

**CENTER ON  
INTERNATIONAL  
COOPERATION**

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# Through the Fog of Peace Building: Evaluating the Reconstruction of Afghanistan

**A Project of the Conflict Prevention,  
Recovery and Peacebuilding Program**

**Paying For Essentials**  
A Policy Paper Series

## **About the Center on International Cooperation**

The Center on International Cooperation at New York University was established in 1996 to conduct a program of policy research and international consultations on the preconditions for successful multilateral cooperation. As global integration accelerates, the world faces unprecedented transnational problems resistant to resolution by individual states. Governments that once assumed responsibility for a wide range of multilateral activities today lack the political will or practical capacity to sustain a wide array of international organizations, development aid programs, humanitarian assistance efforts, environmental agreements, and other global public goods that they have agreed to support. At the same time, important non-state actors, including corporations and not-for-profit groups, are exerting greater influence in the global arena. The cooperation of all these stakeholders is essential to develop appropriate strategies and mobilize the political will and financial resources necessary to meet global challenges in the years ahead.

The Center seeks to inform public debate on these matters by clarifying the economic, political, legal, and institutional foundations of effective multilateral action. Our current work examines the challenges of international cooperation in three specific sectors: international justice, humanitarian assistance, and post-conflict peace-building. In addition, we have ongoing initiatives that address three broader themes: multilateralism in U.S. foreign policy; the roles of regional and sub-regional organizations in the provision of international public goods; the transformation of multilateral security arrangements; and the evolution of new forms of international cooperation.

Research papers and practical recommendations emanating from these projects are published in a policy paper series, "Paying for Essentials." Consulting with a wide range of interested parties, the Center hopes to build political consensus on essential multilateral activities and on the means to implement and sustain them.

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# Contents

Executive Summary . . . . . 1

Recommendations . . . . . 1

Introduction . . . . . 2

Evaluations of Reconstruction:  
Confusing Process with Goals . . . . . 3

Defining Goals, Assessing Needs . . . . . 6

Fulfilling Pledges or Meeting Needs? . . . . . 8

Sustainability and State Building . . . . . 13

Reconstruction and Equity . . . . . 17

Reconstruction, Security, and Political Stability . . . . . 18

Figure 1 . . . . . 9

Table 1 . . . . . 21

Table 2 . . . . . 22

Notes . . . . . 23

## Executive Summary

A year and a half after the defeat of the Taliban, anger is rising in Afghanistan at the slow pace of reconstruction. Success in reconstruction means meeting goals, not fulfilling pledges or being generous. The overriding goal is enabling Afghans to build a country that contributes to, rather than threatens, their own and global security. As the government of Afghanistan becomes better organized and articulates both this goal and what is needed to reach it more clearly, it has become evident that donors underestimated the amount of assistance required. Initial pledges fell short even of underestimates of the needs and were far less than in other comparable cases. Initial disbursements, which in past cases have always exceeded subsequent ones, came relatively quickly and nearly met pledges, as donors have highlighted (see figure 1). But most of these disbursements went for emergency humanitarian needs, not reconstruction. Implementation of those reconstruction projects that have been funded has been exceedingly slow, leaving little to show on the ground. As of May 2003, donors reported that in 17 months they had completed reconstruction projects with a total expenditure of only \$191 million, out of \$2.1 billion pledged to reconstruction for the first twelve months. Furthermore, according to Afghan government figures, only 16 percent of the total disbursements (including for humanitarian purposes) had passed through channels controlled by the struggling Afghan government and had thus failed to build that government's capacity or legitimacy. The pervasive insecurity outside of Kabul prevented implementation of major projects and sapped the public's confidence in the new authorities. Failure to strengthen the government and provide security will doom the reconstruction effort even if contributions increase. The government has articulated an ambitious policy framework for reconstruction and asked for both reconstruction and security assistance. Success is possible, and at a modest cost. Failure by the US and other major states to respond will doom Afghanistan, the region, and the world to a repetition of anarchy that gave birth to the Taliban and refuge to al-Qaida.

## Recommendations

1. **Put security first.** All recovery efforts will prove futile in a chronically insecure environment. At best, resources will be squandered; at worst they will be hijacked by violent power-seekers. As now planned, the Provincial Reconstruction Teams developed by the US Department of Defense are unlikely to meet the stated goal of improving the security situation. Either expanding and clarifying the mandate of the PRTs or expanding the International Security Assistance Force to key regional centers could be crucial steps. Either the coalition, ISAF, or some other international force must provide international monitors for the disarmament, demobilization, and reintegration of militia forces.

2. **Put more in the pipeline.** It is now clear that the pledges made at the January 2002 Tokyo conference were insufficient to meet either the statebuilding goals of the Afghan government or the interim recovery goals posited by the initial needs assessment carried out by the World Bank, UN Development Program, and Asian Development Bank. Those pledges should be viewed as the initial step in a process of continuing reassessment and augmentation of international assistance. In fall 2003, a new pledging conference or some other means of securing additional donor commitments should mark the second anniversary of Afghanistan's new beginning. The bar should be set at or near the \$15-20 billion needs

estimate of the Afghan government, and the US, as leader of the military coalition and wealthiest donor nation, should endeavor to lead the contributions in every sector.

3. **Aim resources locally.** Whenever feasible, donors should channel their contributions directly to accountable Afghan government and civil society mechanisms. The trust funds established by the Afghan government and its international partners provide a straightforward and transparent means of transferring resources, and they should be utilized more fully as they prove their worth. All international agencies should be encouraged to minimize their expatriate staff and to mentor Afghan NGOs and companies in the implementation of projects. Such partnerships should be a precondition of grant agreements.

4. **Increase transparency and equitability of assistance.** Unless donors and implementers more accurately and precisely report the geographic and sectoral distribution of their assistance and ensure it is being programmed according to need rather than logistical convenience or donor preference, rumors and resentments will continue to fester among Afghans who feel they are being shortchanged.

5. **Monitor to stay on track.** Donors should sign an agreement with the Afghan government stating the goals of reconstruction and committing them collectively to supplying the amounts estimated as necessary. The periodic meetings of the Afghanistan Development Forum should be occasions not only for listing contributions and making new ones, but also for monitoring progress toward overall goals and agreeing on course corrections to meet them.

## Introduction

The US military campaign in Iraq coincided with the second spring New Year (Nawruz, on March 21), since the Interim Administration of Afghanistan replaced the defeated Taliban regime. Since Nawruz also marks the start of the Afghan fiscal year, the government presented its plans for reconstruction to donor countries about that time at meetings in Kabul and Brussels, just as many observers were wondering what the record of reconstruction in Afghanistan might augur for Iraq.<sup>1</sup>

What they find must be disheartening and confusing. Opinions differ radically about how much the internationally-funded reconstruction effort has accomplished (table 1). Commentators use different implicit definitions of reconstruction and of success. The Afghan government has thanked donors for their generosity while trying to prod them into doing more and doing it differently. Donors and official spokesmen have highlighted both their speed at honoring most of the pledges made at the International Conference on Reconstruction Assistance to Afghanistan, held in Tokyo on January 21-22, 2002, and their continued commitment. Critics argue that the appearance of activity hides a reality of little progress. A participant in a May 6 anti-American demonstration in Kabul complained, "The U.S. captured Afghanistan and did nothing for the people."<sup>2</sup>

This reaction is hardly surprising. International assistance to post-conflict Afghanistan over the past two years -- from initial donor pledges, to disbursements of funds, to ground-level recovery activities - - has followed an established and unfortunate pattern, documented in the Center on International Cooperation's project on Pledges of Aid.<sup>3</sup> Donors have concentrated on either emergency relief or high-profile issues such as education. Hence the transition to longer-term reconstruction has been patchy and slow, and certain essential recovery activities -- especially the provision of security and reform of

the administration -- have begun late or not at all.

Amid discussions of whether glasses are partly full or partly empty, those monitoring the effort should remember the goal: "Keep your eyes on the prize, hold on," as the civil rights anthem preached. The goal is to build an Afghanistan that contributes to rather than threatens global security. It is not to "reconstruct" the Afghanistan of 1978, to fulfill pledges, to prove the generosity or good intentions of donors, or any of the other subsidiary purposes that are too often confused with the ultimate goal. Afghans do not believe that the world promised them to deliver on pledges at Tokyo, to be generous, to provide aid more quickly than in comparable situations, or to establish better coordination mechanisms. They believe the world promised them security and a better life under a government that would be accountable to them.

The US never intended to undertake the reconstruction of Afghanistan by itself, and the existing international institutions are inadequate to such purposes. The roadblocks to reconstruction are both political, namely the lack of willingness to provide the security necessary for reconstruction and stabilization, and structural, reflecting the now well-recognized but unresolved gap between the surge-spending activities of emergency relief and the business as usual of long-term development aid. As the Center on International Cooperation documented in its studies, the current sluggish multilateral processes always delay the start of recovery assistance by at least a year (and often more) after a peace agreement, squandering the period when aid would be most effective. The welter of organizations with unclear, overlapping mandates competing for the same pool of funds makes the definition of goals and the imposition of accountability almost impossible. The procedure of publishing appeals whose totals are the sum of the costs of projects submitted by agencies, followed by an appeal for voluntary contributions with no mechanism for monitoring donors or holding them collectively responsible for the outcome, might be suitable for providing charity, but it is hardly likely to accomplish goals deemed vital for international security.

In contrast to other post-conflict situations, Afghanistan's transitional administration has challenged this system. Through its National Development Framework and budgetary process it has tried to set goals and define a strategy.<sup>4</sup> Only setting goals – an essentially political exercise – can enable actors to estimate costs, and hence evaluate the effort. In the absence of clear political leadership, evaluation usually uses technocratic process-based criteria such as meeting pledges, rather than meeting goals. By centralizing monitoring and coordination in its Afghan Aid Coordination Authority (AACA), the Afghan authorities have tried to make donors more accountable to goals. This novel experience has the potential not only to make Afghanistan a more successful case of post-conflict "reconstruction," but show how to restructure the international institutional architecture for peace building. That will require a significant change in direction, in particular by providing more resources for security and channeling more resources through the government's policy mechanisms.

## Evaluations of Reconstruction: Confusing Process with Goals

The divergence of claims about reconstruction is striking. As any visitor to Afghanistan who talks to Afghans can attest, the May 6 demonstration expressed the way most feel: once again, the US has used them for its own interest, this time against al-Qaida, the last time against the USSR, and is not delivering on promises to rebuild. A BBC program on February 1, 2003, also offered a chance for Afghans (at least those with access to telecommunications) to express their views. The Pashto Service broadcast a program where Minister of Finance Ashraf Ghani answered questions from listeners posed

by telephone message, fax, and email.<sup>5</sup>

The questioners expressed a great deal of frustration and suspicion. A fax from one listener, Sediqullah Ahmadzai, summarized the fundamental complaint: "Sometime before you [Ashraf Ghani] said Afghanistan has received \$1.7 billion from \$ 4.8 billion promised aid in Tokyo conference which according to you has been spent for reconstruction, but so far we have not seen any basic change in the people's daily life." Gulalai, from Sangin district of Helmand province, left a telephone message saying simply, "There are some people in Sangin district who do not have enough for their children to eat and to wear. They are not able to feed them, and their children are starving. They must be helped." Perhaps popular expectations are too high, since the needs are so great that no effort could meet more than a small fraction of them, especially not in the first year after a quarter century of war.

Dr. Mukesh Kapila, however, provided a generally positive view of reconstruction in a speech on the "Role of Donors" to a Special Panel on Afghanistan of the UN General Assembly on 18 November 2002.<sup>6</sup> As both former special advisor on donor relations to the Special Representative of the Secretary General, United Nations Assistance Mission in Afghanistan, and former head of the Conflict and Humanitarian Affairs Division of the UK's Department for International Development (DFID) under Minister Clare Short, Kapila had unique experience in both a leading donor organization and in the UN's efforts to monitor and coordinate donor contributions to the reconstruction of Afghanistan.

Kapila listed concrete achievements, including the return of over two million refugees, the enrollment of over three million children in school, immunization and prevention of epidemics, a major increase in food production combined with large-scale food distribution, creation of employment and paying government salaries, the start of police training, and repair of essential public infrastructure such as schools, power, water, health facilities, and government buildings. He also characterized the experience of donor coordination as "relatively positive" – faint praise, perhaps, but a change from other experiences.

These achievements were possible, according to Kapila, because out of a total of approximately \$2.1 bn in grants pledged at Tokyo in January 2002 for the first four quarters, \$1.8 bn had been "committed" and \$1.5 bn "disbursed" by early November.<sup>7</sup> Hence, he concluded, "both the level and speed of donor assistance for Afghanistan has – so far – been commendable and better than for many other countries at a comparable stage in their recovery process." He noted the large numbers of countries assisting Afghanistan, including non-traditional donors such as its neighbors.

On the other side are critics who validate Afghan perceptions by pointing to numerous deficiencies that would explain the widespread discontent as the result of something other than inflated expectations. UN Special Representative of the Secretary- General Lakhdar Brahimi, when asked by Barry Bearak of the *New York Times* in April 2003 what the biggest accomplishments of reconstruction were, answered, "Probably not very much."<sup>8</sup> CARE International, a non-governmental organization that has been working with Afghan refugees and in Afghanistan for most of the past quarter century, has argued in a series of reports that the reconstruction effort is seriously flawed.<sup>9</sup> At about the same time as Kapila's speech, CARE argued:

- The needs of Afghanistan have been seriously underestimated. CARE showed that the amount per person per year **pledged** to Afghanistan was no more than a quarter than the amount actually **spent** on post-conflict recovery in Rwanda, Cambodia, East Timor, and Kosovo.
- Most expenditure did not advance the goal of reconstruction. Most disbursements (60 percent in the first year, according to Kapila) have gone for emergency humanitarian needs, not reconstruc-

tion, as the drought that started in 1999 continued into 2002, and over 2 mn refugees returned, rather than the 800,000 for which UNHCR had planned. The AACA estimated that, through March 2003, 54 percent of aid had gone for humanitarian aid, aid coordination, or aid to refugees outside Afghanistan.<sup>10</sup> Many of the concrete achievements listed by Kapila were humanitarian. Humanitarian aid is much needed – in fact more of it is necessary – but it does not accomplish the goal of reconstruction, regardless of how generous it shows donors to be.

- Sustainability requires both long-term commitments and building Afghan institutions.
  - Long-term commitment is necessary to build up confidence in the private sector, whose investments will provide the only basis for a sustainable recovery. A World Bank study of reconstruction efforts shows that growth spurts occur on average starting with the third post-conflict year.<sup>11</sup> Nearly all pledges, however, are front-loaded for the first year or shortly thereafter.
  - Sustainability also requires strengthening the capacity of Afghan government institutions to plan and administer reconstruction and development. As of October 2002, however, CARE estimated, only 18 percent of funding had gone to trust funds for the Afghan government, with the rest spent on donor-controlled relief (45 percent), donor-controlled short-term reconstruction (25 percent), internal costs of donors and aid agencies (5 percent), donor-controlled traditional reconstruction (4 percent), and refugee relief outside of Afghanistan (3 percent). AACA stated as of March 2003, “Of the US\$1.84 billion grant money disbursed since the Tokyo conference, only **US\$296m or 16 per cent** [emphasis in original], has been provided directly to and received by the [Interim or] Transitional Government . . . .”<sup>12</sup>
  - CIC’s research also shows that quick creation of jobs and economic security for unemployed youth has a disproportionate impact on stability. Such employment creation will start in Afghanistan only with the implementation of the demobilization program, scheduled to begin in June 2003.
- Reconstruction will fail without security, which only the expansion of the International Security Assistance Force to regions of the country other than Kabul could provide, according to CARE. International spending on Afghanistan has gone overwhelmingly to the fight against al-Qaida and the Taliban (84 percent), with 9 percent for humanitarian assistance, 4 percent for the International Security Assistance Force, and 3 percent for reconstruction. The fight against the declared enemies of the government is necessary to promote security, but so is curbing abuses by commanders (“warlords”) nominally within the government structure who control most of the country.

CARE concludes, “Despite the rhetoric, the donor community has yet to deliver the required funding for Afghan reconstruction.”

Clearly, Kapila, CARE, and the Pashto service questioners do not perceive the same reality. The difference might be as simple and irresolvable as whether a glass is half empty or half full, or, perhaps, nine tenths empty or one tenth full. The debate might also conceal disputes over who is drinking the water, whether the glass is big enough in the first place, or whether water is really what is needed right now. All claims above are accurate, or as close to accurate as one can be. But some claims constitute accurate answers to the wrong questions.

## Defining Goals, Assessing Needs

While CARE did not present an estimate of needs based on field research in Afghanistan, it used expenditures on other post-conflict situations as a proxy. CARE found that "In four recent post-conflict settings, donors spent an average of \$250 per person per year in aid. In Afghanistan they have pledged \$75 per person for 2002 and \$42 per person [per year] over the next five years." Note that these figures compare actual expenditures in other countries to pledges in Afghanistan. More recently the AACA has estimated that donors disbursed \$64 per capita in 2002 and pledged \$50 per person per year through 2006, a quarter to a fifth the expenditures in other countries.<sup>13</sup> US Ambassador Robert Finn told Barry Bearak of the *New York Times* that "the discrepancies in aid were all the worse because relative costs were higher in Afghanistan since 'There is almost no infrastructure left. And mostly, there was never any infrastructure, electricity, water. You have to supply everything.'"<sup>14</sup> It is hardly credible that Afghanistan needs only a fifth the per capita expenditure of Kosovo, a compact territory in Europe with relatively easy transport access, and where the entire armed conflict lasted less than three months from the start of the NATO bombing.

Ultimately there is only one way to evaluate the reconstruction effort in Afghanistan: is it allocating resources in such a quantity and in such a manner as to accomplish its overriding goal? All other questions, about needs assessments, fulfillment of pledges, or comparisons with other countries, are subordinate to that one. Assessing needs means estimating what one requires to reach a goal.

What is the goal? The original benchmarks were set by needs assessment for the reconstruction of Afghanistan carried out by the World Bank, Asian Development Bank, and UN Development Program in autumn of 2001 and early winter 2002, prior to the Tokyo conference.<sup>15</sup> This assessment, actually a desk study of different sectors without either a field survey or an overall strategy, argued that Afghanistan would require \$1.4-\$2.1 bn for the first year, \$8.3-\$12.2 bn over five years, and \$11.4 to \$18.1 bn over ten years. Yet this assessment nowhere states what kind of Afghanistan this \$11.4-18.1 bn should build, nor does it contain criteria for judging if the expenditures achieve their objectives.

This was only to be expected. As the executive summary of the assessment itself said, "Given past turmoil in Afghanistan, much of the available data on the country is out of date. In view of the time and security constraints, it was impossible to field-test the available information. All data and conclusions in this document should therefore be treated as indicative."<sup>16</sup> The Afghan government and the newly reconstituted civil society had hardly had a chance to define their goals. The assessment noted that its authors had tried to compensate for this: "Consultations were held with Afghan civil society representatives in Islamabad and Tehran and the views of members of the Interim Administration were solicited in Kabul. More detailed consultations, as well as fieldwork, will be undertaken after the Tokyo meeting to flesh out the reconstruction program and firm up the funding requirements."<sup>17</sup>

Rather than leaving goal setting to international agencies, however, the Afghan government itself is now leading the process. At the Afghan High-Level Strategic Forum in Brussels on March 17, 2003, Finance Minister Ghani articulated the alternatives that could result from different courses of action and pressed the donor countries to take bold steps. This was one of those rare times in history when, as he put it, "the moment is open," and things can be done that will have an impact not for just a few years, but for a century. "What we do this year," he said, "Can benefit our people and the world, or it may be a missed opportunity that will never occur again." He laid out three scenarios for Afghanistan five years thence:

1. Afghanistan might be stable and relatively prosperous, Western-friendly, with an international orientation. Internal disintegration would be only a memory, as rule of law became firmer. The government would be actively working to reduce poverty, and a growing private sector would provide employment and support for the eradication of poppy cultivation. Afghanistan would fully participate in global security arrangements and the struggle against terrorism.
2. Afghanistan could become another failed development project. It would lurch from crisis to crisis with intermittent successes. There would be no reform, and people would stagnate in poverty. International donors and the government's own sources of revenue might provide enough resources to pay some salaries, but not enough to operate or maintain projects. The construction of many capital assets started during the first inflow of aid would remain unfinished. The country would accept loans that it could not repay and would have to petition for debt relief. It would become a ward of the World Bank and International Monetary Fund, whose main role would not be as development partners but as auditors of conditionality.
3. Afghanistan could become a narco-mafia state. Criminal syndicates would take over the mining, oil, and gas industries, as the drug trade expanded throughout the region. Three hundred people would be extremely wealthy, and the rest would languish in poverty with no human rights. Rather than genuine security forces, Afghanistan would have militias serving mafias to guard (and fight over) mines, gas and oil fields, and drug-trading routes. Its impoverished and desperate people would provide recruits to militias of all sorts.

Elements of both scenarios two and three are already visible in Afghanistan today. Despite a bumper crop planted in many new areas of the country, opium prices are at a historic high, providing incomes for many militias. The intermittent battles between the militias of General Abdul Rashid Dostum and General Atta Muhammad in northern Afghanistan, though sometimes portrayed as either ethnic (Uzbek versus Tajik) or ideological (ex-communist versus ex-mujahid), often involve struggles for control of economic resources such as the Kud-o-Barq fertilizer factory and power plant, lucrative opium trafficking routes, and customs posts. The reconstruction program has already started providing opportunities to lure Afghanistan into the debt trap central to scenario 2. When the government singled out reconstruction of the highway from Kabul to Qandahar as one of its top priorities, the only resources the Asian Development Bank had available were soft loans for \$80 mn. Ghani rejected the offer despite hints that he could accept the loans now and default on them later.

Ghani argued that the donors and the government of Afghanistan should agree on the first scenario as the goal of reconstruction, a goal consistent with the stated efforts of the coalition war effort. According to his projection, realization of that reform agenda would require a period of 15 to 20 percent annual growth in legal industry – not poppy or arms trading. This in turn would require an inflow of international capital, including from the Afghan diaspora, and the transformation of cash hoards into productive capital. He outlined a coherent set of reforms required to produce such a result and presented a budget based on this goal.

Previously, at the meeting of the Afghan Development Forum (the donor consultative group) in Kabul on March 13 and 14, 2003, Afghan President Hamid Karzai had presented both the amount and the modalities of aid giving required for this result. According to Karzai and Ghani, this preferred scenario would require international assistance of \$15 – 20 bn over a period of five years, or 60-80 percent above the estimates in the original needs assessment. This aid would have to be sustained and

predictable, and increasingly allocated to the government's budget, the key instrument of policy making. This would enable the government to build institutions that would eventually generate domestic revenue and create conditions for private investment.

Ghani estimated that the failed development scenario would cost about \$1.5 bn per year for five years (\$7.5 bn), about the amount that Afghanistan received during 2002. Hence, if donors, contrary to the usual experience, sustained the momentum of the first year and kept giving at the same rate, Afghanistan might eventually make a transition from being an active threat to the international community to being its chronic ward. The third scenario would have the lowest direct cost to the international community, but the highest indirect cost. As the muffler ad used to say, "You can pay me now, or you can pay me later." In this case, low aid flows would eventually decrease even further, as any aid money would be wasted or stolen by warlords and mafia leaders. As the state collapsed (or relapsed), various forms of rent-seeking conflict would reemerge and spread through the region. The Taliban or another such movement might eventually offer salvation from such chaos.

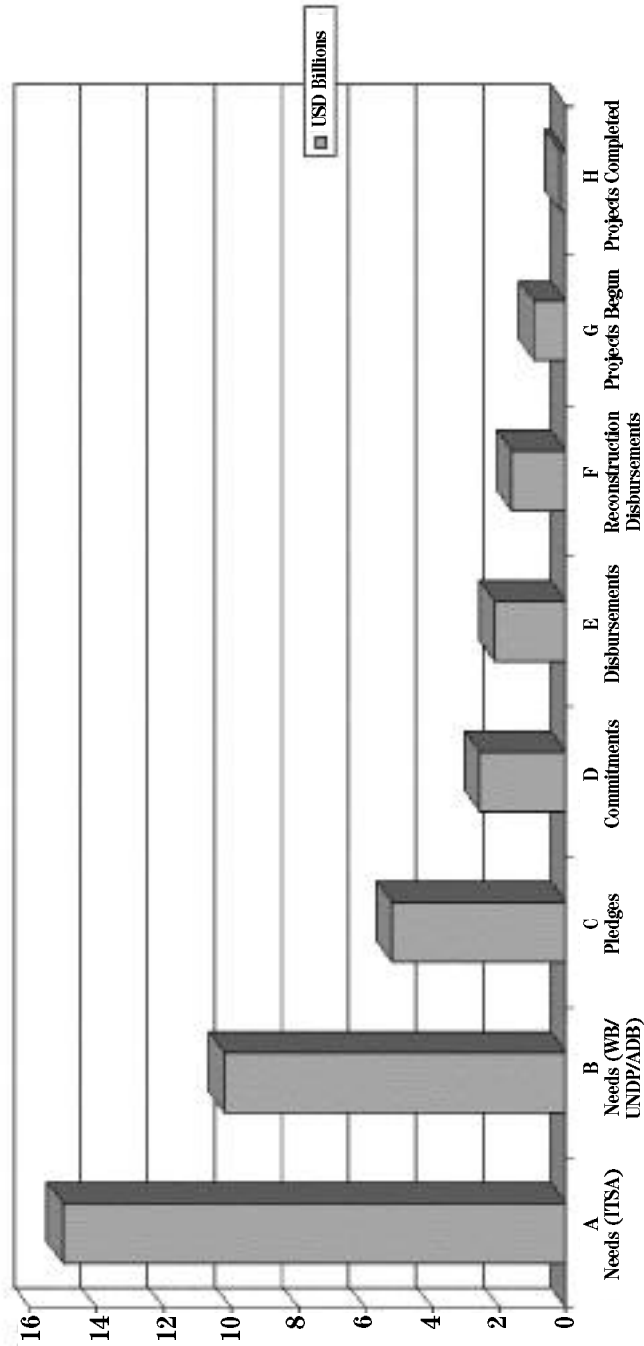
Presented in this way, Ghani's argument is quite different from admitting, as Kapila did in his speech, that the World Bank-UNDP-ADB preliminary estimates were probably too small because of lack of data. It also differs from CARE's argument that donors have shortchanged Afghanistan compared to other post-conflict countries, though they have. Spending more money does not guarantee success. Some of the post-conflict countries that have received much higher contributions than Afghanistan have nonetheless failed to attain the kind of objectives the transitional government has set for itself. Many of those expenditures, too, went for humanitarian assistance – the figures for Rwanda include the sums spent on the "refugee" camps in Congo-Zaire that helped sustain those who carried out the genocide. In some cases the local authorities, whether international (UN transitional administration) or national, did not propose or implement the needed reformist policy agenda, and the international donors lavished funds on their own agencies, international organizations, consultants, and NGOs without building the state structures needed for sustainable peace and development.

What should matter to both policy makers and Afghans is not the moral question of whether donors are generous or stingy with Afghanistan, but the political question of whether they achieve their goals. Building an Afghanistan whose people can assure their own security and therefore contribute to that of the rest of the world is the prize to keep our eyes on. Since no estimates offer certainty, the policy choices offered by Ghani boil down to a classic risk-benefit analysis. Just how much risk should the world accept? Given what September 11 showed about the cost of underestimating the risk in the past, even cool-headed strategic thinkers who do not want to confuse foreign policy with social work might choose to throw caution to the winds and blow a few extra bucks on the reconstruction of Afghanistan.

## Fulfilling Pledges or Meeting Needs?

Kapila opens his defense of donor performance by stating that, out of a total of approximately \$2 bn pledged at Tokyo in January 2002 for the first year, \$1.8 bn had been "committed" and \$1.5 bn "disbursed" by early November. But although this sort of statistic, about proportion of pledges met, has become the most commonly cited measure of reconstruction progress, it actually gives no information at all about the reconstruction of Afghanistan, but only about the behavior of donors. Pricing an overall goal, as Ghani tried to do, provides a more relevant, though still broad, standard for judging the reconstruction effort.

**Figure 1**  
 Status of Afghan Recovery Assistance as of May 2003



- A. Government of Afghanistan estimate of needs over five years (\$15 billion). Source: "Afghanistan High Level Strategic Forum, Brussels, 17 March 2003, Chairman's Summary," <http://www.af/resources/mof/adf-ahsf-artf/ahsf/AHSF%20Chairmans%20summary.pdf>.
- B. Baseline World Bank/Asian Development Bank/UN Development Program preliminary estimate of needs over five years from (\$10.2 billion). Source: World Bank, [http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/ex\\$File/n-ex.pdf](http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/ex$File/n-ex.pdf).
- C. Total pledged at the International Conference for Reconstruction Assistance to Afghanistan in Tokyo, January 2002, for first five years of reconstruction (\$5.2 billion). Source: Transitional Government of Afghanistan, Afghan Assistance Coordination Authority (AACA), (30 March 2003) "Analysis of Aid Flows to Afghanistan" <[www.afghanistangov.org/aaca/index.html](http://www.afghanistangov.org/aaca/index.html)>
- D. Total committed as of 15 May 2003 (\$2.6 billion). Source: AACA, "Project Overview by NDP-SubNDP" (Update version: first half of May 2003).
- E. Total disbursed as of 15 May 2003 (\$2.1 billion). Source: AACA.
- F. Total disbursed for reconstruction projects as of 15 May 2003 (\$1.6 billion), excluding humanitarian assistance, defined as refugee/IDP aid, food, and relief commodity distribution, and coordination costs of international agencies. Source: AACA.
- G. Total disbursed for reconstruction projects that have begun as of 15 May 2003 (\$.947 billion). Source: AACA.
- H. Total expenditure on reconstruction projects that have been completed as of 15 May 2003 (\$.192 billion). Source: AACA.

The total amount of money pledged, committed, disbursed, or actually spent, is only the roughest measure of the progress of rebuilding. Donors did not pledge just to spend money on Afghanistan: they pledged, at least, to fund the reconstruction needs identified in the assessments, which were classified by sector. Donors have nonetheless consistently counted their humanitarian assistance toward fulfillment of their reconstruction pledges, despite the explicit statement in the needs assessment that “the assessment does not cover humanitarian assistance,” which must be funded separately. To try to arrive at a better though still rough evaluation, therefore, we shall try to remove humanitarian disbursements from the total, subtract disbursements sitting in accounts for projects that have not begun, and examine the sectoral distribution of the remaining reconstruction expenditure.

We have already noted that donors spent the bulk of their funds during the first year on humanitarian assistance rather than reconstruction – 60 percent by Kapila’s estimates, 68 percent by ours – and that, according to AACA, the figure had gone down only to 54 percent by March 2003. Humanitarian disbursements are also usually spent immediately. Reconstruction disbursements, however, sit in accounts while longer-term projects are carried out, so that the proportion of visible activities doubtless shows a higher proportion of humanitarian activities.

While donors should not count humanitarian aid as reconstruction, they need to provide both. Whenever possible, the one should link or be a precursor to the other. Settling returnees in camps or urban shantytowns, for instance, harms chances for long-term recovery. Despite diverting well over half of their reconstruction pledges to humanitarian assistance, the donors have still failed to fund the latter adequately. UNHCR spent its entire yearly budget for resettling repatriated refugees by July 2002. In early 2003 it was reportedly scaling down its plans for constructing new shelters for returnees still further, to 40,000 residences for a population in the millions. The result is visible in growing shantytowns and unregistered settlements in major cities and in “secondary displacement,” as it is called, as some returnees conclude that Afghanistan was neither as peaceful nor as awash in assistance as they had been led to believe. Evaluating how adequate funding of humanitarian assistance has been would require a separate assessment.

A genuine measure of the progress of reconstruction would include only funds actually spent on reconstruction projects. This requires subtracting from pledges not only amounts committed but not disbursed, but also funds disbursed on humanitarian projects and funds disbursed but not actually used. The term “disbursed” means only that a donor has transferred funds to an account where the implementing agency can spend them, even over a period of several years. For instance, the AACA Donor Assistance Database (DAD) shows \$38 mn disbursed on the rebuilding of the Kabul-Qandahar-Herat road, a project listed as underway, yet only a few kilometers south of Kabul have been paved. Implementing agencies typically devote their initial expenditures to consultants (the ubiquitous “needs assessments”), vehicles, offices, computers, and communication equipment.

As of mid-May 2003, the mid-point of Year 2 of the recovery, the AACA database listed 1385 projects in 13 sectors. Approximately half of these activities were not in fact taking place, but were either awaiting funds to be disbursed, or had received funds but not yet gotten underway and hence were listed as “planned.” Of the remaining half, a total of 77 projects were completed, and 621 were underway (with funds disbursed). Of these 698 completed or ongoing projects, 244 were for emergency humanitarian relief and coordination of international agencies as opposed to longer-term reconstruction.<sup>18</sup> Thus, from the \$5.2 billion pledged by the international donor community in the early months of the recovery, to date only \$947 million has been activated toward reconstruction activities on the ground in Afghanistan. Much of this has not been spent, and what has been spent has gone disproportionately to startup and overhead expenses. Figure 1, which summarizes these figures, goes a long way

toward accounting for the apparent discrepancy between the claims by donors that they have disbursed funds in fulfillment of their pledges and the perception by Afghans like Sediqullah Ahmadzai that there are few changes in their lives.

Table 2 uses these data to provide upper estimates of what proportion of the sectoral reconstruction needs identified (inadequately) by the assessments has been met. These are upper estimates since they count all disbursements on projects that are "underway," though many are far from completion, and the needs are underestimated. We have categorized the estimates by the sectors identified in the Afghan government's National Development Framework, which are also used in the Afghan transitional authority's budget and for aid tracking by AACA. The table compares the disbursements with estimated needs from the World Bank-UNDP-ADB 2002 assessment, which were reorganized to match the sector categories.

The data show that, overall, nearly eighteen months after the installation of the interim administration, assistance funding has fallen short of even the underestimated baseline of Afghanistan's first-year reconstruction needs and is only 30 percent of requirements for the 2.5 year mark.<sup>19</sup> The high level of expenditure on health and nutrition (236 percent of first-year needs) probably reflects the inclusion of significant humanitarian expenditures, as does the figure for livelihoods and social protection, which includes targeted aid for vulnerable groups. The disbursements for natural resources management include large-scale agricultural programs, mostly involving distribution of inputs, such as seeds and implements, or rehabilitation of irrigation systems. The education expenditures show the work done on the back-to-school program rightly highlighted by Kapila and others. The transport and civil aviation category shows a deceptively high disbursement rate compared to actual progress made on the ground.

The omissions and shortfalls show a low level of activity on precisely those sectors most needed to make reconstruction sustainable. The experience of previous post-conflict states has demonstrated that the path from emergency relief to long-term development assistance cannot be treated as a linear progression. Rather a range of recovery activities needs to take place simultaneously across all sectors of society to reinforce the overall peacebuilding process.

CIC's Pledges of Aid study found that, in recent post-conflict recovery cases, certain essential needs received belated and inadequate attention in the international aid response. Notable among these were public safety measures such as police reform and demobilization of former combatants, and governance, including rule of law, recurrent costs, and civil society institutions. Also neglected in previous cases were macroeconomic assistance, debt relief, financial institution building, and job creation. In comparison, the Afghan reconstruction effort can boast some notable accomplishments. At the initiative of the Afghan government, which insisted on a quicker currency reform than international advisors thought possible, international donors helped the country introduce a new currency in November 2002. This bold measure stabilized prices after decades of hyperinflation. In February 2003, Afghanistan cleared the last of its international arrears, thanks to coordinated donor contributions to settle all of Afghanistan's overdue financial obligations to the World Bank, Asian Development Bank, and International Monetary Fund.

Drawing upon the CIC study and some 50 other case evaluations, a group of foreign assistance experts in late 2001 attempted to distill the crucial lessons from previous recovery scenarios to inform the incipient recovery effort for Afghanistan. In the resulting consensus document entitled "Aid Responses to Afghanistan: Lessons from Previous Evaluations,"<sup>20</sup> the group stressed the importance of, among other things:

- Definition of common, locally owned goals;
- Long term and inclusive international engagement;
- Concentration of efforts by external military forces on providing security and protection rather than delivering aid;
- Early support for rule of law (judiciary, security, policing) and land tenure institutions;
- Rapid disbursement of funds for prioritized recovery needs, preferably through a common fund;
- Debt relief and underwriting of recurrent costs for civil administration.

Of course, urgent human needs like food and shelter require priority attention, and a concentration of funds in relief activities in the very early stages of a recovery effort is not inappropriate. But slow and incomplete follow-through with other sectors that lay the basis for recovery risks continued suffering, dashed expectations, loss of credibility of the new government, opportunistic grabs for power and profit, and, in the worst case, renewed anarchy and violence.

The unexpected rapidity of the Taliban's fall compressed the periods between the acute crisis and the reconstruction phases. Given that donor bureaucracies take time to translate verbal pledges into received grants, and implementing agencies take time to translate received grants into projects on the ground, reconstruction activities were unavoidably late out of the starting gate.<sup>21</sup> Complicating matters further, U.S. military operations against the Taliban, al-Qaida, and Hizb-i Islami holdouts continued throughout the recovery process, while the ISAF security force was restricted to Kabul, perpetuating insecurity across most of the country. This hindered reconstruction activities in some cases and brought them under the control of provincial warlords in others.

If one accepts that recovery from conflict and future progress depend upon broad security, adequate funding, and timely implementation of projects that form a strategy to meet goals articulated by a legitimate government, the future of Afghanistan seems on perilous footing. The implications of an expenditure pattern characterized by unclear goals and leadership, inadequate funding, and massive delays in implementation, if continued, are clear. Afghanistan is on track to becoming what Ashraf Ghani called a "development failure," where the recurrence of armed conflict could lead it to regress to a mafia-run narco-state.

## Sustainability and State Building

Afghanistan can avoid that future only if it develops a state with a basic capacity to govern and police the society, regulate the economy, and resolve disputes peacefully. Over the past twenty-five years, the Afghan state has lost the weak capacity that it had, creating the conditions that allowed the country to be hijacked by terrorist and extremist groups and making criminal activity a rational economic choice for many. The breakdown of the state resulted from the fragility and failure of the state constructed by the old regime; the attempt by Afghan communists and their Soviet backers to use that weak apparatus for an ill-thought out program of social change imposed by violence; the massive arms

supplies poured into uncoordinated guerrilla groups by the US and its partners in support of the Afghan mujahidin; the abandonment of international political and assistance efforts after the collapse of the USSR; and, finally, the support of competing armed groups by Afghanistan's neighbors and transnational extremist groups.

Such a situation can be changed, but not without investing in state institutions and the people to staff them. It was probably inevitable that donors, agencies, and NGOs would continue their habits of privileging humanitarian assistance, giving primarily through international agencies into the start of the reconstruction period. As Kapila rightly states, donors committed or disbursed much of the expenditure – in particular the humanitarian expenditure misleadingly tabulated as fulfillment of reconstruction pledges – before the new Afghan government had in place structures to handle such funds. The government has now established trust funds and engaged international firms to handle procurement and audit its accounts, though no doubt it still has a long way to go, as BBC listener Mohammad Yaseen Wardak said in a fax, “to stop corruption and encourage more aid from the world.”

As the statements of other BBC listeners showed, however, the failure to support Afghan institutions has proven to be a major source of discontent. Afghans commonly claim that the UN and NGOs spend too much on high salaries for foreigners and overhead without accomplishing concrete work:

- Anonymous telephone message to BBC: There are a lot of NGOs in Qandahar, so-called reconstruction NGOs, but so far they have not done any reconstruction job well. They neither construct a road, nor respond to the community's needs. All their budgets are spent on luxury vehicles, high salary for their staff, and meetings.
- Syed Outbudeen Roydad (email to BBC): Why the Afghan government employs the foreign experts for reconstruction while there are many Afghan specialists proper for such posts in Afghanistan?

The press often rehearses the same issues. To choose a few random examples from a long file of quotations, *Anis*, a state-owned weekly, charged in its edition of December 29, 2002, “NGOs and individuals search for opportunities to earn and benefit themselves by exploiting reconstruction and propagandizing it. There are people who have earned and hoarded through this name but have not done the least thing.”

The weekly *Iqtidar-i Milli*, in its edition of March 5, 2003, was even harsher, but rather typical of Afghan comments:

According to some authorities in the ministries of planning, reconstruction, and education, the NGOs are not paying attention to the issues of planning, budgeting, recruitment, priorities of the ministries etc. They do whatever they think is good. In other words, they are an imposed state on oppressed Afghan people, a state that is placed inside the transitional state. . . .From the way they spend the money, it seems that the NGOs want the donated money to be returned to the donor countries in Europe. In fact it is new kind of oppression and plundering under the mask of humanitarian assistance....

Luxury, extravagancy and waste of money are another problem with NGOs. They spend the budget on things unnecessary. Till now, no NGO has published its work record clearly. Luxury in using very expensive cars and paying expensive travel allowance are the very common things experienced by

many people. Unfortunately, embezzlement, more or less, has been seen in NGOs recently. If we imagine the amount of 1800 million dollars spent on reconstruction and the works 1300 NGOs have done in our country, many questions arise: an educated Afghan employed by an NGO receives 200-300 dollars [per month], whereas a non-Afghan person doing the same job for the same NGO receives 100 dollars per hour. That is, a non-Afghan receives 700 dollars per day! . . . NGOs and individuals search for opportunities to earn and benefit themselves by exploiting reconstruction and propagandizing it. There are people who have earned and hoarded through this name but have not done the least thing.<sup>22</sup>

These charges are exaggerated and unfair, especially regarding those NGOs that have been present in Afghanistan for many years under very difficult conditions, when Afghanistan was in neither the headlines nor even the back pages. Organizations such as the Swedish Committee for Afghanistan, CARE, Save the Children, Oxfam, Médecins sans Frontières, and the International Rescue Committee (no slight intended to others) have stuck by the people of Afghanistan through the most difficult times. Most of these organizations have very few expatriate non-Afghans supervising a large Afghan staff. But these quotations are nonetheless representative of much Afghan sentiment and should remind us that not all expenditures on “reconstruction” actually (re)construct anything. One of the few areas where expenditure consistently exceeds estimated need has been organizational overhead. CARE found that five percent of all disbursements had gone to internal costs of international organizations, nearly a third of AACA's estimate of how much aid has been channeled through the Afghan government.<sup>23</sup> And this is only overhead listed as such: much such expenditure is attributed to programs rather than explicitly to overhead.

Some Afghans consequently demand a greater role for the Afghan government:

- Wali Shah Mandozai, Miranshah, Pakistan (telephone message to BBC): Those countries, organizations, World Bank, and so on who want to help Afghanistan in reconstruction should submit their donations to the government to spend on the proper and required fields.
- Kamal Sadat, Mazar-i Sharif: (telephone message to BBC): The Afghan government must bring all the NGOs in a central office where they are to be employed and sent to the required province and fields according to needs.

Others, however, recognize the shortcomings of the administration in its current state:

- Anonymous telephone message to BBC: All the reconstruction affairs must be done through the NGOs under UN supervision unless an organized administration appears in Afghanistan.

That “organized administration,” which would provide an alternative to the proliferation of uncontrolled and expensive international agencies and NGOs, has started to develop. Only four months after assuming office, the Interim Administration of Afghanistan presented its first budget to donors. A month later followed the publication of the National Development Framework (NDF), a strategy for the recovery and development of Afghanistan that defined overall goals and the sectoral strategies needed to meet them. In October 2002 the Islamic Transitional State elected at the Emergency Loya Jirga in June presented its first development budget, keyed to the sectors defined in the NDF. In March 2003 it presented its second operational budget, following serious budgetary consultations in the cabinet.

Supporting the government is central to building a state, the core task of the international effort in Afghanistan. It is also vital for donor coordination. Multilateral efforts are often inadequate, because no one is in charge. Each donor can pride itself on its generosity, but no one calls the participants to account if they fail to accomplish the goal. The UN is too much of a members' club to play that role effectively. Despite the difficulties such a role entails for an aid-dependent state, the Afghan government is trying to do so. The government recognizes that it does not yet have the capacity to implement many programs it wishes to establish and plans to use NGOs and international agencies, including the for-profit private sector, as implementation partners. It asks, however, that an increasing amount of aid go through the government budget, even if the government decides to use others to implement its program. As Ghani said:

There is a big difference between a donor directly funding an implementing partner, such as an NGO, private organization, or a UN agency, to deliver a service, and a donor funding the ARTF [Afghanistan Reconstruction Trust Fund, which provides support to government expenditures], through which the government contracts the same implementing partner. In the latter case, the government structures and processes are strengthened, and the government gets the credit for service delivery, because it is the government who assures that services are provided to the community. This is a critical element in building a sustainable state, which is key for lasting peace in Afghanistan.<sup>24</sup>

Thus funding to the government through the ARTF or other mechanisms will support governance, conform to a coherent plan, and provide the government with the leverage to provide leadership to the multilateral effort.

CARE's statistics showed, however, that only 18 percent of the total assistance had been disbursed through funds under the control of the Afghan government. By the time of the Afghanistan Development Forum in March 2003, AACAs figures put that figure at 16 percent. The UK, Norway, and a number of smaller donors have expressed support for funding programs through the government's trust funds, but the two largest donors, the US and Japan, still resist it in favor of funding their own far more expensive organizations. According to the AACAs, the US contributed \$7 million to the initial government trust fund, the Afghan Interim Administration Fund (AIAF), making it the fourth largest contributor, behind the EU, the Netherlands, and Germany. Japan was sixth largest contributor to the AIAF with a disbursement of \$3.7 million. By May 2003 the US and Japan had only disbursed \$5 million each to the ARTF, placing them at the number-eight spot, together with Denmark. Neither Japan nor the US has committed to contribute anything to the Army or LOTFA (Law and Order) trust funds.

The ultimate goal must be a strong and capable government in firm control of the course of reconstruction, supported by a healthy civil society sector of Afghan NGOs and community-based organizations to do the work of rebuilding the country. Even if a certain amount of aid to the Afghan government is lost to inefficiency and corruption, one must ask, is it worse to lose the money to Afghan corruption, while building the capacity to overcome it, or to lose it to expensive though well-documented contracts with US-based organizations, while failing to build institutional capacity in Afghanistan?

## Reconstruction and Equity

When Afghans speak about reconstruction, one of the hottest debates is over distribution: who gets what? The distributional questions about aid raise a number of linked questions about equity and the legitimacy of the government of Afghanistan and the international effort to support it:

- Afghans often say that the largest beneficiaries of reconstruction expenditures are UN agencies, international NGOs, and foreign consultants, not Afghans. The “international community” is in Afghanistan to serve its own interests. As *Iqtidar-i Milli* said, “From the way they spend the money, it seems that the (international agencies) want the donated money to be returned to the donor countries in Europe.”
- Among Afghans, many believe that a small, Westernized elite linked to international institutions and donor countries, and living only in Kabul, monopolizes the benefits. Some of these people lived in the US or other Western countries for most of the past quarter century and have recently returned to take over ministries and reclaim their large houses in the wealthier areas of Kabul. One of the most popular slogans at the May 6, 2003, demonstration in Kabul protesting the slow pace of reconstruction was “death to dog and cat washers,” a reference to Afghans returning from the West who exaggerated their menial employment abroad into impressive resumes.<sup>25</sup> All over the country, people echo the sentiment of the BBC caller who asked, “Is the reconstruction program only for Kabul or for all Afghanistan?”
- Many believe that their regions or ethnic groups are being discriminated against for political reasons. People from different regions and ethnic groups suspect that their rivals have unfairly captured the benefits. A BBC caller from Khost, a Pashtun tribal area of southeast Afghanistan, asked why the areas of the United Front (commonly called Northern Alliance) were being rebuilt. An interlocutor of Rubin's from Panjshir, where the core of the UF originated, however, claimed that roads were being built only in the Pashtun areas, not in the north, because Ashraf Ghani, a Pashtun from the southeast, was controlling the reconstruction process. Another caller, asking about the road from Shibirghan to Herat, accused the government and international agencies of ignoring northwest Afghanistan.

Such arguments draw strength from the severity of the needs and the lack of visible improvement nearly everywhere, and information alone will not resolve them, but a high degree of transparency about where money is being spent might help either defuse such conflicts or show what changes the government and donors need to make.

The issue of inter-regional distribution might be easier to resolve or at least evaluate in principle, but the existing data are insufficient to see through the fog of peace building. The AACA database asks donors to report where their projects are located. When we tried to use this database to evaluate the regional distribution of reconstruction assistance, however, we found that donors had classified projects accounting for 70 percent of disbursements as “nationwide.” The distribution of the remaining 30 percent represents too small a share of the total for us to publish an analysis of it, but it does tend to validate the complaint of the caller from Khost that the southeast is receiving virtually no assistance – the database reports assistance of approximately \$1 per capita to date in that region. Donors and

agencies need to provide a much better accounting of where they are spending their money if the government is to be able to take this sensitive and potentially explosive political issue into account. If more expenditure is channeled through the government budget, more such information should also become available and subject to political negotiation.

The other two issues, the self-interest of international actors and the concentration of activities and benefits in a Kabul-based elite, are more complex, and they are linked. Shifting funding to Afghan institutions, and in particular the government, so long as the latter is engaged in a reform effort, will show the international donors actually are helping Afghanistan rather than waving their flags and helping themselves. Projects should report the proportion of their funds spent on expatriate salaries and office and administrative expenses, including supplies and equipment. The government, rather than international donors, will ultimately be in a better position to deliver services in the provinces, especially if it succeeds in its current plans, undertaken together with the World Bank, to reform and restructure the provincial administration. Current efforts are focusing on the capacity of provincial and district administrations to deliver services in health and education.<sup>26</sup>

## Reconstruction, Security, and Political Stability

Success in reconstruction – or, more accurately, state building – will thus require funding at an adequate level, estimated by the Afghan government at \$15-20 billion through 2006, or 60-80 percent more than the estimate in the needs assessment prepared for the January 2002 Tokyo donors conference. This amount is in addition to the government's own revenue, which it is now taking difficult and even dangerous steps to generate. Success will require that increasing amounts of funding go to the government itself, either directly or through trust funds, and that the government adopt and adhere to an appropriate policy framework. It will require monitoring mechanisms to hold both donors and recipients accountable and to provide a factual basis to assess the inevitable protests against perceived intergroup inequities.

Above all, however, it will require a context in which it is possible to carry out reconstruction activities and plan for the future. It will require security: security of the personal safety of Afghan and international personnel working on reconstruction, security of the funds that will have to be transferred, security for officials so that they cannot be intimidated into making corrupt decisions, and security for lives and property of the traders and investors whose capital and future-oriented activities provide the only hope for reviving the Afghan economy and creating a sustainable tax base for the state. Without security the government cannot proceed with a meaningful constitutional process and certainly will not be able to hold elections. Yet, as every observer of Afghanistan has noted, modest and extremely limited international efforts have failed to bring security to most of Afghanistan outside Kabul.

Reconstruction and security potentially reinforce each other in a virtuous circle; thus far, however, the lack of each has hindered the other in Afghanistan. The overthrow of the Taliban by a combination of intensive bombing and funding numerous commanders all over Afghanistan both destroyed the effective if brutal security system of the Taliban and created units of armed men only loosely accountable to any political structure. These militias have captured control of various areas and assets, including roads, customs posts, mineral resources, and markets in opium and other smuggled goods. Key leaders in the central government have formed alliances with networks of these traffickers,

creating a political base out of a criminalized war economy. Demobilizing, disarming, and reintegrating armed men into either civilian life or law-bound security forces and dismantling the stranglehold of the criminal economy on power relations are the key tasks of political stabilization and a condition for economic takeoff of the legitimate economy.

Demobilization evidently requires investment in reconstruction, not only in the establishment of reformed security forces for which some of the former fighters can be trained, but also because of the need to provide legitimate livelihoods to the majority who will be permanently demobilized. In the case of road building the reciprocal relation is clear. The Japanese project of rebuilding the road from Qandahar toward Kabul has not even begun because of concerns for the security of the Japanese staff who would have to work in the area north of Qandahar. The US has refused to deploy any of the 3,000 troops it maintains in the Qandahar area to protect them. The Afghan government can barely deploy its forces in the region without better roads.

The conundrum of road building illustrates the chicken-egg like quality of the relation of security to reconstruction. So does the problem of demobilization: even fighters willing to take up offers of civilian employment might be reluctant to hand over their weapons without guarantees of their security from attack by rivals. In both of these cases, and in many more, the difficulties of making the transition to autonomous provision of security require an external security assistance force.

The International Security Assistance Force in Kabul has performed the major task of providing a baseline of security in the capital and preventing the population from seeing the capital as totally under the military control of one faction. ISAF's limitation to Kabul and environs by both the Security Council resolution and the status of forces agreement with the Afghan government has limited its effect on reconstruction. Both President Hamid Karzai and UN Special Representative of the Secretary-General Lakhdar Brahimi have advocated the expansion of ISAF to other major urban centers, as foreseen in the Bonn Agreement, but neither the US nor other potential ISAF troop contributors have been eager to do so.

In the course of its first year on the ground in Afghanistan, however, the US forces commander saw the close interrelationship of reconstruction with his military mission. Saying that he was tired of endless debates about whether security was needed for reconstruction or vice versa, Lt.-Gen. Daniel McNeil began looking for a way to "jumpstart" both. Other US officials also spoke of the need to achieve what they called an "ISAF effect" without ISAF. Initially they proposed embedding small units of Special Forces and CIA operatives with major regional commanders ("warlords") at least to inhibit them from fighting each other.

It is unclear if these teams prevented any such clashes, but they certainly did not provide security to either the population of Afghanistan or reconstruction or humanitarian workers. In response to these challenges, as well as an estimate that security challenges from al-Qaida and the Taliban were diminishing and confined to six provinces, the US military decided to shift more of its forces from war fighting to "stability operations." The proposal eventually took the form of Provincial Reconstruction Teams (PRTs). These teams include both military and civilian components and, eventually, participants from the US and other coalition or troop contributing forces as well as from Afghanistan itself.

PRTs are units established in key regional centers including US military, military civil affairs teams, USAID, diplomats, and, eventually, military and civilian components from other states as well. The military component both provides some security for the team and carries out some of the work directly, but most of the emphasis is supposed to be on identifying projects together with the local administration, obtaining the needed funding, and overseeing the completion of the project by others in coordination with the local and national authorities. The military deployment in a PRT is considerably

smaller than an ISAF contingent, at least in Kabul (fewer than a hundred rather than thousands), and the military seems to be counting on the reconstruction activity as a kind of security multiplier that will bring in intelligence and increase loyalty to the government. The increased security will then act as a reconstruction multiplier.

NGOs have criticized the PRTs for confusing the role of the military and assistance providers and hence failing both to provide security and to promote reconstruction.<sup>27</sup> PRTs appear to duplicate existing arrangements in some cases, and, though the idea was developed without consultations outside the US government, the military has been eager to consult others since and has modified the plan several times. Establishing PRTs does have one advantage over other proposals for improving security in Afghanistan: someone is actually willing to do it.

Nonetheless, like many other proposals for reconstruction, security, and other goals in Afghanistan, the proposal for PRTs seems largely dictated by what donor countries are willing to do, for reasons other than what it would require to achieve their alleged goals in Afghanistan. Thus far, for instance, the military personnel in PRTs are not authorized to participate in the demobilization of fighters, though that process is supposed to start over the summer of 2003 and would greatly benefit from international military observers and monitors, such as the military component of PRTs.

Yet without demobilization and security sector reform, starting with reform of the Ministry of Defense, not only physical and economic reconstruction, but political reform and every other part of the international assistance program for Afghanistan will fail, and the goal of making Afghanistan and the surrounding region permanently inhospitable to terrorist organizations will once again recede out of reach. The US, the UN, and virtually every major nation and potentially relevant multilateral organization have promised to do better in Afghanistan, and, in view of the consequences of past inaction, with good reason. In addition, the people of Iraq, the Middle East, and the world will view the results – not the alleged intentions – in Afghanistan as an indication of what to expect in that high stakes venture. We can do it, but will we?

## Table 1

### Different evaluations of the reconstruction of Afghanistan

<b>Mukesh Kapila, November 2002</b>	"Both the level and speed of donor assistance for Afghanistan has – so far – been commendable and better than for many other countries at a comparable stage in their recovery process."
<b>CARE, October 2002</b>	"Despite the rhetoric, the donor community has yet to deliver the required funding for Afghan reconstruction."
<b>BBC Pashto service listener, Sediqullah Ahmadzai, to Finance Minister Ashraf Ghani</b>	"Sometime before you said Afghanistan has received \$1.7 billion from \$4.8 billion promised aid in Tokyo conference which according to you has been spent for reconstruction, but so far we have not seen any basic change in the people's daily life."

Table 2  
 Assistance funding data by sector  
 (Figures from AACA/DAD, May 2003)

National Development Framework Program Sectors	Estimated Requirements over 1 Year (USD Millions)	Estimated Requirements over 2.5 Years (USD Millions)	Total Project Disbursements* to date (1.5 (USD Millions)	Percentage First Year Needs Met	Percentage Needs (2.5 yrs) Met to Date
	(World Bank/ADB/UNDP)***				
<b>Pillar One (Humanitarian, Human and Social Capital)***</b>					
Education and Vocational Training	80	210	83	104%	40%
Health and Nutrition	50	210	118	236%	56%
Livelihoods and Social Protection	130	350	152	117%	43%
Culture, Heritage and Media	10	20	6.9	69%	35%
<b>Pillar Two (Physical Reconstruction and Natural Resources)</b>					
Natural resources (Agriculture/Rural Recovery)	110	400	79	72%	20%
Upper Management, Services, Housing	30	130	29	97%	22%
Transport and Civil Aviation	60	210	162	270%	77%
Energy	40	240	5	13%	2%
Telecommunications	10	40	0.09	1%	0%
<b>Pillar Three (Private Sector Development)</b>					
Private sector development (trade and investment)	20	110	0	0%	0%
Public Administration (inc. Local governance and community-driven development)	210	630	61	29%	10%
Security and the Rule of Law (includes Drug Control and Mine Action)	270	580	74.5	28%	13%
<b>Unclassified aid****</b>	10				
<b>Unbudgeted: Human rights/civil society</b>	(women's rights)	10	176.6		
<b>Total</b>	<b>1030</b>	<b>3140</b>	<b>947</b>	<b>92%</b>	<b>30%</b>

\* Projects underway or completed with funds disbursed; \*\* Figures from World Bank/ADB/UNDP needs assessment (2002) - Table 1 Base Case - Cumulative Estimates of Funding Requirements on Commitment Basis

\*\*\* Does not include non-reconstruction expenditures such as refugee and IDP assistance, food and non-food relief item distribution, emergency services, humanitarian logistics and coordination costs, and international agency capacity funding. \*\*\*\* Includes first tranche of ADB loan.

## Notes

<sup>1</sup> See reports of these meetings on the information resource webpage of the Islamic Transitional State of Afghanistan, <http://www.af/>.

<sup>2</sup> April Witt, "Afghans Rally in Anger Toward U.S.," *Washington Post*, May 7, 2003, p. A27.

<sup>3</sup> Shepard Forman and Stewart Patrick, **Good Intentions: Pledges of Aid for Post-Conflict Recovery** (Boulder, Colo.: Lynne Rienner, 2000, [www.nyu.edu/pages/cic/conflict/conflict\\_project2.html](http://www.nyu.edu/pages/cic/conflict/conflict_project2.html)). See also Shepard Forman, Stewart Patrick, and Dirk Salomons, **Recovering from Conflict: Strategy for an International Response** (New York: Center on International Cooperation, NYU, 2000).

<sup>4</sup> The National Development Framework and Budget, assistance tracking database, and reports on the recovery process can be found on the Afghan government website at [www.af/](http://www.af/).

<sup>5</sup> We would like to thank Najiba Kasraee of the BBC Pashto Service for making this transcript available to us.

<sup>6</sup> We thank Mukesh Kapila for making his text available.

<sup>7</sup> Kapila used a round figure of \$2 bn pledged for the first year. The Islamic Transitional State of Afghanistan's Afghan Aid Coordination Agency (AACA) reports that donors pledged the amount given in the text in grants ("Analysis of Aid Flows to Afghanistan," Update 2-b, 30 March 2003, <http://www.af/resources/mof/cU-GoA-AidAnalysis.pdf>).

<sup>8</sup> Barry Bearak, "Unreconstructed," *New York Times Magazine*, Sunday, June 1, 2003.

<sup>9</sup> CARE International in Afghanistan, "Rebuilding Afghanistan: A Little Less Talk, a Lot More Action," Policy Brief, October 1, 2002, [http://care.ca/info/publ/Afgan\\_Policy\\_Brief\\_e.pdf](http://care.ca/info/publ/Afgan_Policy_Brief_e.pdf).

<sup>10</sup> ITSA, "Analysis of Aid Flows to Afghanistan."

<sup>11</sup> Paul Collier and Anke Hoeffler, "Aid, Policy and Growth in Post-Conflict Societies," World Bank Policy Research Paper 2902, October 2002, [http://econ.worldbank.org/files/19228\\_wps2902.pdf](http://econ.worldbank.org/files/19228_wps2902.pdf).

<sup>12</sup> ITSA, "Analysis of Aid Flows to Afghanistan"

<sup>13</sup> Ibid.

<sup>14</sup> Bearak, "Unreconstructed."

<sup>15</sup> World Bank, Asian Development Bank, United Nations Development Program, **Afghanistan: Preliminary Needs Assessment For Recovery and Reconstruction**, January 2002, <http://Inweb18.worldbank.org/SAR/sa.nsf/Countries/Afghanistan/CB1C6A33FB68218485256B44004B58E5?OpenDocument>.

<sup>16</sup> Ibid., "Introduction," [http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/intr/\\$File/n-intr.pdf](http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/intr/$File/n-intr.pdf).

<sup>17</sup> Ibid., "Executive Summary," [http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/ex/\\$File/n-ex.pdf](http://Inweb18.worldbank.org/SAR/sa.nsf/Attachments/ex/$File/n-ex.pdf).

<sup>18</sup> We defined humanitarian projects as those focused solely on refugees or internally displaced persons (IDPs), distributions of food commodities and non-food relief items, and coordination costs of the international humanitarian community. The distinction of humanitarian and reconstruction projects is often unclear, and we erred on the side of inclusion.

<sup>19</sup> We estimate that donors have disbursed \$947 mn to reconstruction projects that are underway or completed. The UNDP-WB-ADB base line estimate for reconstruction needs for 2.5 years was 3.1 bn

(out of \$4.9 bn total cumulative funding needs for 2.5 years).

<sup>20</sup> Paper submitted by the Chair of the OECD Development Assistance Committee Working Party on Aid Evaluation to the DAC Senior Level Meeting, 12-13<sup>th</sup> December 2001.

<sup>21</sup> The Afghan Assistance Coordination Authority has divided the recovery effort into three time periods, reflecting the protracted humanitarian relief effort required and the late onset of reconstruction activities: Immediate Humanitarian Support Phase (Before 21 January 2002); Reconstruction & Humanitarian Support Phase (21 January 2002 to 20 March 2003); and Support to National Development Budget (After 21 March 2003), (AACA website: [http://www.afghanistangov.org/dad/dad\\_report.html](http://www.afghanistangov.org/dad/dad_report.html)).

<sup>22</sup> Thanks to Manoel de Almeida e Silva and Ghulam Haider of UNAMA for supplying these press excerpts. Naturally they bear no responsibility for their consent.

<sup>23</sup> CARE International in Afghanistan, "Rebuilding Afghanistan," p. 5.

<sup>24</sup> World Bank, "Donors Renew Support for Afghanistan Reconstruction Trust Fund," Press Release, Brussels, March 18, 2003.

<sup>25</sup> The phrase "dog and cat washers" apparently comes from stories written by Tanveer, an Afghan who represented the mujahidin movement in the Netherlands in the 1980s and who wrote satirical stories about Afghan refugees in the West. Some of these stories feature Afghans who get menial jobs washing pets for rich Europeans but send letters home describing their successes in business.

<sup>26</sup> **Assessing Subnational Administration in Afghanistan: Early Observations and Recommendations for Action; A Guide to Government Functioning Outside of Kabul: Early Observations Based on Missions to Herat and Faryab** (<http://inweb18.worldbank.org/sar/sa.nsf/91e66bec154b73d5852567e6007090ae/6ca845f4fdbaa5de85256b9d005b009f?OpenDocument>).

<sup>27</sup> "ACBAR Policy Brief: NGO position paper concerning the Provincial Reconstruction Teams," January 15, 2003, [http://www.careusa.org/newsroom/specialreports/afghanistan/01152003\\_ngorec.pdf](http://www.careusa.org/newsroom/specialreports/afghanistan/01152003_ngorec.pdf).

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