are likely to have much greater access to remote and insecure areas than other actors after the international forces leave. It is highly unlikely that organisations with armed security or with little or no history in targeted locations will be able to demonstrate similar results, in terms of effectiveness or sustainability. (Paragraph 158)
Humanitarian

18. We recommend that DFID do much more to meet humanitarian needs and address the underlying causes of the crises such as child malnutrition and levels of internally displaced people. We recommend that more of DFID’s budget should be spent on disaster mitigation in the rural and remote areas that are often most hard hit by natural disasters such as drought and flood. In addition, DFID should play a constructive role in leading and encouraging other donors to provide greater attention and resources to Afghanistan’s growing humanitarian needs. (Paragraph 162)

Gender

19. Afghan women continue to suffer intense discrimination and abuse. While the UK Government says it is committed to protecting and promoting the rights of women and girls in Afghanistan there is little practical evidence of this in either programming or funding. We recommend that DFID seeks to combat violence against women through support for women’s shelters and legal services. DFID should also continue to ensure women and girls are a major focus for its education and wealth creation programmes. (Paragraph 172)

20. We recommend the creation of a joint donor-government plan for women and girls during transition, which would encourage donors to commit to specific programmes and objectives based on evidence and consultation. This could help catalyse greater commitment and sustained political will to ensure that women and girls are not forgotten in transition. Such an approach would require a lead donor which DFID could take given its prominence and commitment to research-based approaches. In addition, we recommend that DFID exert pressure on other donors and the Afghan Government to back up their previous commitments to Afghan women. (Paragraph 173)

DFID staffing

21. While we appreciate that working in Afghanistan is extremely difficult and commend DFID staff for the job they have done under these circumstances, we are concerned about the short postings, resultant loss of capacity and knowledge and weak institutional memory. We recommend that DFID create a cadre of experts with knowledge of Afghan language and culture, who will work on Afghanistan, in London or in country; this could greatly improve the quality and consistency of DFID’s work. Longer tours and routine rotations to Afghanistan would also aid in this. (Paragraph 179)

22. We recommend that HMG does all that it can to protect the Afghan staff working for its embassy both now and particularly if the security situation in Kabul deteriorates. (Paragraph 180)
Evaluation and monitoring

23. We are pleased to note that in its management response to ICAI’s audit, DFID states that it is considering the use of ‘third party verification and continuous audit’. We welcome the exploration of third party verification and other forms of new thinking about how DFID can most effectively monitor its programmes. However even with the introduction of new forms of monitoring, ensuring the previous Secretary of State’s desire that every penny of every pound is spent effectively is unlikely to be possible in countries such as Afghanistan. (Paragraph 191)

24. DFID may need to re-evaluate the type of work that it is ultimately able to effectively and accountably support after international troops withdraw. Some sectors or geographic areas may be more difficult to monitor than others. DFID cannot avoid risk altogether, but it must carefully balance the risks it takes with the potential reward. This will require rethinking how DFID can support work in insecure areas of the country, assessing what kinds of programming may be particularly susceptible to fraud or disruption by insurgents and developing stronger partnerships with trusted non-governmental and other organisations that can absorb significant funding and work effectively. (Paragraph 192)
Annex: The Committee’s Visit Programme in Afghanistan

The Committee visited Afghanistan from 17 to 21 June 2012.

Members participating: Sir Malcolm Bruce (Chair), Hugh Bayley, Sam Gyimah, Pauline Latham, Jeremy Lefroy, Mr Michael McCann, Chris White

Accompanied by: Dr David Harrison (Clerk); Louise Whitley (Inquiry Manager)

Sunday 17 June

Arrive Kabul
Briefing from HM Ambassador and DFID head of office
Joint working dinner with DFID FCO and MoD

Monday 18 June

Meeting with Afghan Chamber of Commerce
Civil Society Lunch
Meeting with Ministry of Commerce and Industry, Minister Ahady
Meeting with Minister of Mines, Minister Shahrani
Meeting with Senior Minister Arsala
Discussion with DFID staff on ICAI report
Dinner with key international partners

The Committee divided into two groups for visits to Helmand and Bamiyan provinces

Group 1: Helmand

Tuesday 19 June

Briefing from DCOM Brigadier Skeates at Camp Bastion
Briefing from UK PRT Deputy Head of Mission
Briefing on Governance and Development
Dinner with PRT Senior Management Team including representatives from USA, Denmark and Estonia
**Wednesday 20 June**

Briefing from Task Force Helmand  
Briefing from Specialist Team Royal Engineers  
Meeting with Afghan beneficiaries: Helmand Arghandab Valley Authority; Ministry of Rural Rehabilitation and Development; DABS (electricity authority) and Ministry of Public Works  
Lunch with trainers and trainees from the Afghan Technical Vocational Institute  
Visit to Lashkar Gah Police Training Centre  
Meeting with Provincial Governor Mangal

**Group 2: Bamiyan**

**Tuesday 19 June**

Visit to ICRC Prosthetic hospital in Kabul  
Briefing from PRT in Bamiyan  
Briefing on agriculture in Bamiyan  
Tea with Mayor of Bamiyan  
Dinner with NZ PRT Head of Mission

**Wednesday 20 June**

Visit to a National Solidarity Programme School outside of Kabul  
Lunch at Central Statistics Organisation  
Visit to Women’s garden and micro-finance project in Kabul  
Briefing on sub-national governance at the Independent Directorate of Local Government  
Meeting with Minister of Finance Omar Zakhilwal  
Meeting with female MPs  
Meeting with Mercy Corps

**Thursday 21 June**

Meeting with DFID Afghanistan teams  
Working lunch with humanitarian assistance partners  
Meeting with locally employed DFID staff  
De-brief from DFID group heads  
Meeting with DCOM ISAF
Draft Report (Afghanistan: Development progress and prospects after 2014), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 201 read and agreed to.

Annex and Summary agreed to.

*Resolved*, That the Report be the Sixth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 10 May, 26 June and 3, 10, 16 July and 12 September 2012 [Adjourned till Tuesday 16 October at 9.30 am]
Witnnesses

Tuesday 3 July 2012

Professor Stuart Gordon, London School of Economics, Gerard Russell, Afghanistan Analyst, and David Loyn, BBC Afghanistan and Development Correspondent

Orzala Ashraf, Independent Civil Society Activist, David Page, Afghanaid, Mervyn Lee, Mercy Corps and Howard Mollett, CARE International

Tuesday 10 July 2012

Rt Hon Andrew Mitchell MP, Secretary of State for International Development, Department for International Development

List of printed written evidence

1. David Loyn, BBC Afghanistan and Development Correspondent Ev 35: Ev 56
2. Mercy Corps Ev 36
3. David Haines Ev 36
4. CARE International UK Ev 37
6. David Page, Chair of Trustees, Afghanaid Ev 55
7. David Loyn, BBC Afghanistan and Development Correspondent Ev 56

List of additional written evidence

(published in Volume II on the Committee’s website www.parliament.uk/indcom)

1. Christian Aid Ev w1
2. Amnesty International Ev w5
3. Save the Children Ev w8
4. Global Witness Ev w15
5. Lael A. Mohib Ev w21
6. ActionAid Ev w23
7. Human Rights Watch Ev w29: Ev w62
8. Met Office Ev w32
9. British & Irish Agencies Afghanistan Group Ev w34
10. International Rescue Committee Ev w45
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