



Smart Development in Practice

Field report from Afghanistan

Smart Development in Practice Field Reports

Smart Development in Practice Field Reports is a series of occasional papers based on original research conducted by Oxfam America. Oxfam believes that, in trying to improve US foreign aid, we must listen to the people who know aid best: those who receive and deliver aid. They understand best how aid should work, how aid delivery affects its outcomes, and how aid can motivate governments and communities to invest in their own development. The Smart Development in Practice Field Reports series brings these voices—voices from the field—to the debate on aid reform, enabling them to weigh in on the following questions:

- **Getting the purpose right.** Does US foreign assistance have a clear purpose? Oxfam believes that effective development helps tackle poverty and build a safer world for everyone and strengthens US standing abroad. When short-term political and security concerns drive the US foreign aid agenda, however, they weaken efforts to fight poverty and undermine US national interests in the long term.
- **Modernizing US foreign aid.** What kind of reform will make US foreign aid more effective in reducing poverty and promoting development in today's world? Designed at the onset of the Cold War and revised piecemeal since, US foreign aid has become a web of competing agencies and conflicting directives. Oxfam believes that US foreign aid needs new laws, strategy, and structure to tackle poverty effectively.
- **Promoting ownership by governments and citizens.** How can US foreign aid be more responsive to the people it intends to support? Foreign aid should encourage people to lead their own development. Yet Washington increasingly dictates who receives aid and how it is delivered without sufficient regard for what poor people and countries want or need. Oxfam believes that US foreign aid must respond to the development priorities of responsible governments and citizens.

This is the fourth release in Smart Development in Practice Field Reports. For others, please go to www.reformaid.org.

Executive summary

This report aims to convey the views of people who have extensive experience with US development aid to Afghanistan. For that purpose, 40 people were interviewed in Kabul in November and December 2008. They included employees of the US Agency for International Development (USAID), other foreign donors, contractors, consulting companies, and Afghan and international nongovernmental organizations (NGOs), many of whom have several years of experience working in Afghanistan, as well as Afghan government officials. We would like to extend our thanks to all those who gave up their time for this research.

Several interviewees made the important point that all major donors struggle to achieve their objectives in Afghanistan. The insecure environment, corruption, poor governance, and weak rule of law pose immense challenges to all those seeking to promote development. Despite these difficulties, many interviewees believed there were key areas where the US could substantially increase the effectiveness and impact of its assistance, including with respect to the purpose of aid, issues of modernization, and ownership.

- **Purpose.** Interviewees were concerned about the US using aid for security objectives; overemphasizing short-term goals instead of long-term development; and overlooking sectors, like agriculture and rural trade, that support the livelihoods of most Afghan households.

“More and more aid is allocated for activities that are believed to be promoting security, but in fact they’re not. They believe it, but it’s not working.”

—Senior employee of a US NGO that is a USAID subgrantee

- **Modernization.** Despite some laudable efforts in Afghanistan, US aid practitioners are bound by structures and strategies that often constrain their ability to work effectively on the ground. In particular, interviewees raised their concerns that USAID’s contracting system relies too much on private contractors, that the pressures for measuring outputs instead of outcomes hamper effective development, and that an unclear strategy and excessive security restrictions distance US aid practitioners from the Afghans they’re hoping to support.

“So you have contract after subcontract after subcontract, which just kills everything. Multiple contracts, then an Afghan guy digging the road—why not straight hire the Afghan?” —Senior employee of a USAID contractor

- **Ownership.** Good development helps people help themselves, but US assistance tends to be too supply-driven and is overly reliant on contractors and Provincial Reconstruction Teams to deliver development assistance, rather than being led by Afghans themselves.

“So sometimes the problem with USAID is that communities feel it is USAID’s project rather than ‘ours.’ ”

—Representative of an Afghan NGO that is a USAID subcontractor

US foreign aid in Afghanistan

AFGHANISTAN

Capital: Kabul
Population: 25 million
Population living on less than one dollar a day: 42 percent
Life expectancy: 45 years
Literacy rate: 34 percent
Female literacy rate: 18 percent
Access to improved water source: 23 percent
Under-18 population: 57 percent
Under-5 mortality rate: 191 out of every 1,000

Sources: Afghanistan National Development Strategy, Afghanistan Humanitarian Action Plan, and UN Human Development Report.



- The US has provided assistance to Afghanistan since the 1940s, with three notable peaks: large-scale development assistance programs during the Cold War competition with the USSR (1940s to 1979), covert military assistance during the Soviet occupation (1979–89), and substantial military and economic assistance since 2001 (Figure 1).¹
- The US is by far the largest donor to Afghanistan. In 2006–7, the US alone accounted for over half of all aid to Afghanistan, with the second largest donor (the European Commission) accounting for less than 10 percent of the flows.² Other donors include the UK, Canada, and the World Bank.
- Between FY2002 and FY2008, the US provided over \$31 billion to Afghanistan in reconstruction assistance, including support for the military and for counternarcotics.
- About 22 percent of total US assistance to Afghanistan between FY2002 and FY2008 was for the US Agency for International Development (USAID) (\$6.9 billion out of \$31 billion). USAID funded mostly roads (26 percent), power (12 percent), and “alternative livelihoods” to poppy production (10 percent). Other areas include health, democracy, education, food aid, economic growth, and agriculture.

1. Unless otherwise noted, data for this section are from Kenneth Katzman, “Afghanistan: Post-war governance, security, and US policy,” Congressional Research Service (CRS) Report for Congress, RL30588 (Washington, DC: CRS, Jan. 16, 2009).

2. Estimate from OECD’s Development Assistance Committee at www.oecd.org/dac/stats.

- US spending on military activities and operations in Afghanistan is 20 times US spending on development (Figure 2). Military spending includes about \$283 million a year (FY2005–8 average) for the Commander’s Emergency Response Program (CERP), aimed at gaining the confidence of Afghans and discouraging them from cooperating with insurgents.³
- The US is a major funder⁴ for Provincial Reconstruction Teams (PRTs), which were first established in 2002–3 to enable military involvement in security-related and reconstruction activities at the community level. There are currently 26 PRTs, of which 12 are commanded by the US.

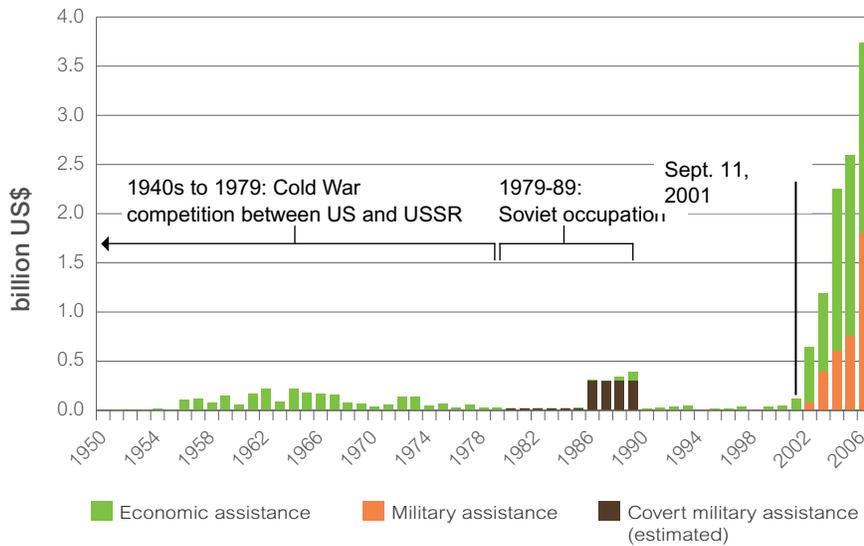


FIGURE 1.
US aid to Afghanistan, 1950–2006

Sources: Economic and military assistance data are from USAID, “The Greenbook” (“US overseas loans and grants: Obligations and loan authorizations, July 1, 1945–Sept. 30, 2006”) (Washington, DC: USAID), <http://quesdb.usaid.gov/gbk>. “The Greenbook” does not report data for 1980–84. Covert military assistance data are estimated from Kenneth Katzman, “Afghanistan: Post-war governance, security, and US policy,” CRS Report for Congress, RL30588 (Washington, DC: CRS, Jan. 16, 2009).

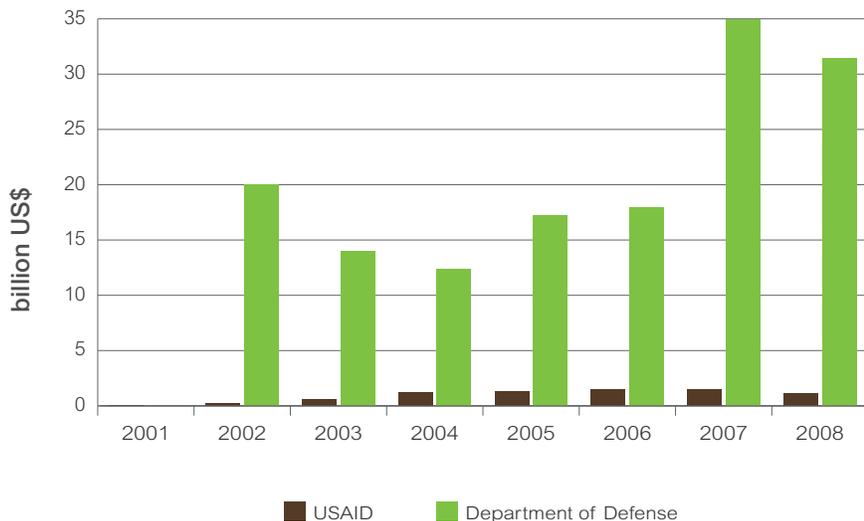


FIGURE 2.
USAID and Department of Defense overall spending in Afghanistan

Source: USAID data are from Kenneth Katzman, “Afghanistan: Post-war governance, security, and US policy,” CRS Report for Congress, RL30588 (Washington, DC: CRS, Jan. 16, 2009). Department of Defense data are from Amy Belasco, “The Cost of Iraq, Afghanistan, and other global war on terror operations since 9/11,” CRS Report for Congress, RL3310 (Washington, DC: CRS, Oct. 15, 2008).

3. “Securing, stabilizing, and reconstructing Afghanistan: Key issues for Congressional oversight,” US Government Accountability Office (GAO) Report to Congressional Committees, GAO-07-801SP (Washington, DC: GAO, May 2007).

4. According to the GAO, the Department of Defense covers all the costs of operating PRTs but does not track PRT operating expenses separately from other operational costs for Afghanistan. See “Provincial reconstruction teams in Afghanistan and Iraq,” GAO-09-86R (Washington, DC: GAO, Oct. 1, 2008).

Getting the purpose right

“More and more it is being used for naïve ‘hearts and minds.’ If we had stayed focus[ed] on the prize—health, education, economic development, and governance—then it could have made a huge difference.”

—Senior employee of a US NGO that is a USAID subgrantee

“If the first six months were spent building trust—drinking tea with shuras—the whole thing would be so much better in terms of impact. But we’re pushed to move, especially in this country.”

—Senior manager of a large US contracting company

The reconstruction and stabilization of Afghanistan will require a long-term vision that addresses development as well as security. Many interviewees were concerned about the US using aid for security objectives; overemphasizing short-term goals instead of long-term capacity building; and overlooking sectors, like agriculture and rural trade, that support the livelihoods of most Afghan households.

Using aid for security and political objectives

There was a widespread view among interviewees that US aid has to some extent been distorted to achieve security objectives, particularly the counterinsurgency objective of “winning hearts and minds” and promoting stabilization at the expense of longer term development goals. While PRTs have undertaken useful infrastructure projects, they are widely regarded as not having the relevant skills and expertise and not being sufficiently trusted by Afghan beneficiaries to promote effective and sustainable local development.

In addition, pressure to engage in security-related activities has deterred qualified development organizations from engaging in USAID activities. For example, a coalition of five major international nongovernmental organizations (NGOs) withdrew from a large-scale USAID development project in 2008 because the project required “battlefield cleanup” and other security-related efforts.

Overemphasis on short-term, physical results

Senior USAID officials stressed their intention to build Afghan capacity so that Afghans could direct and implement their own development. One of them stated, “At the end of the day, we’re trying to leave.” However, despite some tangible progress (as illustrated in Case study 1), virtually all interviewees believed that the US overemphasizes achieving short-term, physical results instead of long-term capacity building.

Some donor interviewees noted that focusing on swift results was important in some sectors, especially the reconstruction of infrastructure, but was not wise or feasible in other areas of development at the community level. Interviewees found it easier to work with donors who funded contracts for three or four years or more, while the US contracts tended to be on shorter time frames.

Neglect of agriculture

A number of interviewees felt USAID had neglected certain crucial sectors, especially agriculture and rural trade, on which a majority of Afghans depend for their means of earning a living. Aside from alternative livelihood programs (linked to counternarcotics efforts), USAID's support for agriculture has been less than 5 percent of its assistance since 2001.⁵

Interviewees also believed that the US relies too much on the potential of free-market and private sector solutions without creating an environment that enables those markets to work equitably, and without taking sufficient account of the weak economic and commercial infrastructure, low level of literacy and professional skills, and spreading insecurity.

“We need long-term investments to support our hopes for the future; now I don't have a clear hope for the future for Afghanistan. We should not only think about rapid results, but think about longer term impacts.”

—Director of an Afghan NGO that implements USAID-funded projects

Case study 1. Investing in community health workers

Facing one of the world's highest maternal and neonatal mortality rates, the government of Afghanistan developed a community midwifery program, beginning in 2002, to improve the chances of both mother and child surviving childbirth. USAID is among its donors, reflecting its commitment to investing in capacity building at the grassroots level. As described by a senior employee of a major US NGO:

“The community midwifery program is a real success, and [one that] the Ministry of Public Health has really thought through. We [an international NGO] support a residential training program for community health workers, which lasts for 18 months. The right people are selected for the course, through community engagement and mobilization to get volunteers. Young mothers are also eligible, as there is a dormitory with day care facilities. These women—trained community midwives—have state-of-the-art knowledge and information about maternal health practices. They are placed in health clinics throughout the country, [where they] receive a good salary, as well as support from NGOs. The first year we had to search hard for volunteers. In the second, we had huge numbers of women volunteers, and even parades of fathers and husbands supporting their women to become involved.”

Along with other efforts by the government, this program has led to an increase in the number of midwives in Afghanistan from 467 in 2002 to 2,167 in 2008, increased the share of facilities having female skilled health workers from 39 percent in 2004 to 76 percent in 2006, and increased the share of deliveries attended by skilled workers from 6 percent in 2003 to 20 percent in 2006.

Source for data: Devpro Resource Center, “Afghanistan's community midwives,” UNICEF, www.unicef.org/devpro/46000_46782.html.



▲ Student nurses training to be midwives take the blood pressure of a patient at Faizabad Maternity Hospital.

Alixandra Fazzina / Oxfam

5. Kenneth Katzman, “Afghanistan: Post-war governance, security, and US policy,” CRS Report for Congress, RL30588 (Washington, DC: CRS, Jan. 16, 2009).

Modernizing US foreign aid

“So you have contract after subcontract after subcontract, which just kills everything. Multiple contracts, then an Afghan guy digging the road—why not straight hire the Afghan?”

—Senior employee of a USAID contractor

“In terms of the evaluation of projects, there’s not much room for being critical of your own projects, for transparency and accountability of impact.”

—Employee of an American NGO that is a USAID subgrantee

Despite some laudable efforts in Afghanistan, US aid practitioners are bound by structures and strategies that often constrain their ability to work effectively on the ground. In particular, interviewees raised concerns about a flawed contracting system, the pressures to measure results of the wrong kind, and the costs of an unclear strategy and excessive security restrictions that distance US aid practitioners from the Afghans they’re hoping to support.

A flawed contracting system

Several interviewees critiqued USAID’s current contracting system, including its unrealistic objectives, the excessive cost of private contractors, and the multiple tiers of subcontractors. Many contractors are widely regarded as inefficient, absorbing a huge volume of funds in consultant costs and profits while providing work that is of variable quality, relevance, and impact, and all done with very little transparency (Case study 2).

‘Performance anxiety’

While many interviewees felt that USAID project monitoring was adequate, others believed there was an overemphasis on meeting quantifiable project outputs—“bean counting”—instead of achieving positive, lasting outcomes for households and communities as measurements of success. Some Afghan subcontracted NGOs also believed that the reporting requirements are excessively time-consuming and fail to convey what projects are actually delivering to Afghans.

This approach is partly attributable to the heavy, and often unrealistic, pressure on USAID to produce rapid results. These pressures lead to what one interviewee described as “performance anxiety” within the organization—an overemphasis on achieving and publicizing short-term successes. The pressure to perform also discouraged frank assessments of ineffective projects, preventing much-needed learning and adjustments from taking place.

Unclear strategy and limited coordination

In some sectors, US agencies delivering aid in Afghanistan seem to lack strategy and coordination. Interviewees believed the problem has been compounded by a relatively high turnover of US staff, which disrupts continuity, including in the understanding of Afghan society by US aid practitioners.

One interviewee described how 15 US agencies worked in the energy sector, each with its own vision, objectives, and procurement strategies. Another interviewee described how two separate contractors, both funded by USAID, by chance discovered they were doing virtually the same project, in the same place.

Far removed in the compound

Many interviewees believed the tight security restrictions on USAID staff are excessive, largely confining them to their headquarters in Kabul or to PRTs, thus hindering effective aid delivery, monitoring, and evaluation. There is also a frustration that expatriate consultants and NGOs are concentrated in Kabul, in their fortified compounds, cut off from the lives of ordinary Afghans in the provinces, where expert advice is so desperately needed.

“I question if there is a strategy—it seems to change with frightening regularity. I came here in 2003 and feel as if I’ve seen the paradigm shift every six months.”

—Consultant to USAID

“The heavy security—armed vehicles, etc.—doesn’t allow them [USAID contractors] to reach the community level, to promote community ownership. What is missing is the community dimension.”

—Official at a major American NGO and USAID subgrantee

Case study 2. Right idea, but questionable approach

Though USAID is to be applauded for its intention to build Afghan capacity, one example, the Capacity Development Program (CDP), illustrates some of the concerns about the cost-effectiveness of the current USAID contracting system. Here one interviewee, who worked on the CDP and is now working for an NGO that is a USAID subcontractor, describes the problems:

“The program was worth \$350 million over three years, extended to five. But it had a broad scope of work and no clarity. The work plan changed every three months and wasn’t signed off for 18 months. The finance people were so angry about financial management. The burn rate was \$100 million a year. There were massive inefficiencies: it cost half a million dollars a year for a number of expat consultants, some of whom were useless. CDP took on consultants way too quickly—half were doing nothing; the other half were frustrated. Some of the consultants were fabulous, but many were underskilled and overpaid, with limited experience in development. The project was very, very flawed.”



▲ Afghans rebuild a road as part of an Oxfam GB/International cash-for-work scheme. Some interviewees critiqued USAID for its contracting system, which places too many tiers between contractors and Afghans like these.

Mohammed Salim / Oxfam

Promoting ownership by governments and citizens

Good development helps people help themselves. Many interviewees felt that the US did not do enough to promote this sense of Afghan ownership because USAID tends to be too supply-driven and is increasingly reliant on PRTs to deliver development assistance.

Supply-driven

“So sometimes the problem with USAID is that communities feel it is USAID’s project rather than ‘ours.’ ”

—Representative of an Afghan NGO that is a USAID subcontractor

“There is more of an imposition of values, a ‘this way or no way’ approach. They’ve [USAID] really lost their grassroots approach, which they used to be really good at.”

—USAID consultant

Despite US support of the successful National Solidarity Program (NSP) (Case study 3), many interviewees believed the US could do more to promote the active engagement of citizens in the development process. Too many projects were seen as top-down and “supply-driven,” reflecting preconceived or imported ideas about what is good practice instead of what is feasible, relevant, or appropriate for Afghanistan.

The stories, again, were many, among them the following:

- The well-intended but overambitious and costly attempt, at \$6 million, to establish an Afghan women’s business federation, which largely failed because there were no credible ground-level women’s business associations.
- The construction of a factory near Mazar-e Sharif prior to the development of any kind of business plan for marketing the factory’s output.
- The USAID contractor who rapidly provided free agricultural assistance to a community and thereby undermined the long-term efforts of a local Afghan NGO to achieve sustainability in the same sector by requiring community contribution and participation. Once the contractor left, the Afghan organization had to start its community-building efforts again from scratch.

When PRTs lead, who follows?

PRTs face enormous obstacles to promoting local ownership, particularly because they are led by foreign military. Given this direct association with the military, and the heavy security measures PRTs are forced to take, many interviewees felt that it was impossible for PRTs to engage in successful, sustainable development efforts. Interviewees believed that in some cases the form of ownership promoted by PRTs regularly translated not into community ownership, but financial or other benefits for hand-selected local leaders.

Interviewees expressed concern that assistance work by PRTs, and by some contractors, has blurred the distinction between the military and development agencies, and they felt this confusion partly explains the rising insurgent attacks on NGOs in recent years. USAID itself directs only a small portion of its aid to PRTs, but a USAID official confirmed that “there’s no question USAID is going to increase personnel in PRTs.” Noting this was primarily for monitoring and coordination, he added, “When we are asked how we plan to work better out there, our answer is we will work better through our PRTs.” Given the concerns already mentioned, a substantial increase in CERP funding going through PRTs could actually have an adverse impact on efforts to promote stability and development.

“It’s hard to get buy-in from the community, respect, and trust when the perception is that [PRTs] are essentially military. How do you win hearts and minds with the people when [the PRTs] turn up with guns, in uniforms and Hummers?”

—Consultant and former employee of a USAID contractor

Case study 3. Supporting the NSP

The NSP, created in 2003 by the Ministry of Rural Rehabilitation and Development and largely funded by USAID and other donors, provides a perfect example of how aid can support communities in leading their own development efforts.

The program empowers elected Community Development Councils (CDCs) to decide on and fund community-level projects. It provides training to community members; block grants in cash to CDCs; and links to NGOs and donors to then help plan and implement small-scale, local development and infrastructure projects. The CDC takes on the responsibility of procurement and management, all under the close watch of community members. Community members, in turn, provide most of the labor.

The program has channeled resources to CDCs in over 22,000 villages, some 70 percent of Afghanistan’s communities. For thousands of Afghan communities, the program has meant new wells and dams, better roads and bridges, school buildings and community centers, or hydroelectric generators.

This largely successful program, however, is not without problems. Funding has been irregular—some NGO implementing partners are owed over a million dollars—and its future is uncertain, as over \$200 million is required from donors in order to complete the current phase of the program.

As the US revisits its goals and strategies in providing aid to Afghanistan, these voices should remind policy makers of how to make its aid more effective: the US must be clearer on its development goals; it must be more strategic in its delivery; and ultimately, it must help Afghans help themselves.



▲
The NSP promotes community-level planning. Here, staff from the Afghanistan Pilot Participatory Poverty Assessment, an initiative of the Agency Coordinating Body for Afghan Relief (ACBAR), consult with a group of male community members about their perspectives on poverty (in Tergaran Village, Tarin Kowt District, Uruzgan, Afghanistan).

ACBAR

Oxfam America is working to increase the effectiveness of US foreign aid by placing the voices and priorities of poor people at the center of aid policy and practice. Through analytical and field research, we bring out the hopes and concerns of intended beneficiaries, implementing partners, aid professionals, other donors, and host governments. Through political advocacy, we ensure that these voices are heard by policy makers who have the power to make US foreign aid more effective in the fight against global poverty.

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Cover: Transporting sacks of rice, a young porter runs through Faizabad's wholesale market with his barrow. *Alixandra Fazzina / Oxfam*

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