



# Aid Effectiveness in Afghanistan

A Research Study by ATR Consulting

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Swedish Committee  
for Afghanistan



## PROJECT BACKGROUND

Oxfam and SCA, with the support of CAFOD have sought to commission a report assessing the level of aid effectiveness in Afghanistan. Broadly, the purpose of this report is to assess to what extent the international community and the government are fulfilling their commitments in terms of aid effectiveness, aid promises and disbursement. SCA and Oxfam intend to use the findings of this assessment to conduct evidence-based advocacy.

Although there have been some reports written on aid effectiveness in Afghanistan over the past decade, there has been no comprehensive evaluation on aid effectiveness since Oxfam and ACBAR's report in 2008.<sup>1</sup> Therefore, this report has aimed to be the most comprehensive literature on this important subject, in the hope of attracting considerable attention amongst the aid community within Afghanistan and beyond. The report has focused on providing quality, accurate information and analysis, presented in a manner which maximizes audience engagement, in order to best support advocacy and lobbying work throughout 2018.

Close to 10 years after the Oxfam report on aid effectiveness the context has drastically changed in Afghanistan. First, domestic revenues increased from around USD 750 million in 2008 to USD 2.1 billion in 2016. Despite this massive increase in revenue generation, Afghanistan remains heavily dependent on international aid. Second, one of the major aid actors, the international military (mostly through the Provincial Reconstruction Teams - PRTs), which invest in the development sector was heavily criticized by civil society has almost completely disappeared, with the departure of most foreign military troops in 2014. Third, considerable efforts have been made by the Afghan government and the donor community to better align and coordinate aid, with the development of national priority programs (NPPs) and the strengthening of the JCMB. On a more negative aspect, the Afghan economy has badly suffered from the troops withdrawal, leading to unemployment and uncertainties for investors.

This report has been prepared by ATR Consulting, in Kabul, Afghanistan, the views and recommendations presented in this report are those of ATR, and do not necessarily reflect those held by SCA, Oxfam or CAFOD.

ATR Consulting, Kabul, March 2018  
Cover Photo: Christoffer Hjalmarsson/SCA

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<sup>1</sup> 'Falling Short: Aid Effectiveness in Afghanistan', Waldman, Oxfam, 2008



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## ACRONYMS

AGCSO	Central Statistics Organisation
AITF	Afghan Infrastructure Trust Fund
ANPDF	Afghan National Peace and Development Framework
ARTF	Afghan Reconstruction Trust Fund
ATR	Assess Transform Reach
CAFOD	Catholic Agency For Overseas Development
CSO	Civil Society Organisation
DFID	Department for International Development
GIRoA	Government of the Islamic Republic of Afghanistan
JCMB	Joint Coordination and Monitoring Board
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
MEC	International Joint Anti-Corruption Monitoring and Evaluation Committee
MOF	Ministry of Finance
MOE	Ministry of Education
MOPH	Ministry of Public Health
MRRD	Ministry of Rural Rehabilitation and Development
NESP	National Education Strategic Plan
NGO	Non-Government Organisation
NPP	National Priority Program
NSP	National Solidarity Program
NUG	National Unity Government
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
Ru-Watsip	Rural Water Supply, Sanitation and Irrigation Programme
SCA	Swedish Committee for Afghanistan
SOM	Senior Officials Meeting
SMAF	Self-reliance through Mutual Accountability Framework
TMAF	Tokyo Mutual Accountability Framework
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
USAID	United States Agency for International Development

# 1. EXECUTIVE SUMMARY

In the years since 2010, Afghanistan has seen improvements in life expectancy, infant mortality, school enrolment rates, and Gross Domestic Product. However, poverty and unemployment rates have increased, amidst a worsening security situation, that sees civilian casualties at their highest levels since 2002, and unprecedented levels of displacement due to conflict and natural disasters.<sup>2</sup> Moreover, according to UNAMA's Strategic Review in mid 2017, Afghanistan is no longer a post-conflict state, but a country undergoing a conflict that shows few signs of abating.<sup>3</sup>

At the same time, international aid to Afghanistan has decreased, from nearly USD 6.5 billion in 2010, down to USD 4.2 billion in 2015, with donors<sup>4</sup> honouring the pledges made at international conferences (for the purpose of this study, all aid money is regarded as that which is provided for development purposes. Military aid is not measured or assessed in this report.)<sup>5</sup> Yet donors have been informing the government of Afghanistan that they should get used to having less financial support in the coming years. Despite these warnings from donors, Afghanistan remains financially dependent on international support.

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<sup>2</sup> 'Afghanistan Country Snapshot: Overview', The World Bank, October 2017

<sup>3</sup> 'Special report on the strategic review of the United Nations Mission in Afghanistan', General Assembly Security Council, August 2017

<sup>4</sup> For this purpose of this study, when 'donors' are referred to, it includes the collective of traditional donors (USA, UK, EU, Japan, Scandinavian countries, Australia etc.), and donor institutions including WB and ADB etc.

<sup>5</sup> Net Official Development Assistance and Official Aid Received (current \$US)', The World Bank, 2017

In Afghanistan's most recently completed budget for the financial year of 1396 (March 2017- Feb 2018), two thirds (66%) was funded through international donor support, with one third (33%) funded through domestic revenue. The USD 6.659 billion budget was split into two categories, 62% for the operating budget and 38% for the development budget. Donors gave money to both (USD 1.9 billion for operating budget and USD 2.214 billion for the development budget), but in the development budget, donors provide both discretionary (USD 493 million) and non-discretionary (USD 1.674 billion) funding.<sup>6</sup>

Donors also give money to Afghanistan 'off-budget', where it is disbursed through development partners, UN agencies, and non-government organisations. However, according to interview respondents, Official Development Assistance (ODA) is more fragmented when provided off-budget, which overwhelms the institutional capacity of the government to effectively monitor donor-financed projects.<sup>7</sup> In 2014, the majority (58.7%) of donor financed 'off-budget' projects were below USD 1 million, and nearly a third between USD 1-10 million. By contrast,

<https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?end=2015&locations=AF&start=2010>

<sup>6</sup> 'Independent Review of Afghanistan 1396 Draft National Budget: A Snapshot of Resources, Allocations, and Public Finance', Equality for Peace and Democracy, December 2016

<http://www.epd-afg.org/wp-content/uploads/2016/12/National-Budget-Review-1396.pdf>

<sup>7</sup> ATR Key Informant Interviews

more than a quarter of 'on-budget' projects in 2014 were in the USD 10-50 million category and only 21.7% of on-budget projects were less than USD 1 million.<sup>8</sup> The implementation of a large number of small projects, involving a large number of implementing agencies, despite existing coordination mechanisms, can lead to increased transaction costs for both donor agencies and the Government. Donors may decide to deliver aid this way to reduce their reputational risk, however it can actually increase their fiduciary risk with more resources needed to keep an eye on multiple projects, and eventually increase the long-term development risk as government ownership of this type of development approach remains limited.

Afghanistan has a national development strategy, the Afghan National Peace and Development Framework (ANPDF), which is the government's plan for 2017 to 2021 to achieve self-reliance and increase the welfare of the Afghan people. Within the ANPDF are the National Priority Programs (NPPs), which guide the development problem solving for the country. This framework, and the NPPs, demonstrate that the Government of Afghanistan owns the development space in the country, to an extent. In reality, international donors consult with government and use the above as tools for their own planning, which is largely undertaken back in their respective capital cities. Some donors are more demand driven than others, but they are all essentially accountable to their constituents back in their home country. **Thus, the level of development ownership enjoyed by the government is at the discretion of individual donors, with some**

**donors not making this a priority for their aid approach.** A lack of local development ownership, and poor donor alignment, leads to ineffective aid.

There are over 30 different international donors disbursing aid in Afghanistan, each with their own agenda and aid agreement with the government, and effective donor coordination and harmonisation is not a practice adopted universally. A decreased appetite for risk, due to the deteriorating security situation, means that donors are largely confined to their compounds, making aid coordination difficult. Yet in some sectors, donors are able to coordinate well, due in part to the strong leadership shown by the government, and the effective systems established to bring donors, government, and development partners to the table. Moreover, mechanisms such as the Afghan Reconstruction Trust Fund (ARTF) and the Afghan Infrastructure Trust Fund (AITF), encourage a more harmonised approach, improving the cost effectiveness of international aid. **Yet there are still major issues of fragmentation, with donors bypassing government systems in multiple areas of the development sector, and it is this fragmentation that leads to ineffective aid.** This fragmentation is gradually changing, as donors seek continued improvements before they fully commit development funding through government mechanisms. Moreover, there are still concerns from donors about the absorptive capacity of government systems, to handle the large amounts of donor funding.

As discussed above, there has been great progress made in Afghanistan since 2010, yet

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<sup>8</sup> 'Development Cooperation Report 2012-2014', Aid Management Directorate, Ministry of Finance, Islamic Republic of Afghanistan, 2015



this progress lacks a rigorous results framework by which to hold both donor and government to account for their performance. Documents such as the Self-reliance through Mutual Accountability Framework (SMAF) provide a decent enough platform for the accountability relationship between donors and the government of Afghanistan, but it **stops short of delivering a mechanism for both parties to use as a contractual agreement that they could use to improve their performance in aid effectiveness.** According to interview respondents, the SMAF

is not sufficiently enforced by donors, lacking accountability on both sides of the agreement, and is without a robust results framework that could be easily made available for public scrutiny.

Government, donors, and civil society have provided a number of recommendations to improve aid effectiveness in Afghanistan. The recommendations below are a combination of those collected in interviews and through secondary literature review.

## RECOMMENDATIONS

### Government of Afghanistan

1. Take a harder stance with donors. Development strategies need more Afghan ownership. This can be achieved through greater efforts to articulate the ANDPF to donors, and reform agenda being implemented.

2. Harmonise development agreements into one document for donors, government, to follow and for international partners, and civil society to monitor. Can be done by revising the SMAF, and associating closer with the ANPDF.

3. Government and donors should explore ways to improve formal and informal engagements. Government ministries and departments need to increase their availability so that planning, implementation and reporting, especially financial reporting, can be discussed.

4. Make provincial development plans, including budgets and financial reports, widely available for the public, so that public monitoring of government performance can be carried out. This could be advocated for by civil society through the introduction of freedom of information acts.

5. Prioritise the design and approval of a comprehensive legal framework to help prevent, detect and prosecute corruption in the country.

## **Donors supporting Afghanistan**

1. Reduce fragmentation by exploring the option of improving Multi Donor Trust Fund approaches, to increase on-budget aid. Undertake a full review of existing Multi Donor Trust Funds (including ARTF), to determine best practice.
2. Clearly articulate the main technical concerns they have with government systems, specifically those that stop them from spending more money on-budget. Addressing these concerns could then act as a pre-condition for the government to receive additional funding on-budget, thereby incentivising funding to improve government processes and institutions.
3. Expand support for Team Based Performance Management for ministry's corporate functions. Assessing, grading, and providing support for these corporate functions (based in teams), can improve the institutional capacity of the entire ministry.
4. Adopt collective voice when dealing with the government. While donors will invariably have different interests and approaches when dealing with government, by exploring ways to reduce fragmentation they can increase their collective face time with government
5. Increase pressure on the government on carrying out its reform and development agenda, with tangible indicators of progress. Where indicators are not met, donors should hold government to account for its performance.
6. Overall aid to Afghanistan does not necessarily need to increase, but donors should prioritise longer term planning and aid commitments with government counterparts, in order encourage financial stability. This can be achieved through targeting messaging during key events, and pressure from civil society in Afghanistan and in donor countries, which focuses on incentivising long- term planning, as opposed to focusing on 'dooms day scenarios'.
7. Where possible, donor planning and reporting processes should align with government systems, specifically the budget cycle. Meetings such as the SOM provide an opportunity for the donor community to assess, and provide feedback on, budgetary decision making.
8. Explore options for multi-sectoral programming to reduce competition, and encourage coordination, between different ministries.
9. Provide stronger incentives for government to implement their anti-corruption strategy. This can be directly targeted at sectors where corruption has already been highlighted (education and health).

## **Civil Society**

1. Advocate for a debate or discussion between donors, government, and civil society on aid efficiency and value for money in Afghanistan. Could explore money spent through contractors, government, and civil society to see which modality provides the most cost-effective way to reach Afghan people.

2. Accountability measures need to be more definite and transparent between government and donors, and between government leadership and ministries. These accountability measures should be open to civil society review, to increase the public accountability. Civil society should advocate to government and donors to make these measures more public.

3. Establish more community based monitoring of projects, with reports shared with government, donors and the wider public, to reduce corruption in development implementation.

4. Advocate for access to provincial development plans, including project level planning, to better monitor implementation and performance of government.

5. Consider making their development plans, reports, and results more readily available with relevant line ministries. This does happen to an extent, but it needs to arrive at a level where the government is easily aware of the work happening across the country.

6. Advocate for more bottom-up approaches to development strategy planning for the international community. Civil Society can be a conduit for the donors to have their development strategies more locally owned, with an emphasis on demand driven approaches.

## 2. OBJECTIVES OF THE STUDY

The objective of the study is to assess the effectiveness of aid in Afghanistan in order to develop a list of recommendations to support policy makers to meaningfully improve aid effectiveness. The research objectives addressed by the project are:

1. To assess the extent to which the Afghan government and the international community met their aid effectiveness commitments of the past four international conferences on Afghanistan (Kabul 2010, Tokyo 2012, London 2014, Brussels 2016).

2. To assess to what extent the international community fulfilled its aid promises to Afghanistan, and the actual amount of aid disbursed to Afghan government and spent.

3. To assess the extent to which aid spent by Afghan government was effective and spent on intended purposes, and similarly [to] assess the effectiveness of the aid spent by the international community directly.

4. To assess the volume of aid, and how it has changed over the years 2010-2016.

## 3. SCOPE OF THE STUDY

Firstly, a comprehensive review of secondary literature and primary data was conducted, using both publicly available information and information from Ministries and other government institutions. This process has yielded both quantitative and qualitative data.

Secondly, 36 interviews were conducted by the research team in Kabul, and in the provinces of Balkh and Logar, with Government Representatives, Donors, Development Partners, and Civil Society Representatives, to compare and deepen the data obtained from the material generated in the secondary literature review. A full list of interview subjects can be found in the Annex.

## 4. KEY FINDINGS

### 4.1 Have the Afghan government and the international community met their aid effectiveness commitments of the past four international conferences on Afghanistan (Kabul 2010, Tokyo 2012, London 2014, Brussels 2016)?

*Aid could and should produce better results;* this was the agreement recognised at the Paris Declaration in 2005, which brought together donor and recipient countries, development institutions, and civil society.

As a follow up to Rome in 2002, where the principles of aid effectiveness were first outlined, Paris 2005 focused on first-hand experience of what worked and what didn't, and where signatories to the Declaration agreed on five central pillars on which to base their future development efforts:<sup>9</sup>

- 1. Ownership:** Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- 2. Alignment:** Donor countries align behind these objectives and use local systems.
- 3. Harmonisation:** Donor countries coordinate, simplify procedures and share information to avoid duplication.
- 4. Results:** Developing countries and donors shift focus to development results and results get measured.
- 5. Mutual accountability:** Donors and partners are accountable for development results.

The Paris Declaration was followed up by the Accra Agenda for Action in 2008, where the principles of aid effectiveness would be strengthened, and improvements could be made in the areas of **ownership, inclusive partnerships, development results, and capacity development**.

Finally, at the fourth high level forum on aid effectiveness in Busan (2011), delegates signed the Busan Partnership for Effective Development Co-operation, where a framework was agreed for development cooperation that recognised traditional donors, South-South co-operators, the BRICS, civil society organisations, and the private sector. Essentially it was a shift from aid effectiveness, to development effectiveness.

While there was criticism of the Paris Declaration principles, such as the tenuous link to real outcomes of aid effectiveness for real people, or the fact that indicators are difficult to measure between countries with vast contextual differences, improvements have been made at subsequent global forums to the framework for aid effectiveness.

Therefore, following Busan, it was agreed that conflict affected countries have a very different path to development than those unaffected by conflict, and thus their aid effectiveness progress should be viewed differently as well. Conflict-affected states responded to this recognised distinction by forming the g7+ in Dili (2010) with other conflict affected states, where they felt they

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<sup>9</sup> OECD, Paris Declaration on Aid Effectiveness, 2005, <http://www.oecd.org/dac/effectiveness/parisdeclarati onandaccraagendaforaction.htm>

could better learn from each other and advocate for contextually tailored development policies for conflict affected states. Essentially these states wanted to reform international engagement in development in the g7+ member states.<sup>10</sup> With 1.5 billion people living in these fragile states, this was a strong movement towards locally driven solutions to aid effectiveness, where conflict states were demonstrating a level of ownership over the development space in their respective countries.

Afghanistan has been a g7+ member since 2010, and as a signatory to the Paris Declaration, the country, along with its donors, has clear aid effectiveness commitments it must adhere to. As a g7+ member, Afghanistan advocates for an aid effectiveness framework that is contextually relevant.

There have been four international conferences focusing on Afghanistan's development status since 2010. These conferences have afforded the Afghan government and the international community the chance to discuss aid effectiveness, aid commitments, and development progress in the country.

### **Kabul 2010**

1. Presentation of the National Priority Programs (NPPs), a big movement towards aid effectiveness for the government with

development strategy owned and implemented by the government.

2. Government commitment to reforms in justice, elections, and human rights.

3. Donors committed to at least 50% of development aid being channelled through the GIRoA's core budget with two years, and at least 80% of donor spending aligned behind the National Priority Programs.<sup>11</sup>

### **Tokyo 2012**

1. Establishment of the Tokyo Mutual Accountability Framework (TMAF), a mechanism where the commitments and accountability between the government and international community could be reviewed on a regular basis.

2. Commitment from both sides from the *Transition to the Transformation Decade (2015-2024)*.

3. The TMAF to act as a means of providing confidence to Afghans and international donors that the commitments they have made to each other would be monitored and honoured.

4. Donors maintained their commitments of aligning 80% of their aid with the NPPs, and 50% of its development assistance through the national budget.<sup>12</sup>

5. Donors committed '16 billion USD through 2015'.

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<sup>10</sup> 'A New Deal for engagement in fragile states', International Dialogue on Peacebuilding and State Building, 2011

<http://www.g7plus.org/sites/default/files/basic-page-downloads/new-deal-engagement-fragile-states.pdf>

<sup>11</sup> Kabul Conference Communique: A renewed commitment by the Afghan government to Afghan people, Government of Afghanistan, 2010

[https://reliefweb.int/sites/reliefweb.int/files/resources/DEC25CB550D6C698C1257767002ED242-Full\\_report.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/DEC25CB550D6C698C1257767002ED242-Full_report.pdf)

<sup>12</sup> Tokyo Conference on Japan: The Tokyo Declaration Partnership for self-reliance in Afghanistan, from Transition to Transformation, Ministry of Foreign Affairs Japan, 2012

[http://www.mofa.go.jp/region/middle\\_e/afghanistan/tokyo\\_conference\\_2012/tokyo\\_declaration\\_en1.html](http://www.mofa.go.jp/region/middle_e/afghanistan/tokyo_conference_2012/tokyo_declaration_en1.html)

## London 2014

1. New Afghan government leadership, discussing reform with international community amid the backdrop of the combat troop drawdown.
2. The TMAF received a renewed commitment, with a decision to review the framework at the following year's Senior Officials Meeting (SOM).
3. After the London 2014 conference, Afghanistan would be required to deliver on a number of reform processes, prior to the SOM in 2015, most notably passing a credible budget, increasing revenue, passing financial reforms, and demonstrating actions to improve human rights in the country, amongst others. In general, aid effectiveness principles, including those found in TMAF, were reaffirmed by the participants.
4. Participants re-affirmed their commitment to aligning with Afghan national priorities, to further improve aid information management, and to take concrete steps towards delivering more aid on budget.
5. This was in contrast to the civil society side event held at the conference, where the call was made to funnel more development funding through civil society due to the high level of corruption within the government. For its part, the government argued for more 'on-budget' spending, and pledged to tackle the risks of corruption.<sup>13</sup>

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<sup>13</sup>'Afghanistan: Struggling for Momentum in London', USIP, December 2014

<https://www.usip.org/blog/2014/12/afghanistan-struggling-momentum-london>

<sup>14</sup>'The Brussels Conference on Afghanistan: Partnership for Prosperity and Peace', Ministry of Foreign Affairs GIRoA, October 2016 <http://mfa.gov.af/en/page/the-brussels-conference-on-afghanistan>

## Brussels 2016

1. 15.2 billion USD over the next four years (2017-2020) was pledged at the conference.
2. As part of its commitments, the Afghan government unveiled a new development strategy, the Afghan National Peace and Development Framework (ANPDF), and an updated set of 24 deliverables under the Self-Reliance through Mutual Accountability Framework (SMAF), to replace the TMAF. Both were endorsed by the international community.<sup>14</sup>
3. As the SMAF had been developed at the 2015 SOM in Kabul, the Brussels Conference offered the opportunity for participants to reflect on the government of Afghanistan's progress, where they were able to showcase their progress towards achieving the reform benchmarks outlined in the SMAF.

As the government of Afghanistan and the majority of the donor community<sup>15</sup> are all signatories to the Paris Declaration on Aid Effectiveness, the commitments made at the international conferences mentioned above need to be assessed in light of these aid effectiveness principles. In the government's own words, they still fully agree to the principles of aid effectiveness, but do not believe that they, or the international community, have performed their roles in holding each other accountable to those principles.<sup>16</sup>

<sup>15</sup> Iran and United Arab Emirates have not signed the Paris Declaration of Aid Effectiveness

<sup>16</sup> Afghanistan National Peace and Development Framework (ANPDF): 2017-2021, Islamic Republic of Afghanistan

In light of this assessment, the first principle to be addressed is **ownership**, where developing countries set their own development strategies for poverty reduction. Afghanistan has a development strategy, the Afghanistan National Peace and Development Framework (ANPDF), which runs from 2017-2021. According to the ANPDF, the political leaders are to set the national goals, and the country's overall development objectives, through a consultative cabinet process. From there, the inter-ministerial councils formulate and manage development policy and programming, while negotiating the competing budget proposals. The negotiations relate to the National Priority Programs (NPPs), of which there are currently 11, where the inter-ministerial working groups plan for outcome focused cross-sector programs to be nationally implemented. These NPPs are then allocated funding under the national budget process. It is the job of the relevant ministry to implement the program, coordinating with other line ministries where appropriate, providing reports to the cabinet.

This is the planning process in principle, where the government of Afghanistan has full ownership over the development agenda; but this is yet to be fully realised. While this occurs, donors have their own planning processes for the design of their development

strategies. This is generally done in full consultation with the government of Afghanistan, using the ANPDF and NPPs as a platform, but the key decisions and discussions are conducted back in their respective capital cities.<sup>17</sup>

At previous international conferences donors pledged their commitment to aid effectiveness by stating that they would provide at least 50% of development aid through the government's core budget, and at least 80% of their spending aligned behind the National Priority Programs. According to the government's Development Cooperation Report from 2014, (the last year it was prepared) many donors claim to have met the 80% target for ODA alignment with the NPPs, but there appears to be a lack of consensus as to what constitutes alignment. From a donor's perspective, alignment is achieved by spending money in sectors that fall within the NPPs, through whichever mechanism they see fit, whereas the government identifies alignment as spending in ways that they can easily monitor and attribute to their priority needs, essentially through their institutions and procedures.

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<sup>17</sup> ATR Key Informant Interviews



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According to data collected from donors who provided alignment data, \$9.2 billion of total ODA over the three years was aligned with NPPs. However, according to data collected from Afghan Ministries over a similar period, only \$4.4 billion of ODA was considered aligned, leaving a funding gap of \$8.4 billion against estimated needs (Donor Cooperation Report 2012-2014)<sup>18</sup>

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In 2016 the government released an update through the SMAF Progress Report, where it was noted that the international community currently provides 59% of development aid

through the government's core budget, thereby honouring its commitment to government ownership under the aid effectiveness principles.<sup>19</sup>

### Conclusion

Government ownership of the development process happens in principle thanks to the strong ANPDF national development strategy, and the government has a budget planning process where the NPPs are selected for funding, yet the key funding decisions and strategies are not made in Kabul, but in the capital cities of donor countries.

Donors remarked that **alignment** (the second aid effectiveness pillar) with the NPPs is not difficult, as their strategies will invariably be in line with the government's due to the fact that the NPPs cover all areas of the development sector in Afghanistan.<sup>20</sup> This suggests confusion between donors and the government over the exact definition of alignment. Donors respect the government priorities, and are happy to design their programs in accordance with the government's plans, however, when it comes to the implementation of their strategies and the development approach adopted, donors largely chose what they see as best fit, and

what is in their best interest.<sup>21</sup> For example, if donors wanted to provide aid for the agricultural sector, they would choose the development approach that they saw as best for their interests (i.e. improvements to market access, or agricultural commercialisation) rather than funding land reform, which may be needed, but is not what they wish to fund. Donors point out that the issue is leadership; if they see strong planning and direction coming from a relevant ministry, then they will respond to it. Where there is a lack of leadership, the government can advocate for funding to go to a specific subject area, but at the end of the day, the direction of the money is chosen by the donor. Thus, while

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<sup>18</sup> 'Development Cooperation Report: 2012-2014', Aid Management Directorate, Ministry of Finance, Islamic Republic of Afghanistan, 2014

<sup>19</sup> "Self-Reliance Through Mutual Accountability Framework (SMAF): Progress Report," Islamic Republic of Afghanistan, September 2016

<sup>20</sup> ATR Key Informant Interviews

<sup>21</sup> ATR Key Informant Interviews

a major aid investment such as the Afghan Reconstruction Trust Fund (ARTF) is a fully on-budget program, the programmatic decisions are still made within the World Bank, with influence on investment choices led by donors, restricting ARTF ownership within the government.<sup>22</sup>

With the government largely only able to influence where the money goes, donors are free to fund areas that are appealing to their constituents back home. Therefore, when it comes to the National Priority Programs, where the government has a clear plan for what they would like funded, donors have been known to compete for the most attractive projects, with other development areas neglected if they do not appeal.<sup>23</sup>

Program ownership is further weakened by what the IMF calls the 'parallel civil service'. A key challenge in delivering aid on-budget is the significant off budget spending by donors, which in their opinion has led to the creation of an unofficial, better-paid, parallel civil service, which has demotivated the regular civil service and weakened program ownership.<sup>24</sup> Moreover, demotivation has the potential to lead to corruption, when coupled with weak oversight, as civil service employees may seek to balance out their salaries by engaging in corrupt practices.

According to donors, the government does have a strategy, and it does set the agenda, but without strong government leadership to bring donors in-line, donors are free to make

the development decisions that suit them, decisions that align with their strategic objectives.<sup>25</sup> However, not all donors function this way, with some operating a demand driven approach to development that enhances government ownership. Moreover, some ministries within the government (e.g. Ministry of Education and Ministry of Rural Rehabilitation and Development) are able to demonstrate the necessary leadership, further enhancing their credentials of owning the development space in their respective sector.<sup>26</sup>

Afghanistan has a number of bodies and groups that aim to improve aid coordination. For example, the 5+3+3 group, the Senior Officials Meeting (SOM), and the Joint Coordination and Monitoring Board (JCMB), which are all platforms that see donors engage directly with senior Afghan government officials. It is in these meetings that aid can be better coordinated and information shared amongst donors and government. However, at present these do not sufficiently align with the government processes, specifically the budgetary process. For example, at the 2017 SOM in Kabul, the donors were able to hear about the progress made by the government towards the reform agenda laid out at the Brussels conference in 2016, yet the chance to use this meeting as an opportunity to discuss key elements of the budget was missed, as the meeting was held prior to the government completing its budget cycle.<sup>27</sup> According to the Paris Principles, for aid to be effective, donors

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<sup>22</sup> Review of Afghanistan Reconstruction Trust Fund, ARTF, Internal and External Studies and Evaluations in Afghanistan, SIDA, 2015, <http://www.sida.se/contentassets/72dc94b2318644e9b70242b037660cfd/7a6d0a72-27e6-4bad-b17d-a44c1028ae45.pdf>

<sup>23</sup> ATR Key Informant Interviews

<sup>24</sup> IMF, 2016 Post Assessment of Longer-Term Program Engagement

<sup>25</sup> ATR Key Informant Interviews

<sup>26</sup> Ibid

<sup>27</sup> ATR Key Informant Interviews

need to align with local systems, so that government processes are strengthened.

As such, alignment occurs on paper only. Over the four international conferences, the public communiques demonstrate an increased intention by the international community to align their in-country strategies with the government's priorities, yet the GIRoA continue to report that donors follow their own agenda, whilst claiming they are aligning with the Afghan governments priorities.<sup>28</sup>

In the 2015-2018 USAID strategic plan there seems to be little reference to the TMAF or SMAF, with both documents only referred to once in the strategy, and the responsibility placed on the GIRoA to remain committed to

their development reforms detailed in the TMAF, SMAF and the NPP in order for USAID to implement their strategy.<sup>29</sup> The US government has its own Bilateral Compact with the Afghan government, which outlines key benchmarks tied the reform process that the government must meet as part of its agreement with the US government. The US government does not require the Afghan government to meet the targets under the SMAF, rather preferring to focus its attention on the Bilateral Compact between the two nations.<sup>30</sup> While this does create stronger ties between the two countries as US aid money is held accountable towards key reforms, it raises concerns about harmonization of donor procedures.

### Conclusion

The government does not believe that the donors align sufficiently, while donors lament the fact that the government lacks strong leadership in certain sectors. This leadership vacuum is then filled by donors themselves, who align with the government processes at the 'goal' level but not necessarily at the 'program' level.

This leads to the third pillar agreed to at the Paris Declaration of **harmonization**, where donor countries would coordinate and simplify procedures, so that information could be shared to avoid duplication. According to the government, donor-induced fragmentation is rife in Afghanistan, and it impacts their ability to truly own the development space.<sup>31</sup> While donors do communicate with each other, they have their own individual agenda in the country, with their own superiors to answer to.

With competing interests, it leads to fragmentation of their efforts. This fragmentation results from donors largely bypassing the government systems, due to the need to reduce their fiduciary and reputational risk. While this fragmentation of public financial management systems may reduce reputational risk for donors in the short term, it invariably increases development risk in the long term.<sup>32</sup> In practice it can actually increase fiduciary risk with misuse of funds, as it creates more holes

<sup>28</sup> 'Post Assessment of Longer-Term Program Engagement', IMF, 2016

<sup>29</sup> 'USAID/Afghanistan Plan for Transition 2015-2018', USAID, 2015

<sup>30</sup> ATR Key Informant Interviews

<sup>31</sup> Ibid

<sup>32</sup> 'The Consequences of Donor-Induced Fragmentation', Institute for State Effectiveness  
<http://effectivestates.org/wp->

in the system that can be exploited by opportunistic development practitioners, and government representatives.

In Afghanistan donor coordination is not a straightforward exercise. With movement restrictions placed on donors due to security issues, the simple act of moving from one embassy or government office to the next remains a challenge. Thus, donors must be selective with the meetings they choose to attend.<sup>33</sup> This is not a new concept for donors, but the fact remains that in Afghanistan, for donors to get together with government or development partners, a lot of preparation and resources must be mobilised in order to make that happen. This impacts on their ability to coordinate. It impacts on their ability to share information, and agree to common efforts for development advocacy and planning. According to some donors, the answer is not to find ways for more donor meetings, but for donors to be have more presence in internal government meetings, acting as observers, and understanding the systems better.<sup>34</sup>

Moreover, as donors and development partners pointed out in their interviews, due to the fact that Afghanistan is categorised as a hardship posting for international staff, the

amount of time they spend in country is reduced. This means shorter missions between lengthy breaks, under a brief overall mobilisation period (generally between 1-2 years). Thus, the institutional memory is lost as donors leave the country either for a break or for the end of their mobilisation, impacting the ability of the international community to coordinate their development strategies. With the international community's appetite for risk continuing to reduce, the challenges of donor coordination and harmonization will increase.

Despite the challenges associated with donor movement in country there are strong examples of donor harmonization in Afghanistan, where resources have been pooled and transaction costs shared. For example, the Afghan Reconstruction Trust Fund (ARTF), the largest contributor to the Afghan government budget, is supported by 33 donors who meet as a steering committee with government once every quarter in Kabul. The ARTF supports the NPPs, operational costs of the government, and the policy reform agenda. Three independent reviews have been conducted of the ARTF since its establishment in 2002, with the most recent evaluation in 2012 concluding:

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ARTF is a best practice trust fund and is “fit for purpose” to support Afghanistan through transition and into the transformation decade: “The ARTF remains the vehicle of choice for pooled funding, with low overhead/transaction costs, excellent transparency and high accountability, and provides a well-functioning arena for policy debate and consensus creation. (External Evaluation ARTF 2012)<sup>35</sup>

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A new evaluation is long overdue, but donors reflected that ARTF works effectively as a harmonised approach to supporting government operations and key development programs.<sup>36</sup> However, while ARTF is viewed as efficient in terms of its management, due to the multitude of partners, its inability to coordinate a common message on reform hinders its ability to effectively influence the government.

Donors accepted that aid coordination and harmonization was not operating as smoothly across the board in Afghanistan as it could be. In their eyes, some sectors and mechanisms coordinate well (e.g. education and humanitarian), while others lack the internal coordination needed to be effective. For example, as mentioned above, donors stated that the international community would welcome greater leadership from the government in this regard, mentioning that a stronger desire from the government to bring the international community in line with their priorities and preferred approach would be supported by the donors. From their point of view, this would reduce the fragmentation of

donors, where competing priorities are common across the international community.<sup>37</sup>

There is finger pointing on both sides, with donors lamenting the lack of government leadership, and government wanting donors to move away from fragmented systems, so that resources are not wasted. From the government’s perspective, cost effectiveness is one of the major issues of development practice in the country. Under a fragmented system, neither Afghanistan, nor donor country tax payers, receive ‘bang for their buck’ in terms of development outcomes. Donors will say that it is too financially risky to channel all their aid through a single government system, but government will respond that it is too risky from a long development stand point to not. For its part the Ministry of Finance would like to see more money spent on-budget, feeling strongly that their systems have vastly improved to handle additional money. Yet for the donors, they would like to see a track record of adequate and transparent expenditure rates before committing more aid on budget.<sup>38</sup>

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<sup>35</sup> ‘External Evaluation 2012 ARTF at a Cross-Roads, History and Future – Final Report’, World Bank, 2012  
<http://documents.worldbank.org/curated/en/379291467994640296/pdf/731450WP0ARTF000disclosed0100100120.pdf>

<sup>36</sup> ATR Key Informant Interviews

<sup>37</sup> Ibid

<sup>38</sup> Ibid

## Conclusion

There is a large degree of donor and government fragmentation in the country, principally lead by an aversion to reputational and fiduciary risk. There are trust funds that increase harmonisation amongst donors, but there is still a reluctance to have these funds fully government owned. Donors want to see stronger leadership and an improved track record of aid implementation before they commit more money to collective funds. Government would like to see this reduction in fragmentation as soon as possible.

It comes down to a question of **results** (4<sup>th</sup> pillar), where the Paris Principles state that developing countries and donors must shift focus to development results; results that are measured. Yet aid in Afghanistan does not go through a rigorous enough results framework. There are plenty of reports drafted and presented, where progress can be shown in a positive or negative light, but very little that holds donors or the government to **account** (5<sup>th</sup> pillar).

There are a number of ways that aid is delivered in Afghanistan; through the government, NGOs, contractors, or technical assistance, but results have not been measured against any one individual modality over another. Donors have their preferred method of delivering aid, and may choose a multitude of approaches to reach development outcomes. Yet the focus on assessing development modalities has largely been upon the ability to deliver outputs, not outcomes. By focusing primarily on outputs, donors and the government of Afghanistan can more easily show progress to each other, with little regard to the overall impact of their aid interventions on the development of Afghanistan. Therefore, accountability towards each other, and to the people of Afghanistan is severely lacking, and thus the

effectiveness of aid money spent cannot be truly understood.

Of course, the donors and the Afghan government need to be accountable to their respective publics, as well as to each other. For the latter, there is the Self-reliance through Mutual Accountability Framework (SMAF). Despite the fact that the SMAF is seen as highly relevant to the contractual arrangement between the government and donors, the consensus is that it is too ambitious, and is not adequately followed up on or enforced by either side.<sup>39</sup> Besides the commitment to have 50% of Official Development Assistance (ODA) on-budget (currently at 59% as of June 2016)<sup>40</sup>, most of the reporting is largely ignored by the donors, as they do not see enough reporting against targeted progress, rather just achievement of progress, which makes it difficult to hold the government to account against specific outcomes.<sup>41</sup> With greater transparency in this space, the monitoring of reporting could be undertaken by civil society.

For its part, the government is now pushing to have a more systematic approach to performance of government ministries and departments. Team Based Performance Management has been introduced to the

<sup>39</sup> ATR Key Informant Interviews

<sup>40</sup> "Self-Reliance Through Mutual Accountability Framework (SMAF): Progress Report," Islamic Republic of Afghanistan, September 2016

<sup>41</sup> ATR Key Informant Interviews

Ministry of Finance to improve institutional culture, seen as a primary determinant of performance. This team based approach to performance aims to increase efficiency and hold departments to account on their plans and results in a more transparent forum.

Away from the government and the international community is the International Joint Anti-Corruption Monitoring and Evaluation Committee (MEC), an independent agency that is not subject to the direction of the government or the international community. Yet their remit is largely focused on addressing the issues of corruption, by providing anti-corruption policy advice, and monitoring and evaluating the progress against specific anti-corruption benchmarks. In effect since 2010, the MEC has not been afraid to go after corruption within the government, recently releasing a report on the endemic corruption within the education sector. Yet the MEC plays no part in overseeing the terms of accountability between government, donors, and the international community, except when it relates to corruption.

The lack of support for the SMAF from donors sees the government generally only take the

reporting seriously if they believe that it is tied to a funding commitment to be made by donors.<sup>42</sup> Despite these challenges, according to the US State Department's fact sheet on the Brussels Conference on Afghanistan, as of September 2016, the government of Afghanistan had achieved 20 of the 30 SMAF indicators, with substantial progress on the remaining 10 indicators.<sup>43</sup> This is in spite of the fact that the US government does not require the government of Afghanistan to report on the SMAF, choosing instead to have its own compact for the government to report against.<sup>44</sup> From the Civil Society perspective, the SMAF is seen as a good start and a positive step to accountability, however in their view, the donors do not provide a robust enough assessment of the Afghan government when grading their performance against the indicators, essentially offering them a 'free pass'.<sup>45</sup> As such, this lack of harmonization on the major aid contract between the donors and the government, undermines the accountability framework for the aid effectiveness in the country. Yet with little else to replace the accountability framework, donors and government have no choice but to support the SMAF until improvements can be made.

## Conclusion

The SMAF provides a platform for accountability between the government and international donors, but is not sufficiently enforced. The development cooperation between government and donors lacks accountability, and lacks a robust results framework that can easily be made public.

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<sup>42</sup> Ibid

<sup>43</sup>'Brussels Conference on Afghanistan: October 4-5 2016 Fact Sheet', Bureau of South and Central Asian Affairs, US State Department, December 2016 <https://2009-2017.state.gov/p/sca/rls/fs/2016/265166.htm>

<sup>44</sup> With US aid money having to be approved by the US Congress, the US govt required a bilateral agreement with the Afghan govt where they had more control over the terms

<sup>45</sup> ATR Key Informant Interviews

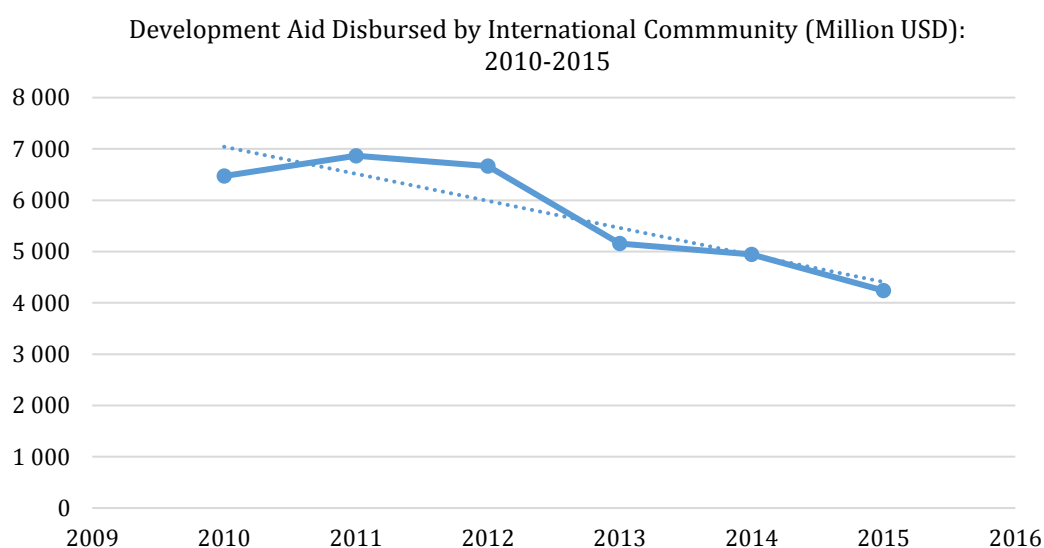
## 4.2 How has the volume of aid changed over the years (2010-2016)?

According to the World Bank's report on net official development assistance and official aid received in Afghanistan, based on figures from the Organization for Economic Cooperation and Development (OECD), development aid since 2010 has progressively reduced each year, as can be seen in Figure 1.<sup>46</sup> From 2010 –

2015 (figures for 2016 were not available), Afghanistan received 34.3 billion USD.

2011 was the year with the most development aid received by Afghanistan in recent years (6.867 billion USD), with 2015 experiencing a 38% drop in money received (4.239 billion USD) from 2010 levels. Table 1 displays how aid money has gradually reduced each year since 2010.

**Figure 1 Development aid disbursed by international community from 2010-2015 (World Bank)**



**Table 1 Volume of development aid disbursed from 2010-2015 (World Bank)**

Year	Disbursed (Million USD)
2010	6,472
2011	6,867
2012	6,668
2013	5,153
2014	4,945
2015	4,239
<b>Total</b>	<b>34,344</b>

<sup>46</sup> Net Official Development Assistance and Official Aid Received (current \$US), The World Bank, 2017

<https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?end=2015&locations=AF&start=2010>

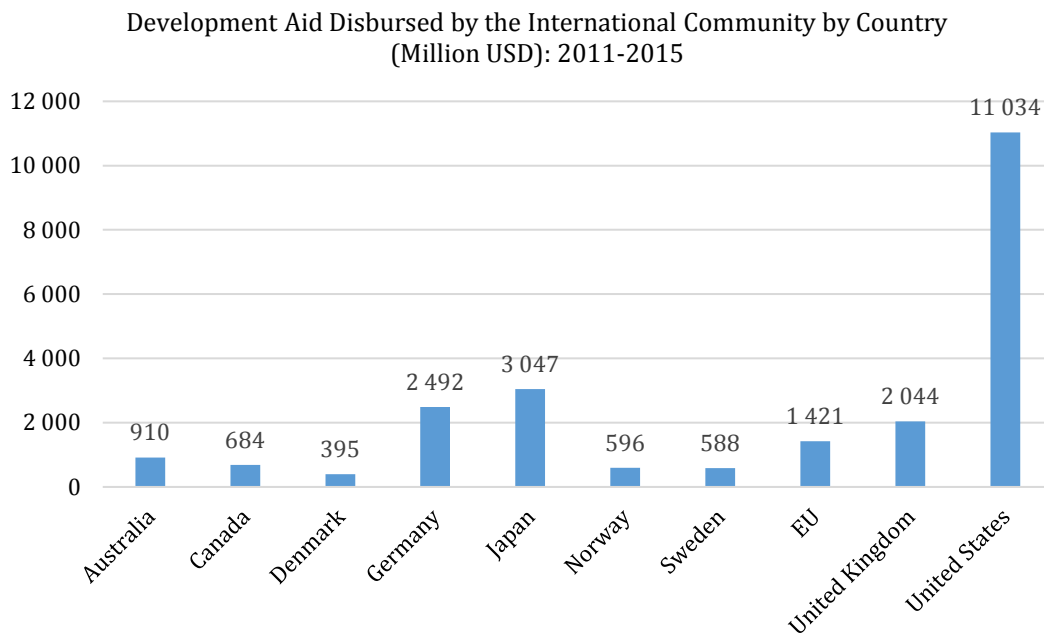


However, this amount of aid money received by the Government of Afghanistan is challenged in the Ministry of Finance’s Development Cooperation Report (2012 – 2014). In this report, the Ministry of Finance states that Afghanistan received a total of USD 12.9 billion in development assistance from 2012-2014.<sup>47</sup> This is less than the World Bank figures (USD 16.8 billion). The challenge to obtain accurate data on how much development aid has been received from 2010-2106 points to a lack of transparency and coordination within the aid sector of

Afghanistan where clear financial data is not readily available, and agreed upon.

Figure 2 below shows the top 10 international donors for Afghanistan. As can be seen, the United States has been the largest donor by a considerable margin, contributing over 11 billion USD from 2011-2015, followed by Japan and Germany, contributing 3 and 2.5 billion USD respectively.<sup>48</sup> The EU, United Kingdom, and Australia, were the next largest donors.<sup>49</sup>

**Figure 2 Development aid disbursed by international community by country from 2011-2015 (OECD)**



<sup>47</sup> ‘Development Cooperation Report’, Aid Management Directorate, Ministry of Finance, Islamic Republic of Afghanistan, 2015

<sup>48</sup> ‘Geographical Distribution of Financial Flows to Developing Countries: Disbursements, Commitments, Country Indicators’, OECD, 2017

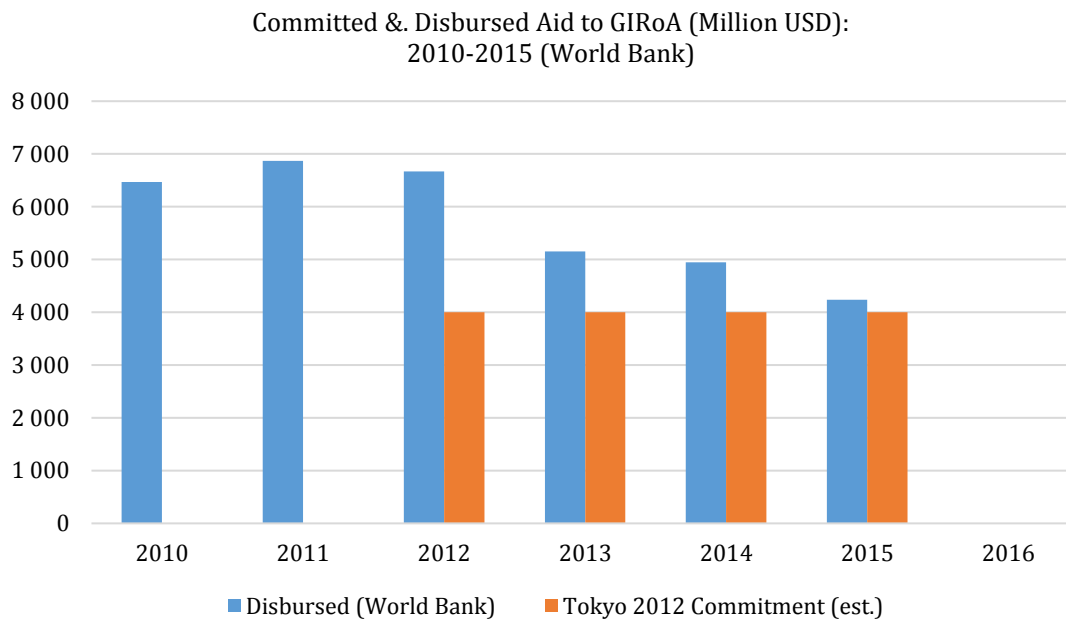
<sup>49</sup> Distribution figures per country were only available from 2011-2015

**4.3 To what extent has the international community fulfilled its aid promises to Afghanistan, and what is the actual amount of aid disbursed to Afghan government and spent?**

At the Tokyo Conference in 2012, the international community agreed to provide

USD 16 billion in aid ‘through 2015’.<sup>50</sup> Thus, when comparing this commitment with the data collected by the World Bank, as can be seen in Figure 3, the international community was able to honour its financial commitments to Afghanistan through these years.

**Figure 3 Committed &. disbursed development aid to GIROA from 2010-2015 (World Bank)**



However, the Afghan Government’s Central Statistics Organisation (AGCSO) also publishes annual statistics for the country, releasing them based on the Islamic year. Table 2 and Figure 4 below show that the international community has consistently fallen short of their aid commitments each year since

2009/10. The AGCSO data points out that the international community has been improving since 2009/10 where 31% was disbursed, to 2016/17 where 71% has been disbursed. Therefore, according to the government of Afghanistan, the international community has not fulfilled its aid promises to Afghanistan.

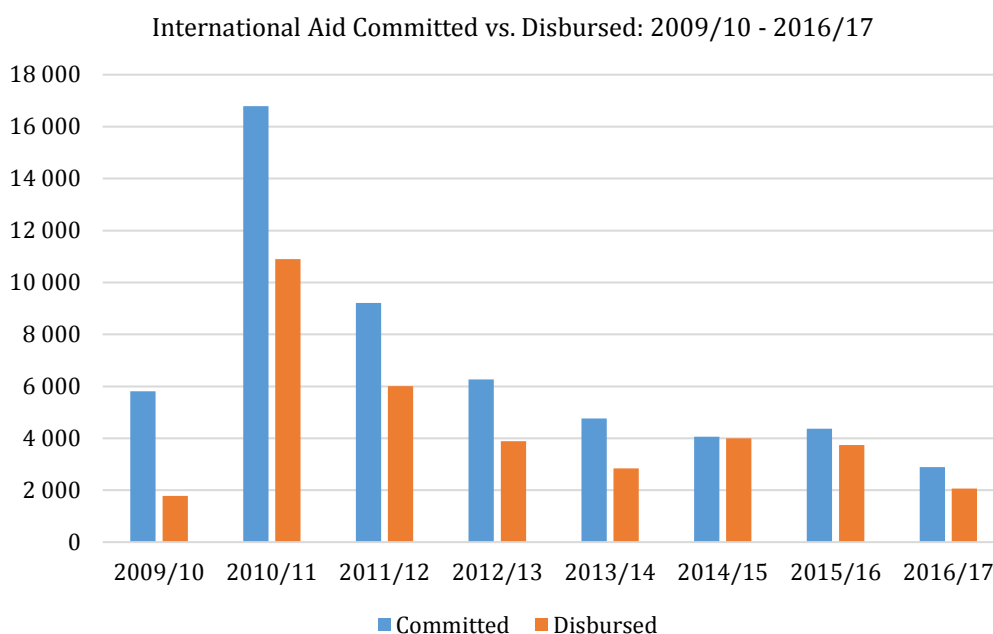
<sup>50</sup> Tokyo Conference on Japan: The Tokyo Declaration Partnership for self-reliance in Afghanistan, from Transition to Transformation, Ministry of Foreign

Affairs Japan, 2012  
[http://www.mofa.go.jp/region/middle\\_e/afghanistan/tokyo\\_conference\\_2012/tokyo\\_declaration\\_en1.html](http://www.mofa.go.jp/region/middle_e/afghanistan/tokyo_conference_2012/tokyo_declaration_en1.html)

**Table 2 Volume of committed aid vs disbursed aid from 2009/10 – 2016/17 according to the AGCSO (Million USD)**

Year	Committed	Disbursed	Percentage Disbursed
2009/10	5,814	1,784	31%
2010/11	16,791	10,900	65%
2011/12	9,206	6,011	65%
2012/13	6,259	3,889	62%
2013/14	4,767	2,838	60%
2014/15	4,055	4,002	99%
2015/16	4,363	3,734	86%
2016/17	2,894	2,064	71%
<b>Total</b>	<b>54,149</b>	<b>35,222</b>	<b>65%</b>

**Figure 4 Committed vs. disbursed aid from 2009/10-2016/17 according to the AGCSO (Million USD)**



The fact that there are conflicting figures in terms of aid disbursed and aid committed between the international community and the government of Afghanistan suggests that management, coordination, and monitoring of

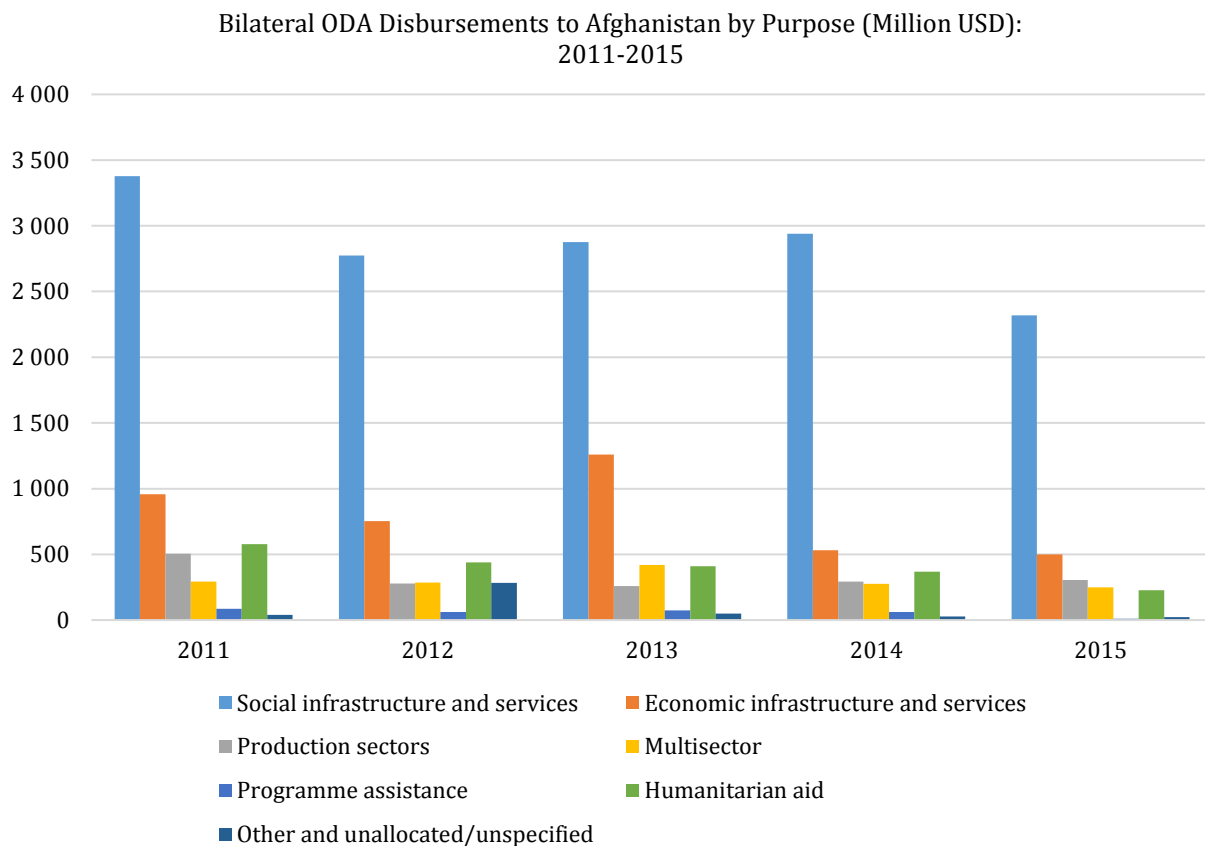
aid money in Afghanistan has been a challenge. The lack of transparency and uniformity when it comes to financial reporting of international aid further points to the opaqueness of aid funding in the country.

**4.4 To what extent has the aid spent by Afghan government been effective and spent on intended purposes, and similarly what has been the effectiveness of the aid spent by the international community directly?**

According to the OECD’s 2017 report on the geographical distribution of financial flows to developing countries (covering 2011 – 2015 for Afghanistan), the most common area Afghanistan has received financial support in,

is in social infrastructure and services, with over 14 billion USD from 2011 – 2015.<sup>51</sup> This is followed by economic infrastructure and services (4 billion USD), humanitarian aid (2 billion USD), and production sector support (1.6 billion USD), as can be seen in Figure 5. To determine the effectiveness of the aid money spent by the Afghan government and the international community in these areas, one needs to look at each sector and analyse the impact made by the government and development partners.

**Figure 5 Disbursed bilateral ODA to Afghanistan by purpose (Million USD): 2011-2015 (OECD)**



<sup>51</sup> ‘Geographical Distribution of Financial Flows to Developing Countries: Disbursements, Commitments, Country Indicators’, OECD, 2017

## Social infrastructure and services

Under the banner of social infrastructure and services come the areas of education (1.67 billion USD from 2011-2015), health and population (1.26 billion USD), and water supply and sanitation (433 million), to name a few.<sup>52</sup> For **education**, from 2010-2016, literacy rates have increased 9%, and the number of children surviving to the last year of primary school has increased when taking into account the 18% increase in enrolment rates.<sup>53</sup> Yet according to the GIROA's Monitoring and Evaluation Committee (MEC), despite the education sector's frequently touted success in the development space, the education system is rife with corruption at all levels.<sup>55</sup> They cite issues of bribery to obtain school certificates, corruption in school construction, and nepotism and bribery when it came to appointing teachers. The corruption has become endemic. Thus, achieving results in a corrupt and poorly managed system would suggest that education in Afghanistan, despite the successes, has failed to operate effectively.

The sector cannot lay claim to being cost effective with the multitude of bribes reported at all levels, and it cannot lay claim to being efficient as money is wasted on teachers that do not exist, schools that were never built, and textbooks that do not reach students. Therefore, for all the money spent

by the international community, and by the Afghan government, it cannot be said they have been effective in their pursuit of educational development outcomes as too much money has been lost in the system.

Despite this, the Education Minister, who requested the above study be undertaken, has approved a National Education Strategic Plan: 2017-21 (NESP), which identifies the elimination of corruption at all levels as a high priority for the Ministry.<sup>56</sup> This NESP has been lauded by donors, development partners, and civil society as a clear roadmap for the education sector, as it clearly outlines the sectors priorities, with partners able to align in the areas that suit them.<sup>57</sup> Thus while corruption has been a major issue for the sector, its progress has been commendable, as well as the leadership shown in its attempts to identify and reduce corruption.

For **health**, there are similar positive results, with life expectancy increasing, adolescent fertility rates decreasing, and infant and maternal mortality rates decreasing.<sup>58</sup> Yet there are also indicators that point to the challenges faced by the sector, for example prevalence of undernourishment as a percentage of the population has increased, and the prevalence of anaemia among children as a percentage of children under 5 has increased.<sup>59</sup>

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<sup>52</sup> These figures do not include the money spent on humanitarian interventions in these sectors

<sup>53</sup> Number of Vocational and Islamic General Education 2002-2016, Central Statistics Office, Islamic Republic of Afghanistan, 2017

<sup>54</sup> Education Sector Analysis: Afghanistan Volume 1, Pouras Consulting Aps, June 2016

<sup>55</sup> Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Education, Independent

Joint Anti-Corruption Monitoring and Evaluation Committee, October 2017

<sup>56</sup> 'National Education Strategic Plan: 2017-2021', Ministry of Education, Islamic Republic of Afghanistan, 2017

<sup>57</sup> ATR Key Informant Interviews

<sup>58</sup> 'Afghanistan Overview', The World Bank, 2017

<https://data.worldbank.org/topic/health?locations=AF>

<sup>59</sup> Ibid

The health sector is also not immune to the perils of corruption. In 2016, the MEC released a Vulnerability to Corruption Assessment in the Afghan Ministry of Public Health, at the request of the Minister of Public Health. The report was damning of the Health sector, as patients needed to pay bribes for services, doctors used the public service to find clients for their private practices, and officials and employees were continually let down by their colleagues and political leadership. The corruption was described as entrenched, widespread, and dominant.<sup>60</sup> There were 115 specific recommendations for the Ministry to make improvements in its approach to combat corruption.

Prior to this report, reforms undertaken in the health sector were being used as an example of how the National Priority Programs can be implemented successfully. When the NPPs were created, the US government signed on to the health program with the intention that this was a chance to demonstrate what aid could do when done right.<sup>61</sup> Aid technocrats endorsed the success of the program due to the ownership by the Afghan government, the multilateral cooperation between donors, government, and NGOs. In addition, the health program invested heavily in M&E and were rigorous in their commitment to independent and transparent evaluation of the results.

However, a recent audit by SIGAR has criticized USAID for not disclosing the limitations of the data quality when publishing the results. SIGAR is claiming, that due to the lack of transparency, the results that USAID are claiming are to be called into question. For

example, USAID reported a 22-year increase in life expectancy for the period from 2002 – 2010, however, USAID did not disclose that the baseline data came from a WHO report that only used estimates to report adult mortality rates. Additionally, USAID publicly reported a decrease in maternal mortality from 1,600 to 327 deaths per 100,000 live births between 2002 – 2010, however, SIGAR reviewed USAID's data and found that the 2002 survey was conducted in only 4 out of 360 districts. Only the internal reporting of these results acknowledged the limitations.<sup>62</sup>

Thus, while there have been successes in the health sector, past results (prior to 2010) would suggest that evaluators must maintain a critical eye when reviewing the data. For its part, the Ministry of Public Health states that donors in the sector coordinate well, but that there needs to be an improvement in the level of bureaucracy and reporting.<sup>63</sup> There is not enough harmonization of systems that could increase the efficiency of the Ministry, and therefore improve the effectiveness of the money spent in the sector. Overall the money spent in the sector has been mostly effective in improving health indicators, but there are many ways it can improve through greater harmonization, more performance based financial support (on and off-budget), and more demand driven development interventions. Moreover, the range of illegal, unethical, and disturbing acts of corruption that were highlighted by the MEC point to a systemic failure of the health sector. With the recommendations in hand, the Ministry of Public Health is at least now aware of how

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<sup>60</sup> 'Vulnerability to Corruption Assessment in the Afghan Ministry of Public Health', Independent Joint Anti-Corruption Monitoring and Evaluation Committee, 2016

<sup>61</sup> 'Here's the Best Thing the United States Has Done in Afghanistan', Centre for Global Development, 2013

<sup>62</sup> Ibid

<sup>63</sup> ATR Key Informant Interviews

deep the problem is, and what steps it can take to rectify the situation.

Water and Sanitation efforts in Afghanistan have historically been implemented by Non-Government Organizations (NGO), facilitating the provision of water and sanitation facilities and services at community level. However, over the past decade, the Ministry of Rural Rehabilitation and Development (MRRD) has taken an increasingly proactive leadership role in developing the WASH sector, by coordinating efforts of stakeholders, developing WASH policy, harmonizing standards, and building capacity for the sector.<sup>64</sup>

In **water supply and sanitation**, health outcomes invariably intersect. However, in terms of measuring indicators of effectiveness for the sector, the World Bank reveals that for both rural and urban areas the percentage of the population with access to improved sanitation facilities has increased, and the percentage of the population with access to improved water sources has also increased.<sup>65</sup> Thus, progress has been made.

Within the Government of the Islamic Republic of Afghanistan (GIROA), there are three ministries that deal directly with rural WASH in the country; the MRRD, the Ministry

of Public Health (MoPH), and the Ministry of Education (MoE). The MRRD, as the lead ministry in the sector, is responsible for providing water and sanitation services to people in rural settlements. The Rural Water Supply, Sanitation and Irrigation Programme (Ru-WatSIP) and the National Solidarity Programme (NSP) have been the major vehicles through which MRRD operates in the WASH sector.<sup>66</sup>

With support from their stakeholders, from 2000 - 2015 these Ministries, and their development partners, have overseen largescale improved sanitation and drinking water coverage in rural Afghanistan. However, as of 2015, 17.2 million people in rural areas were without an improved toilet, and 12.5 million were without access to an improved drinking water source. Among the 17.2 million without an improved toilet, there were four million without any type of toilet, who practice open defecation.<sup>67</sup> As such the WASH needs of Afghanistan remain highly concerning. Therefore, as the WASH needs of Afghan people continue to change in the face disasters, conflict, forced displacement, and quickly expanding population putting added pressure on existing infrastructure, assessing the money spent in the WASH sector for its effectiveness remains difficult.

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<sup>64</sup> Afghanistan Rural Water and Sanitation Sector Coverage Assessment Report, Institutional Development for the Rural Water Sector, World Bank-MRRD, November 2011

<sup>65</sup> Ibid

<sup>66</sup> Afghanistan National Rural WASH Policy, Ministry of Rural Rehabilitation and Development, 2010

<sup>67</sup> National Rural WASH Policy 2016 – 2020, Ministry of Rural Rehabilitation and Development, July 2016

## Economic infrastructure and services

Economic infrastructure and services include sectors such as energy (1.93 billion USD from 2011-2015), and transport and communications (1.23 billion USD). For **energy**, Afghanistan remains one of the countries with the lowest access-to-electricity rates in the world, despite the biggest donors USAID, the German development bank Kreditanstalt für Wiederaufbau, the World Bank and the Asian Development Bank, committing roughly 3.5 billion USD to energy sector since 2003. In 2014, only 28% of the population had access to reliable electricity, of which about 75% were from urban areas and approximately 10% in rural areas.<sup>68</sup>

However, since the fall of the Taliban-regime in 2001, the Afghan government, with the help of the international community, has succeeded in rebuilding the energy sector to a large extent. Many organisations are also investing in clean energy production in support of the Ministry of Energy and Water including UNOPS, GIZ, and USAID. The potential for renewable energy in Afghanistan is large with both donors and ministries looking into wind, solar and biomass possibilities.<sup>69</sup> The potential for renewable energy is especially needed in rural areas where less than 10% of the population has access to electricity and the population is unlikely to be served by a central grid.<sup>70</sup>

Despite the huge efforts made in the last years, the Afghan energy sector is still in an

infant state of development. The biggest portion of donor contributions flows to urban areas for the development of grid connected supply, but despite the increase in total electrical capacity available, the demand for electricity remains higher than the available capacity.<sup>71</sup>

The major challenge in the Afghan electricity sector development is a conflict in objectives: on the one hand, the extension of grid-connected electricity supply promises the most rapid economic development; on the other hand, this strategy ignores the needs of rural populations, which make up the 75% of the Afghan population and produce 67% of the country's GDP.<sup>72</sup> Thus, despite considerable investment in the Afghan electricity sector, significant gaps remain in efficient and comprehensive development of the sector. These gaps include lack of regulation and policies to encourage and standardize electricity sector development, a lack of ability or willingness to prioritize projects and continuing capacity and resources gaps.<sup>73</sup> These gaps could have been addressed by the government and the donor community, therefore their investments have not been as effective as they could have been.

In the **transportation** sector, following more than 2 decades of conflict which largely destroyed the transportation infrastructure, depleted the country's stock of human resources, weakened its institutional capacity

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<sup>68</sup> Power Sector Master Plan, prepared by Fichtner GmbH & Co. KG, Government of the Islamic Republic of Afghanistan, May 2013

<sup>69</sup> ATR Key Informant Interviews

<sup>70</sup> Afghanistan Rural Renewable Energy Policy, Government of the Islamic Republic of Afghanistan, April 2013

<sup>71</sup> ATR Key Informant Interviews

<sup>72</sup> Central Statistical Organization: Exports by Commodity and Country 1391

<sup>73</sup> 'Assessment of Donor Activities in the Afghan Electricity Sector, ATR Consulting, 2016



for managing the transport sector, 4.5 billion USD has been invested in the restoration and improvement of the country's transport infrastructure and institutions since 2002.<sup>74</sup> According to the Asian Development Bank, transport infrastructure in Afghanistan is in a variable state of repair. Although the government and donors have paid increasing attention to preserving investments, the trend of asset deterioration has yet to be arrested. In 2014, 85% of the road network in Afghanistan was believed to be in poor condition.<sup>75</sup>

In 2006 the Road Sector Master Plan was approved to reconstruct and rehabilitate the nation's road network. By 2015, 80% of national and provincial highways of the 2006 program had been completed. In contrast, completion of the program for provincial highways fell short of its target by about 33%. Moreover, some of the completed roads have fallen into disrepair and are again due for restoration and rehabilitation.<sup>76</sup>

## Humanitarian Aid

Over 2 billion USD has been spent in Afghanistan from 2011-2015, yet Afghanistan remains one of the world's most complex humanitarian emergencies, characterized by escalating conflict, causing over one million people to be currently living in new and prolonged displacement.<sup>77</sup> Assessing the effectiveness of the 2 billion USD spent in Afghanistan from 2011-2015 is not straight forward, as the humanitarian context continues to shift in the face of ongoing conflict, displacement, and natural disasters.

Given the clear needs for improvement, there has been great investment in transport, with strong progress shown, however more investment is needed to maintain this progress. It must be noted that the transport sector has suffered under great challenges including conflict, natural disasters, and corruption. However, no development sector is immune from these challenges in Afghanistan. The concerns lie with the oversight and implementation of transport, where the current system remains fragmented, with no fewer than five ministries involved, and ownership over the direction of the sector leaning towards donor's concerns. This would suggest that despite the achievements in the transport sector in the face of a challenging environment within which to invest in, there are serious inefficiencies that are hampering the effectiveness of the money spent in the sector.

However, as the goal of the humanitarian community is to meet immediate lifesaving needs, rather than long term development outcomes, this analysis can look at the effectiveness of this relief. The humanitarian community has provided treatment to children with acute malnutrition, access to skilled birth attendants and maternal health care, and safety and security to families fleeing violence. Yet some humanitarian indicators are worse now than they were in 2011, with humanitarian officials and donors viewing

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<sup>74</sup> 'Afghanistan Transport Sector Master Plan Update: 2017-2036', Asian Development Bank, 2017

<sup>75</sup> 'Strategic Roadmap for Development Partner Support to O&M of Afghanistan Roads', Asian Development Bank, 2014

<sup>76</sup> 'Afghanistan Transport Sector Master Plan Update: 2017-2036', Asian Development Bank, 2017

<sup>77</sup> 'Afghanistan: Humanitarian Needs Overview' (2018), UNOCHA, 2017

humanitarian aid as a Band-Aid for the effects of the unresolved conflict in Afghanistan.<sup>78</sup> To what extent this is the result of ineffective humanitarian aid distribution or humanitarian management, cannot be determined as the humanitarian landscape is constantly shifting.

According to Transparency International, there are inefficiencies in the humanitarian sector which hamper humanitarian aid from reaching where it is supposed to go. Specifically they point at corruption, with a lack transparency and accountability in the humanitarian response, leading to unfair distribution of humanitarian relief.<sup>79</sup> After speaking with affected communities and

## Production sector

Key areas of investment under the production sector include agriculture, forestry, and fishing (1.24 billion USD from 2011-2015), industry, mining and construction (226 million USD), and trade and tourism (171 million USD). As a key development area, and with a large amount of development aid disbursed in the sector, agriculture will be the key area assessed from a production sector standpoint.

**Agriculture** in Afghanistan is responsible for the employment of nearly 40% of Afghans, with the sector's volatile performance, due to poor quality inputs, lack of targeted training for farmers, under-investment in water resource development, and natural resource

humanitarian stakeholders, Transparency International found that if the role of local governance structures was strengthened to promote transparency, and if investments were made in communication lines with affected communities, the response of humanitarian aid providers and the integrity of the aid they deliver, would be vastly improved.<sup>80</sup> Despite the difficult work undertaken by the humanitarian community and the progress achieved, the challenges of corruption within the sector affecting the equitable distribution of humanitarian aid that could be addressed by government, partners, and donors, point out that humanitarian relief in Afghanistan has not been as effective as it could be.

degradation, having a large impact on the country's GDP growth.<sup>81</sup> Playing an important livelihoods role in approximately  $\frac{3}{4}$  of the population, agriculture in Afghanistan has had great potential to lift the standards of living for those living in rural areas.

Major donors include USAID, DFID, JICA, and the World Bank, amongst others. Taking the World Bank's agricultural investments as an example, by their own admission, the World Bank's programs have generally been overly complex, especially considering the weak institutional capacity in the country. Moreover, they identify that their programs have not been guided by a sector strategy or strategic institutional analysis, which despite

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<sup>78</sup> *Humanitarian support 'Band-Aid' for unresolved Afghanistan conflict, officials say*, Reuters, 2017

<sup>79</sup> 'Collective Resolution to Enhance Accountability and Transparency in Emergencies: Afghanistan report', Transparency International, 2017

<sup>80</sup> Ibid

<sup>81</sup> 'Afghanistan National Peace and Development Framework (ANPDF): 2017-2021', Islamic Republic of Afghanistan, 2017

positive outcomes, has meant that returns could have been much higher were they guided by an analysis of the key subsectoral issues. Lastly, they admit that they have not sufficiently engaged with other donors, leading to fragmentation and duplicate programs being implemented in the agricultural sector.<sup>82</sup> However, according to the AGCSO, there has been growth in the sector, from 2010-2016 when comparing crop yields per hectare for rice, maize and wheat, yet a reduction in yields for crops including

## Corruption

In the face of failures, and achievements, across the different development sectors where international aid money has been invested, the underlying issue of **corruption** continues to negatively affect Afghanistan's progress. As mentioned above, corruption has plagued the education sector, despite the progress shown, has inundated the health sector, affecting patients the most, and it has hurt the humanitarian sector with corruption preventing aid from reaching those most in need. With the new aid commitments made to Afghanistan, the country must refocus its efforts to fight corruption in order to safeguard this money, and ensure that improvements are made to the effectiveness of development aid in the country.

Despite its progress, Afghanistan has a long way to go to ensure that corruption does not continue to undermine the aid money spent. The government has made many

sugar cane, barley, almonds and walnuts.<sup>83</sup> In fact, the overall crop yields per hectare are trending down after a spike in yields during 2013/14. The international community have funded technical expertise, capacity development, value chain improvements, and targeted agricultural inputs, but taking the World Bank investments as an example, by their own admission the aid provided has lacked a level of effectiveness due in large part to areas that were in its control to mitigate.

commitments to address corruption in Afghanistan, 50 since 2014 by the New Unity Government (NUG), leaving the reform landscape crowded, under-resourced, and at times, confusing.<sup>84</sup> According to Transparency International, Afghanistan lacks a comprehensive legal framework that can prevent, detect and prosecute corruption in the country. Moreover, while there are multiple agencies addressing corruption, they compete for resources, and struggle to fulfil to their mandates.<sup>85</sup> Afghanistan further suffers from the corrupt practices of the myriad of personal and political connections within public institutions, with these connections further affecting the direction and resourcing of development projects.

According to civil society, the current leadership has the right intentions to tackle corruption, but with so many commitments in place, it struggles to follow through on its

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<sup>82</sup> 'Islamic Republic of Afghanistan: Agricultural Sector Review', The World Bank, June 2014

<sup>83</sup> 'Agricultural Statistics 2008-2016', Islamic Republic of Afghanistan Central Statistics Office, 2016

<sup>84</sup> 'From Promises to Action: Navigating Afghanistan's Anti-Corruption Commitments', Transparency International, September 2016

<sup>85</sup> Ibid

promises.<sup>86</sup> According to the Transparency International, Afghanistan's Corruption Perception Index has risen 13.6 points, demonstrating that the country is showing progress in the anti-corruption space. In civil society's words, the government is beginning to understand the extent of the problem, with recent analyses into the health and education sectors providing an example, but this can

create a problem as the situation seems insurmountable and the limits of government leadership become apparent. On the other side, civil society laments the fact that there seems to be no real desire from some in the international community to fight corruption, only empty statements. At the 2016 Brussels Conference, Integrity Watch Afghanistan declared:

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*"The only clear Afghan government commitment here is to draft and report on anti-corruption strategies, while the donors seem to have nothing to say on their role in fighting corruption. The Afghan people deserve commitments which create genuine accountability from both sides to address a problem which is absolutely at the heart of insecurity and the lack of development in Afghanistan". (Integrity Watch, Brussels Conference on Afghanistan)<sup>87</sup>*

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Progress on anti-corruption since Brussels has been slow, with civil society frustrated that what has been shown by the government in this space has been applauded by the international community.<sup>88</sup> Similarly the donor community has not been quick to act when major instances of corruption have been revealed. For example, when the MEC report on corruption in education was released, as well as the report on corruption in the health sector, the donors did not suspend aid to these sectors. They did not set strong enough conditions for these sectors to address the major levels of corruption. Donors can do

more to hold government to account in this space.

The Afghan National Strategy for Combatting Corruption, released in October 2017, just in time for the Senior Officials Meeting (SOM), is an example of the government's commitment to anti-corruption, but this is a government that is not short on commitments. Time will tell if anti-corruption measures are taken seriously, are given adequate resources, and are prioritised in a crowded reform market for the government. If they are, it will have a strong effect on aid effectiveness in the country.

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<sup>86</sup> ATR Key Informant Interviews

<sup>87</sup> 'Brussels Conference on Afghanistan: a commitment on extractives, but little on corruption', Integrity Watch Afghanistan, November 2016  
<https://iwaweb.org/brussels-conference-on->

[afghanistan-a-commitment-on-extractives-but-little-on-corruption/](#)

<sup>88</sup> ATR Key Informant Interviews

## 5. CONCLUSIONS

Without doubt, delivering effective aid within Afghanistan's security and corruption context is a major challenge. Movement restrictions, competing priorities, and a shifting humanitarian landscape all affect the development strategy for the country. But mistakes have been made; mistakes that could have been avoidable.

Aid effectiveness has never been more crucial for Afghanistan. The international community has told the Afghan government that they need to get used to the idea that they will receive less financial aid in the coming years, not more. Therefore, the aid money they do receive, will need to be more effective if the country is to maintain its development path. According to the government, less money can actually mean more ownership for the country's development agenda. With fewer dollars in the country being directed off-budget, it gives the government a better opportunity to own the development space than what was offered in the first decade post-Taliban rule.

But if corruption is not addressed in meaningful way, if donors don't support government systems, designing strategies without government input, and if fragmentation continues to plague the development sector, then the aid money spent in the country will not be effective at all, no matter how well intentioned.

The government has been hard on the reform agenda, but admit they need to better articulate their approach for reform, including sticking to timelines. The government has made improvements to their systems of tax,

and procurement, with the budget process now a major focus. Taking ownership of this budgetary space to support the National Priority Programs, and encouraging donors to work through government systems will help to ensure that aid money disbursed in Afghanistan works towards a goal that is owned by the Afghan people.

The donors want to support the government in this pursuit, they want to see stronger Afghan public institutions and processes that can handle the weight of donor support, and they want to see leadership across all development sectors, so that a clear path is laid out for donors to support. Currently, donors only partially see this, so they are only partially supporting it. There is a hidden paradox here that is related to the question of whether the donors' expectations are realistic or not. As the international community is still, at least partially, building and strengthening the government institutions, their plans, strategies and (anti-corruption) policies, it may be unrealistic to expect certain conditions to be in place while these very conditions still depend on (continued) donor support.

A great deal of aid money has been poorly spent in the country, and from a donor's perspective, who answer to capital cities and to their tax payers, they want to see strong results soon, before donor fatigue fully sets in. This is part of the problem, which donors recognise; Afghanistan needs time, it needs longer term strategies, it needs investment in public institutions and in its people, but for donors, who have been spending billions of dollars in aid money over the years, they need results. Perhaps due to a lack of trust in the

government, or perhaps a need for quicker, more reliable results, donors spend a lot of money off budget, money that has given them results. Short term thinking does not dominate the country's landscape as it once did, but it is still an issue; there is still an element of funding from one conference to the next, from one budget cycle to the next.

For the donors, they are looking for the government to showcase a track record of

effective management performances across the sectors, strong financial management processes, and implementation of anti-corruption measures that address the heart of aid ineffectiveness. On the government's side, they believe they have done this, they believe they are ready, and to delay further investment through their systems, would be to delay the development outcomes for the Afghan people.

## 6. RECOMMENDATIONS

### Government of Afghanistan

1. Take a harder stance with donors. Development strategies need more Afghan ownership. This can be achieved through greater efforts to articulate the ANDPF to donors, and reform agenda being implemented.

2. Harmonise development agreements into one document for donors, government, to follow and for international partners, and civil society to monitor. Can be done by revising the SMAF, and associating closer with the ANPDF.

3. Government and donors should explore ways to improve formal and informal engagements. Government ministries and departments need to increase their availability so that planning, implementation and reporting, especially financial reporting, can be discussed.

4. Government should make provincial development plans, including budgets and financial reports, widely available for the public, so that public monitoring of government performance can be carried out. This could be advocated for by civil society through the introduction of freedom of information acts.

5. Prioritise the design and approval of a comprehensive legal framework to help prevent, detect and prosecute corruption in the country.

## **Donors supporting Afghanistan**

1. Reduce fragmentation by exploring the option of improving Multi Donor Trust Fund approaches, to increase on-budget aid. Undertake a full review of existing Multi Donor Trust Funds (including ARTF), to determine best practice.
2. Clearly articulate the main technical concerns they have with government systems, specifically those that stop them from spending more money on-budget. Addressing these concerns could then act as a pre-condition for the government to receive additional funding on-budget, thereby incentivising funding to improve government processes and institutions.
3. Expand support for Team Based Performance Management for ministry's corporate functions. Assessing, grading, and providing support for these corporate functions (based in teams), can improve the institutional capacity of the entire ministry.
4. Adopt collective voice when dealing with the government. While donors will invariably have different interests and approaches when dealing with government, by exploring ways to reduce fragmentation they can increase their collective face time with government
5. Increase pressure on the government on carrying out its reform and development agenda, with tangible indicators of progress. Where indicators are not met, donors should hold government to account for its performance.
6. Overall aid to Afghanistan does not necessarily need to increase, but donors should prioritise longer term planning and aid commitments with government counterparts, in order encourage financial stability. This can be achieved through targeting messaging during key events, and pressure from civil society in Afghanistan and in donor countries, which focuses on incentivising long- term planning, as opposed to focusing on 'dooms day scenarios'.
7. Where possible, donor planning and reporting processes should align with government systems, specifically the budget cycle. Meetings such as the SOM provide an opportunity for the donor community to assess, and provide feedback on, budgetary decision making.
8. Explore options for multi-sectoral programming to reduce competition, and encourage coordination, between different ministries.
9. Provide stronger incentives for government to implement their anti-corruption strategy. This can be directly targeted at sectors where corruption has already been highlighted (education and health).

## **Civil Society**

1. Advocate for a debate or discussion between donors, government, and civil society on aid efficiency and value for money in Afghanistan. Could explore money spent through contractors, government, and civil society to see which modality provides the most cost-effective way to reach Afghan people.

2. Accountability measures need to be more definite and transparent between government and donors, and between government leadership and ministries. These accountability measures should be open to civil society review, to increase the public accountability.

3. Civil society should establish more community based monitoring of projects, with reports shared with government, donors and the wider public, to reduce corruption in development implementation.

4. Civil society should advocate for access to provincial development plans, including project level planning, to better monitor implementation and performance of government.

5. Civil society should consider making their development plans, reports, and results more readily available with relevant line ministries. This does happen to an extent, but it needs to arrive at a level where the government is easily aware of the work happening across the country.

6. Advocate for more bottom-up approaches to development strategy planning for the international community. Civil Society can be a conduit for the donors to have their development strategies more locally owned, with an emphasis on demand driven approaches.



## 7. ANNEXES

### Approach and Methodology

As discussed above, the evidence for this report has been generated using two principal methods.

- Review of primary and secondary literature
- 36 Key Informant Interviews

The quantitative data generated in the secondary literature review provided information on the international community's aid promises to Afghanistan, and the actual amount of aid that was given to the Afghan government and how much of the aid money was dispersed. This quantitative data has enabled the researchers of this report to compare the volume of aid that has been committed and dispersed since 2010.

The qualitative data generated from the literature review has provided a broad picture of how the aid has been dispersed across Afghanistan by sector and by province. This picture was then analysed alongside the deliverables and indicators outlined in the conferences (Kabul 2010, Tokyo 2012, London 2014, Brussels 2016) and whether this aid has been aligned with the government's National Priority Programs (NPP). Furthermore, the Paris Principles were used to guide the definition of 'aid effectiveness'.

The Key Informant Interviews (KII) provided greater context and understanding to the secondary data analysed. ATR used snowball sampling to identify the interviewees for the second part of the data collection. ATR used their extensive networks within government,

with international donors, NGOs, civil society groups, and aid contractors to apply a purposive sampling method to identify initial interviewees that were able to provide reliable and valid data.

From these initial interviewees ATR applied a snowball Sampling method so the initial interviewees can identify, through their own networks, other participants who could potentially provide additional data for the research. These methods were chosen for their flexibility to be able to select participants that have significant relation to the policy and implementation of aid in Afghanistan. These interviews provided qualitative insights within which the quantitative information could be contextualized.

The review of secondary literature informed the structuring of the interview questionnaires. The questionnaires were adapted and changed to suit the context of the interviewee. The interviewers used a semi-structured approach which allowed for flexibility to build on answers, comments and discussions throughout the interview that could be relevant to the research that may not be anticipated.

### Triangulation

Using a mixed methods approach to this study has helped to ensure that there is a level of methodological triangulation in its design. For example, conducting a review of secondary literature analysing qualitative and quantitative data, as well as conducting key informant interviews, ensures that the validity of the study's findings complement existing

research on the topic. Furthermore, using data triangulation by taking data from third-party sources has helped to contextualize findings from the study. These include existing studies conducted on aid effectiveness, and aid expenditure in Afghanistan. This has further helped to maintain the validity and accuracy of the study findings, ensuring they are consistent with existing research into the topic. This has also helped to provide a greater depth of analysis for the study findings.

### **Data quality control procedures**

All interviews conducted as part of this study were transcribed into English. For those interviews conducted in Dari/Pashto, translations were conducted of the transcripts, with a senior ATR Analyst who speaks Dari/Pashto able to review them for quality control purposes.

For interviews conducted outside of Kabul, ATR used a Senior Team Leader with at least 3 years of experience in qualitative data collection, ensuring they had the support of ATR's Senior Analysts when designing their work plans and understanding data collection tools. They reported to the Senior Analyst at the conclusion of each interview to ensure that key questions had been adequately addressed, and to determine if follow up questioning was needed. All necessary contact information of interview subjects was collected by interviewers, so that follow up questioning can easily be conducted.

Finally, ATR's Managing Director, Senior Analysts, and Team Leaders with field experience, reviewed the study findings to provide contextual analysis and ensure consistency with similar studies.

### **Limitations and challenges of the Study**

As stated in the executive summary, for the purpose of this study, all aid money was regarded as that which is provided for development purposes. Military aid was not measured or assessed in this report.

Finding comprehensive and reliable data on the amount of aid money flowing into the country, and how much of that has been spent, proved a challenge. Specifically, obtaining aid expenditure data from the Ministry of Finance was a challenge due to the lack of upkeep on the Donor Assistance Database. Therefore, the author was required to work through OECD figures, Donor Cooperation Reports, and Budget Performance Reports, in order to obtain the necessary data.

Gaining access to major donors and key government representatives, including deputy ministers and provincial governors, proved a challenging aspect of the study. It required a number of introductions and follow up meetings to be undertaken by the author, with some interviews unable to be undertaken or delayed due to scheduling conflicts. As such, completing the interview process took longer than originally planned, which thankfully the commissioning NGOs obliged

**Table 3 List of Interview Subjects**

<b>Type</b>	<b>Organisation</b>	<b>Position</b>	<b>Name</b>
Government	Ministry of Finance	Deputy Minister	H.E. Khalid Payenda
Government	Ministry of Finance	ARTF-WB Coordinator	Khan Nassery
Government	Ministry of Finance	Consultant	Andrew Laing
Government	Ministry of Rural Rehabilitation and Development	Former Deputy Minister	Shaher Shahriar
Government	Ministry of Rural Rehabilitation and Development	Logar Director of Rural Rehabilitation and Development	Ikhlas Yar
Government	Ministry of Public Health	Head of Innovative Financing Unit & Demand Side Financing Coordinator	Abo Ismael Foshanji
Government	Ministry of Economy	Balkh Directorate of Economy	Janat Gul Sharafat
Government	Ministry of Agriculture, Irrigation and Livestock	Head of CCAP program	Shoaib Khaksari
Government	Ministry of Education	Internal Audit Department	Withheld
Government	Ministry of Women's Affairs	Head of Foreign Relations	Withheld
Donor	Japanese Embassy	Counsellor	Mikio Izawa
Donor	Japanese Embassy	Economy and cooperation section - Deputy Head - First Secretary	Kohei Sakamoto
Donor	Australian Embassy	Second Secretary (Development)	Malcolm Leggett
Donor	British Embassy	ARTF Team Leader	Richard Taylor
Donor	British Embassy	Policy Manager	Teddy Nicholson
Donor	European Union	Development Cooperation	Barbara Egger
Donor	Swedish Embassy	Counsellor	Mirja Peterson
Donor	USAID	Former Mission Director	Bill Hammink
Donor	Indian Embassy	Deputy Chief of Mission	Alok Ranjan Jha
Donor	World Bank	Public Sector Specialist	Atiqullah Ahmadzai
Donor	Asian Development Bank	Country Specialist	Marko Davila
Donor	UNAMA	Donor Coordination	Atul Kumar Gupta
Donor	UNAMA	Coordination Officer	Jan Peter Muegge
Civil Society	Swedish Committee for Afghanistan	Program Director	Dr.Khalid Fahim
Civil Society	Oxfam	Country Director	Geert Gompelman
Civil Society	Mercy Corps	Country Director	Peter Stevenson
Civil Society	CARE	Country Director	Gary McGurk
Civil Society	Integrity Watch Afghanistan	Sayed Ikram Afzali	Sayed Ikram Afzali
Civil Society	ACBAR	Director	Fiona Gall
Civil Society	ACBAR	Advocacy and Communications Manager	Aynur Tekin

## **Funding Organisations**

### **Swedish Committee for Afghanistan**

The Swedish Committee for Afghanistan (SCA) has been working in Afghanistan for more than 30 years. It delivers aid and development projects under three strategic pillars: capacity development, advocacy, and service delivery. SCA works with the overarching principle of a rights-based approach. This approach recognises the rights of the target groups and individuals as right-holders, with freedom and responsibility to claim and exercise their rights, and therefore encourages community members to become active agents of their own development and primary drivers of development change in their areas.

### **Oxfam**

Oxfam has been working in Afghanistan since 1961 and currently works in Kabul and in seven provinces of the country: Balkh, Daykundi, Herat, Kandahar, Kunduz, Nangarhar and Takhar. Through local partners, it provides assistance to families and communities affected by natural and man-

made disasters. Oxfam works with poor communities to help them pull themselves out of poverty and improve their lives. It promotes the rights of women and youth to become agents of change and fight for their rights. In a critical but constructive way, Oxfam also works with government institutions to build capacity and influence policies that will help address structural poverty and inequality. To create lasting change, Oxfam and its partners also speak out on behalf of marginalized groups at the highest levels in both Afghanistan and among the international community.

### **CAFOD**

CAFOD is a member of Caritas Internationalis. In Afghanistan, CAFOD works through partnerships, mainly with local organisations. Their focus is on strengthening the capacity of local civil society to test and evidence locally-led models that deliver responsive, sustainable and pro-poor development.

