

## *Chapter 11*

# **Afghanistan: European Commission and U.S. Approaches to Linking Relief, Rehabilitation, and Development**

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Afghanistan has been a laboratory for assistance strategies of the international community throughout the last decades. During Taliban rule, both the European Union and the United States focused on humanitarian assistance, as partnering with the Taliban was not an option. This approach changed dramatically after the defeat of the Taliban in 2001; EU and U.S. assistance suddenly became part of a highly political and security-focused agenda. Humanitarian assistance is now increasingly delivered by military Provincial Reconstruction Teams (PRTs) and access to crucial areas is severely hampered. Given the strong state-building agenda that the EU and the U.S. have been pursuing for the last eight years, Afghanistan is a crucial test case for Linking Relief, Rehabilitation, and Development (LRRD) in protracted crises. This case study thus highlights some of the challenges of linking relief and development in situations where donors are using assistance to increase the legitimacy of the central state, while still attempting to deliver humanitarian assistance in a principled manner.

The current complexity and instability of the situation in Afghanistan presents great challenges for the two largest donors, the European Commission and the U.S. Government. There are major differences, but also some similarities in the approaches the European Commission and the U.S. Government have adopted. In this paper, the author attempts to identify these similarities and differences with a view to improving dialogue between the European Commission and the U.S. on what is probably one of the most complicated and potentially dangerous contexts. This case study focuses on the following core question: How can the European Commission and the U.S., as the most important donors of humanitarian and development assistance, promote good LRRD outcomes at the field-level in Afghanistan?”

In Afghanistan, the political and assistance processes that have been in place since the fall of the Taliban have brought together all the actors engaged in the various facets of LRRD. These have raised a number of issues which will be explored in this study:

- The role of Provincial Reconstruction Teams in ensuring LRRD.
- The role of the state, its relations with civil society and how to strengthen its capacity to ensure the rule of law and deliver public services.
- The challenge for implementing agencies to move from direct delivery to a support position which, in an ideal LRRD process, should contribute to the recognition of the state's institutions.

- The role of private sector development for LRRD promotion.
- The importance of capacity development in LRRD.
- The importance to take urbanization processes into account.
- The need for multi-stakeholder partnerships in LRRD.

The case study underlines the difficulties involved in working with national authorities when the country is still in conflict and the importance of ensuring that humanitarian principles, especially independence and impartiality, are upheld. The clear political and security agenda U.S. funding agencies have had for Afghanistan has strongly influenced their approach to providing assistance. The European Commission's agenda has not been as political from the start. It has had a more classical post-crisis approach with an expected transition between DG ECHO and the developmental budget lines. However, the robustness of this approach has been put to test by changing conditions, the deteriorating security situation and multiplication of natural and economic disasters in Afghanistan.

Managing humanitarian assistance and the transition to development during crises or in post-conflict situations when insecurity is still high is a real challenge. The militarized option (PRT system) first chosen by the U.S., then reproduced by NATO, and supported financially by the European Commission can be seen as a solution, but is regarded as a strategic mistake by many humanitarian actors. For them, it has contributed significantly to the shrinking of humanitarian space for civilian actors.

A series of primary and secondary sources were used to prepare this case study. Most primary data was collected during more than 20 missions carried out by Groupe URD in Afghanistan since 2000, where contacts with European Commission officials and European Commission and U.S. funded agencies were frequent. Meetings took place with both European Commission and U.S. staff. For the European Commission, DG ECHO and European Commission Kabul delegation staff were met regularly over the last eight years, including the Head of Delegation. Contact with U.S. staff took place principally at headquarters level, and included key USAID/OFDA staff. In addition to these direct contacts, a wide range of secondary sources were explored (see bibliography).

## **Overview of European Commission and U.S. Government Assistance in Afghanistan**

The two "heavyweights" of international cooperation, the European Commission and the U.S. Agency for International Development (USAID), have been engaged in Afghanistan for many years. USAID was present on a large scale even before the Soviet intervention of 1979. The events of 9/11 and the ensuing war in Afghanistan led to a strongly increased involvement of the international community, particularly by having the military engage in tasks that were previously civilian-operated.

The central state is accorded a comparatively large role in steering the overall transition process in Afghanistan despite its obvious weakness outside Kabul. As a consequence, the

Afghanistan Compact and the interim Afghanistan National Development Strategy, launched by the Afghanistan Government at the London Conference in February 2006 and amended at the Paris Conference in June 2008, are to provide the framework for all international assistance actors.

This framework contributes to a separation of responsibilities for different sectors and geographical areas among donors. Thanks to this, the European Commission has been most active in the rural, health and governance sectors and USAID in the counter-narcotic field, in infrastructure, agriculture and a little in the health sector.

### *European Commission*

During the Taliban period, assistance from the European Commission was provided via two instruments with a strong humanitarian focus. The first of these was DG ECHO, which financed many different programs throughout the country. Some programs were implemented in the Taliban controlled area: de-mining with Halo Trust, an Afghan de-mining NGO, as well as health and nutrition projects with Action Contre la Faim, the International Committee of the Red Cross and the World Food Programme. Others targeted areas on the other side of the front line, such as food assistance and food security programs in Hazarajat, and food assistance and shelter in the northern areas of Panjshir and Badakshan. The second instrument was DG RELEX's "Uprooted people" budget line. With an office in Peshawar and direct land access to Afghanistan through the Khyber Pass, this instrument was very involved in the first "LRRD-like" approaches in Afghanistan, supporting the reinstallation of Afghan refugees in Eastern and Central provinces (Nangahar, Kunar, Kabul, Wardak, Loggar).

The main planning tool for the Commission's development instruments is the National Indicative Plan (NIP). The NIP priority sectors complement the three pillars of the Government's interim development strategy, namely security, governance and the rule of law, and economic and social development. Under the *Security Pillar*, the NIP plans to continue European Commission support to the Afghan National Police. Moreover, the regional program for dealing with illegal trafficking and the mine action program aim to contribute to an improvement in overall security.

For the *Governance and Rule of Law Pillar*, the NIP proposes a number of key interventions in the justice sector, as well as in helping to establish properly functioning local government structures. Key components of the largest pillar, the *Economic and Social Pillar*, are reinforced by programs in rural development, health and social protection contained in the NIP.

The guiding principle underpinning the NIP is that of increased focus of European Commission assistance on the sub-national level in selected northern and eastern provinces. The need to earmark funds and target areas and projects is seen as being paramount to ensure impact. There is also an increasing political imperative given that one of the greatest challenges in the next phase after the Bonn Process will be to ensure development, stability and rule of law in the provinces. However, the European Commission will also intervene at the national level for some aspects of its programs—assistance to key ministries such as the Ministry of Health, as well as work in the areas of counter-narcotics and justice. The NIP foresees that the implemen-

tation of programs will be organized in a way that empowers the new democratic Government by using its structures for the implementation of programs as far as possible.

The decentralization process in the European Commission since 2001 means that European Commission staff in Kabul now has more means and greater decision-making powers. Most available budget lines have been mobilized to provide relief and support development in Afghanistan, including funds from ECHO, the uprooted people budget line of DG RELEX, DG AIDCO's food security budget line, human rights financial instruments, the Stability Instrument and others. Apart from ECHO, where decisions are still Brussels-based, all these budget lines are now managed from Kabul.

In 2004, the European Commission began to fund programs with a clear "LRRD" label. The first of these was more of a research project, "LRRD in Afghanistan," but more recently, operational LRRD programs have been funded in areas known for their high level of vulnerability. The project "linking relief to rehabilitation and development through food security interventions in areas affected by natural disasters and prolonged insecurity" of 2008 is a good and recent example of this trend.

Humanitarian assistance nevertheless remains high on the European Commission's agenda. In 2007, the European Commission funded an €21 million humanitarian assistance package to provide further aid to those affected by the Afghan conflict. The assistance facilitated the return and reintegration of Afghan refugees and internally displaced people. The Commission's funds covered multi-sectoral support for the most vulnerable people including a response to the urgent need for improved water, sanitation and hygiene conditions. Moreover, €6 million in food assistance were allocated for battle-affected internally displaced people and to mitigate the consequences of the 2006 drought. A further €31 million has been allocated by the Commission for 2008. Food, shelter, livelihood, water/sanitation, and protection are the main concerns for Afghans. In addition, humanitarian assistance efforts often encounter logistical and security obstacles and humanitarian assistance partners often find it impossible to reach vulnerable communities living in remote regions or unsecured areas.

### *United States*

During the Taliban reign, U.S.-financed programs were—like the European Commission's—of a "pure" humanitarian nature, implemented partly by "faith-based NGOs" (World Vision, ADRA, etc.), partly by secular NGOs (such as CARE). Everything changed after 9/11 and the launch of the "Enduring Freedom" operation. U.S. assistance became very involved in road and infrastructure repair, one of the key sectors of reconstruction which represented 24 percent of fund allocations from 2001 to 2006. In addition, USAID engaged in a series of alternative development programs with a counter-narcotic objective (14 percent of U.S. assistance since 2001).<sup>1</sup>

Over the years, OFDA/USAID has been a critical donor in humanitarian and early rehabilitation efforts, working with UN agencies, the Red Cross, and NGOs. The U.S. strategy has been less linked to the Afghanistan National Development Strategy and more linked to USAID's and the State Department's priorities in terms of security and the "War on Terror."

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<sup>1</sup> See below.

**Table 1. Overview of ECHO's Assistance in Afghanistan (2006–2008)**

Year	Budget Line	Budget (€)	Activities	Implementing Partners
2006	Global plan	20,000,000	WASH, shelter, protection, security (information), humanitarian flights	UNHCR, ICRC, IRC, Acted, Solidarités, CHA, ACF, Dacaar, Okenden International, PIN, Care, Madera, GAA, AKDN, DRC, Tearfund, Oxfam
	Emergency (drought)	2,500,000	Food distribution, seeds & tools distribution, CFW	Oxfam, ACF, AKDN
2007	Global plan	21,000,000	WASH, shelter, protection, security (information), humanitarian flights	UNHCR, UNDP, ICRC, Dacaar, Mission East, Solidarités, PIN, Caritas, Medair, Care, ACF, IRC, NRC, GAA, Tearfund
	Food assistance	6,000,000	FFW / CFW, food distribution, seed & fertiliser distribution	WFP, FAO, Care, Madera, ACF, Medair, Solidarités, Oxfam, Tearfund, Mission East
	DIPECHO (India)	400,000		ActionAid, Focus
2008	Global Plan	25,000,000	WASH, shelter, protection, security (information), humanitarian flights, humanitarian coordination	UNHCR (Afghanistan, Pakistan, Iran), UNDP, ICRC, Caritas, Actionaid, Solidarités, Mission East, IRC, Care, BBC, Dacaar, AKDN, PIN, NRC, IMC, GAA, Medair, ACF, Oxfam UK, Oxfam Novib, Relief International, Zoa
	Food Aid	9,800,000 (6,000,000 +1,800,000 +2,000,000)	CFW / FFW, animal feed distribution	ICRC, Solidarités, Dacaar, ACF, PIN, ActionAid, ACTED, ZOA, Madera, Tearfund, FAO.

To rebuild the country and combat terrorism, USAID has worked to create economic growth, effective and representative governance, and the human capital base needed to eliminate the conditions that breed extremism.

However, a critical juncture for the link between relief and development is the return of refugees and internally displaced people to their villages or at least their home countries. Since October 1, 2001, the U.S. Department of State's Bureau of Population, Refugees, and Migration has programmed more than \$500 million for humanitarian assistance to Afghan refugees, conflict victims, and internally displaced persons, including over \$50 million in fiscal year 2008. These displaced person programs are implemented through UNHCR and NGOs. Critical to the process are efforts to ensure that repatriation to Afghanistan remains voluntary, safe, and at a pace linked to the reconstruction of the country. In view of the ongoing political situations in both Pakistan and Iran, this process is far from easy and there is a risk of forced repatriation on both sides.

## The Political Context of LRRD in Afghanistan

State-building is the core rationale of European Commission and U.S. Government activities in Afghanistan. The highly politicized situation and the strategic priorities of both the European Commission and the U.S. Government have led to a particularly challenging LRRD

**Box 1. Overview of USAID's involvement in Afghanistan<sup>1</sup>**

*Economic Growth:* As of spring 2008, USAID completed rehabilitation of more than 2,700 kilometers of both paved and unpaved roads, resulting in increased mobility, trade, and security. USAID is supporting the North-East Power System, a multi-donor initiative that will provide expanded access to reliable, low-cost electricity. USAID is also improving thermal electrical generation facilities for major cities, including Kabul, and rehabilitating the Kajaki Dam, the principal source of electricity in southern Afghanistan. Rebuilding Afghanistan's legal rural economy is an important contributor to economic growth. USAID's work on Afghanistan's irrigation systems has improved irrigation for nearly 10 percent of arable land and improved the health of millions of livestock. USAID is helping Afghanistan develop a market-driven agricultural sector by improving linkages between suppliers, producers, and markets and providing farmers with improved farm technologies and increased access to financial services. USAID economic growth programs assist Afghanistan's businesses with credit, training, and other support services. Land titling and property rights are being strengthened, while moribund state-owned enterprises are being privatized. USAID also works with the government of the Islamic Republic of Afghanistan to increase revenue collection, improve the legal and regulatory framework to increase private sector investment, and build the government's capacity to manage the economy.

*Governing Justly and Democratically:* Going forward, USAID support will focus on building the capacity of democratic institutions to strengthen governance and civil society and improve the management of human resources, financial resources, and service delivery of priority national ministries and municipalities. In Afghanistan, provincial reconstruction teams (PRTs) assist the delivery of U.S. and international assistance at the provincial level. PRTs are small, joint civilian-military teams designed to improve security, extend the reach of the Afghan government, and facilitate reconstruction in priority provinces.

*Investing In People:* Health and Education: USAID constructed or refurbished over 680 schools and distributed more than 60 million textbooks. To provide Afghans with access to basic health services, USAID has constructed or refurbished over 670 clinics throughout the country and established over 360 health facilities providing basic health services, including the provision of all medicines and expendable supplies. USAID has also trained over 1,000 midwives to work in hospitals and clinics throughout the country, making deliveries safer for women and helping reduce infant mortality.

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<sup>1</sup> from <http://afghanistan.usaid.gov/en/Page.CountryOverview.aspx>, 24 April 2009



environment. As much of their assistance is channeled through military Provincial Reconstruction Teams, LRRD is no longer only a civilian but also a civil-military affair. Given the high priority of empowering the weak central state, a further peculiarity lies in the need to support that state in delivering a minimal level of welfare to its population, even in areas that are highly critical of the Government. Principled humanitarian assistance would have a comparative advantage there, as it would be perceived as less aligned to the larger political agenda. European Commission and U.S. Government approaches to these issues are decisive because of their large funding amounts and their political importance. These donors' strategies highly influence how the balance is struck between state-building, principled humanitarian assistance and LRRD implementation.

### ***PRTs: New Trends in Civil-Military Operations***

In November 2002, the Joint Regional Team initiative, later renamed Provincial Reconstruction Teams (PRTs), was announced by the U.S. Embassy in Kabul. Six years on, the PRT mechanism has been extended by NATO to nearly all the provinces where it is present and is being implemented by contingents from Alliance members. As the security situation continues to deteriorate, it remains the object of heated discussion.

The mandate of the PRTs has constantly evolved, and there is a feeling of approximation and uncertainty about the real objectives of this initiative. Following the voicing of serious concerns by humanitarian agencies, several components of the PRT mandate have been withdrawn from the initial terms of reference such as the PRTs having a coordination role for the provision of humanitarian and development assistance. Similarly, declarations that the PRTs are involved in the fight against Al Qaeda are no longer repeated. But regular discrepancies between the declarations of the U.S. Embassy and the U.S. Armed Forces remain and humanitarian actors are still not sure whether this confusion is the result of problems which have yet to be ironed out or whether it is a "smoke screen" strategy. The geographical areas initially chosen (Bamyan, Gardez, Kandahar, and Kunduz) clearly point to a political choice to support and strengthen central state power in difficult areas. Today, coverage is "country wide," with PRTs operating in nearly all provinces.

The following three key points are at the core of the political, legal and operational debate:

- *Political and strategic issues:* NATO has been involved in Afghanistan since 2004 and has regularly repeated its commitment to reconstructing the country. It has put PRTs at the centre of its assistance strategy. Initially a U.S. concept, the European Commission first became involved with PRTs through funding. Later, troops from EU member states began to create their own PRTs. Indeed, as EU public opinion was very concerned about the deployment of troops to Afghanistan, the rehabilitation/development alibi via PRTs was often used as justification. While USAID made it clear very early that it would be funding and if necessary providing staff to PRTs, it was only in 2006 that the European Commission delegation in Kabul allocated resources to a PRT operation.

- *Legal and security issues:* In theory, the U.S. Army has by and large accepted that Special Forces and PRTs should be clearly differentiated. It remains unclear, however, how this actually works in practice, as the two often live in the same compounds and wear the same uniform. More importantly, it is unclear whether this difference is perceived and understood by the population. In cases where the Coalition Forces strike with bombs one day and then PRT staff come to construct schools and clinics the following day, it is questionable that Afghan villagers are informed enough to understand the difference. Given that the population already has difficulties understanding the difference between all the white land-cruisers with flags and antennas, one can easily forecast an additional level of confusion between military forces in action, civil-military operators and genuine civil society actors. This confusion can unfortunately result in security incidents involving NGOs, particularly those which are clearly of U.S. origin or which are seen as receiving a lot of U.S. funds (project advertisement boards on the roadsides can become potential targets).
- *Operational issues:* One of the stated objectives of PRTs during the early phase of their development was the collection of humanitarian and reconstruction data to feed the Geographic Information System (GIS) of UN/Afghan Interim Authority coordination mechanisms. This activity encounters two main problems. Firstly, the limits between the collection of humanitarian or development information and intelligence work were unclear. Secondly, the current transition situation in Afghanistan calls for more participatory information collection which empowers communities rather than “hasty village assessments” that can be done by PRTs.

Many negative aspects of joint civil-military interventions have been noted by observers and evaluators: the clientelism they create, the lack of involvement of the population who often are not too keen to be seen with the PRTs, the inability of troops, which are constantly changing, to learn from experience, the very high cost of PRT civil-military projects, etc. And yet, the PRT approach has become the rule rather than the exception. As the situation has deteriorated, humanitarian workers have become increasingly concerned about the blurring of lines between military intervention and humanitarian action caused by the presence of soldiers in humanitarian and reconstruction interventions.

The space for civilian assistance actors in Afghanistan has been undermined by this new political and military strategy. NGOs have to work alongside armed forces and the boundaries between them and their roles are less and less obvious for the population and the armed opposition forces. It remains a challenge for the different stakeholders not to lose sight of their initial objective and mandate. In the past, the idea of PRTs working in relief operations was criticized by NGOs and some donors questioned the appropriateness of this approach. Today, as the security is so difficult in many parts of the country, PRTs are increasingly viewed by most donors, including the European Commission, as legitimate actors in reconstruction efforts and they consequently receive more support. The replacement of the UN-led ISAF by NATO has contributed to eliminating some of the differences of perception at donor level. As a result, the more critical stance of NGOs appears somewhat isolated in this debate.



### *Working with the Afghan State*

In a “post war” country where international assistance represents a large proportion of GDP, the credibility of the state largely depends on its capacity to improve the quality of life of its population. This involves the state demonstrating its support for the rule of law and applying the principles of good governance. Yet, despite several years of significant support from the main donors, including the European Commission and the U.S. Government, the Afghan State is still adversely affected by narco-terrorism, limited national engagement of regions controlled by local governors, permanent insecurity, intercommunity rivalry, and a fragile institutional framework. Insurgents have intensified their fighting in the south and their bomb attacks throughout the country.

The implications of state-building activities can be defined as follows: “Statebuilding activities clearly mean supporting one regime over another. In accepting donor funds, they are perceived to be aligning themselves with the governments that brought the changes.”<sup>2</sup> From that angle, the relations between humanitarian and development assistance and state-building are highly political, as aid is linked to the imposition of a political model. This is more the U.S. approach, where the line of the State Department supersedes that of the assistance agenda, whereas the European Commission seems to lack a strong political vision.

Since 2001 state-building has involved funding in terms of budgetary assistance to the Afghan Government, as well as the dispatch of high ranking expatriates of Afghan origin to serve as top advisors, or ministers. This direct secondment of human resources was part of a key strategy: To involve a large number of Afghans in the state-building process. In 2003–04, for instance, the European Commission allocated €90 million for capacity building within the Afghanistan Transitional Authority, as well as continuing to contribute funds to the Government. European Commission assistance has helped to build capacity within key Government ministries and helped drive public administration reform, including strengthening the revenue position. The European Commission also made a strong commitment to budgetary assistance through continued support for trust funds—notably the World Bank Afghanistan Reconstruction Trust Fund—established to help finance the annual budget, i.e. the salaries of key public employees such as teachers and health workers.

Using assistance to win political support for the Afghan Government has been central to U.S. policy. This has been less the case for the European Commission. Certain regions, particularly those with high levels of insecurity and/or poppy production in the southern and eastern provinces of Afghanistan, have received more funding than other regions. A side effect of such an approach is that it sends out the message that violence or poppy production will automatically lead to an increased commitment in funding, triggering negative trends. Farmers repeatedly said during surveys that if the way to attract agricultural development programs is to cultivate poppies, they will do so. Another problem with concentrating funds in areas with high insecurity is that most of the assistance committed cannot be put to use in an effective manner due to security constraints, or is delivered by military forces, with all the complications that this brings. For example, nearly \$200 million have been injected into Helmand province in

<sup>2</sup> Sarah Lister, “The Future of International NGOs: New Challenges in a Changing World Order,” NGO Futures Program, 2004, p. 8.

2006 alone and yet security incidents and poppy production soared. Meanwhile, other areas, which are still not completely secure, may become increasingly insecure if they are not included in major investment initiatives. Some of these areas, bordering the highly instable southern provinces, need to be supported in terms of development in order to prevent the spread of frustration which leads to insecurity and prevents peace building. There are no ‘quick fix solutions’ in Afghanistan, particularly where opium and military operations are involved.

While most of the national and international community recognizes the importance of achieving a firm and committed development presence in southern Afghanistan, it seems that the right environment for long-term development does not yet exist. “The trend of withdrawing from ‘more’ stable areas where development achievements are just beginning to bear fruit to focus on such instable target zones is at best a short term strategy that will only bring frustration and undermine confidence in both the Government of Afghanistan and the International Community. It may also more widely impact upon the enabling environment for both assistance and private sector development. Instead, areas where rural development successes are being made should be linked strategically to more challenging provinces.”<sup>3</sup>

### **Key Challenges for Linking Relief, Rehabilitation, and Development in Afghanistan**

Within this political context, implementing partners of both the European Commission and the U.S. Government face considerable challenges trying to adhere to these donors’ LRRD policies and funding decisions. The donors’ aim to revive the economy with an explicit privatization approach that decreases their share of funding, the expectation towards them to engage more in capacity building and to find a modus operandi with the military constitute considerable constraints which they have to find a way to deal with.

#### ***LRRD, NGOs, and the UN: From Service Delivery to the “Afghanization” of Assistance***

The European Commission Directorate-General for humanitarian aid, ECHO, provides special budget allocations to NGOs for humanitarian assistance and funds special programs especially in areas where food insecurity is prevalent. The European Commission also funds the provision of specific services such as social water management through NGOs or private consultancy firms.

The European Commission and USAID have decided to move on from traditional food security programs to invest their efforts and resources in the development of private agrobusiness. However, relief interventions are still needed in many parts of the country, though there is a risk that such projects hinder the development process. At one stage, there were even rumors that ECHO might close its office in Kabul. As the situation has continued to deteriorate, not only has the ECHO budget for Afghanistan not been reduced, but AIDCO has recently decided to engage in LRRD projects in disaster prone and conflict affected areas, where food insecurity exists.

<sup>3</sup> ACBAR Briefing paper, “Aid effectiveness in Afghanistan: at the cross road.” Kabul: November 2006.

USAID is also supporting large NGO programs, especially in the field of education, but these NGO allocations have shrunk dramatically as assistance has been more and more geared towards the private sector and large private contractors for rehabilitation and infrastructure work. NGOs do not usually have the expertise to manage such large infrastructure projects.

From 1980 to 2001, only a dozen international NGOs and around 50 national NGOs had a real presence inside Afghanistan. In 2002, the number rapidly reached more than 2,000. The number of UN staff quickly grew from a very small number to thousands (not including military personnel present under ISAF). As a UK diplomat said, “Now everyone and his dog is present in Afghanistan.” 2002 marked a transition point for both the Afghan Government and key donors, especially USAID and the European Commission, which both made extensive use of NGOs and the UN in the delivery of assistance to Afghanistan until the fall of the Taliban regime. As one observer said, “The days are clearly over where NGOs were hailed as the “magic bullet.”<sup>4</sup> NGO influence has therefore decreased considerably over the past few years, while the UN has been largely marginalized. The Afghan Government made it clear that the prerogatives of NGOs and UN agencies should be limited, by asking the donors to allocate funds directly to the Government rather than to NGOs or UN agencies. Many donors complied and now give budgetary assistance directly to the Karzai Government.

NGOs realize that Afghanistan is going through a transition period, and that there is a need to shift responsibility at all levels. NGOs have to take up many challenges if they do not want to see their activities contested, or even put in jeopardy. They are no longer responsible for carrying out actions, but rather for capacity building and supporting others to carry out the work.

The often-cited “Afghanization” of assistance delivery is in progress. But the task is immense, and both the local capacity to implement projects and absorption capacity are limited. NGOs have started to invest more systematically in capacity development for their national staff and their national partners, as well as putting more resources into monitoring and evaluation capacities. This has enabled a better quality approach to identifying needs and thereby has improved communication with both the Afghan Government and the local population. This multi-stakeholder approach with a large capacity development element is what LRRD calls for.

In the eyes of many Afghans, the shift in focus has not yet yielded impressive results. This was mirrored by the controversial statements issued by the Planning Minister, Ramazan Bashardost, and reflected in press statements that portrayed a growing anti-NGO feeling. However, when Bashardost said that the MSF staff who were killed in summer 2004 probably deserved to be killed, NGOs and donors, led by the European Commission and USAID, called on President Karzai to stop this damaging campaign and Bashardost was removed from his position in Government.

These incidents point at the need for the assistance system in Afghanistan to evolve. There are currently two dominant viewpoints on the state of this system: For the optimists, the coun-

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<sup>4</sup> Lister, *op. cit.*

try is still in the process of transitioning from a relief to a development setting. For more pessimistic observers, the situation is deteriorating rapidly and the issue now is how to link development and relief (LDRR, instead of LRRD). NGOs are extremely worried by the partial loss of their capacity to work in difficult areas because of shrinking humanitarian space. The protection of a humanitarian space, which is central to NGO culture, was better respected during war-time and is now under threat from both the evolution of the context and the changing strategy of donors, especially the U.S. and the European Commission. In a post-war context, the focus of donors on state-building pushes NGOs to demonstrate their commitment to working with the Afghan state (in particular through sub-contracting), which they sometimes see as their opponent. NGOs are not necessarily committed to this political agenda and this situation puts the future of international NGOs in Afghanistan into question.

International NGOs face many challenges and have to adjust if they want to remain key actors in Afghan development. On the one hand, they have to invest in local capacity, with increased support from the donors. This makes it important for NGOs to invest in human resources and to work with national partners they can trust. The solution is to focus on efficient capacity building that involves training local staff in specific fields and also ensuring that national NGO staff feel part of the international NGOs' long-term project and identify with its mandate. An assistance workers interviewed for this case study said that implementing a human resources development program has long been an objective in order to improve the "Afghan ownership" of their programs. Unfortunately, due to lack of funding and resources, the NGO had to postpone this project. On the other hand, NGOs have to work on communicating their added value because many of them have been in Afghanistan for many years, have acquired invaluable know-how and have gained the population's trust. Working without them would probably be detrimental to the Afghan people.

Many NGOs acknowledged that their capacity building systems showed a lot of weaknesses and deficiencies in transition situations. This situation is largely explained by the fact that many well-established NGOs have a humanitarian, rather than a development mandate.

The fact that NGOs have been confined to the role of implementing partners obliged to respond to tenders in competition with other agencies restricts their independence and creativity. This applies to the operational procedures of both the European Commission and USAID. The procedures to access funding often remain too complex for Afghan NGOs and international NGOs still often have to play the role of external umbrella. The eligibility criteria for the submission of a proposal to the European Commission Delegation's development instruments play an important part in this respect.<sup>5</sup>

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<sup>5</sup> "In order to be eligible for a grant, applicants must: be legal persons **and** be non profit making **and** be one of the following type of organizations: non-governmental organization, public sector operator, international (inter-governmental) organizations as defined by Article 43 of the Implementing Rules to the European Commission Financial Regulation **and** be nationals of a Member State of the European Union and Afghanistan and other eligible country as per the relevant provisions of the Regulation (European Commission) N°1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development and cooperation (DCI) **and** be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary **and** have a proven experience in either implementing European Commission funded Food Aid/Security Projects, ECHO projects or similar interventions in Afghanistan, e.g. Food Aid Components in Rural Development / Food Security Projects." Source: [http://ec.europa.eu/europeaid/documents/awp/2009/ec\\_awp\\_af\\_2009\\_41123420\\_en.pdf](http://ec.europa.eu/europeaid/documents/awp/2009/ec_awp_af_2009_41123420_en.pdf), 22 April 2009

It is interesting to see that recently, with the difficulties that have been encountered in implementing assistance programs, more weight has been given to in-country experience. After 2005, donors started to apply the criterion that implementing partners needed to have proven experience in Afghanistan more stringently. This is a step towards strengthening LRRD, as it may improve needs and situation analyses and the sustainability of assistance thanks to national staff that is more likely to remain in the country longer.

### ***LRRD and Private Sector Development***

Not only the “Afghanization” of assistance is at the heart of LRRD in Afghanistan, but also its “privatization.” Both the U.S. Government and the European Commission emphasize this. The U.S. is in general very open to business engagement in humanitarian and development assistance,<sup>6</sup> while the European Commission is more hesitant. Given the importance of the opium trade in Afghanistan, however, even the European Commission has started to invest heavily in private sector development to provide incentives for alternative income generation. Since donor agendas thus overlap (rebuilding the state, addressing vulnerability, democracy and peace building, developing the private sector), particular efforts are needed to ensure that mandates are respected and a clear strategy is defined. What currently exists is competition for turf, rather than a search for complementarity. This does not contribute to implementing effective programs linking relief, rehabilitation and development.

With historical roots in the trade of the Silk Road, there has always been an active private sector in Afghanistan. Trade was partly interrupted during the Soviet war and during the “Mujahidin period” (1992–96) it became extremely difficult around Kabul, but bloomed in the northern and western peripheries. Revived though restricted under the Taliban, the private sector exploded after November 2001. Private companies started to play a very big role in the reconstruction phase, with the state-building process proving a reliable source of income for them. This was encouraged by the Afghan Government which was keen that the private sector should be the driving force behind the country’s development. Both European Commission and U.S. assistance policies have been very much in favor of the private sector and the free trade policy that is currently being applied in Afghanistan.

However, half of the Afghan economy is informal and 80 to 90 percent of legal businesses are informal small and medium-sized businesses.<sup>7</sup> The Ministry of Commerce and Industry has the very challenging role of undertaking economic reforms, developing clearer business regulations, easier licensing, better access to credit and overall improved economic governance in order to attract foreign investments.

Many European and American NGOs were very active in the development of the Afghan private sector as they felt that after years of Soviet control, war and disorder, there was a need to develop the capacity of the burgeoning private sector and to provide it with support in technical management and in strategic analysis. From 2002 to 2004, NGOs invested massively in the development of a national private seed production network with the financial support of

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<sup>6</sup> See Chapter 13.

<sup>7</sup> Conference on Private sector development in Afghanistan, CSANDS, November 20, 2006.

**Box 2. Challenges Facing Traditional NGOs**

- Their role is questioned by the population in Afghanistan who do not see their situation improving and who criticize the NGOs for being linked to the Government.
- The Afghan Government looks unfavorably upon the high level of independence NGOs (used to) have and has contributed to reducing humanitarian space.
- Insurgents have found that targeting NGOs is a way of putting pressure on the international community.
- Donors force NGOs to participate in an unproductive competitive system in the “proposal” phase and drive them to achieve objectives in a very limited time, even though they have to cope with security and physical constraints whilst making sure that their project respects the population.
- The international community’s post-Bonn Afghan reconstruction plan, which was confirmed by the London Conference strategy, reinforced the marginalization of NGOs.
- Their own countries’ civil societies see the Afghan situation getting bogged down in complex conflicts and hold NGOs partly responsible. NGOs have become a controversial issue in their own countries, with fear that they may have too much power and are not fully accountable.

EuronAid. Capacity development and transfer were seen as being equally important to financial resource mobilization. Another success story involving a combination of know-how transfer and financial support is to be found in the micro-credit and banking sector. One NGO which has been in Afghanistan for 15 years created a micro finance branch in partnership with private companies. This branch is now bigger than the NGO.

The development of the Afghan private sector is of great importance, but care should be taken to ensure that remote and less competitive areas are not overlooked. While the European Commission and the U.S. are very keen to foster this “privatization agenda” and to use the “trade not aid” slogan, NGOs from both sides of the Atlantic display a much more cautious position.

The private sector in Afghanistan is affected by the growth of the opium trade. Every sector in Afghanistan is potentially affected by drug-related corruption activities. As part of their anti-corruption stance, European donors (the European Commission and some member state bodies such as DFID) support capacity building activities in the Afghan Government’s anti-corruption branch, either directly or through the United Nations Office on Drugs and Crime.



### *LRRD and Capacity Development*

Supporting capacity development can be seen as an effective way to link relief, rehabilitation and development. In the context of Afghanistan this is particularly evident. Under the all-encompassing aim of supporting the Kabul Government, there is no alternative to growing Afghan ownership of assistance. For this, training is necessary. Everything else would counteract the credibility of the central state. That humanitarian donors and NGOs are struggling with this clearly political framework does not come as a surprise. The tensions between political engagement and neutral, independent and impartial humanitarian assistance cannot become more obvious.

From a capacity development point of view, there are always two timeframes. In the short-term, on-the-job training and a rapid increase in professional expertise are essential in order to link service delivery to systems building approaches as LRRD calls for. Without management professionals, it is difficult to move forward in terms of reconstruction and development. An appropriate combination of these two approaches is at the root of some interesting success stories. The three most important ones are linked to the European Commission and USAID's approaches to the Ministry of Public Health, the Ministry of Education and the Ministry of Rural Rehabilitation and Development.

In the longer-term, investing in educational institutions at all levels is also essential to move from relief to development. Unfortunately, this perspective has not attracted significant support from either the European Commission or USAID. It seems that Afghan universities have been forgotten even though all agencies involved in assistance indicate that the development of human resources should be an urgent priority if Afghanistan is to successfully leave three decades of conflict behind. Only a handful of training institutions, mainly American universities, have engaged in this challenging sector.

Swift changes to stakeholders' roles and responsibilities do not always leave enough time for the necessary restructuring and efficient implementation. New roles are not always fully prepared in advance. For instance, in the construction sector the handover from NGOs to private companies (2005 law) took place too abruptly, and failed to take into consideration whether the Afghan private sector had the necessary capacity in areas such as responding to tenders, preparing work plans, ensuring quality control, etc. Playing a new role implies developing new skills. Even though many seminars, training sessions, and coordination mechanisms were provided, the efficiency of these initiatives is often questionable. Donors and ministries have to design and implement proper capacity development strategies and activities in parallel to increasing the responsibilities of new stakeholders.

Owing to the long-term impact of capacity development efforts, there is a great need for regulation and monitoring to improve the overall effectiveness and efficiency of capacity development activities. In Afghanistan, the necessary rules and mechanisms for monitoring have not always been set up at the right time. When they are, they are often overlooked due to time pressure and a lack of relevant resources.

### *LRRD and Urbanization*

Donors attempting to make their humanitarian and development assistance more complementary have to take special care in accounting for the urbanization processes triggered by mass displacement in conflict. One of the characteristics of transition periods is thus the reorganization of the territory, and changes in urban and rural contexts and in the relations between the urban and rural communities.

Rural to urban migration in Afghanistan was frozen for more than 20 years. Today, the urbanization process is fast and substantial. Cities are growing exponentially due to the return of refugees and internally displaced persons, the difficult economic and security situation in the countryside and the rural exodus that is taking place around the world. OFDA is one of the few donors investing massively in urban contexts and land titling processes. The USAID Afghanistan Land Titling and Economic Restructuring Activity project provides the framework for the project's land tenure regularization work in these areas. The project's activities are expected to improve tenure security for 50,000 people in Mazar and 35,000 people in Kunduz. The European Commission is still to be convinced that urban Afghanistan is probably more of a "time bomb" than rural Afghanistan.

### *The Need for Multi-Stakeholder Partnerships*

An effective transition from humanitarian assistance to reconstruction and development encompasses the need to preserve an emergency humanitarian response capacity. This generates the need for partnerships between different stakeholders. As shown above, the Afghan Government, donors, UN agencies, NGOs, the private sector and communities are all key stakeholders in the transition between relief and development. Each party has a role and responsibilities, as well as a mandate and principles that must be respected. In search of legitimacy and out of fear of seeing most resources being channeled through institutions outside of its control, the Afghan Government has regularly taken a strong anti-NGO stance.

However, there are examples of the kind of effective multi-stakeholder partnerships that enable better LRRD as different actors with different capacities join forces. For example, some relatively successful health programs have been funded by the European Commission through bilateral assistance and by USAID through a private consultant. These have resulted in the rebuilding of the decentralized public health system. For these programs, the donors made resources available to the Ministry of Health and then there was an open call for proposals. The Afghan state remained in the driver's seat for awarding contracts, setting norms and monitoring programs. Some additional capacity building initiatives have been launched to establish links between the work carried out by NGOs and private companies. These have received the blessing of the donor community, including the European Commission and USAID. The Civil Society Afghan National Development Strategy Initiative, for example, aims to provide a platform for informing Afghan civil society organizations and international NGOs on the Afghan National Development Strategy process and for providing constructive feedback to it.<sup>8</sup> With all these actors involved in linking relief to development, the process is more likely to have

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<sup>8</sup> Ibid.

long-term impact on the Afghan people profiting from it. Unless the strictly humanitarian actors want to abstain from supporting the central state, there is considerable room for increased participation in this multi-stakeholder process for them.

## Conclusion

Linking emergency relief, rehabilitation and development is one of the most complex challenges confronting the international community in its commitment to bring about sustainable peace, as well as equitable and viable development in war torn societies and countries. Since 2001, the efforts of the international community in Afghanistan, and particularly the main donors like the European Commission and USAID, have been called into question. The situation is now by far more dangerous than at any time since the early period of the Soviet intervention. More assistance workers are being killed or kidnapped now than ever before, both in relative and absolute terms, while the level of targeted civilian killings is at an all time high. The inadequacies of the strategic, multi-pronged "state-building" approach of USAID and the European Commission are now obvious in view of the current dynamic of the conflict. Afghanistan may no longer be going through a transition from relief to development, but may rather be slowly returning to war.

Linking relief, rehabilitation and development in Afghanistan implies both an appropriate strategy based on detailed analysis of the situation and the capacity to draw lessons, improve practices and avoid duplicating the same mistakes made in other similar contexts. Experience seems to indicate that, over and above the "continuum –contiguum" debate, the true link between relief, rehabilitation and development is a methodological one. The U.S. and the European Commission are structurally not equipped to bring together expertise from both the development sector (population participation, thorough socio-cultural analysis, capacity building) and the humanitarian sector (vulnerability analysis, danger awareness, logistics capacity and expertise, rapid intervention, etc.) because they deal with disaster situations and development contexts with specific staff who work for different bodies.

Reducing vulnerability, responding to food insecurity and supporting the Afghan population as a whole with a view to strengthening livelihoods should be at the core of the LRRD agenda of U.S. and European Commission donors for the coming years. Strategies and approaches are being fine-tuned or even redesigned for the more vulnerable areas and vulnerable groups of people. The use of the DG Development food security budget line for an LRRD program, as seen in a very recent call for proposals, is an interesting indication of the changes taking place.

In order to ensure sustainable and inclusive development, stakeholders taking part in the reconstruction process must base strategy and program design on a comprehensive understanding of specific local characteristics and constraints. USAID's search for quick political gain, together with increasing insecurity, has reduced the amount of time available in the field to understand the context. European Commission programming was more opportunistic and by far less strategic. For instance, while both the USAID development section and OFDA are aware of the importance of the urban sector in the global reconstruction of Afghanistan, the subject has all but been removed from the European Commission radar screen. It is only due

to the dynamism of some NGOs, such as Solidarités and Action Contre la Faim, that urban programs have been set up and funded by ECHO.

Developing a dual capacity to work in crisis situations and support development efforts is the key for the future of Afghanistan's assistance sector. Just as nobody can seriously challenge the legitimacy of the Afghan authorities in taking the prominent role, there remains a need for a diversified assistance community, with different approaches and operating methods. This is what LRRD implies in turbulent times. The key to a successful LRRD process lies in the capacity to ensure that actors are not pitted against each other, but that their different mandates and scope of activities are clearly defined and understood and that the different levels and type of activities are well coordinated. In this respect, the two main donors, the European Commission and USAID, have a significant level of responsibility. The European Commission has tried to put into practice the collective spirit of the Brussels-based LRRD inter-service mechanisms, while the U.S. still responds to this issue by creating or involving specialized institutions in charge of LRRD, mainly the Office for Transition Initiatives.

"Who does what" matters, also. The relief and reconstruction operations implemented by PRTs have made it more difficult for the Afghan population to distinguish between military and civilian actors engaged in reconstruction activities. USAID, the European Commission and EU Member States engaged with NATO are now involved in the PRT system which has contributed not only to damaging LRRD, but also to the reduction of a badly needed civilian space for both humanitarian and reconstruction efforts.

A major lesson learning exercise is also necessary to ensure that the mistakes made in providing assistance to Afghanistan are not repeated in future contexts where complex international operations are put in place to sustain fragile peace, resolve a crisis, and heal the scars of a conflict.

In the rehabilitation phase, it is important to avoid reproducing the original infrastructure if it was itself a crisis-inducing factor. President Clinton's Build Back Better policy for Tsunami-affected areas is in part based on the idea that emergencies provide an opportunity to improve upon the original. This issue calls for vigilance in the assistance process in Afghanistan for both USAID and the European Commission in Afghanistan. Several pre-war projects in irrigation (large canals or certain animal health projects) were designed either before the Soviet era or during it. As many of these old projects did not work or were not efficient, it would be a mistake to revive them, even if they are often seen as part of the "good old days."

Development efforts and long-term strategies should be more fairly balanced across the country and not skewed towards areas with high productive potential, significant poppy production or insecurity problems. Here the European Commission and USAID approaches only partly converge. The European Commission gives more resources to poor areas (Hazarajat, Badakshan) and less to the critical eastern and southern belts. It is largely due to the difficulties unarmed EU civilian operators such as NGOs and consultants face in working in these conflict-affected areas. For the U.S. and its closest ally the United Kingdom, the use of PRTs make it easier to allocate resources to areas such as Gardez, Kandahar, or Helmand.

However, the worsening situation in the south of the country calls into question the relevance of the strategies which have been chosen up to now. New approaches to running assistance operations need to be developed. Investment in capacity development should be seen as a priority to facilitate remote control and ensure quality service delivery. The militarized mechanism for reconstruction, the PRT, should be reduced to a minimum and alternative strategies should be developed.

Each actor has its own role and responsibilities, its own scope of activities and comparative advantage. Certain agencies are very flexible and can work well at the field level and ensure quality service delivery. Others are more suited to working at the central level, in policy development for instance, or in budget transfer. In the current situation in Afghanistan, a huge amount of funding has been available for reconstruction from key donors, including USAID and the State Department. With the overlapping of agendas (state rebuilding, addressing vulnerability, democracy and peace building, development), it is critical to ensure that actors are not pitted against each other and that their different mandates and scope of activities are clearly defined and understood and the different levels and types of activities are well coordinated.

A core challenge in any transition situation is the shift from humanitarian direct implementation to more developmental “support to the doers.” In Afghanistan, assistance is being focused primarily on development, rather than on disaster management capacity. In a context moving slowly back to war and often affected by natural disasters, the low priority given to disaster preparedness could have devastating effects. Key donors such as USAID and the European Commission need to prevent distrust from growing between the authorities, the population and the assistance sector. This is especially true in situations where frustrations can be easily exploited and the risk of severe repercussions on national security and politics is high.

